

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 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 30 June 2018, the related consolidated statements of income and comprehensive income for the three-month and six-month periods end 30 June 2018, and the consolidated statements of changes in shareholders' equity and cash flows for the six-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 Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 10 August 2018

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	119,791	145,865	69,286	94,320
Current investments	4	35,822	18,883	35,822	18,883
Trade and other receivables	2, 5	204,698	79,027	197,704	73,681
Short-term loan to subsidiary	2	-	-	1,800	1,800
Inventories	6	331,870	324,830	320,946	318,495
Other current assets	7	49,689	51,953	47,060	48,495
		<u>741,870</u>	<u>620,558</u>	<u>672,618</u>	<u>555,674</u>
Non-current assets held for sale	8	50,432	50,432	50,432	50,432
<b>Total current assets</b>		<u>792,302</u>	<u>670,990</u>	<u>723,050</u>	<u>606,106</u>
<b>Non-current assets</b>					
Restricted bank deposits and other investments	9	13,403	13,394	13,403	13,394
Investments in subsidiaries	10	-	-	70,295	70,295
Investment in associate	11	25,919	25,912	100	100
Property, plant and equipment	12	1,811,689	1,844,562	1,541,283	1,570,739
Leasehold rights on land	2, 13	5,953	6,095	-	-
Leasehold rights on buildings	14	45,460	50,789	45,460	50,789
Intangible assets	15	3,983	3,910	3,862	4,232
Prepaid book copyright and translation fee		14,825	15,691	14,825	15,691
Rental guarantee and deposit		92,611	98,607	92,611	98,608
Deferred tax assets		15	15	-	-
Other non-current assets		9,648	9,666	9,348	9,444
<b>Total non-current assets</b>		<u>2,023,506</u>	<u>2,068,641</u>	<u>1,791,187</u>	<u>1,833,292</u>
<b>Total assets</b>		<u>2,815,808</u>	<u>2,739,631</u>	<u>2,514,237</u>	<u>2,439,398</u>

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 2018**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	2, 16	953,353	914,575	945,947	904,655
Short-term loan from outsider		300	-	-	-
Income received in advance recognisable					
within one year	17	50,652	53,644	-	-
Current portion of long-term loans	19	60,408	279,008	60,408	269,008
Income tax payable		2,980	327	2,378	-
Current portion of provision for					
long-term employee benefits		8,743	8,598	8,743	8,598
Other current liabilities	18	65,848	44,121	53,697	35,211
<b>Total current liabilities</b>		<b>1,142,284</b>	<b>1,300,273</b>	<b>1,071,173</b>	<b>1,217,472</b>
<b>Non-current liabilities</b>					
Income received in advance, net of current portion	17	12,518	15,857	-	-
Long-term loans, net of current portion	19	235,046	56,750	178,396	-
Provision for long-term employee benefits, net of					
current portion		68,914	63,796	61,634	57,970
Deferred tax liabilities		48,837	50,818	44,223	46,062
Other non-current liabilities		11,083	8,346	10,026	8,346
<b>Total non-current liabilities</b>		<b>376,398</b>	<b>195,567</b>	<b>294,279</b>	<b>112,378</b>
<b>Total liabilities</b>		<b>1,518,682</b>	<b>1,495,840</b>	<b>1,365,452</b>	<b>1,329,850</b>

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 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>30 June 2018</b>	<b>31 December 2017</b>	<b>30 June 2018</b>	<b>31 December 2017</b>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
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	192,012	145,234	151,048	111,525
Other components of shareholders' equity	428,310	428,873	417,178	417,464
Equity attributable to owners of the Company	1,201,513	1,155,298	1,148,785	1,109,548
Non-controlling interests of the subsidiaries	95,613	88,493	-	-
<b>Total shareholders' equity</b>	<b>1,297,126</b>	<b>1,243,791</b>	<b>1,148,785</b>	<b>1,109,548</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,815,808</b>	<b>2,739,631</b>	<b>2,514,237</b>	<b>2,439,398</b>
	-	-	-	-

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

Director

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**SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries****Statement of income****For the three-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Revenues</b>					
Revenues from sales		868,680	992,426	866,662	989,987
Tuition fees income	17	55,835	51,994	-	-
Interest and dividend income		426	401	1,336	1,376
Other income		13,211	10,631	11,560	8,246
<b>Total revenues</b>		<b>938,152</b>	<b>1,055,452</b>	<b>879,558</b>	<b>999,609</b>
<b>Expenses</b>					
Cost of sales		535,939	636,158	534,387	632,737
Cost of tuition fees		34,448	31,547	-	-
Selling expenses		191,375	214,855	191,342	214,847
Administrative expenses		114,618	138,143	104,339	130,614
<b>Total expenses</b>		<b>876,380</b>	<b>1,020,703</b>	<b>830,068</b>	<b>978,198</b>
<b>Profit before share of profit from investment in associate, finance cost and income tax expenses</b>					
Share of profit from investment in associate		1,007	962	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>62,779</b>	<b>35,711</b>	<b>49,490</b>	<b>21,411</b>
Finance cost		(3,831)	(5,367)	(3,098)	(4,049)
<b>Profit before income tax expenses</b>		<b>58,948</b>	<b>30,344</b>	<b>46,392</b>	<b>17,362</b>
Income tax expenses	20	(2,823)	(3,525)	(2,750)	(3,540)
<b>Profit for the period</b>		<b>56,125</b>	<b>26,819</b>	<b>43,642</b>	<b>13,822</b>
<b>Profit attributable to</b>					
Equity holders of the Company		49,805	20,111	43,642	13,822
Non-controlling interests of the subsidiaries		6,320	6,708		
		<b>56,125</b>	<b>26,819</b>		
(Unit: Baht)					
<b>Earnings per share</b>					
21					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.13	0.05	0.11	0.04

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

(Unaudited but reviewed)

**SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 30 June 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
<b>Profit for the period</b>	56,125	26,819	43,642	13,822
<b>Other comprehensive income:</b>				
<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	(8)	28	(8)	28
Less: Income tax effect	2	(5)	2	(5)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(6)	23	(6)	23
<b>Other comprehensive income for the period</b>	(6)	23	(6)	23
<b>Total comprehensive income for the period</b>	56,119	26,842	43,636	13,845
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	49,799	20,134	43,636	13,845
Non-controlling interests of subsidiaries	6,320	6,708		
<b>Total comprehensive income for the period</b>	56,119	26,842		

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 2018**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Revenues</b>					
Revenues from sales		1,671,112	1,919,261	1,668,292	1,916,263
Tuition fees income	17	96,836	91,072	-	-
Interest and dividend income		595	665	1,433	1,490
Other income		32,394	29,650	28,168	25,283
<b>Total revenues</b>		<b>1,800,937</b>	<b>2,040,648</b>	<b>1,697,893</b>	<b>1,943,036</b>
<b>Expenses</b>					
Cost of sales		1,062,923	1,244,338	1,061,156	1,240,056
Cost of tuition fees		68,360	62,063	-	-
Selling expenses		381,513	428,703	381,430	428,690
Administrative expenses		226,013	270,029	207,918	253,314
<b>Total expenses</b>		<b>1,738,809</b>	<b>2,005,133</b>	<b>1,650,504</b>	<b>1,922,060</b>
<b>Profit before share of profit from investment in associate, finance cost and income tax expenses</b>					
Share of profit from investment in associate		1,007	962	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>63,135</b>	<b>36,477</b>	<b>47,389</b>	<b>20,976</b>
Finance cost		(7,959)	(10,519)	(6,445)	(8,033)
<b>Profit before income tax expenses</b>		<b>55,176</b>	<b>25,958</b>	<b>40,944</b>	<b>12,943</b>
Income tax expenses	20	(1,839)	(717)	(1,705)	(750)
<b>Profit for the period</b>		<b>53,337</b>	<b>25,241</b>	<b>39,239</b>	<b>12,193</b>
<b>Profit attributable to</b>					
Equity holders of the Company		46,217	18,510	39,239	12,193
Non-controlling interests of the subsidiaries		7,120	6,731		
		<b>53,337</b>	<b>25,241</b>		
(Unit: Baht)					
<b>Earnings per share</b>					
21					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.12	0.05	0.10	0.03

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



(Unaudited but reviewed)

**SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**

**Statement of comprehensive income**

**For the six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
<b>Profit for the period</b>	53,337	25,241	39,239	12,193
<b>Other comprehensive income:</b>				
<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	(3)	(34)	(3)	(34)
Less: Income tax effect	1	7	1	7
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(2)	(27)	(2)	(27)
<b>Other comprehensive income for the period</b>	(2)	(27)	(2)	(27)
<b>Total comprehensive income for the period</b>	53,335	25,214	39,237	12,166
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	46,215	18,483	39,237	12,166
Non-controlling interests of subsidiaries	7,120	6,731		
<b>Total comprehensive income for the period</b>	53,335	25,214		

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 six-month period ended 30 June 2018**

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>											
Equity attributable to the parent's shareholders											
					Other components of equity						
					Other comprehensive income						
					Surplus						
					on changes						
					in value of						
					available-for-sale						
					investments						
					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						
					Issued and						
					paid-up						
					share capital						
					Share premium						
					Appropriated						
					Retained earnings						
					Subsidiary						
					Unappropriated						
<b>Balance as at 1 January 2017</b>	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 22)	-	-	-	-	(3,919)	-	-	-	(3,919)	-	(3,919)
Transferred surplus on revaluation of assets to retained earnings	-	-	-	-	259	-	(259)	(259)	-	-	-
<b>Balance as at 30 June 2017</b>	391,944	149,421	39,194	-	189,965	28	127,218	127,246	897,770	84,487	982,257
<b>Balance as at 1 January 2018</b>	391,944	149,421	39,194	632	145,234	5	428,868	428,873	1,155,298	88,493	1,243,791
<u>Change during the period</u>											
Profit for the period	-	-	-	-	46,217	-	-	-	46,217	7,120	53,337
Other comprehensive income for the period	-	-	-	-	-	(2)	-	(2)	(2)	-	(2)
Total comprehensive income for the period	-	-	-	-	46,217	(2)	-	(2)	46,215	7,120	53,335
Transferred surplus on revaluation of assets to retained earnings	-	-	-	-	561	-	(561)	(561)	-	-	-
<b>Balance as at 30 June 2018</b>	391,944	149,421	39,194	632	192,012	3	428,307	428,310	1,201,513	95,613	1,297,126

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 (continued)**

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

**Separate financial statements**

	Issued and paid-up share capital		Share premium		Retained earnings		Other components of equity					
							Other comprehensive income			Total other components of shareholders' equity	Total shareholders' equity	
							Surplus on changes in value of available-for-sale investments	Surplus on revaluation of assets	Surplus			
									on changes in value of available-for-sale investments			Surplus on revaluation of assets
Appropriated	Unappropriated											
<b>Balance as at 1 January 2017</b>	391,944	149,421	39,194	143,938	55	123,118	123,173	847,670				
<u>Change during the period</u>												
Profit for the period	-	-	-	12,193	-	-	-	12,193				
Other comprehensive income for the period	-	-	-	-	(27)	-	(27)	(27)				
Total comprehensive income for the period	-	-	-	12,193	(27)	-	(27)	12,166				
Dividend paid (Note 22)	-	-	-	(3,919)	-	-	-	(3,919)				
Transferred surplus on revaluation of assets to retained earnings	-	-	-	132	-	(132)	(132)	-				
<b>Balance as at 30 June 2017</b>	391,944	149,421	39,194	152,344	28	122,986	123,014	855,917				
<b>Balance as at 1 January 2018</b>	391,944	149,421	39,194	111,525	5	417,459	417,464	1,109,548				
<u>Change during the period</u>												
Profit for the period	-	-	-	39,239	-	-	-	39,239				
Other comprehensive income for the period	-	-	-	-	(2)	-	(2)	(2)				
Total comprehensive income for the period	-	-	-	39,239	(2)	-	(2)	39,237				
Transferred surplus on revaluation of assets to retained earnings	-	-	-	284	-	(284)	(284)	-				
<b>Balance as at 30 June 2018</b>	391,944	149,421	39,194	151,048	3	417,175	417,178	1,148,785				
	-	-	-	-	-	-	-	-				

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 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>				
Profit before tax	55,176	25,958	40,944	12,943
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	51,249	56,897	43,235	48,183
Allowance for doubtful accounts and estimated goods return	9,063	11,671	9,158	11,477
Adjustment from reconciliation accounts receivable	(609)	(47)	(609)	(47)
Allowance for impairment of assets (reversal)	(1,721)	679	(1,721)	679
Expense from loss of inventories	3,768	5,975	3,768	5,975
Allowance for loss of inventories, dilapidated and slow moving (reversal)	(1,216)	16,042	(1,216)	16,042
Expense for donation of goods and equipment	3,953	3,590	3,953	3,590
Provision for long-term employee benefits	9,532	9,068	8,078	9,184
Share of profit from investment in associate	(1,007)	(962)	-	-
Gain on disposal of current investments	(438)	(639)	(438)	(639)
Loss from stock destruction	-	9,120	-	9,120
Loss on sales and written-off equipment	3,582	883	3,175	716
Amortisation of leasehold rights on land and buildings	5,471	5,873	5,329	5,738
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	(16)	(1,838)	(16)	(1,838)
Interest expenses	7,959	10,519	6,445	8,033
Interest income	(595)	(665)	(432)	(490)
Dividend income	-	-	(1,000)	(1,000)
Profit from operating activities before changes in operating assets and liabilities	144,151	149,430	118,653	122,154
Operating assets (increase) decrease				
Trade and other receivables	(134,125)	(126,673)	(132,572)	(125,963)
Inventories	(13,974)	18,653	(8,956)	16,773
Other current assets	(3,558)	36,764	(4,420)	36,879
Prepaid book copyright and translation fee	866	1,362	866	1,362
Rental guarantee and deposit	5,996	951	5,996	951
Other non-current assets	17	122	95	498
Operating liabilities increase (decrease)				
Trade and other payables	41,752	13,514	44,368	16,698
Income received in advance	(6,331)	18,017	-	-
Cash paid for long-term employee benefits	(4,268)	(8,242)	(4,268)	(7,629)
Other current liabilities	1,743	(38,392)	(1,499)	(37,794)
Other non-current liabilities	2,737	1,260	1,680	1,260
Cash flows from operating activities	35,006	66,766	19,943	25,189
Cash received from tax refund	6,983	-	6,859	-
Cash paid for interest expenses	(8,015)	(10,567)	(6,505)	(8,081)
Cash paid for income tax	(1,326)	(1,838)	(1,170)	(1,641)
<b>Net cash flows from operating activities</b>	<b>32,648</b>	<b>54,361</b>	<b>19,127</b>	<b>15,467</b>

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 2018

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits and other investments	(9)	(10)	(9)	(10)
(Increase) decrease in current investments	(16,504)	35,862	(16,504)	10,862
Dividend received from associated company	-	1,000	-	1,000
Interest income	595	794	433	482
Cash receipt from advanced deposit	20,000	-	20,000	-
Acquisition of property and equipment	(22,905)	(92,228)	(17,964)	(20,507)
Proceeds from sales of equipment	105	30	87	20
Acquisition of intangible assets	-	(5)	-	(5)
<b>Net cash flows used in investing activities</b>	<b>(18,718)</b>	<b>(54,557)</b>	<b>(13,957)</b>	<b>(8,158)</b>
<b>Cash flows from financing activities</b>				
Cash received from other short-term loan	300	-	-	-
Cash received from short-term loan from financial institution	30,000	-	30,000	-
Repayment of short-term loan from financial institution	(30,000)	-	(30,000)	-
Cash received from long-term loans	-	10,550	-	-
Repayment of long-term loans	(40,304)	(49,858)	(30,204)	(33,908)
Dividend paid	-	(3,919)	-	(3,919)
<b>Net cash flows used in financing activities</b>	<b>(40,004)</b>	<b>(43,227)</b>	<b>(30,204)</b>	<b>(37,827)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(26,074)</b>	<b>(43,423)</b>	<b>(25,034)</b>	<b>(30,518)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>145,865</b>	<b>159,057</b>	<b>94,320</b>	<b>92,917</b>
<b>Cash and cash equivalents at end of period (Note 3)</b>	<b>119,791</b>	<b>115,634</b>	<b>69,286</b>	<b>62,399</b>
	-		-	
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Decrease in revaluation surplus on changes in value of available-for-sale investments	(3)	(34)	(3)	(34)
Purchase of assets for which cash has not been paid	(2,918)	(3,617)	(3,015)	(3,668)

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 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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods				Transfer Pricing Policy
	ended 30 June				
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
2018	2017	2018	2017		
<u>Transactions with subsidiary companies</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	393	431	Market price
Service expenses	-	-	104	850	Mutually agreed agreement
Interest income	-	-	32	54	MOR per annum
Service revenue	-	-	56	42	Mutually agreed agreement
<u>Transactions with associated company</u>					
Dividend income	-	-	1,000	1,000	As declared
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land	253	182	-	-	Mutually agreed agreement
Amortised leasehold rights on land	71	60	-	-	Mutually agreed agreement
Interest expenses	15	7	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Service revenue	56	-	56	-	Market price
Purchases of goods	163	329	163	329	Market price

(Unit: Thousand Baht)

	For the six-month periods				Transfer Pricing Policy
	ended 30 June				
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
2018	2017	2018	2017		
<u>Transactions with subsidiary companies</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	479	509	Market price
Service expenses	-	-	417	1,700	Mutually agreed agreement
Interest income	-	-	64	108	MOR per annum
Service revenue	-	-	112	84	Mutually agreed agreement
<u>Transactions with associated company</u>					
Dividend income	-	-	1,000	1,000	As declared
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land	503	448	-	-	Mutually agreed agreement
Amortised leasehold rights on land	141	135	-	-	Mutually agreed agreement
Interest expenses	30	16	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Service revenue	112	56	112	56	Market price
Purchases of goods	341	1,603	341	1,603	Market price



(Unaudited but reviewed)

As at 30 June 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	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<b><u>Short-term loan to subsidiary</u></b>				
Subsidiary	-	-	1,800	1,800
<b><u>Interest receivable</u></b>				
Subsidiary	-	-	32	33
<b><u>Leasehold rights on land (Note 13)</u></b>				
Shareholder/directors of subsidiary	5,953	6,095	-	-
<b><u>Trade and other receivables (Note 5)</u></b>				
Subsidiary	-	-	25	6
Related companies (related by co-director)	6,315	8,396	6,315	8,396
Total	6,315	8,396	6,340	8,402
<b><u>Prepaid expense</u></b>				
Subsidiary	-	-	-	436
<b><u>Trade accounts payable (Note 16)</u></b>				
Related companies of shareholders	1,220	1,141	1,220	1,141
<b><u>Long-term loan (Note 19)</u></b>				
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 and six-month periods ended 30 June 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 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	5.41	7.41	4.33	6.49
Post-employment benefits	0.12	0.19	0.08	0.14
Total	5.53	7.60	4.41	6.63

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	10.54	14.63	8.88	13.16
Post-employment benefits	0.24	0.36	0.16	0.28
Total	10.78	14.99	9.04	13.44

### 3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Cash	16,398	19,050	16,183	18,852
Bank deposits with maturity not over 3 months	103,393	126,815	53,103	75,468
Total	119,791	145,865	69,286	94,320

### 4. Current investments

(Unit: Thousand Baht)

Consolidated/ Separate financial statements

	30 June 2018		31 December 2017	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sale securities</b>				
Fixed income fund	35,818	35,822	18,876	18,883
Add: Unrealised gain from revaluation of investments	4	-	7	-
Total available-for-sale securities	35,822	35,822	18,883	18,883
Current investments - net	35,822	35,822	18,883	18,883

**5. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	6,315	8,396	6,320	8,402
Total trade accounts receivable - related parties, net	6,315	8,396	6,320	8,402
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	87,610	48,050	87,610	47,158
Past due				
Up to 6 months	118,520	16,152	112,344	12,643
6 - 12 months	2,652	2,863	1,852	1,969
Over 12 months	3,732	4,226	2,924	3,372
Total trade accounts receivable - unrelated parties	212,514	71,291	204,730	65,142
Less: Allowance for doubtful debts	(6,319)	(8,834)	(5,112)	(7,532)
Allowance for goods return	(14,778)	(3,200)	(14,778)	(3,200)
Total trade accounts receivable - unrelated parties, net	191,417	59,257	184,840	54,410
<u>Other receivables</u>				
Advances	939	877	924	709
Other receivables-related parties	-	-	20	-
Others	6,027	10,497	5,600	10,160
Total other receivables	6,966	11,374	6,544	10,869
Trade and other receivables - net	204,698	79,027	197,704	73,681

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the six-month period ended 30 June 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	248	11,578	67	11,578
Less: Allowance reversed during the period	(2,763)	-	(2,487)	-
Balance as at 30 June 2018	6,319	14,778	5,112	14,778

**6. Inventories**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Raw material	1,351	2,677	1,351	2,677
Work in process	16,395	13,175	7,264	8,378
Finished goods	529,253	525,323	527,353	523,678
Total	546,999	541,175	535,968	534,733
Less: Allowance for loss of inventories	(4,796)	(3,881)	(4,796)	(3,881)
Allowance for dilapidated and slow moving	(210,333)	(212,464)	(210,226)	(212,357)
Inventories - net	331,870	324,830	320,946	318,495

Movements in transactions of allowance for loss of inventories and allowance for dilapidated and slow moving during the six-month period ended 30 June 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	7,889	7,889
Less: Reversal of allowance for diminution in value of inventories during the period	(9,105)	(9,105)
Balance as at 30 June 2018	215,129	215,022

**7. Other current assets**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Supplies	18,917	17,134	18,064	16,317
Prepaid expenses	16,956	14,744	15,329	12,373
Other current assets	13,816	20,075	13,667	19,805
Total	49,689	51,953	47,060	48,495

(Unaudited but reviewed)

## 8. Non-current assets held for sale

As at 30 June 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	<u>42,000</u>	<u>8,432</u>	<u>50,432</u>

A reconciliation of the net book value of non-current assets held for sale for the six-month period ended 30 June 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Net book value as at 31 December 2017	<u>50,432</u>
Net book value as at 30 June 2018	<u><u>50,432</u></u>

On 15 September 2017, the Company entered into a sale and purchase agreement with an unrelated party (“the buyer”) to sell land and building thereon at a price of Baht 60 million. In July 2018, the Company received payment for sale of the land and building thereon made by the buyer in full.

## 9. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate (% p.a.)
	30 June 2018	31 December 2017	
Fixed deposits with 12 months maturity	8,000	8,000	0.80
Government bonds with 7 years maturity	5,403	5,394	3.625
Total	<u>13,403</u>	<u>13,394</u>	

**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	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 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
					<u>84,150</u>	<u>84,150</u>	<u>(13,855)</u>	<u>(13,855)</u>	<u>70,295</u>	<u>70,295</u>

**11. Investments in an associate**

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend recognised during the period	
		30 June 2018	31 December 2017	Carrying amounts based on equity method		Carrying amounts based on cost method		during the period	
				30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
				(%)	(%)				
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	25,919	25,912	100	100	1,000	1,000
				<u>25,919</u>	<u>25,912</u>	<u>100</u>	<u>100</u>	<u>1,000</u>	<u>1,000</u>

**12. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 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	19,987	14,949
Disposal during period - net book value at disposal date	(554)	(128)
Written - off during period - net book value at written - off date	(3,133)	(3,133)
Depreciation for the period	(50,894)	(42,865)
Reversal of impairment for the period	1,721	1,721
Net book value as at 30 June 2018	<u>1,811,689</u>	<u>1,541,283</u>

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 19.

### 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 six-month period ended 30 June 2018 is summarised below:

	(Unit: Thousand Baht) Consolidated financial statements
Net book value as at 31 December 2017	6,095
Amortisation for the period	(142)
Net book value as at 30 June 2018	<u>5,953</u>

### 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 six-month period ended 30 June 2018, the Company amortised leasehold rights as expenses totalling Baht 5.33 million (2017: Baht 5.74 million).

### 15. Intangible assets

Movements of the intangible assets which are software license fee during the six-month period ended 30 June 2018 are summarised below.

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
Net book value as at 31 December 2017	3,910	4,232
Transfer from work in process during the period	428	-
Amortisation for the period	(355)	(370)
Net book value as at 30 June 2018	<u>3,983</u>	<u>3,862</u>

(Unaudited but reviewed)

## 16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
June	December	June	December	
2018	2017	2018	2017	
Trade accounts payable - related parties	1,220	1,141	1,220	1,141
Trade accounts payable - unrelated parties	845,811	801,881	844,358	801,317
Accrued expenses	67,085	71,832	61,616	62,946
Other payables for purchase of assets	2,457	5,375	1,986	5,001
Notes payable	6,187	4,231	6,174	4,214
Other payables	30,593	30,115	30,593	30,036
Total	<u>953,353</u>	<u>914,575</u>	<u>945,947</u>	<u>904,655</u>

## 17. Income received in advance / income from tuition fees

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June	31 December
	2018	2017
Income received in advance - not yet recognised	63,170	69,501
Less: Income received in advance recognisable within one year	<u>(50,652)</u>	<u>(53,644)</u>
Net	<u>12,518</u>	<u>15,857</u>

During the six-month period ended 30 June 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	3,131	88,625	91,756
Less: Income recognition during the period	(10,004)	(86,832)	(96,836)
Less: Returned due to resignation of students	<u>(50)</u>	<u>(1,201)</u>	<u>(1,251)</u>
Balance as at 30 June 2018	<u>-</u>	<u>63,170</u>	<u>63,170</u>



(Unaudited but reviewed)

**18. Other current liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Coupon payable	11,077	11,351	11,077	11,351
Accrued withholding tax	1,771	2,182	1,551	1,801
Unearned income	12,263	9,717	2,083	2,178
Advance received for purchasing books	1,272	996	1,272	996
Advanced deposit	36,000	16,000	36,000	16,000
Others	3,465	3,875	1,714	2,885
<b>Total</b>	<b>65,848</b>	<b>44,121</b>	<b>53,697</b>	<b>35,211</b>

**19. Long-term loans**

Loan	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			30 June 2018	31 December 2017	30 June 2018	31 December 2017
1	THBFD 3M+3.85*	Monthly installment as from 31 July 2014 with the last installment in 30 June 2021	106,960	124,840	106,960	124,840
2	MLR-1.5	Monthly installment as from 30 November 2014 with the last installment in 31 December 2023	131,844	144,168	131,844	144,168
3	5.00 - 7.50	Settlement at maturity date of the contracts	55,650	65,750	-	-
4**	6.00	Settlement at maturity date of the contracts	1,000	1,000	-	-
<b>Total</b>			<b>295,454</b>	<b>335,758</b>	<b>238,804</b>	<b>269,008</b>
Less: Current portion			(60,408)	(279,008)	(60,408)	(269,008)
<b>Long-term loans, net of current portion</b>			<b>235,046</b>	<b>56,750</b>	<b>178,396</b>	<b>-</b>

\* Interest expense rate in swap transaction agreement

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

Movement in the long-term loans account during the six-month period ended 30 June 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	(40,304)	(30,204)
<b>Balance as at 30 June 2018</b>	<b>295,454</b>	<b>238,804</b>

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 30 June 2018 as non-current liabilities in the statement of financial position.

## 20. 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 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Interim corporate income tax charge	3,742	5,933	3,544	5,933
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(919)	(2,408)	(794)	(2,393)
Income tax expenses reported in the statement of income	<u>2,823</u>	<u>3,525</u>	<u>2,750</u>	<u>3,540</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
<b>Current income tax:</b>				
Interim corporate income tax charge	3,819	6,998	3,544	6,998
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,980)	(6,281)	(1,839)	(6,248)
Income tax expenses reported in the statement of income	<u>1,839</u>	<u>717</u>	<u>1,705</u>	<u>750</u>

## 21. 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 loss per share:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Profit for the period (Thousand Baht)	49,805	20,111	43,642	13,822
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Profit per share (Baht/share)	0.13	0.05	0.11	0.04

  

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Profit for the period (Thousand Baht)	46,217	18,510	39,239	12,193
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Profit per share (Baht/share)	0.12	0.05	0.10	0.03

**22. Dividend**

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
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

**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 and six-month periods ended 30 June 2018 and 2017, respectively.

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2018					
	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	585,106	281,849	57,560	924,515	-	924,515
Inter-segment revenue	-	897	-	897	(897)	-
Depreciation and amortisation	(16,844)	(4,434)	(4,007)	(25,285)	-	(25,285)
Loss on written-off assets	(1,003)	-	-	(1,003)	-	(1,003)
<b>Segment profit from operations</b>	<b>7,526</b>	<b>40,478</b>	<b>13,342</b>	<b>61,346</b>	-	<b>61,346</b>
Share of profit from investment in associate						1,007
Interest and dividend revenues						426
Interest expenses						(3,831)
<b>Profit before income tax expenses</b>						<b>58,948</b>
Income tax expenses						(2,823)
<b>Profit for the period</b>						<b>56,125</b>

## (Unaudited but reviewed)

(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)
<b>Segment profit (loss) from operations</b>	<b>(4,935)</b>	<b>23,256</b>	<b>16,027</b>	<b>34,348</b>	-	<b>34,348</b>
Share of profit from investment in associate						962
Interest and dividend revenues						401
Interest expenses						(5,367)
<b>Profit before income tax expenses</b>						<b>30,344</b>
Income tax expenses						(3,525)
<b>Profit for the period</b>						<b>26,819</b>

(Unit: Thousand Baht)

For the six-month period ended 30 June 2018

	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,186,261	482,556	99,131	1,767,948	-	1,767,948
Inter-segment revenue	-	1,296	-	1,296	(1,296)	-
Depreciation and amortisation	(32,912)	(10,397)	(7,940)	(51,249)	-	(51,249)
Loss on written-off assets	(3,133)	-	-	(3,133)	-	(3,133)
<b>Segment profit (loss) from operations</b>	<b>(1,861)</b>	<b>47,813</b>	<b>15,581</b>	<b>61,533</b>	-	<b>61,533</b>
Share of profit from investment in associate						1,007
Interest and dividend revenues						595
Interest expenses						(7,959)
<b>Profit before income tax expenses</b>						<b>55,176</b>
Income tax expenses						(1,839)
<b>Profit for the period</b>						<b>53,337</b>

(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)
<b>Segment profit (loss) from operations</b>	<b>(21,738)</b>	<b>40,640</b>	<b>15,948</b>	<b>34,850</b>	-	<b>34,850</b>
Share of profit from investment in associate						962
Interest and dividend revenues						665
Interest expenses						(10,519)
<b>Profit before income tax expenses</b>						<b>25,958</b>
Income tax expenses						(717)
<b>Profit for the period</b>						<b>25,241</b>

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 30 June 2018, the subsidiaries had capital commitments of approximately Baht 1.7 million (31 December 2017: Nil), relating to the construction of kindergarten school's building.

### 24.2 Operating lease commitments

- a) As 30 June 2018, the Company has entered into space rental agreements for use as branch offices, totalling 372 branches (31 December 2017: 392 branches). The lease periods ranged from 1 to 20 years. During the six-month period ended 30 June 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 30 June 2018 and 31 December 2017, future minimum lease payments required under operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Payable:				
In up to 1 year	19.4	21.4	18.5	20.1
In over 1 and up to 5 years	25.6	30.3	19.9	25.7
In over 5 years	32.0	31.7	7.9	8.2

During the six-month period ended 30 June 2018, the Company and its subsidiaries recognised rental expenses of Baht 7.1 million (2017: Baht 3.3 million).

### 24.3 Guarantees

As at 30 June 2018, the Company has pledged the bank deposit of Baht 3.9 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 30 June 2018 as follow:

Principal amount	Interest Revenue Rate	Interest Expenses	Termination date
	Swap Agreement	Rate Swap Agreement	
Baht 213.9 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.

Foreign currency	Consolidated / Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	-	-	58	66	33.3278	32.8472
SGD	-	-	213	8	24.5601	24.7294
GBP	-	-	2,118	743	43.9045	44.4531

Foreign exchange contracts outstanding are summarised below.

Consolidated / Separate financial statements					
As at 30 June 2018					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Thousand)	(Thousand)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
GBP	1,886	-	42.77 - 44.37	-	July - November 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



(Unaudited but reviewed)

As of 30 June 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 30 June 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	35.8	-	35.8
Property, plant and equipment	-	-	1,584.4	1,584.4
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Interest rate swap agreement	-	3.2	-	3.2
Foreign exchange forward contracts	-	0.2	-	0.2

(Unit: Million Baht)

	Separate Financial Statements			
	As at 30 June 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	35.8	-	35.8
Property, plant and equipment	-	-	1,325.6	1,325.6
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Interest rate swap agreement	-	3.2	-	3.2
Foreign exchange forward contracts	-	0.2	-	0.2

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated Financial Statements

As at 31 December 2017

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	18.9	-	18.9
Property, plant and equipment	-	-	1,592.1	1,592.1
<b>Liabilities for which fair value are disclosed</b>				
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
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	18.9	-	18.9
Property, plant and equipment	-	-	1,332.9	1,332.9
<b>Liabilities for which fair value are disclosed</b>				
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 10 August 2018.