

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2016



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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 2016, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of SE-EDUCATION PUBLIC COMPANY LIMITED for the same 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*.



Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

Bangkok: 11 May 2016

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Assets					
Current assets					
Cash and cash equivalents	3	73,378	131,672	64,218	86,443
Current investments	4	175,651	189,301	122,382	157,188
Trade and other receivables	2, 5	129,967	70,420	129,378	66,361
Inventories	6	328,154	368,513	324,360	365,867
Other current assets		45,228	41,027	42,439	39,118
Total current assets		752,378	800,933	682,777	714,977
Non-current assets					
Restricted bank deposits and other investments	7	13,360	13,355	13,360	13,355
Investments in subsidiaries	8	-	-	70,305	70,305
Investments in associate	9	25,651	25,651	100	100
Property, plant and equipment	10	1,514,996	1,529,225	1,309,999	1,320,763
Leasehold rights on land	2, 11	5,948	6,032	-	-
Leasehold rights on buildings	12	60,532	63,292	60,532	63,292
Intangible assets	13	6,707	7,158	7,076	7,533
Prepaid book copyright and translation fee		16,489	16,266	16,489	16,266
Rental guarantee and deposit		101,030	100,358	101,030	100,358
Deferred tax assets		22,604	19,686	23,774	20,913
Other non-current assets		6,762	6,881	6,705	6,805
Total non-current assets		1,774,079	1,787,904	1,609,370	1,619,690
Total assets		2,526,457	2,588,837	2,292,147	2,334,667

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 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	2, 14	954,718	968,861	949,399	961,529
Current portion of long-term loans	17	81,520	87,920	71,520	71,520
Income received in advance recognisable within one year	15	32,007	43,561	-	-
Income tax payable		1,011	236	708	-
Current portion of provision for long-term employee benefits		3,312	3,630	3,312	3,630
Other current liabilities	16	26,488	25,548	24,839	23,800
Total current liabilities		1,099,056	1,129,756	1,049,778	1,060,479
Non-current liabilities					
Income received in advance, net of current portion	15	1,340	1,932	-	-
Long-term loans, net of current portion	17	394,010	411,890	315,240	333,120
Provision for long-term employee benefits, net of current portion		42,000	43,496	37,063	39,080
Other non-current liabilities		7,948	8,128	7,948	8,128
Total non-current liabilities		445,298	465,446	360,251	380,328
Total liabilities		1,544,354	1,595,202	1,410,029	1,440,807
Shareholders' equity					
Share capital					
Registered					
391,944,529 ordinary shares of Baht 1 each		391,945	391,945	391,945	391,945
Issued and paid-up					
391,944,418 ordinary shares of Baht 1 each		391,944	391,944	391,944	391,944
Share premium		149,421	149,421	149,421	149,421
Retained earnings					
Appropriated - statutory reserve		39,194	39,194	39,194	39,194
Unappropriated		200,093	211,568	175,999	187,766
Other components of shareholders' equity		130,223	130,330	125,560	125,535
Equity attributable to owners of the Company		910,875	922,457	882,118	893,860
Non-controlling interests of the subsidiaries		71,228	71,178	-	-
Total shareholders' equity		982,103	993,635	882,118	893,860
Total liabilities and shareholders' equity		2,526,457	2,588,837	2,292,147	2,334,667

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

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Directors



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Revenues from sales		997,835	1,120,407	997,528	1,120,108
Tuition fees income	15	36,477	34,011	-	-
Interest and dividend income		163	87	68	87
Other income		18,370	21,461	15,674	18,874
Total revenues		1,052,845	1,175,966	1,013,270	1,139,069
Expenses					
Cost of sales		674,093	737,104	673,728	736,111
Cost of tuition fees		31,115	27,972	-	-
Selling expenses		224,343	236,705	224,343	236,705
Administrative expenses		129,830	121,902	123,540	117,654
Total expenses		1,059,381	1,123,683	1,021,611	1,090,470
Profit (loss) before finance cost and income tax		(6,536)	52,283	(8,341)	48,599
Finance cost		(6,319)	(7,687)	(4,912)	(6,134)
Profit (loss) before income tax		(12,855)	44,596	(13,253)	42,465
Income tax revenues (expenses)	18	1,374	(9,544)	1,420	(9,477)
Profit (loss) for the period		(11,481)	35,052	(11,833)	32,988
Profit (loss) attributable to					
Equity holders of the Company		(11,604)	34,870	(11,833)	32,988
Non-controlling interests of the subsidiaries		123	182		
		(11,481)	35,052		
(Unit: Baht)					
Earnings per share					
19					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.03)	0.09	(0.03)	0.08

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 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit (loss) for the period	(11,481)	35,052	(11,833)	32,988
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	(64)	462	114	350
Income tax effect	13	(92)	(23)	(70)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(51)	370	91	280
Other comprehensive income for the period	(51)	370	91	280
Total comprehensive income for the period	(11,532)	35,422	(11,742)	33,268
Total comprehensive income attributable to				
Equity holders of the Company	(11,582)	35,194	(11,742)	33,268
Non-controlling interests of subsidiaries	50	228		
Total comprehensive income for the period	(11,532)	35,422		

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 2016

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
Other components of equity										
Surplus										
Issued and paid-up share capital	Share premium	Retained earnings		Surplus on 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
		Appropriated	Unappropriated							
Balance as at 1 January 2015	391,944	149,421	39,194	210,281	961	128,524	129,485	920,325	65,577	985,902
<u>Change during the period</u>										
Profit for the period	-	-	-	34,870	-	-	-	34,870	182	35,052
Other comprehensive income for the period	-	-	-	-	324	-	324	324	46	370
Total comprehensive income for the period	-	-	-	34,870	324	-	324	35,194	228	35,422
Transferred surplus on revaluation of assets to retained earnings	-	-	-	129	-	(129)	(129)	-	-	-
Balance as at 31 March 2015	391,944	149,421	39,194	245,280	1,285	128,395	129,680	955,519	65,805	1,021,324
Balance as at 1 January 2016	391,944	149,421	39,194	211,568	2,329	128,001	130,330	922,457	71,178	993,635
<u>Change during the period</u>										
Profit (loss) for the period	-	-	-	(11,604)	-	-	-	(11,604)	123	(11,481)
Other comprehensive income for the period	-	-	-	-	22	-	22	22	(73)	(51)
Total comprehensive income for the period	-	-	-	(11,604)	22	-	22	(11,582)	50	(11,532)
Transferred surplus on revaluation of assets to retained earnings	-	-	-	129	-	(129)	(129)	-	-	-
Balance as at 31 March 2016	391,944	149,421	39,194	200,093	2,351	127,872	130,223	910,875	71,228	982,103

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of cash flows

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before tax	(12,855)	44,596	(13,253)	42,465
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	30,633	31,044	26,209	26,612
Allowance for doubtful accounts and estimated goods return	10,668	3,263	10,996	3,393
Adjustment from clearing accounts receivable	(105)	(164)	(105)	(164)
Allowance for impairment of assets (reversal)	134	(2,413)	134	(2,413)
Expense from loss of inventories (reversal)	2,837	(321)	2,837	(321)
Allowance for dilapidated slow moving and loss of inventories	6,168	6,743	6,168	6,743
Expense for donation of goods and equipment	2,930	1,032	2,930	1,032
Provision for long-term employee benefits	1,658	209	1,137	82
Gain on disposal of current investments	(744)	(1,189)	(411)	(997)
Loss on sales and written-off equipment	1,753	1,903	1,747	1,903
Amortised leasehold rights on land and buildings	2,844	3,046	2,760	2,963
Adjustment from clearing coupon payable	-	(3,978)	-	(3,978)
Adjustment from clearing long outstanding payable	(6,428)	-	(6,428)	-
Interest expenses	6,311	7,679	4,912	6,134
Interest income	(163)	(87)	(68)	(87)
Profit from operating activities before changes in operating assets and liabilities	45,641	91,363	39,565	83,367
Operating assets (increase) decrease				
Trade and other receivables	(70,110)	(50,594)	(73,908)	(52,830)
Inventories	28,425	38,156	29,573	38,180
Other current assets	(4,288)	(4,973)	(3,321)	(1,468)
Prepaid book copyright and translation fee	(223)	(659)	(223)	(659)
Rental guarantee and deposit	(672)	1,331	(672)	1,331
Other non-current assets	119	85	100	106
Operating liabilities increase (decrease)				
Trade and other payables	(15,139)	(80,798)	(13,200)	(82,962)
Income received in advance	(12,147)	(10,731)	-	-
Cash paid for long-term employee benefits	(3,472)	(4,615)	(3,472)	(4,309)
Other current liabilities	7,368	82	7,467	(394)
Other non-current liabilities	(180)	(310)	(180)	(310)
Cash flows used in operating activities	(24,678)	(21,663)	(18,271)	(19,948)
Cash paid for interest expenses	(6,360)	(7,750)	(4,968)	(6,205)
Cash paid for income tax	(755)	(970)	(756)	(970)
Net cash flows used in operating activities	(31,793)	(30,383)	(23,995)	(27,123)

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in restricted bank deposits and other investments	(5)	-	(5)	-
Decrease in current investments	14,330	44,698	35,331	32,697
Interest income	250	87	68	87
Acquisition of equipment	(16,862)	(12,731)	(15,802)	(12,230)
Proceeds from sales of equipment	70	24	62	24
Acquisition of intangible assets	(4)	(8)	(4)	(8)
Net cash flows from (used in) investing activities	(2,221)	32,070	19,650	20,570
Cash flows from financing activities				
Repayment of long-term loans	(24,280)	(23,940)	(17,880)	(17,880)
Net cash flows used in financing activities	(24,280)	(23,940)	(17,880)	(17,880)
Net decrease in cash and cash equivalents	(58,294)	(22,253)	(22,225)	(24,433)
Cash and cash equivalents at beginning of period	131,672	102,630	86,443	98,480
Cash and cash equivalents at end of period (Note 3)	73,378	80,377	64,218	74,047

Supplemental cash flows information

Non-cash transactions

Increase (decrease) in revaluation surplus on changes in value of

available-for-sale investment (64) 462 114 350

Purchase of property, plant and equipment for which cash

has not been paid 1,044 6,270 1,125 6,318

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 2016

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 its business in Thailand and are authorized 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 2015) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, 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 2015, with there being no changes in the structure of shareholding in a subsidiary during the current period.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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's 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 2015.

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.



A handwritten signature in blue ink, consisting of a stylized cursive script.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month period ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2016	2015	2016	2015	
<u>Transactions with subsidiary companies</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	290	379	Market price
Service expense	-	-	850	850	Mutually agreed agreement
<u>Transactions with shareholder and directors</u>					
Lease land	299	271	-	-	Mutually agreed agreement
Amortised land leasehold right	83	83	-	-	Mutually agreed agreement
Interest expenses	7	7	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Sales of goods	1,834	-	1,834	-	Market price
Purchases of goods	199	462	199	462	Market price

As at 31 March 2016 and 31 December 2015, the balances of the accounts between the Company and those related parties and companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	5,948	6,032	-	-
<u>Trade accounts receivable (Note 5)</u>				
Subsidiary	-	-	222	-
Related companies of shareholders	655	1,083	655	1,083
Total	655	1,083	877	1,083
<u>Other receivables (Note 5)</u>				
Subsidiary	-	-	515	-
<u>Trade accounts payable (Note 14)</u>				
Associate	606	1,279	606	1,279
Related companies of shareholders	1,238	1,906	1,238	1,906
Total	1,844	3,185	1,844	3,185



Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	6.16	7.23	5.47	6.56
Post-employment benefits	0.14	0.15	0.10	0.06
Total	6.30	7.38	5.57	6.62

3. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Cash	19,683	26,848	19,456	26,650
Bank deposits with maturity not over 3 months	53,695	104,824	44,762	59,793
Total	73,378	131,672	64,218	86,443

4. Current investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	31 March 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	172,572	175,651	186,158	189,301
Add: Unrealised gain from revaluation of investments	3,079	-	3,143	-
Total available-for-sale securities	175,651	175,651	189,301	189,301
Current investments - net	175,651	175,651	189,301	189,301



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	119,580	122,382	154,500	157,188
Add: Unrealised gain from revaluation of investments	2,802	-	2,688	-
Total available-for-sale securities	122,382	122,382	157,188	157,188
Current investments - net	122,382	122,382	157,188	157,188

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade accounts receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	655	1,083	877	1,083
Total trade accounts receivables - related parties, net	655	1,083	877	1,083
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	133,044	63,341	133,036	63,341
Past due				
Up to 6 months	12,146	14,988	11,409	11,683
6 - 12 months	3,326	3,967	3,159	3,392
Over 12 months	1,768	890	1,150	149
Total	150,284	83,186	148,754	78,565
Less: Allowance for doubtful debts	(8,645)	(9,569)	(7,945)	(8,541)
Allowance for goods return	(18,596)	(7,004)	(18,596)	(7,004)
Total trade accounts receivables - unrelated parties, net	123,043	66,613	122,213	63,020
<u>Other receivables</u>				
Advances	3,248	518	3,193	502
Others	3,021	2,206	3,095	1,756
Total other receivables	6,269	2,724	6,288	2,258
Trade and other receivables - net	129,967	70,420	129,378	66,361



(Unaudited but reviewed)

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the three-month period ended 31 March 2016, are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	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 2015	9,569	7,004	8,541	7,004
Add: Allowance made during the period	423	11,592	423	11,592
Less: Allowance reversed during the period	(1,347)	-	(1,019)	-
Balance as at 31 March 2016	8,645	18,596	7,945	18,596

6. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Raw material	6,873	10,806	6,873	10,806
Work in process	9,568	8,104	7,082	6,362
Finished goods	523,906	555,628	522,498	554,624
Total	540,347	574,538	536,453	571,792
Less: Allowance for loss of inventories	(5,030)	(4,408)	(5,030)	(4,408)
Allowance for dilapidated and slow moving	(207,163)	(201,617)	(207,063)	(201,517)
Inventories - net	328,154	368,513	324,360	365,867

Movements in transactions of allowance for loss of inventories and allowance for dilapidated and slow moving during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2015	206,025	205,925
Add: Allowance made during the period	8,813	8,813
Less: Allowance reversed during the period	(2,645)	(2,645)
Balance as at 31 March 2016	212,193	212,093



7. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate (% p.a.)
	31 March 2016	31 December 2015	
	Fixed deposits with 12 months maturity	8,000	
Government bonds with 7 years maturity	5,360	5,355	3.625
Total	13,360	13,355	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 21.2.

8. Investments in subsidiaries

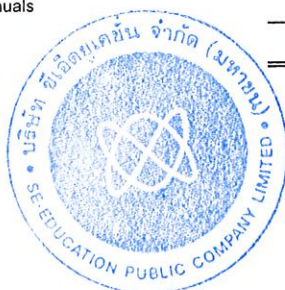
Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	
				(%)	(%)						
	SE-ED Book Center Co.,Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	(177)	(177)	823	823
BaesLab Co., Ltd.	250	250	60.00	60.00	150	150	-	-	150	150	
Plearn Patt Co.,Ltd.	169,476	169,476	48.97	48.97	83,000	83,000	(13,668)	(13,668)	69,332	69,332	
					84,150	84,150	(13,845)	(13,845)	70,305	70,305	

9. 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 2016	31 December 2015	Carrying amounts based on equity method		Carrying amounts based on cost method		during the period	
		(%)	(%)	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	25,651	25,651	100	100	-	2,000
				25,651	25,651	100	100	-	2,000



10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2015	1,529,225	1,320,763
Acquisitions during period - at cost	17,905	16,927
Disposal during period - net book value		
a disposal date	(16)	(3)
Write - off during period - net book value		
at write - off date	(1,806)	(1,806)
Depreciation for the period	(30,178)	(25,748)
Impairment for the period	(134)	(134)
Net book value as at 31 March 2016	<u>1,514,996</u>	<u>1,309,999</u>

11. 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. The contracts stipulate that, during the contractual period, the lessor agreed not to sell the leased land to anyone without obtaining prior consent from the subsidiary and, if the lessor has the utmost need and could not find any other alternative, the lessor promises to offer the land for sale to the subsidiary first at an arm's-length price. If the subsidiary does not respond to the offer within 60 days, the lessor is entitled to sell the leased land to a third party who will be obliged to bind himself or herself to the conditions stipulated in these lease contracts.

During the three-month period ended 31 March 2016, the subsidiary amortised leasehold rights as expense totalling Baht 0.08 million (2015: Baht 0.08 million).

12. 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 2016, the Company amortised leasehold rights as expenses totalling Baht 2.76 million (2015: Baht 2.96 million).



13. Intangible assets

Movements of the intangible assets which are software license fee during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2015	7,158	7,533
Acquisitions during period - at cost	4	4
Amortisation for the period	(455)	(461)
Balance as at 31 March 2016	6,707	7,076

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Trade accounts payable - related parties	1,844	3,185	1,844	3,185
Trade accounts payable - unrelated parties	857,052	853,793	856,410	853,492
Accrued expenses	52,194	71,491	47,769	64,792
Other payables for purchase of assets	2,023	979	1,781	656
Notes payable	6,386	4,581	6,386	4,581
Other payables	35,219	34,832	35,209	34,823
Total	954,718	968,861	949,399	961,529

15. Income received in advance / income from tuition fees

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2016	31 December 2015
Income received in advance - not yet recognised	33,347	45,493
Less: Income received in advance recognisable within one year	(32,007)	(43,561)
Net	1,340	1,932



(Unaudited but reviewed)

During the three-month period ended 31 March 2016, 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 2015	5,220	40,273	45,493
Add: Increase during the period	2,925	21,765	24,690
Less: Income recognition during the period	-	(36,477)	(36,477)
Less: Returned due to resignation of students	(65)	(294)	(359)
Balance as at 31 March 2016	8,080	25,267	33,347

16. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Coupon payable	17,004	16,829	17,004	16,829
Accrued withholding tax	2,425	2,384	2,142	2,080
Unearned income	3,150	2,644	2,484	2,173
Others	3,909	3,691	3,209	2,718
Total	26,488	25,548	24,839	23,800

17. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			31 March	31 December	31 March	31 December
		2016	2015	2016	2015	
1	THBFIX + 1.74	Monthly installment as from 31 July 2014 with the last installment in 30 June 2021	187,420	196,360	187,420	196,360
2	MLR-1.5	Monthly installment as from 30 November 2014 with the last installment in 31 October 2021	199,340	208,280	199,340	208,280



18

(Unaudited but reviewed)

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			31 March 2016	31 December 2015	31 March 2016	31 December 2015
3	6.00 - 7.50	Settlement at maturity date of the contracts	88,770	95,170	-	-
Total			475,530	499,810	386,760	404,640
Less: Current portion			(81,520)	(87,920)	(71,520)	(71,520)
Long-term loans, net of current portion			394,010	411,890	315,240	333,120

The loan is secured by a negative pledge of assets of the Company and the loan agreement contains covenants that, among other things, require the Company to maintain certain gearing and debt service coverage ratios specified in the agreements.

18. Income tax

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

Income tax expenses (revenues) for the three-month periods ended 31 March 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	1,531	10,058	1,465	10,011
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,905)	(514)	(2,885)	(534)
Income tax expense (revenue) reported in the statement of income	(1,374)	9,544	(1,420)	9,477

19. Earnings per share

Basic earnings per share is calculated by dividing profit (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 earnings per share:

Consolidated financial statements					
For the three-month period ended 31 March					
Profit (loss) for the period		Weighted average number of ordinary shares		Earnings per share	
2016	2015	2016	2015	2016	2015
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company					
(11,604)	34,870	391,944	391,944	(0.03)	0.09
Separate financial statements					
For the three-month period ended 31 March					
Profit (loss) for the period		Weighted average number of ordinary shares		Earnings per share	
2016	2015	2016	2015	2016	2015
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company					
(11,833)	32,988	391,944	391,944	(0.03)	0.08

20. 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 2016 and 2015, respectively.

(Unit: Thousand Baht)						
For the period ended 31 March 2016						
	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	766,500	230,776	37,036	1,034,312	-	1,034,312
Inter-segment revenue	-	1,101	-	1,101	(1,101)	-
Depreciation and amortisation	(17,975)	(8,233)	(4,425)	(30,633)	-	(30,633)
Loss on written-off assets	(873)	(933)	-	(1,806)	-	(1,806)
Segment profit (loss) from operations	(16,841)	8,841	1,301	(6,699)	-	(6,699)
Interest and dividend revenues						163
Interest expenses						(6,319)
Loss before income tax revenues						(12,855)
Income tax revenues						1,374
Loss for the period						(11,481)



For the period ended 31 March 2015

	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	904,364	215,420	34,634	1,154,418	-	1,154,418
Inter-segment revenue	-	1,229	-	1,229	(1,229)	-
Depreciation and amortization	(19,623)	(6,989)	(4,432)	(31,044)	-	(31,044)
Loss on written-off assets	(1,903)	-	-	(1,903)	-	(1,903)
Segment profit from operations	9,763	40,448	1,985	52,196	-	52,196
Interest and dividend revenues						87
Interest expenses						(7,687)
Profit before income tax expenses						44,596
Income tax expenses						(9,544)
Profit for the period						35,052

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

21. Commitments and contingent liabilities

21.1 Operating lease commitments

- a) As 31 March 2016, the Company has entered into space rental agreements for use as branch offices, totalling 393 branches (31 December 2015: 395 branches). The lease periods ranged from 1 to 12 years and 9 months. During the three-month period ended 31 March 2016, the total rental and utility fees were approximately Baht 404.6 million per annum (2015: Baht 431.1 million per annum). Some of rental fees were calculated from the percentage of sales amounts of that branch, while others were fixed rate.
- b) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, land, warehouses and vehicles. The terms of the agreements are generally between 1 and 30 years.

As at 31 March 2016, future minimum lease payments required under operating leases contracts were as follows.



(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Payable:				
In up to 1 year	20.0	7.6	18.8	6.4
In over 1 and up to 5 years	56.5	27.6	51.4	22.6
In over 5 years	23.3	25.2	1.9	3.5

During the three-month period ended 31 March 2016, the Company and its subsidiaries recognised rental expenses of Baht 3.6 million (2015: Baht 4.0 million).

21.2 Guarantees

As at 31 March 2016, the Company has pledged the bank deposit of Baht 5.1 million (31 December 2015: Baht 5.4 million) to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 1.9 million (31 December 2015: Baht 1.9 million) were pledged to guarantee the electricity usage and rental of head office.

21.3 Long-term service commitments

- a) The Company entered into agent appointment agreement with a foreign company for the contractual period of 3 year commencing from 1 June 2013 to 31 May 2016. 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.

22. 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 2016 (Thousand)	31 December 2015 (Thousand)	31 March 2016 (Thousand)	31 December 2015 (Thousand)	31 March 2016 (Baht per 1 foreign currency unit)	31 December 2015 (Baht per 1 foreign currency unit)
US dollar	-	-	22	89	35.4074	36.2538
SGD	-	-	68	68	26.3606	25.7905
GBP	-	-	1,992	853	51.0073	53.9343

Foreign exchange contracts outstanding are summarised below.

Consolidated / Separate financial statements			
As at 31 March 2016			
Foreign currency	Bought amount (Thousand)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
GBP	841	49.85 - 54.24	April - July 2016

Consolidated / Separate financial statements			
As at 31 December 2015			
Foreign currency	Bought amount (Thousand)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
GBP	358	53.91 - 54.65	January - April 2016
USD	75	36.15	January 2016

23. 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 2016, the Company and its subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Investment units	-	175.6	-	175.6

(Unit: Thousand Baht)

Separate financial statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Investment units	-	122.4	-	122.4

Valuation techniques and inputs to Level 2 valuation

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

24. Event after the reporting period

As at 21 April 2016, the Annual General Meeting of the Company's shareholders approved the Company to pay dividends to the Company's shareholders from the operations for the year 2015. The Company will pay a cash dividend at Baht 0.12 per share, or equivalent to amount of not exceed Baht 47.03 million. Dividend will be paid on 19 May 2016.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2016.

