

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019**

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statements of financial position of Se-Education Public Company Limited and its subsidiaries as at June 30, 2019, and the related consolidated statement of income and statement of comprehensive income for the three-month and six-month periods then ended, statement of changes in shareholders’ equity and statement of cash flows for the six-month period then ended, and the condensed notes to consolidated financial statements and have also reviewed the statement of financial position of Se-Education Public Company Limited as at June 30, 2019, the statement of income and statement of comprehensive income for the three-month and six month periods then ended, statement of changes in shareholders’ equity and statement of cash flows for the six-month period then ended, and the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”.

OTHER MATTER

The consolidated statement of financial position of Se-Education Public Company Limited and its subsidiaries and the statement of financial position of Se-Education Public Company Limited as at December 31, 2018, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in her report dated February 22, 2019, the consolidated statement of income and statement of comprehensive income for the three-month and six-month periods then ended, statement of changes in shareholders' equity and statement of cash flows for the six-month period ended June 30, 2018 of Se-Education Public Company Limited and its subsidiaries, and the statement of income and statement of comprehensive income for the three-month and six-month periods then ended, statement of changes in shareholders' equity and statement of cash flows of Se-Education Public Company Limited for the six-month period then ended which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in her report dated August 10, 2018.

(Miss Nannaphat Wannasomboon)

Certified Public Accountant

Registration No. 7793

Dharmniti Auditing Company Limited

Bangkok, Thailand

August 9, 2019

"UNAUDITED"

"REVIEWED"

- 3 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
		30, 2019	31, 2018	30, 2019	31, 2018
Notes			(Restated)		
Current assets					
Cash and cash equivalents	6	132,968,766	139,466,326	77,311,110	85,531,195
Current investment	7	23,003,137	-	23,003,137	-
Trade and other receivables	5, 8	184,826,045	62,950,818	181,823,101	57,944,984
Short-term loan to subsidiary	5	-	-	1,800,000	1,800,000
Inventories	9	318,428,106	335,088,836	315,268,770	330,431,836
Other current assets	10	57,962,149	54,337,972	55,014,722	51,548,192
Total current assets		717,188,203	591,843,952	654,220,840	527,256,207
Non-current assets					
Restricted bank deposits and other investments	11	13,422,854	13,413,204	13,422,854	13,413,204
Investment in associated company	12	24,365,699	25,338,779	100,000	100,000
Investment in subsidiary companies	13	-	-	70,294,511	70,294,511
Property, plant and equipment	14	1,747,233,023	1,776,901,991	1,477,640,709	1,510,771,934
Leasehold rights on land	15	5,668,066	5,809,523	-	-
Leasehold rights on buildings	16	35,033,196	40,042,081	35,033,196	40,042,081
Intangible assets	17	3,309,748	3,616,984	3,185,413	3,495,072
Prepaid book copyright and translation fee		19,010,484	17,599,460	19,010,484	17,599,460
Rental guarantee and deposit		86,969,905	89,950,768	86,969,905	89,950,768
Deferred tax assets	24	-	131,341	-	-
Other non-current assets		9,583,860	9,501,708	9,210,715	9,102,305
Total non-current assets		1,944,596,835	1,982,305,839	1,714,867,787	1,754,769,335
Total assets		2,661,785,038	2,574,149,791	2,369,088,627	2,282,025,542

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

"UNAUDITED"

"REVIEWED"

- 4 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
		30, 2019	31, 2018	30, 2019	31, 2018
Notes			(Restated)		
Current liabilities					
Short-term loan from financial institution	18	30,000,000	-	30,000,000	-
Trade and other payables	19	876,115,952	826,276,136	867,932,897	810,979,636
Income received in advance recognisable					
within one year	20	59,355,594	64,003,222	-	-
Current portion of long-term loans	21	70,858,000	60,408,000	60,408,000	60,408,000
Current portion of long-term					
employee benefits obligations	23	4,944,570	5,793,411	4,944,570	5,793,411
Income tax payable		5,402,593	390,635	5,011,958	-
Other current liabilities	22	31,641,701	29,242,839	28,838,468	24,095,474
Total current liabilities		1,078,318,410	986,114,243	997,135,893	901,276,521
Non-current liabilities					
Income received in advance	20	33,859,157	35,670,524	-	-
Long-term loans	21	164,188,000	204,842,000	117,988,000	148,192,000
Long-term employee benefits obligations	23	64,283,771	55,326,216	56,140,953	48,486,491
Deferred tax liabilities	24	47,733,339	50,622,606	43,520,822	46,152,480
Other non-current liabilities		11,874,053	9,057,239	9,462,680	8,001,240
Total non-current liabilities		321,938,320	355,518,585	227,112,455	250,832,211
Total liabilities		1,400,256,730	1,341,632,828	1,224,248,348	1,152,108,732

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

"UNAUDITED"

"REVIEWED"

- 5 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
				Notes
				(Restated)
Shareholders' equity				
Share capital				
Authorized share capital				
391,944,529 ordinary shares of Baht 1 each	391,944,529	391,944,529	391,944,529	391,944,529
Issued and paid-up				
391,944,418 ordinary shares of Baht 1 each	391,944,418	391,944,418	391,944,418	391,944,418
Share premium	149,420,558	149,420,558	149,420,558	149,420,558
Retained earnings				
Appropriated to legal reserve				
Company	39,194,453	39,194,453	39,194,453	39,194,453
Subsidiaries	631,994	631,994	-	-
Unappropriated	218,704,186	196,830,800	193,388,499	178,188,073
Other components of shareholders' equity	381,471,301	382,025,642	370,892,351	371,169,308
Total shareholders' equity of parent	1,181,366,910	1,160,047,865	1,144,840,279	1,129,916,810
Total non-controlling interests of the subsidiaries	80,161,398	72,469,098	-	-
Total shareholders' equity	1,261,528,308	1,232,516,963	1,144,840,279	1,129,916,810
Total liabilities and shareholders' equity	2,661,785,038	2,574,149,791	2,369,088,627	2,282,025,542

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

"UNAUDITED"

"REVIEWED"

- 6 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			(Restated)		
Revenues					
Revenues from sales		813,353,364	868,679,847	812,985,824	866,661,919
Tuition fees income		56,619,420	53,006,546	-	-
Interest income		339,442	426,462	1,253,826	1,335,849
Other income		23,443,845	13,211,084	19,060,365	11,560,337
Total revenues		893,756,071	935,323,939	833,300,015	879,558,105
Expenses					
Cost of sales		515,218,289	535,939,585	514,157,820	534,386,047
Cost of tuition fees		35,484,209	34,447,998	-	-
Selling expenses		174,220,011	191,374,619	174,174,810	191,342,512
Administrative expenses		119,953,497	114,617,864	108,354,662	104,339,579
Finance costs		3,324,001	3,831,274	2,591,763	3,098,401
Total expenses		848,200,007	880,211,340	799,279,055	833,166,539
Profit before share of profit from investments in associates and income tax expenses		45,556,064	55,112,599	34,020,960	46,391,566
Share of gain from associated companies		26,920	1,006,772	-	-
Profit before income tax expenses		45,582,984	56,119,371	34,020,960	46,391,566
Income tax expense	25	(5,549,710)	(2,823,535)	(5,546,190)	(2,749,522)
Profit for the period		40,033,274	53,295,836	28,474,770	43,642,044
Profit attributable to					
Equity holders of the parent		33,706,221	48,419,554	28,474,770	43,642,044
Non-controlling interests of the subsidiaries		6,327,053	4,876,282	-	-
		40,033,274	53,295,836	28,474,770	43,642,044
Basic earnings per share	26				
Profit attributable to equity holders of the parent		0.09	0.12	0.07	0.11

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

"UNAUDITED"

"REVIEWED"

- 7 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Notes		(Restated)		
Profit for the period	40,033,274	53,295,836	28,474,770	43,642,044
Other comprehensive income:				
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods				
Gain on changes in value of				
available-for-sale investments, net from tax expense	5,608	(6,443)	5,608	(6,443)
Other comprehensive income (loss) for the period	5,608	(6,443)	5,608	(6,443)
Total comprehensive income for the period	40,038,882	53,289,393	28,480,378	43,635,601
Total comprehensive income attributable to				
Equity holders of the parent	33,711,829	48,413,111	28,480,378	43,635,601
Non-controlling interests of subsidiaries	6,327,053	4,876,282	-	-
	40,038,882	53,289,393	28,480,378	43,635,601

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

"UNAUDITED"

"REVIEWED"

- 8 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Notes	(Restated)		
Revenues				
Revenues from sales				
Tuition fees income				
Interest income				
Other income				
Total revenues				
Expenses				
Cost of sales				
Cost of tuition fees				
Selling expenses				
Administrative expenses				
Finance costs				
Total expenses				
Profit before share of profit from investments in associates and income tax expenses				
Share of gain from associated companies				
Profit before income tax expenses				
Income tax expense	25			
Profit for the period				
Profit attributable to				
Equity holders of the parent				
Non-controlling interests of the subsidiaries				
Basic earnings per share	26			
Equity holders of the parent				

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

"UNAUDITED"

"REVIEWED"

- 9 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Notes			(Restated)		
Profit for the period		29,005,737	50,508,033	14,917,861	39,238,793
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Gain (loss) on changes in value of					
available-for-sale investments, net from tax expense		5,608	(2,021)	5,608	(2,021)
Other comprehensive income (loss) for the period		5,608	(2,021)	5,608	(2,021)
Total comprehensive income for the period		29,011,345	50,506,012	14,923,469	39,236,772
Total comprehensive income attributable to					
Equity holders of the parent		21,319,045	44,829,370	14,923,469	39,236,772
Non-controlling interests of subsidiaries		7,692,300	5,676,642	-	-
		29,011,345	50,506,012	14,923,469	39,236,772

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

"UNAUDITED"

"REVIEWED"

- 10 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

		Baht													
		Consolidated financial statements													
		Total shareholders' equity of parent													
		Issued and paid-up share capital	Share premium	Other components of equity							Total equity attributable to shareholders of the parent	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
				Retained earnings			Surplus on changes in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the parent				Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated to legal reserve		Unappropriated									
Notes		Company	Subsidiary	Unappropriated	investments		revaluation of assets	components of shareholders' equity	the parent	the subsidiaries	equity				
	Balance as at January 1, 2019 - before adjustment	391,944,418	149,420,558	39,194,453	631,994	213,053,255	-	382,025,642	382,025,642	1,176,270,320	89,373,976	1,265,644,296			
	Cumulative effect of change in accounting policy for income	-	-	-	-	(16,222,455)	-	-	-	(16,222,455)	(16,904,878)	(33,127,333)			
4	Balance as at January 1, 2019 - as restated	391,944,418	149,420,558	39,194,453	631,994	196,830,800	-	382,025,642	382,025,642	1,160,047,865	72,469,098	1,232,516,963			
	Profit for the period	-	-	-	-	21,313,437	-	-	-	21,313,437	7,692,300	29,005,737			
	Other comprehensive income for the period	-	-	-	-	-	5,608	-	5,608	5,608	-	5,608			
	Total comprehensive income for the period	-	-	-	-	21,313,437	5,608	-	5,608	21,319,045	7,692,300	29,011,345			
	Transferred surplus on revaluation of assets to retained earnings	-	-	-	-	559,949	-	(559,949)	(559,949)	-	-	-			
	Balance as at June 30, 2019	<u>391,944,418</u>	<u>149,420,558</u>	<u>39,194,453</u>	<u>631,994</u>	<u>218,704,186</u>	<u>5,608</u>	<u>381,465,693</u>	<u>381,471,301</u>	<u>1,181,366,910</u>	<u>80,161,398</u>	<u>1,261,528,308</u>			
	Balance as at January 1, 2018 - before adjustment	391,944,418	149,420,558	39,194,453	631,994	145,234,144	5,357	428,867,985	428,873,342	1,155,298,909	88,492,609	1,243,791,518			
	Cumulative effect of change in accounting policy for income	-	-	-	-	(14,812,609)	-	-	-	(14,812,609)	(15,435,724)	(30,248,333)			
4	Balance as at January 1, 2018 - as restated	391,944,418	149,420,558	39,194,453	631,994	130,421,535	5,357	428,867,985	428,873,342	1,140,486,300	73,056,885	1,213,543,185			
	Profit for the period	-	-	-	-	44,831,391	-	-	-	44,831,391	5,676,642	50,508,033			
	Other comprehensive income (loss) for the period	-	-	-	-	-	(2,021)	-	(2,021)	(2,021)	-	(2,021)			
	Total comprehensive income (loss) for the period	-	-	-	-	44,831,391	(2,021)	-	(2,021)	44,829,370	5,676,642	50,506,012			
	Transferred surplus on revaluation of assets to retained earnings	-	-	-	-	561,516	-	(561,516)	(561,516)	-	-	-			
	Balance as at June 30, 2018	<u>391,944,418</u>	<u>149,420,558</u>	<u>39,194,453</u>	<u>631,994</u>	<u>175,814,442</u>	<u>3,336</u>	<u>428,306,469</u>	<u>428,309,805</u>	<u>1,185,315,670</u>	<u>78,733,527</u>	<u>1,264,049,197</u>			

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

"UNAUDITED"

"REVIEWED"

- 11 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Baht							
	Separate financial statements							
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total other components of shareholders' equity	Total shareholders' equity
			Appropriated to legal reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Surplus on revaluation of assets		
Balance as at January 1, 2019	391,944,418	149,420,558	39,194,453	178,188,073	-	371,169,308	371,169,308	1,129,916,810
Profit for the period	-	-	-	14,917,861	-	-	-	14,917,861
Other comprehensive income for the period	-	-	-	-	5,608	-	5,608	5,608
Total comprehensive income for the period	-	-	-	14,917,861	5,608	-	5,608	14,923,469
Transferred surplus on revaluation of assets to retained earnings	-	-	-	282,565	-	(282,565)	(282,565)	-
Balance as at June 30, 2019	<u>391,944,418</u>	<u>149,420,558</u>	<u>39,194,453</u>	<u>193,388,499</u>	<u>5,608</u>	<u>370,886,743</u>	<u>370,892,351</u>	<u>1,144,840,279</u>
Balance as at January 1, 2018	391,944,418	149,420,558	39,194,453	111,524,454	5,357	417,458,614	417,463,971	1,109,547,854
Profit for the period	-	-	-	39,238,798	-	-	-	39,238,798
Other comprehensive income (loss) for the period	-	-	-	-	(2,021)	-	(2,021)	(2,021)
Total comprehensive income (loss) for the period	-	-	-	39,238,798	(2,021)	-	(2,021)	39,236,777
Transferred surplus on revaluation of assets to retained earnings	-	-	-	284,132	-	(284,132)	(284,132)	-
Balance as at June 30, 2018	<u>391,944,418</u>	<u>149,420,558</u>	<u>39,194,453</u>	<u>151,047,384</u>	<u>3,336</u>	<u>417,174,482</u>	<u>417,177,818</u>	<u>1,148,784,631</u>

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

"UNAUDITED"

"REVIEWED"

- 12 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Cash flows from operating activities				
Profit before income tax expenses	32,528,242	52,347,259	18,507,262	40,943,471
Adjustments to reconcile profit before tax expenses to net cash provided by (use in) operating activities:				
Gain on disposal of temporary investments	(345,084)	(437,954)	(345,084)	(437,954)
Gain from adjusting investment value	(7,009)	-	(7,009)	-
Share of gain from associated companies	(26,920)	(1,006,772)	-	-
Allowance for doubtful accounts and estimated goods return	8,564,179	9,062,730	8,816,976	9,157,992
Adjustments from reconcile account receivable	(32,161)	(608,879)	(32,161)	(608,879)
Expense from loss of inventories	3,735,557	3,768,391	3,735,557	3,768,391
Allowance for loss of inventories, dilapidated and slow moving	(1,196,238)	(1,216,547)	(1,196,238)	(1,216,547)
Expense for donation of goods and equipment	4,301,092	3,953,297	4,301,092	3,953,297
Expense from donate property	104,314	-	104,314	-
Expense from destroy inventories	7,946,484	-	7,946,484	-
Loss on destroy inventories	2,286,599	3,133,383	2,286,599	3,133,383
Depreciation and amortization	45,061,344	51,249,298	36,828,216	43,235,201
Allowance for impairment of assets (reversal)	(1,581,119)	(1,721,522)	(1,581,119)	(1,721,522)
(Gain) loss on sales and written-off equipment	359,365	449,133	(473,135)	41,685
Amortized leasehold rights on land and buildings	5,150,342	5,470,540	5,008,885	5,329,084
Adjustment from clearing long outstanding payable	38,398	(16,476)	38,398	(16,476)
Long-term employee benefits expenses	3,484,296	9,531,680	3,261,041	8,078,448
Past service costs	10,753,924	-	9,674,086	-
Deferred entry fee income	(6,755,000)	-	-	-
Interest income	(465,413)	(595,442)	(300,048)	(432,292)
Interest expenses	6,588,680	7,959,186	5,132,250	6,445,329
Dividend received	-	-	(1,000,000)	(1,000,000)

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

"UNAUDITED"

"REVIEWED"

- 13 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		
Profit from operating activities before changes in operating assets				
and liabilities	120,493,872	141,321,305	100,706,366	118,652,611
Operating assets (increase) decrease				
Trade and other receivables	(130,407,246)	(134,124,708)	(132,662,931)	(132,571,574)
Inventories	1,873,836	(13,545,679)	376,171	(8,955,531)
Prepaid expense	(4,505,291)	(2,210,969)	(4,370,516)	(2,955,745)
Other current assets	1,898,369	(1,347,517)	1,903,626	(1,464,553)
Prepaid book copyright and translation fee	(1,411,024)	865,942	(1,411,024)	865,942
Rental guarantee and deposit	2,980,864	5,996,364	2,980,864	5,996,364
Other non-current assets	(82,153)	18,001	(108,410)	96,320
Operating liabilities increase (decrease)				
Trade and other payables	48,253,120	41,752,523	55,809,929	44,367,502
Deffered unearned income	296,005	(3,501,113)	-	-
Other current liabilities	2,360,463	1,742,927	4,704,596	(1,499,133)
Other non-current liabilities	2,757,440	2,736,000	1,461,440	1,680,000
Cash received from in operating activities	44,508,255	39,703,076	29,390,111	24,212,203
Cash paid for long-term employee benefit	(6,129,507)	(4,268,110)	(6,129,507)	(4,268,110)
Cash received for income tax	-	6,983,233	-	6,859,171
Cash paid for interest expenses	(6,608,589)	(8,015,477)	(5,152,159)	(6,505,466)
Cash paid for income tax	(1,227,759)	(1,326,344)	(1,210,502)	(1,169,924)
Net cash provided by operating activities	30,542,400	33,076,378	16,897,943	19,127,874
Cash flows from investing activities:				
Cash paid for temporary investments	(540,100,000)	(16,503,915)	(540,100,000)	(16,503,915)
Cash received from temporary investments	517,455,967	-	517,455,967	-
Increase in bank and other investment with guarantee obligation	(9,650)	(9,650)	(9,650)	(9,650)
Cash paid for purchase of fixed assets	(15,257,911)	(22,904,892)	(3,149,396)	(17,963,405)

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

"UNAUDITED"

"REVIEWED"

- 14 -

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		
Cash paid for purchase of intangible assets	(52,473)	(428,000)	(52,473)	-
Cash received from sale of equipment	662,694	105,003	641,121	86,700
Cash received from interest income	465,413	595,442	300,403	432,646
Cash received from unearned deposit	-	20,000,000	-	20,000,000
Net cash flows used in investing activities	(36,835,960)	(19,146,012)	(24,914,028)	(13,957,624)
<u>Cash flows from financing activities</u>				
Cash received from short-term loans from third party	-	300,000	-	-
Cash received from short-term loans from financial institution	130,000,000	30,000,000	130,000,000	30,000,000
Cash paid for short-term loans from financial institution	(100,000,000)	(30,000,000)	(100,000,000)	(30,000,000)
Cash paid for long-term loans	(30,204,000)	(40,304,000)	(30,204,000)	(30,204,000)
Net cash flows used in financing activities	(204,000)	(40,004,000)	(204,000)	(30,204,000)
Net decrease in cash and cash equivalents	(6,497,560)	(26,073,634)	(8,220,085)	(25,033,750)
Cash and cash equivalents at beginning of period	139,466,326	145,864,621	85,531,195	94,319,896
Cash and cash equivalents at end of period	132,968,766	119,790,987	77,311,110	69,286,146
Supplemental cash flows information				
Non-cash transactions				
Gain in revaluation surplus on changes in value of				
available-for-sale investments	(7,009)	(2,526)	(7,009)	(2,526)
Increase (decrease) in purchase fixed assets payables	1,606,606	(2,918,046)	1,163,243	(3,014,753)

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2019

1. GENERAL INFORMATION

1.1 Address and legal status

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 address of its registered office is as follows:

Head office : located at 1858/87-90, Debaratana Road, Bangna South Sub-District,
Bangna District, Bangkok.

Distribution center : located at 118 Moo 1, Tambon Sisa Chorakhe Yai, Bang Sao
Tong District, Samutprakarn.

1.2 Nature of the Company’s business and shareholder

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. Plearnpattana School, which operates a private school offering courses for students from pre-kindergarten to Matayom 6.

5. BaesLab Co., Ltd., which operates in consulting, provision and distribution of software and hardware business.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Basis for preparation of the interim financial statements

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2018) “Interim Financial Reporting” and the announcement of the Stock Exchange of Thailand Accounting. These interim financial statements are prepared as additional financial statement information with the emphasis on the more current information about new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended December 31, 2018.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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 such financial statements in Thai language.

2.2 Basis of consolidated interim financial statements preparation

2.2.1 The consolidated financial statements are prepared by including the Company's financial statements and its subsidiaries financial statements as follows:-

Subsidiary companies' name	Nature of business	Country of incorporation	Shareholding percentage	
			As at June 30, 2019	As at December 31, 2018
SE-ED Book Center Co.,Ltd.	Operate bookstores (Completion of liquidation on June 20, 2019)	Thailand	99.99	99.99
BaesLab Co., Ltd.	Operates in consulting, provision and distribution of software and hardware business.	Thailand	60.00	60.00
Plearn Patt Co.,Ltd.	Private school	Thailand	48.97	48.97

2.2.2 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 December 31, 2018, with there being no changes in the structure of shareholding in subsidiaries during the current period.

2.2.3 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.2.4 Significant inter-company transactions between the Company and its subsidiaries have been eliminated.

2.2.5 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

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

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

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

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

The accounting guidance for financial instruments and Presentation for Insurance business

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

1. The recognition of transaction and valuation of financial instrument which is developed closely to Thai Accounting Standard No.105 (revised 2016) accounting for investment in debt securities and equity securities and Thai Financial Reporting Standard No.9 financial instrument.

2. Impairment of financial asset which has content close to Thai Financial Reporting Standard No.9 financial instrument.

3. Accounting to prevent risk with content close to Thai Financial Reporting Standard No.9 financial instrument.

4. Information disclosure of financial instrument with content similar to Thai Financial Reporting Standard No.7 disclosure of financial instrument information.

TFRS 16 Leases

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

Revenues recognition

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

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

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

"UNAUDITED"

"REVIEWED"

- 19 -

	Thousand Baht	
	Consolidated financial statements	
	As at December 31, 2018	As at January 31, 2018
Impact on retained earnings		
Entrance fees income	(33,127)	(30,248)

The amounts of adjustments affecting the transactions in the statements of financial position as at June 30, 2019 and December 31, 2018 are stated as follows:

	Thousand Baht					
	Consolidated financial statements					
	As at June 30, 2019			As at December 31, 2018		
	Previous accounting policy	Increase (decrease)	TFRS 15	Previous accounting policy	Increase (decrease)	TFRS 15
Statements of financial position						
Liabilities						
Income received in advance recognizable						
within one year	53,183	6,172	59,355	57,248	6,755	64,003
Income received in advance	13,659	20,200	33,859	9,299	26,372	35,671
Shareholders' equity						
Retained earnings						
- Company	231,618	(12,914)	218,704	213,053	(16,222)	196,831
- Non-controlling interests of subsidiaries	93,619	(13,458)	80,161	89,374	(16,905)	72,469
	<u>325,237</u>	<u>(26,372)</u>	<u>298,865</u>	<u>302,427</u>	<u>(33,127)</u>	<u>269,300</u>

The amounts of adjustments effecting the transactions in the statements of income and the statements of comprehensive income for the three-month and six-month periods ended June 30, 2019 and 2018 are as follow:

	Thousand Baht					
	Consolidated financial statements					
	For the three-month periods ended June 30, 2019			For the six-month periods ended June 30, 2019		
	Previous accounting policy	Increase (decrease)	TFRS 15	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of income						
Tuition fees income	49,864	6,755	56,619	94,776	6,755	101,531
Total revenues	<u>887,001</u>	<u>6,755</u>	<u>893,756</u>	<u>1,670,832</u>	<u>6,755</u>	<u>1,677,587</u>
Profit before share of profit from investments						
in associates and income tax expenses	38,801	6,755	45,556	25,746	6,755	32,501
Profit before income tax expenses	<u>38,827</u>	<u>6,755</u>	<u>45,582</u>	<u>25,773</u>	<u>6,755</u>	<u>32,528</u>
Profit for the period	<u>33,278</u>	<u>6,755</u>	<u>40,033</u>	<u>22,250</u>	<u>6,755</u>	<u>29,005</u>
Profit attributable to						
Equity holders of the parent	30,399	3,307	33,706	18,006	3,307	21,313
Non-controlling interests of the subsidiaries	2,879	3,448	6,327	4,244	3,448	7,692
	<u>33,278</u>	<u>6,755</u>	<u>40,033</u>	<u>22,250</u>	<u>6,755</u>	<u>29,005</u>

Thousand Baht						
Consolidated financial statements						
For the three-month periods ended June 30, 2019			For the six-month periods ended June 30, 2019			
Previous accounting policy	Increase (decrease)	TFRS 15	Previous accounting policy	Increase (decrease)	TFRS 15	
Basic earnings per share						
Profit attributable to equity holders of the parent	0.08	0.01	0.09	0.05	0.01	0.05
Other comprehensive income						
Total comprehensive income for the period	33,284	6,755	40,039	22,256	6,755	29,011
Total comprehensive income attributable to						
Equity holders of the parent	30,405	3,307	33,712	18,012	3,307	21,319
Non-controlling interests of subsidiaries	2,879	3,448	6,327	4,244	3,448	7,692
	<u>33,284</u>	<u>6,755</u>	<u>40,039</u>	<u>22,256</u>	<u>6,755</u>	<u>29,011</u>

Thousand Baht						
Consolidated financial statements						
For the three-month periods ended June 30, 2018			For the six-month periods ended June 30, 2018			
Previous accounting policy	Increase (decrease)	TFRS 15	Previous accounting policy	Increase (decrease)	TFRS 15	
Statement of income						
Tuition fees income	55,835	(2,829)	53,006	96,836	(2,829)	94,007
Total revenues	<u>938,152</u>	<u>(2,829)</u>	<u>935,323</u>	<u>1,800,937</u>	<u>(2,829)</u>	<u>1,798,108</u>
Profit before share of profit from investments						
in associates and income tax expenses	57,942	(2,829)	55,113	54,169	(2,829)	51,340
Profit before income tax expenses	<u>58,948</u>	<u>(2,829)</u>	<u>56,119</u>	<u>55,176</u>	<u>(2,829)</u>	<u>52,347</u>
Profit for the period	<u>56,125</u>	<u>(2,829)</u>	<u>53,296</u>	<u>53,337</u>	<u>(2,829)</u>	<u>50,508</u>
Profit attributable to						
Equity holders of the parent	49,805	(1,385)	48,420	46,216	(1,385)	44,831
Non-controlling interests of the subsidiaries	6,320	(1,444)	4,876	7,121	(1,444)	5,677
	<u>56,125</u>	<u>(2,829)</u>	<u>53,296</u>	<u>53,337</u>	<u>(2,829)</u>	<u>50,508</u>
Basic earnings per share						
Profit attributable to equity holders of the parent	0.13	(0.01)	0.12	0.12	(0.01)	0.11
Other comprehensive income						
Total comprehensive income (loss) for the period	56,118	(2,829)	53,289	53,335	(2,829)	50,506
Total comprehensive income attributable to						
Equity holders of the parent	49,798	(1,385)	48,413	46,214	(1,385)	44,829
Non-controlling interests of subsidiaries	6,320	(1,444)	4,876	7,121	(1,444)	5,677
	<u>56,118</u>	<u>(2,829)</u>	<u>53,289</u>	<u>53,335</u>	<u>(2,829)</u>	<u>50,506</u>

5. TRANSACTIONS WITH RELATED PARTIES

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

The related companies include the following:

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

The significant transactions with related parties for the three-month and six-month periods ended June 30, 2019 and 2018, can be summarized as follows:

		Thousand Baht			
		For the three-month periods ended June 30			
		Consolidated		Separate	
		financial statements		financial statements	
Transfer Pricing Policy		2019	2018	2019	2018
<u>Transactions in the statements of income</u>					
<u>Subsidiary companies</u>					
Sales of goods	Market price	-	-	52	393
Service expenses	Mutually agreed agreement	-	-	-	104
Interest income	MOR per annum	-	-	32	32
Service revenue	Mutually agreed agreement	-	-	15	56
<u>Transactions in associate company</u>					
Dividend income	As declared	-	-	1,000	1,000
<u>Related companies</u>					
Service revenue	Mutually agreed agreement	2,943	56	2,943	56
Purchases of goods	Market price	253	163	253	163
<u>Shareholder and directors of subsidiary companies</u>					
Lease land	Mutually agreed agreement	278	253	-	-
Amortised leasehold rights on land	Mutually agreed agreement	71	71	-	-
Interest expenses	5% - 6% per annum	15	15	-	-
		Thousand Baht			
		For the six-month periods ended June 30			
		Consolidated		Separate	
		financial statements		financial statements	
Transfer Pricing Policy		2019	2018	2019	2018
<u>Transactions in the statements of income</u>					
<u>Subsidiary companies</u>					
Sales of goods	Market price	-	-	118	479
Service expenses	Mutually agreed agreement	-	-	117	417
Interest income	MOR per annum	-	-	64	64
Service revenue	Mutually agreed agreement	-	-	71	112

"UNAUDITED"

"REVIEWED"

- 22 -

		Thousand Baht			
		For the six-month periods ended June 30			
		Consolidated		Separate	
		financial statements		financial statements	
Transfer Pricing Policy		2019	2018	2019	2018
<u>Transactions in associate company</u>					
Dividend income	As declared	-	-	1,000	1,000
<u>Related companies</u>					
Service revenue	Mutually agreed agreement	2,977	-	2,977	-
Purchases of goods	Market price	623	341	623	341
<u>Shareholder and directors of subsidiary companies</u>					
Lease land	Mutually agreed agreement	554	503	-	-
Amortised leasehold rights on land	Mutually agreed agreement	141	141	-	-
Interest expenses	5% - 6% per annum	30	30	-	-

As at June 30, 2019 and December 31, 2018 Significant outstanding balances with related companies are as follow:

		Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		As at June	As at December	As at June	As at December
		30, 2019	31, 2018	30, 2019	31, 2018
<u>Outstanding balances at the statements of financial position</u>					
<u>Subsidiary companies</u>					
Trade and other receivables		-	-	64	26
Short-term loans		-	-	1,800	1,800
Interest receivable		-	-	32	32
<u>Related companies</u>					
Trade and other receivables		2,753	3,353	2,753	3,353
Trade payable		914	1,508	914	1,508
<u>Shareholder and directors of subsidiary companies</u>					
Leasehold rights on land		5,668	5,810	-	-

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

Directors and management's benefits

For the three-month and six-month periods ended June 30, 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

		Million Baht			
		For the three-month periods ended June 30			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Short-term employee benefits		5.78	5.41	4.57	4.33
Post-employment benefits		0.14	0.12	0.10	0.08
Total		5.92	5.53	4.67	4.41

	Million Baht			
	For the six-month periods ended June 30			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	11.52	10.54	9.52	8.88
Post-employment benefits	0.28	0.24	0.20	0.16
Total	11.80	10.78	9.72	9.04

6. CASH AND CASH EQUIVALENTS

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Cash	16,130	18,180	15,950	18,007
Bank deposits - current accounts	8,053	13,059	7,192	12,132
Bank deposits - saving accounts	108,786	108,227	54,169	55,392
Total	132,969	139,466	77,311	85,531

7. CURRENT INVESTMENT

This account consisted of:

	Thousand Baht	
	Consolidated financial statements/ Separate financial statements	
	As at June 30, 2019	As at December 31, 2018
<u>Investment in available -for-sale securities</u>		
Unit trusts-at cost	22,996	-
<u>Add</u> Unrealized gain on changes in the value of investments	7	-
Investment in available-for-sale securities	23,003	-
Current investment	23,003	-

8. TRADE AND OTHER RECEIVABLES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
<u>Related parties</u>				
Classified by aging				
Not yet due	2,753	3,353	2,802	3,379
Total	2,753	3,353	2,802	3,379

"UNAUDITED"

"REVIEWED"

- 24 -

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
<u>Other companies</u>				
Classified by aging				
Not yet due	86,262	34,868	86,233	34,868
1 - 30 days	104,299	24,526	102,628	20,440
6 - 12 months	3,121	2,705	2,432	1,738
Over 12 months	3,219	4,785	2,055	3,510
Total	196,901	66,884	193,348	60,556
<u>Less</u> Allowance for doubtful debts	(8,293)	(8,025)	(6,801)	(6,280)
Allowance for goods return	(12,186)	(3,890)	(12,186)	(3,890)
Total	176,422	54,969	174,361	50,386
Total trade receivable	179,175	58,322	177,163	53,765
<u>Other receivables</u>				
Advances	2,231	753	2,212	710
Others	3,420	3,876	2,448	3,470
Total other receivables	5,651	4,629	4,660	4,180
Total trade and other receivables - net	184,826	62,951	181,823	57,945

The movements in transactions of allowance for doubtful accounts and allowance for goods return for the six-month period ended June 30, 2019, as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	Allowance for doubtful debts	Allowance for goods return	Allowance for doubtful debts	Allowance for goods return
Beginning balance	8,025	3,890	6,280	3,890
<u>Add</u> Allowance doubtful debts and goods return during the period	546	8,296	521	8,296
<u>Less</u> Allowance doubtful debts and goods return reversed during the period	(278)	-	-	-
Ending balance	8,293	12,186	6,801	12,186

9. INVENTORIES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Raw material	1,158	1,217	1,158	1,217
Work in process	7,461	10,167	7,411	8,470
Finished goods	499,828	514,722	496,415	511,656
Total	508,447	526,106	504,984	521,343
Less Allowance for loss of inventories	(3,656)	(4,953)	(3,656)	(4,952)
Allowance for dilapidated and slow moving	(186,363)	(186,064)	(186,059)	(185,959)
Inventories - net	318,428	335,089	315,269	330,432

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Beginning balance	191,017	216,344	190,911	216,238
Increase	7,464	1,072	7,266	1,072
Decrease	(8,462)	(26,399)	(8,462)	(26,399)
Ending balance	190,019	191,017	189,715	190,911

10. OTHER CURRENT ASSETS

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Supplies	18,727	20,392	17,945	19,640
Prepaid expenses	18,206	13,701	16,228	11,857
Other current assets	21,029	20,245	20,842	20,051
Total	57,962	54,338	55,015	51,548

11. RESTRICTED BANK DEPOSITS AND OTHER INVESTMENTS

This account consisted of:

	Thousand Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2019	As at December 31, 2018
Fixed deposits with 12 months maturity	8,000	8,000
Saving bonds with 7 years maturity	5,423	5,413
Total	13,423	13,413

As at June 30, 2019 and December 31, 2018, the fixed deposits with 12 months maturity, with the bearing of 1.85 % and 0.80 - 1.85 %, respectively and savings bonds with 7 years maturity, with the bearing of 3.625 % and 3.625 %, respectively, has been used to guarantee electricity use, rental of space and dealers (Note 28.2 to interim financial statements).

12. INVESTMENTS IN AN ASSOCIATE

This account consisted of:

Company's name	Nature of business	Shareholding percentage	Thousand Baht						
			Consolidated financial statements		Separate financial statements				
			At equity method		At cost method		Dividend income		
			As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	
	Painting office production	(%)							
M AND E Co., Ltd.	of technical magazines	25	24,366	25,339	100	100	1,000	1,000	
Total	and engineering manuals		24,366	25,339	100	100	1,000	1,000	

13. INVESTMENTS IN SUBSIDIARIES

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

Company's name	Paid-up capita (Thousand Baht)	Shareholding percentage (%)	Thousand Baht					
			Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
SE-ED Book Center Co.,Ltd.	1,000	99.99	1,000	1,000	(187)	(187)	813	813
BaesLab Co., Ltd.	250	60.00	150	150	-	-	150	150
Plearn Patt Co.,Ltd.	151,850	48.97	83,000	83,000	(13,668)	(13,668)	69,332	69,332
			84,150	84,150	(13,855)	(13,855)	70,295	70,295

SE-ED Book Center Co.,Ltd.

According to the minutes of the extraordinary meeting of the shareholders No.1/2018 held on December 7, 2018, the shareholders of SE-ED Book Center Co.,Ltd. has approved to dissolve the company and the Company has already registered the dissolve with the Ministry of Commerce on December 21, 2018, and now have the completion of liquidation on June 20, 2019.

14. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2019 are summarized follows:

	Thousand Baht	
	Consolidated <u>financial statements</u>	Separate <u>financial statements</u>
At cost		
Balance as at December 31, 2018	2,927,020	2,458,930
Acquisitions during the period	16,864	4,313
Disposals during the period	(6,018)	(3,549)
Written-off during the period	(33,797)	(33,797)
Balance as at June 30, 2019	<u>2,904,069</u>	<u>2,425,897</u>
Accumulated depreciation		
Balance as at December 31, 2018	1,147,951	945,991
Depreciation for the period	44,701	36,466
Accumulated depreciation on disposals	(4,996)	(3,381)
Accumulated depreciation on written-off	(31,406)	(31,406)
Balance as at June 30, 2019	<u>1,156,250</u>	<u>947,670</u>
Impairment		
Balance as at December 31, 2018	2,167	2,167
Impairment during the period	(1,581)	(1,581)
Balance as at June 30, 2019	<u>586</u>	<u>586</u>
Net book value		
Balance as at December 31, 2018	<u>1,776,902</u>	<u>1,510,772</u>
Balance as at June 30, 2019	<u>1,747,233</u>	<u>1,477,641</u>

The Company mortgaged the land and constructions thereon where the distribution centre is situated to secure against credit facilities granted by a commercial bank (Notes 18 and 21 to interim financial statements).

15. LEASEHOLD RIGHTS ON LAND

Movement of the leasehold rights on land for the six-month period June 30, 2019 is summarized follows:

	Thousand Baht
	Consolidated <u>financial statements</u>
Net book value as at December 31, 2018	5,810
Amortization for the period	(142)
Net book value as at June 30, 2019	<u>5,668</u>

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.

16. LEASEHOLD RIGHTS ON BUILDINGS

Movement of the leasehold rights on building for the six-month period ended June 30, 2019 is summarized follows:

	<u>Thousand Baht</u>
	<u>Consolidated/ Separate financial statements</u>
Net book value at December 31, 2018	40,042
Amortization for the period	<u>(5,009)</u>
Net book value as at June 30, 2019	<u><u>35,033</u></u>

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.

17. INTANGIBLE ASSETS

Movements of the intangible assets which are software license fee for the six-month period ended June 30, 2019 are summarized follows:

	<u>Thousand Baht</u>	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at December 31, 2018	3,617	3,495
Amortization for the period	<u>(307)</u>	<u>(310)</u>
Net book value as at June 30, 2019	<u><u>3,310</u></u>	<u><u>3,185</u></u>

18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

This account consisted of:

	<u>Thousand Baht</u>	
	<u>Consolidated / Separated financial statements</u>	
	<u>As at June 30, 2019</u>	<u>As at December 31, 2018</u>
Promissory note	<u>30,000</u>	<u>-</u>
Total	<u><u>30,000</u></u>	<u><u>-</u></u>

"UNAUDITED"

"REVIEWED"

- 29 -

As at June 30, 2019, the Company has a credit lines of short-term loans in promissory notes with a local commercial bank Maturity not over 3 months with credit line of Baht 250 million, with the bearing interest of 3.30% per annum, guaranteed by mortgage land and buildings

19. TRADE AND OTHER PAYABLES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Trade payable - other companies	770,033	703,434	768,668	702,429
Trade payable - related parties	914	1,508	914	1,508
Accrued expenses	70,598	86,100	64,403	72,005
Other payables for purchase of assets	4,606	2,999	3,983	2,820
Notes payable	3,488	6,030	3,488	6,013
Other payables	26,477	26,205	26,477	26,205
Total	876,116	826,276	867,933	810,980

20. INCOME RECEIVED IN ADVANCE

This account consisted of:

	Thousand Baht	
	Consolidated/Separated financial statements	
	As at June 30, 2019	As at December 31, 2018 (Restated)
Income received in advance - not yet recognised	93,215	99,674
<u>Less</u> Income received in advance recognizable within one year	<u>(59,356)</u>	<u>(64,003)</u>
Net	<u>33,859</u>	<u>35,671</u>

Movements of income received in advance for the six-month period ended June 30, 2019, as follows:

	Thousand Baht		
	Consolidated financial statements		
	Initial entrance fee	Education supporting fee	Total
Balance as at January 1, 2019 - as restated	39,179	60,495	99,674
<u>Add</u> Increase during the period	<u>3,984</u>	<u>92,807</u>	<u>96,791</u>
<u>Less</u> Income recognition during the period	<u>(7,983)</u>	<u>(93,549)</u>	<u>(101,532)</u>
<u>Less</u> Returned due to resignation of students	<u>(7)</u>	<u>(1,711)</u>	<u>(1,718)</u>
Balance as at June 30, 2019	<u>35,173</u>	<u>58,042</u>	<u>93,215</u>

21. LONG-TERM LOANS

This account consisted of:

Loans	Interest rate (%)	Repayment schedule	Thousand Baht			
			Consolidated financial statements		Separate financial statements	
			As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
1	THBFD 3M+3.85*	Monthly instalment as from July 31, 2014 with the last instalment in June 30, 2021	71,200	89,080	71,200	89,080
2	MLR-1.5	Monthly instalment as from November 30, 2014 with the last instalment in December 31, 2023	107,196	119,520	107,196	119,520
3	6.00 - 7.50 **	Settlement at maturity date of the contracts	56,650	56,650	-	-
Total			235,046	265,250	178,396	208,600
Less Current portion due within one year			(70,858)	(60,408)	(60,408)	(60,408)
Long-term loans - net			164,188	204,842	117,988	148,192

* Interest expense rate in swap transaction agreements

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

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

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

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

The Company had entered into an Interest Rate Swap Transaction Agreement with a bank covering these loan amounts, whereby a rate stipulated in the agreement is to be swapped at a floating rate plus stipulated rate as discussed in (Note 28.4 to interim financial statements).

22. OTHER CURRENT LIABILITIES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Coupon and prepaid care payable	19,388	15,316	19,388	15,316
Accrued withholding tax	1,648	3,349	1,425	1,603
Unearned income	2,867	4,134	1,603	1,541
Advance received for purchasing books	2,476	2,784	2,476	2,784
Others	5,263	3,660	3,946	2,851
Total	31,642	29,243	28,838	24,095

23. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Provision for compensation on employees'	48,295	37,424	40,152	30,699
Provision for long service awards	20,933	23,696	20,933	23,581
Total	<u>69,228</u>	<u>61,120</u>	<u>61,085</u>	<u>54,280</u>

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Long-term employee benefit obligations				
at beginning of the period	61,120	72,394	54,280	66,567
Included in profit or loss :				
Past service costs and interest	10,754	-	9,674	-
Current service cost recognition	2,628	5,168	2,417	4,564
Cost of interest	856	1,566	844	1,414
Past service cost recognition				
Actuarial gain of other long-term benefits				
recognized - other long - term benefits	-	(3,317)	-	(3,317)
Included in other comprehensive income :				
Actuarial gain arising from post-employment benefits	-	(7,853)	-	(8,110)
Benefit paid during period	(6,130)	(6,838)	(6,130)	(6,838)
Net long-term employee benefit obligations				
at the end of the period	<u>69,228</u>	<u>61,120</u>	<u>61,085</u>	<u>54,280</u>

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The Company recognized past service costs as expense in the statement of income.

24. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are as follows:-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Deferred tax assets	51,604	49,056	51,487	48,925
Deferred tax liabilities	(99,337)	(99,548)	(95,008)	(95,077)
Deferred tax - net	(47,733)	(50,492)	(43,521)	(46,152)

Changing for the six-month period ended June 30, 2019 are summarized as follows:

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the period		Balance as at
	As at December	In profit or loss	In other	As at June
	31, 2018		comprehensive	30, 2019
			income	
Deferred tax assets:				
Allowance for doubtful accounts	2,033	1,764	-	3,797
Allowance for diminution in value of inventories	35,602	967	-	36,569
Allowance for assets impairment	433	(316)	-	117
Provision for impairment of investment in associate	116	-	-	116
Employee benefits obligations	10,872	133	-	11,005
Total	49,056	2,548	-	51,604
Deferred tax liabilities:				
Unrealized gain from revaluation of land and buildings	(99,548)	212	-	(99,336)
Unrealized gain on change in the value of investment	-	(1)	-	(1)
Total	(99,548)	211	-	(99,337)

	Thousand Baht			
	Separate financial statements			
	Balance	Revenue (expenses) during the period		Balance
	As at December 31, 2018	In profit or loss	In other comprehensive income	As at June 30, 2019
Deferred tax assets:				
Allowance for doubtful accounts	2,033	1,764	-	3,797
Allowance for diminution in value of inventories	35,602	967	-	36,569
Allowance for assets impairment	433	(316)	-	117
Employee benefits obligations	10,857	147	-	11,004
Total	<u>48,925</u>	<u>2,562</u>	<u>-</u>	<u>51,487</u>
Deferred tax liabilities:				
Unrealized gain from revaluation of land and buildings	(95,077)	70	-	(95,007)
Unrealized gain on change in the value of investment	-	(1)	-	(1)
Total	<u>(95,077)</u>	<u>69</u>	<u>-</u>	<u>(95,008)</u>

25. INCOME TAX EXPENSES

The major components of income tax expenses for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows:

	Thousand Baht			
	For the three-month periods ended June 30			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Income tax expense shown in profit or loss :				
Income tax expense for the period	6,222	3,742	6,222	3,544
Deferred tax:				
Changes in temporary differences relating to the original recognition and reversal	(672)	(919)	(676)	(794)
Total	<u>5,550</u>	<u>2,823</u>	<u>5,546</u>	<u>2,750</u>

	Thousand Baht			
	For the six-month periods ended June 30			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Income tax expense shown in profit or loss :				
Income tax expense for the period	6,222	3,819	6,222	3,544
Deferred tax:				
Changes in temporary differences relating to the original recognition and reversal	(2,699)	(1,980)	(2,633)	(1,839)
Total	<u>3,523</u>	<u>1,839</u>	<u>3,589</u>	<u>1,705</u>

26. BASIC GAIN PER SHARE

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

For the three-month and six-month periods ended June 30, 2019 and 2018

	For the three-month periods ended June 30			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(Restated)			
Gain for the period				
Equity holders of the parent (Thousand Baht)	33,706	48,419	28,475	43,642
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Basic gain per share (Baht/share)	0.09	0.12	0.07	0.11
	For the six-month periods ended June 30			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(Restated)			

Gain for the period				
Equity holders of the parent (Thousand Baht)	21,313	44,831	14,918	39,239
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Basic gain per share (Baht/share)	0.05	0.11	0.04	0.10

27. OPERATION SEGMENT

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

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

Million Baht							
For the six-month periods ended June 30							
Consolidated financial statements							
Retail business segment		Other distribution channels		School business segment		Total	
2019	2018	2019	2018	2019	2018	2019	2018
					(Restated)		(Restated)
<u>As at June 30,</u>							
Property, plant and equipment						1,747.23	1,811.69
Intangible assets						3.31	3.98
Leasehold rights on land and buildings						40.70	51.41
Rental guarantee and deposit						86.97	92.61
Other assets						783.58	856.12
Total assets						<u>2,661.79</u>	<u>2,815.81</u>

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

28. COMMITMENTS AND CONTINGENT LIABILITIES

28.1 Operating lease commitments

28.1.1 As June 30, 2019, the Company has entered into space rental agreements for use as branch offices, totalling 331 branches. The lease periods ranged from 1 to 20 years. For the three-month period ended June 30, 2019 the total rental and utility fees were approximately Baht 303.3 million per annum. Some of rental fees were calculated from the percentage of sales amounts of that branch, while others were fixed rate.

28.1.2 The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building, warehouses, vehicles and costs service related with the operations. The terms of the agreements are generally between 1 and 30 years.

As at June 30, 2019 the Company and its subsidiaries, future minimum lease payments required under operating leases contracts as follow:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Payable:		
Up to 1 year	112,177	111,478
Over 1 and up to 5 years	121,388	115,671
Over 5 years	29,367	6,694
Total	<u>262,932</u>	<u>233,843</u>

28.2 Guarantees

As at June 30, 2019, the Company has pledged the bank deposit of Baht 4.00 million to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 1.10 million were pledged to guarantee the electricity usage and rental of head office.

28.3 Long-term service commitments

28.3.1 The Company entered into agent appointment agreement with a foreign company for the contractual period of three years commencing from September 1, 2016 to May 31, 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.

28.3.2 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.

28.4 Interest Rate Swap Transaction Agreement

The Company has the detail of the interest rate swap agreement outstanding as at June 30, 2019 as follow:

Principal amount	Interest revenue rate swap	Interest expenses rate swap	Termination date
	agreement (%)	agreement (%)	
Baht 142.40 million	THBFIX 1M + 1.74	THBFD 3M + 3.85	June 2021

29. FOREIGN CURRENCY ASSETS AND LIABILITIES

As at June 30, 2019 and December 31, 2018, the Company balances of financial assets and liabilities denominated in foreign currencies are summarized follow:

Foreign currency	Consolidated/Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate (Baht per foreign currency)	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
	(Thousand)	(Thousand)	(Thousand)	(Thousand)		
USD	-	-	26	32	30.9152	32.6148
SGD	-	-	64	5	22.9934	23.9720
GBP	-	-	2,084	695	39.3988	41.5216

As at June 30, 2019, the Company has foreign exchange contracts outstanding are summarized follow:

Foreign currency	Consolidated/Separate financial statements				
	Bought amount	Sold amount	Contractual exchange rate (Baht per foreign currency)		Maturity date
			Bought	Sold	
	(Thousand)	(Thousand)			
GBP	2,017	-	40.46 - 42.60	-	July - November 2019

30. 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

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 at June 30, 2019, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

	Million Baht			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property, plant and equipment	-	-	1,558.89	1,558.89

	Million Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property, plant and equipment	-	-	1,310.75	1,310.75

31. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on August 9, 2019.