

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REVIEW REPORT AND INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 30, 2019, and the related consolidated statement of income and statement of comprehensive income for the three-month and nine-month periods then ended, statement of changes in shareholders’ equity and statement of cash flows for the nine-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 September 30, 2019, the statement of income and statement of comprehensive income for the three-month and nine-month periods then ended, statement of changes in shareholders’ equity and statement of cash flows for the nine-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 nine-month periods ended September 30, 2018, statement of changes in shareholders' equity and statement of cash flows for the nine-month period then ended of Se-Education Public Company Limited and its subsidiaries, and the statement of income and statement of comprehensive income for the three-month and nine-month periods then ended, statement of changes in shareholders' equity and statement of cash flows for the nine-month period then ended of Se-Education Public Company Limited which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in her report dated November 9, 2018.

(Miss Nannaphat Wannasomboon)

Certified Public Accountant

Registration No. 7793

Dharmniti Auditing Company Limited

Bangkok, Thailand

November 8, 2019

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at September	As at December	As at September	As at December
		30, 2019	31, 2018	30, 2019	31, 2018
Notes			(Restated)		
Current assets					
Cash and cash equivalents	6	59,826,089	139,466,326	41,703,409	85,531,195
Current investment	7	6,000,000	-	-	-
Trade and other receivables	5, 8	93,043,393	62,950,818	90,476,322	57,944,984
Short-term loan to subsidiary	5	-	-	-	1,800,000
Inventories	9	309,599,790	335,088,836	308,326,291	330,431,836
Other current assets	10	60,791,379	54,337,972	57,998,803	51,548,192
Total current assets		529,260,651	591,843,952	498,504,825	527,256,207
Non-current assets					
Restricted bank deposits and other investments	11	12,927,759	13,413,204	12,927,759	13,413,204
Investment in associated company	12	24,365,699	25,338,779	100,000	100,000
Investment in subsidiary companies	13	-	-	69,482,091	70,294,511
Property, plant and equipment	14	1,739,394,827	1,776,901,991	1,468,147,002	1,510,771,934
Leasehold rights on land	15	5,596,165	5,809,523	-	-
Leasehold rights on buildings	16	32,648,209	40,042,081	32,648,209	40,042,081
Intangible assets	17	3,126,317	3,616,984	2,999,884	3,495,072
Prepaid book copyright and translation fee		20,024,551	17,599,460	20,024,551	17,599,460
Rental guarantee and deposit		85,367,870	89,950,768	85,367,870	89,950,768
Deferred tax assets	24	-	131,341	-	-
Other non-current assets		9,374,316	9,501,708	9,051,651	9,102,305
Total non-current assets		1,932,825,713	1,982,305,839	1,700,749,017	1,754,769,335
Total assets		2,462,086,364	2,574,149,791	2,199,253,842	2,282,025,542

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

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	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	213,226,061	196,830,800	185,464,399	178,188,073
Other components of shareholders' equity	381,186,687	382,025,642	370,743,119	371,169,308
Total shareholders' equity of parent	1,175,604,171	1,160,047,865	1,136,766,947	1,129,916,810
Total non-controlling interests of the subsidiaries	82,364,378	72,469,098	-	-
Total shareholders' equity	1,257,968,549	1,232,516,963	1,136,766,947	1,129,916,810
Total liabilities and shareholders' equity	2,462,086,364	2,574,149,791	2,199,253,842	2,282,025,542

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

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Notes			(Restated)		
Revenues					
Revenues from sales		627,545,363	742,088,997	625,818,228	733,151,816
Tuition fees income		48,573,598	45,387,873	-	-
Interest income and dividend		217,741	141,466	160,813	95,744
Other income		18,198,778	24,187,903	14,278,490	22,251,212
Total revenues		694,535,480	811,806,239	640,257,531	755,498,772
Expenses					
Cost of sales		399,883,585	506,964,035	397,886,997	498,175,647
Cost of tuition fees		37,423,164	35,788,564	-	-
Selling expenses		159,921,284	188,841,160	159,921,284	188,824,795
Administrative expenses		97,987,172	105,497,442	88,131,218	95,925,166
Finance costs		2,873,153	3,545,472	2,151,150	2,803,294
Total expenses		698,088,358	840,636,673	648,090,649	785,728,902
Loss before share of gain from investments					
in associates and income tax expenses		(3,552,878)	(28,830,434)	(7,833,118)	(30,230,130)
Share of gain from associated companies		26,920	-	-	-
Loss before income tax expenses					
		(3,525,958)	(28,830,434)	(7,833,118)	(30,230,130)
Income tax expense	25	(6,881)	(2,564,117)	(23,034)	(2,511,512)
Loss for the period					
		(3,532,839)	(31,394,551)	(7,856,152)	(32,741,642)
Profit (loss) attributable to					
Equity holders of the parent		(5,735,820)	(32,147,280)	(7,856,152)	(32,741,642)
Non-controlling interests of the subsidiaries		2,202,981	752,729	-	-
		(3,532,839)	(31,394,551)	(7,856,152)	(32,741,642)
Basic loss per share					
	26				
Equity holders of the parent		(0.01)	(0.08)	(0.02)	(0.08)

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

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			(Restated)		
Notes					
	Loss for the period	(3,532,839)	(31,394,551)	(7,856,152)	(32,741,642)
	Other comprehensive income:				
	Other comprehensive income to be reclassified				
	to profit or loss in subsequent periods				
	Loss on changes in value of				
	available-for-sale investments, net from tax expense	-	(3,336)	-	(3,336)
	Item that will not be reclassified to profit or loss				
	Actuarial loss arising from post-employment benefit	-	(258,140)	-	-
	Other comprehensive loss for the period	-	(261,476)	-	(3,336)
	Total comprehensive loss for the period	(3,532,839)	(31,656,027)	(7,856,152)	(32,744,978)
	Total comprehensive income (loss) attributable to				
	Equity holders of the parent	(5,735,820)	(32,408,756)	(7,856,152)	(32,744,978)
	Non-controlling interests of subsidiaries	2,202,981	752,729	-	-
		(3,532,839)	(31,656,027)	(7,856,152)	(32,744,978)

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

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			(Restated)		
Revenues					
Revenues from sales		2,169,661,561	2,413,201,034	2,165,161,201	2,401,443,949
Tuition fees income		150,104,957	139,395,016	-	-
Interest income and dividend		683,154	736,957	1,460,861	1,528,084
Other income		51,007,502	56,581,613	40,776,461	50,419,293
Total revenues		2,371,457,174	2,609,914,620	2,207,398,523	2,453,391,326
Expenses					
Cost of sales		1,394,236,723	1,569,887,096	1,388,525,541	1,559,330,704
Cost of tuition fees		107,559,867	104,148,746	-	-
Selling expenses		508,172,220	570,353,831	508,118,080	570,255,237
Administrative expenses		323,078,087	331,510,236	293,008,930	303,843,420
Finance costs		9,461,833	11,504,659	7,283,400	9,248,623
Total expenses		2,342,508,730	2,587,404,568	2,196,935,951	2,442,677,984
Profit before share of gain from investments in associates and income tax expenses		28,948,444	22,510,052	10,462,572	10,713,342
Share of gain from associated companies		26,920	1,006,772	-	-
Profit before income tax expenses		28,975,364	23,516,824	10,462,572	10,713,342
Income tax expense	25	(3,529,386)	(4,402,789)	(3,612,435)	(4,216,190)
Profit for the period		25,445,978	19,114,035	6,850,137	6,497,152
Profit attributable to					
Equity holders of the parent		15,550,698	12,684,665	6,850,137	6,497,152
Non-controlling interests of the subsidiaries		9,895,280	6,429,370	-	-
		25,445,978	19,114,035	6,850,137	6,497,152
Basic earnings per share	26				
Equity holders of the parent		0.04	0.03	0.02	0.02

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

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			(Restated)		
Notes					
	Profit for the period	25,445,978	19,114,035	6,850,137	6,497,152
	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	(5,357)	5,608	(5,357)
	Item that will not be reclassified to profit or loss				
	Actuarial loss arising from post-employment benefit	-	(258,140)	-	-
	Other comprehensive income (loss) for the period	5,608	(263,497)	5,608	(5,357)
	Total comprehensive income for the period	25,451,586	18,850,538	6,855,745	6,491,795
	Total comprehensive income attributable to				
	Equity holders of the parent	15,556,306	12,553,258	6,855,745	6,491,795
	Non-controlling interests of subsidiaries	9,895,280	6,297,280	-	-
		25,451,586	18,850,538	6,855,745	6,491,795

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

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

		Baht											
		Consolidated financial statements											
		Total shareholders' equity of parent											
		Issued and paid-up share capital	Share premium	Retained earnings					Other components of shareholders' equity			Total non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated to legal reserve			Unappropriated	Other comprehensive income					
				Company	Subsidiary			Surplus on changes in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity of parent		
	Notes												
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	4	-	-	-	-	(16,222,455)	-	-	-	(16,222,455)	(16,904,878)	(33,127,333)	
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		-	-	-	-	15,550,698	-	-	-	15,550,698	9,895,280	25,445,978	
Other comprehensive income for the period		-	-	-	-	-	5,608	-	5,608	5,608	-	5,608	
Total comprehensive income for the period		-	-	-	-	15,550,698	5,608	-	5,608	15,556,306	9,895,280	25,451,586	
Transferred surplus on revaluation of assets to retained earnings		-	-	-	-	844,563	-	(844,563)	(844,563)	-	-	-	
Balance as at September 30, 2019		<u>391,944,418</u>	<u>149,420,558</u>	<u>39,194,453</u>	<u>631,994</u>	<u>213,226,061</u>	<u>5,608</u>	<u>381,181,079</u>	<u>381,186,687</u>	<u>1,175,604,171</u>	<u>82,364,378</u>	<u>1,257,968,549</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	4	-	-	-	-	(14,812,609)	-	-	-	(14,812,609)	(15,435,724)	(30,248,333)	
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		-	-	-	-	12,684,665	-	-	-	12,684,665	6,429,370	19,114,035	
Other comprehensive income (loss) for the period		-	-	-	-	(126,411)	(5,357)	-	(5,357)	(131,768)	(131,729)	(263,497)	
Total comprehensive income (loss) for the period		-	-	-	-	12,558,254	(5,357)	-	(5,357)	12,552,897	6,297,641	18,850,538	
Transferred surplus on revaluation of assets to retained earnings		-	-	-	-	46,564,056	-	(46,564,056)	(46,564,056)	-	-	-	
Balance as at September 30, 2018		<u>391,944,418</u>	<u>149,420,558</u>	<u>39,194,453</u>	<u>631,994</u>	<u>189,543,845</u>	<u>-</u>	<u>382,303,929</u>	<u>382,303,929</u>	<u>1,153,039,197</u>	<u>79,354,526</u>	<u>1,232,393,723</u>	

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

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

Baht

	Separate financial statements							
	Issued and paid-up share capital	Share premium	Retained earnings		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	Total other components of shareholders' equity	
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	-	-	-	6,850,137	-	-	-	6,850,137
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	6,850,137	-	-	-	6,850,137
Transferred surplus on revaluation of assets to retained earnings	-	-	-	426,189	-	(426,189)	(426,189)	-
Balance as at September 30, 2019	391,944,418	149,420,558	39,194,453	185,464,399	-	370,743,119	370,743,119	1,136,766,947
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	-	-	-	6,497,152	-	-	-	6,497,152
Other comprehensive income (loss) for the period	-	-	-	-	(5,357)	-	(5,357)	(5,357)
Total comprehensive income (loss) for the period	-	-	-	6,497,152	(5,357)	-	(5,357)	6,491,795
Transferred surplus on revaluation of assets to retained earnings	-	-	-	46,145,682	-	(46,145,682)	(46,145,682)	-
Balance as at September 30, 2018	391,944,418	149,420,558	39,194,453	164,167,288	-	371,312,932	371,312,932	1,116,039,649

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

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		
Cash flows from operating activities				
Profit before tax expenses	28,975,364	23,516,824	10,462,572	10,713,342
Adjustments to reconcile profit before tax expenses to net cash provided by (use in) operating activities:				
Gain on disposal of temporary investments	(471,618)	(718,506)	(471,618)	(718,506)
Share of gain from associated companies	(26,920)	(1,006,772)	-	-
Allowance for doubtful accounts and estimated goods return (reversal)	(959,762)	7,126,561	(477,887)	7,337,688
Adjustments from reconcile account receivable	(32,161)	(626,401)	(32,161)	(626,401)
Expense from loss of inventories	4,851,799	7,141,776	4,851,799	7,141,776
Allowance for loss of inventories, dilapidated and slow moving	(18,090,195)	(10,328,238)	(18,090,195)	(10,328,238)
Expense for donation of goods and equipment	10,069,834	5,311,506	10,069,834	5,311,506
Expense from donate property	195,819	-	195,819	-
Expense from destroy inventories	18,889,930	-	18,889,930	-
Loss on destroy inventories	2,846,088	4,558,095	2,846,088	4,558,095
Depreciation and amortization	67,211,610	76,044,497	54,689,069	63,924,271
Allowance for impairment of assets (reversal)	(1,128,252)	(2,107,543)	(1,128,252)	(2,107,543)
(Gain) loss on sales and written-off equipment	236,196	74,268	(496,764)	(325,281)
Gain on sale of land	-	(9,567,949)	-	(9,567,949)
Loss from impairment of investment in a subsidiary	-	-	(187,510)	-
Loss from dissolution of a subsidiary company	-	-	217,541	-
Amortized leasehold rights on land and buildings	7,607,230	8,251,146	7,393,872	8,037,789
Adjustment from clearing long outstanding payable	(5,421,489)	(109,235)	(5,421,489)	(109,235)
Long-term employee benefits expenses	5,323,188	12,628,318	4,887,307	12,088,167
Past service costs	10,753,924	-	9,674,086	-
Deferred entry fee income	(6,755,000)	-	-	-
Interest income	(683,154)	(736,909)	(460,861)	(528,036)
Interest expenses	9,461,833	11,504,659	7,283,400	9,248,623
Divident received	-	-	(1,000,000)	(1,000,000)

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

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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	132,854,264	130,956,097	103,694,580	103,050,068
Operating assets (increase) decrease				
Trade and other receivables	(29,100,652)	(35,633,262)	(32,021,290)	(38,658,231)
Inventories	9,767,678	(20,079,242)	6,384,177	(23,643,321)
Prepaid expense	(3,888,057)	(2,279,406)	(3,935,809)	(2,957,090)
Other current assets	2,594,350	(10,828,069)	2,594,101	(11,014,777)
Prepaid book copyright and translation fee	(2,425,091)	1,186,597	(2,425,091)	1,186,597
Rental guarantee and deposit	4,582,898	7,093,596	4,582,898	7,093,596
Other non-current assets	130,726	(65,716)	50,654	196,341
Operating liabilities increase (decrease)				
Trade and other payables	(74,604,484)	(45,589,646)	(68,407,330)	(44,786,082)
Deffered unearned income	(33,923,437)	(36,390,496)	-	-
Other current liabilities	510,809	2,999,450	4,083,020	9,496,893
Other non-current liabilities	2,799,554	456,000	1,461,440	(600,000)
Cash received (paid) from in operating activities	9,298,558	(8,174,097)	16,061,350	(636,006)
Cash paid for long-term employee benefit	(6,381,204)	(6,838,430)	(6,381,204)	(6,838,430)
Cash received for income tax	-	6,983,233	-	6,859,171
Cash paid for interest expenses	(9,461,833)	(11,555,113)	(7,324,168)	(9,299,077)
Cash paid for income tax	(7,469,774)	(5,295,184)	(7,338,719)	(5,124,127)
Net cash used in operating activities	(14,014,253)	(24,879,591)	(4,982,741)	(15,038,469)
Cash flows from investing activities:				
Cash paid for temporary investments	(717,600,000)	(1,208,300,000)	(711,600,000)	(1,208,300,000)
Cash received from temporary investments	712,071,618	1,227,894,884	712,071,618	1,227,894,884
Cash received from loans from subsidiary companies	-	-	1,800,000	-
Cash received from dissolution of subsidiaries	-	-	782,386	-
(Increase) decrease in bank and other investment with				
guarantee obligation	485,445	(14,555)	485,445	(14,555)

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

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		
Cash paid for purchase of fixed assets	(33,634,890)	(32,882,746)	(14,669,793)	(25,147,882)
Cash paid for purchase of intangible assets	(52,473)	(428,000)	(52,473)	-
Cash received from sale of equipment	1,447,723	488,602	670,806	462,400
Cash received from sale of land	-	44,000,000	-	44,000,000
Dividend received	1,000,000	1,000,000	1,000,000	1,000,000
Cash received from interest income	683,154	736,909	493,527	528,035
Net cash flows provided by (used in) investing activities	(35,599,423)	32,495,094	(9,018,484)	40,422,882
<u>Cash flows from financing activities</u>				
Increase in bank overdrafts	15,479,439	-	15,479,439	-
Cash received from short-term loans from third party	-	300,000	-	300,000
Cash paid for short-term loans from third party	-	(300,000)	-	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	(130,000,000)	(30,000,000)	(130,000,000)	(30,000,000)
Cash paid for long-term loans	(45,506,000)	(55,406,000)	(45,306,000)	(45,306,000)
Net cash flows used in financing activities	(30,026,561)	(55,406,000)	(29,826,561)	(45,306,000)
Net decrease in cash and cash equivalents	(79,640,237)	(47,790,497)	(43,827,786)	(19,921,587)
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	59,826,089	98,074,124	41,703,409	74,398,309
Supplemental cash flows information				
<u>Non-cash transactions</u>				
Gain in revaluation surplus on changes in value of available-for-sale investments	-	6,699	-	6,699
Decrease in purchase fixed assets payables	(876,010)	(2,889,725)	(1,065,620)	(2,677,733)

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

SEPTEMBER 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 September 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
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 businesses 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:

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	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 September 30, 2019 and December 31, 2018 are stated as follows:

	Thousand Baht					
	Consolidated financial statements					
	As at September 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	19,791	6,172	25,963	57,248	6,755	64,003
Income received in advance	12,833	20,200	33,033	9,299	26,372	35,671
Shareholders' equity						
Retained earnings						
- Company	226,140	(12,914)	213,226	213,053	(16,222)	196,831
- Non-controlling interests of subsidiaries	95,822	(13,458)	82,364	89,374	(16,905)	72,469
	<u>321,962</u>	<u>(26,372)</u>	<u>295,590</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 nine-month periods ended September 30, 2019 and 2018 are as follow:

	Thousand Baht					
	Consolidated financial statements					
	For the three-month period ended September 30, 2019			For the nine-month period ended September 30, 2019		
	Previous accounting policy	Increase (decrease)	TFRS 15	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of income						
Tuition fees income	48,574	-	48,574	143,350	6,755	150,105
Total revenues	<u>48,574</u>	<u>-</u>	<u>48,574</u>	<u>143,350</u>	<u>6,755</u>	<u>150,105</u>
Profit (loss) before share of gain from investme in associates and income tax expenses	<u>(3,552)</u>	<u>-</u>	<u>(3,552)</u>	<u>22,193</u>	<u>6,755</u>	<u>28,948</u>
Profit (loss) before income tax expenses	<u>(3,526)</u>	<u>-</u>	<u>(3,526)</u>	<u>22,220</u>	<u>6,755</u>	<u>28,975</u>
Profit (loss) for the period	<u>(3,533)</u>	<u>-</u>	<u>(3,533)</u>	<u>18,691</u>	<u>6,755</u>	<u>25,446</u>
Profit (loss) attributable to						
Equity holders of the parent	(5,736)	-	(5,736)	12,244	3,307	15,551
Non-controlling interests of the subsidiaries	2,203	-	2,203	6,447	3,448	9,895
	<u>(3,533)</u>	<u>-</u>	<u>(3,533)</u>	<u>18,691</u>	<u>6,755</u>	<u>25,446</u>

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	Thousand Baht					
	Consolidated financial statements					
	For the three-month period ended September 30, 2019			For the nine-month period ended September 30, 2019		
Previous accounting policy	Increase (decrease)	TFRS 15	Previous accounting policy	Increase (decrease)	TFRS 15	
Basic earnings (loss) per share						
Equity holders of the parent	(0.01)	-	(0.01)	0.03	0.01	0.04
Statement of comprehensive income						
Total comprehensive income (loss) for the period	(3,533)	-	(3,533)	18,697	6,755	25,452
Total comprehensive income attributable to						
Equity holders of the parent	(5,736)	-	(5,736)	12,250	3,307	15,557
Non-controlling interests of subsidiaries	2,203	-	2,203	6,447	3,448	9,895
	(3,533)	-	(3,533)	18,697	6,755	25,452

	Thousand Baht					
	Consolidated financial statements					
	For the three-month period ended September 30, 2018			For the nine-month period ended September 30, 2018		
Previous accounting policy	Increase (decrease)	TFRS 15	Previous accounting policy	Increase (decrease)	TFRS 15	
Statement of income						
Tuition fees income	45,388	-	45,388	142,224	(2,829)	139,395
Total revenues	45,388	-	45,388	142,224	(2,829)	139,395
Profit (loss) before share of gain from investments						
in associates and income tax expenses	(28,830)	-	(28,830)	25,339	(2,829)	22,510
Profit (loss) before income tax expenses	(28,830)	-	(28,830)	26,346	(2,829)	23,517
Profit (loss) for the period	(31,394)	-	(31,394)	21,943	(2,829)	19,114
Profit (loss) attributable to						
Equity holders of the parent	(32,147)	-	(32,147)	14,070	(1,385)	12,685
Non-controlling interests of the subsidiaries	753	-	753	7,873	(1,444)	6,429
	(31,394)	-	(31,394)	21,943	(2,829)	19,114
Basic earnings (loss) per share						
Equity holders of the parent	(0.08)	-	(0.08)	0.04	(0.01)	0.03
Statement of comprehensive income						
Total comprehensive income (loss) for the period	(31,655)	-	(31,655)	21,680	(2,829)	18,851
Total comprehensive income (loss) attributable to						
Equity holders of the parent	(32,408)	-	(32,408)	13,939	(1,385)	12,554
Non-controlling interests of subsidiaries	753	-	753	7,741	(1,444)	6,297
	(31,655)	-	(31,655)	21,680	(2,829)	18,851

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 summarized 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:

<u>Company</u>	<u>Relationship</u>
SE-ED Book Center Co.,Ltd.	Subsidiary company by direct shareholders (Completion of liquidation on June 20, 2019)
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 nine-month periods ended September 30, 2019 and 2018, can be summarized as follows:

		Thousand Baht			
		<u>For the three-month periods ended September 30,</u>			
		<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
<u>Transfer Pricing Policy</u>		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Transactions in the statements of income</u>					
<u>Subsidiary companies</u>					
Sales of goods	Market price	-	-	3	104
Service expenses	Mutually agreed agreement	-	-	-	-
Interest income	MOR% per annum	-	-	22	33
Service revenue	Mutually agreed agreement	-	-	3	56
<u>Related companies</u>					
Service expenses	Mutually agreed agreement	1,270	56	1,270	56
Purchases of goods	Market price	63	118	63	118
<u>Shareholder and directors of subsidiary companies</u>					
Lease land	Mutually agreed agreement	281	256	-	-
Amortised leasehold rights on land	Mutually agreed agreement	72	72	-	-
Interest expenses	5% - 6% per annum	15	15	-	-

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		Thousand Baht			
		For the nine-month periods ended September 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	-	-	123	583
Service expenses	Mutually agreed agreement	-	-	117	417
Interest income	MOR% per annum	-	-	86	97
Service revenue	Mutually agreed agreement	-	-	74	168
<u>Transactions in associate company</u>					
Dividend income	As declared	-	-	1,000	1,000
<u>Related companies</u>					
Service expenses	Mutually agreed agreement	4,274	168	4,247	168
Purchases of goods	Market price	686	459	686	459
<u>Shareholder and directors of subsidiary companies</u>					
Lease land	Mutually agreed agreement	835	759	-	-
Amortised leasehold rights on land	Mutually agreed agreement	213	213	-	-
Interest expenses	5% - 6% per annum	45	45	-	-

As at September 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 September	As at December	As at September	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		-	-	-	26
Short-term loans		-	-	-	1,800
Interest receivable		-	-	-	33
<u>Related companies</u>					
Trade and other receivables		2,453	3,353	2,453	3,353
Trade payable		979	1,508	979	1,508
<u>Shareholder and directors of subsidiary companies</u>					
Leasehold rights on land		5,596	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 nine-month periods ended September 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 September 30,			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	5.78	4.73	5.16	4.13
Post-employment benefits	0.14	0.08	0.10	0.05
Total	5.92	4.81	5.26	4.18

	Million Baht			
	For the nine-month periods ended September 30,			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	17.31	15.28	14.68	13.02
Post-employment benefits	0.42	0.32	0.30	0.21
Total	17.73	15.60	14.98	13.23

6. CASH AND CASH EQUIVALENTS

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Cash	10,970	18,180	10,795	18,007
Bank deposits - current accounts	4,431	13,059	4,260	12,132
Bank deposits - saving accounts	44,425	108,227	26,648	55,392
Total	59,826	139,466	41,703	85,531

7. SHORT-TERM INVESTMENT

At as September 30, 2019, a subsidiary had the fixed bank deposit amounted Baht 6.00 million with 7 month maturity date carried interest rate 1.75% per annum.

8. TRADE AND OTHER RECEIVABLES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
<u>Related parties</u>				
Classified by aging				
Not yet due	2,453	3,353	2,453	3,379
Total	2,453	3,353	2,453	3,379
<u>Other companies</u>				
Classified by aging				
Not yet due	38,041	34,868	38,041	34,868
1 - 30 days	51,463	24,526	50,220	20,440
6 - 12 months	2,964	2,705	2,317	1,738
Over 12 months	3,425	4,785	2,476	3,510
Total	95,893	66,884	93,054	60,556
<u>Less</u> Allowance for doubtful debts	(5,208)	(8,025)	(3,945)	(6,280)
Allowance for goods return	(5,747)	(3,890)	(5,747)	(3,890)
Total	84,938	54,969	83,362	50,386
Total trade receivable	87,391	58,322	85,815	53,765
<u>Other receivables</u>				
Advances	2,054	753	2,021	710
Others	3,598	3,876	2,640	3,470
Total other receivables	5,652	4,629	4,661	4,180
Total trade and other receivables - net	93,043	62,951	90,476	57,945

The movements in transactions of allowance for doubtful accounts and allowance for goods return for the nine-month period ended September 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	25	1,857	-	1,857
<u>Less</u> Allowance doubtful debts and goods return reversed during the period	(2,842)	-	(2,335)	-
Ending balance	5,208	5,747	3,945	5,747

9. INVENTORIES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Raw material	1,087	1,217	1,087	1,217
Work in process	8,108	10,167	8,058	8,470
Finished goods	473,326	514,722	472,003	511,656
Total	482,521	526,106	481,148	521,343
<u>Less</u> Allowance for loss of inventories	(2,929)	(4,953)	(2,929)	(4,952)
Allowance for dilapidated and slow moving	(169,992)	(186,064)	(169,893)	(185,959)
Inventories - net	309,600	335,089	308,326	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 September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Beginning balance	191,017	216,344	190,911	216,238
Increase	7,717	1,072	7,717	1,072
Decrease	(25,813)	(26,399)	(25,806)	(26,399)
Ending balance	172,921	191,017	172,822	190,911

10. OTHER CURRENT ASSETS

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Supplies	18,365	20,392	17,588	19,640
Prepaid expenses	17,589	13,701	15,793	11,857
Other current assets	24,837	20,245	24,618	20,051
Total	60,791	54,338	57,999	51,548

11. RESTRICTED BANK DEPOSITS AND OTHER INVESTMENTS

This account consisted of:

	Thousand Baht	
	Consolidated/Separate financial statements	
	As at September 30, 2019	As at December 31, 2018
Fixed deposits with 12 months maturity	8,000	8,000
Saving bonds with 7 years maturity	4,928	5,413
Total	<u>12,928</u>	<u>13,413</u>

As at September 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 September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
M AND E Co., Ltd.	Painting office production of technical magazines	25	24,366	25,339	100	100	1,000	1,000
Total	and engineering manuals		<u>24,366</u>	<u>25,339</u>	<u>100</u>	<u>100</u>	<u>1,000</u>	<u>1,000</u>

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 September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
SE-ED Book Center Co., Ltd.	1,000	99.99	-	1,000	-	(187)	-	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
			<u>83,150</u>	<u>84,150</u>	<u>(13,668)</u>	<u>(13,855)</u>	<u>69,482</u>	<u>70,295</u>

SE-ED Book Center Co., Ltd.

According to the Extraordinary Shareholders' Meeting No. 1/2018 dated December 7, 2018, SE-ED Book Center Co., Ltd. had a special resolution to dissolve the company and the company had registered for the dissolution with Ministry of Commerce on December 21, 2018. The liquidation had been completed on June 20, 2019. And on July 31, 2019, such subsidiary had repaid the investment to the Company amounted Baht 0.78 million.

14. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the nine-month period ended September 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	32,759	13,604
Disposals during the period	(20,180)	(14,291)
Written-off during the period	(53,014)	(53,014)
Balance as at September 30, 2019	<u>2,886,585</u>	<u>2,405,229</u>
Accumulated depreciation		
Balance as at December 31, 2018	1,147,951	945,991
Depreciation for the period	66,668	54,141
Accumulated depreciation on disposals	(18,496)	(14,117)
Accumulated depreciation on written-off	(49,972)	(49,972)
Balance as at September 30, 2019	<u>1,146,151</u>	<u>936,043</u>
Impairment		
Balance as at December 31, 2018	2,167	2,167
Impairment during the period	(1,128)	(1,128)
Balance as at September 30, 2019	<u>1,039</u>	<u>1,039</u>
Net book value		
Balance as at December 31, 2018	<u>1,776,902</u>	<u>1,510,772</u>
Balance as at September 30, 2019	<u><u>1,739,395</u></u>	<u><u>1,468,147</u></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, 21 and 29 to interim financial statements).

15. LEASEHOLD RIGHTS ON LAND

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

	<u>Thousand Baht</u>
	<u>Consolidated</u>
	<u>financial statements</u>
Net book value as at December 31, 2018	5,810
Amortization for the period	<u>(214)</u>
Net book value as at September 30, 2019	<u><u>5,596</u></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 nine-month period ended September 30, 2019 is summarized follows:

	<u>Thousand Baht</u>
	<u>Consolidated/</u>
	<u>Separate financial</u>
	<u>statements</u>
Net book value at December 31, 2018	40,042
Amortization for the period	<u>(7,394)</u>
Net book value as at September 30, 2019	<u><u>32,648</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 nine-month period ended September 30, 2019 are summarized follows:

	<u>Thousand Baht</u>	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial</u>	<u>financial</u>
	<u>statements</u>	<u>statements</u>
Net book value as at December 31, 2018	3,617	3,495
Amortization for the period	<u>(491)</u>	<u>(495)</u>
Net book value as at September 30, 2019	<u><u>3,126</u></u>	<u><u>3,000</u></u>

18. OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at September 30, 2019, the Company had the overdrafts amounted Baht 15.48 million with carried MOR% per annum and guaranteed by mortgaging the land with buildings (Note 29 to the interim financial statements).

19. TRADE AND OTHER PAYABLES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Trade payable - other companies	639,173	703,434	638,595	702,429
Trade payable - related parties	979	1,508	979	1,508
Accrued expenses	77,246	86,100	68,863	72,005
Other payables for purchase of assets	2,123	2,999	1,754	2,820
Notes payable	5,596	6,030	5,596	6,013
Other payables	20,257	26,205	20,257	26,205
Total	<u>745,374</u>	<u>826,276</u>	<u>736,044</u>	<u>810,980</u>

20. INCOME RECEIVED IN ADVANCE

This account consisted of:

	Thousand Baht	
	Consolidated/Separated	
	financial statements	
	As at September	As at December
	30, 2019	31, 2018
		(Restated)
Income received in advance - not yet recognised	58,995	99,674
<u>Less</u> Income received in advance recognizable within one year	(25,962)	(64,003)
Net	<u>33,033</u>	<u>35,671</u>

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

	Thousand Baht		
	Consolidated financial statements		
	Initial entrance fee	Education	Total
		supporting fee	
Balance as at January 1, 2019 - as restated	39,179	60,495	99,674
<u>Add</u> Increase during the period	4,960	106,296	111,256
<u>Less</u> Income recognition during the period	(7,963)	(142,142)	(150,105)
<u>Less</u> Returned due to resignation of students	(27)	(1,803)	(1,830)
Balance as at September 30, 2019	<u>36,149</u>	<u>22,846</u>	<u>58,995</u>

21. LONG-TERM LOANS

This account consisted of:

			Thousand Baht			
			Consolidated		Separate	
			financial statements		financial statements	
Loans	Interest rate (%)	Repayment schedule	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
1	THBFD 3M+3.85*	Monthly instalment as from July 31, 2014 with the last instalment in September 30, 2021	62,260	89,080	62,260	89,080
2	MLR-1.5	Monthly instalment as from November 30, 2014 with the last instalment in December 31, 2023	101,034	119,520	101,034	119,520
3	6.00 - 7.50 **	Settlement at maturity date of the contracts	56,450	56,650	-	-
Total			219,744	265,250	163,294	208,600
<u>Less</u> Current portion due within one year			<u>(70,658)</u>	<u>(60,408)</u>	<u>(60,408)</u>	<u>(60,408)</u>
Long-term loans - net			<u>149,086</u>	<u>204,842</u>	<u>102,886</u>	<u>148,192</u>

* Interest expense rate in swap transaction agreements

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

The long-term loans were guaranteed with the land and buildings that was the location of the distribution center to guarantee any liabilities or obligations either already exist at the moment or will be held under such agreement (Note 29.3 to the interim financial statements).

Under such long agreement, the Company had to comply with some certain financial conditions specified in the agreement such as to maintain the debt ratio with interest to equity and leverage ratio, etc.

The Company had entered into the interest rate swap agreement of the credit limit loan No. 1 with the lender bank to exchange interest rate as specified in the loan agreement as floating interest rate plus the specified rate (Note 28.4 to the interim financial statements).

22. OTHER CURRENT LIABILITIES

This account consisted of:

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Coupon and prepaid card payable		19,822	15,316	19,822	15,316
Accrued withholding tax		1,904	3,349	1,524	1,603
Unearned income		1,903	4,134	1,493	1,541
Advance received for purchasing books		2,756	2,784	2,756	2,784
Others		3,369	3,660	2,583	2,851
Total		<u>29,754</u>	<u>29,243</u>	<u>28,178</u>	<u>24,095</u>

23. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Provision for compensation on employees'	49,190	37,424	40,835	30,699
Provision for long service awards	21,625	23,696	21,625	23,581
Total	70,815	61,120	62,460	54,280

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 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	3,996	5,168	3,619	4,564
Cost of interest	1,326	1,566	1,268	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	(6,381)	(6,838)	(6,381)	(6,838)
Net long-term employee benefit obligations				
at the end of the period	70,815	61,120	62,460	54,280

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 September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Deferred tax assets	47,519	49,056	47,403	48,925
Deferred tax liabilities	(99,227)	(99,548)	(94,971)	(95,077)
Deferred tax asset (liabilities) - net	<u>(51,708)</u>	<u>(50,492)</u>	<u>(47,568)</u>	<u>(46,152)</u>

Changing for the nine-month period ended September 30, 2019 are summarized as follows:

	Thousand Baht			
	Consolidated financial statements			Balance as at As at September 30, 2019
	Balance as at As at December 31, 2018	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Allowance for doubtful accounts	2,033	(95)	-	1,938
Allowance for dilapidated and slow moving	35,602	(1,623)	-	33,979
Allowance for assets impairment	433	(225)	-	208
Provision for impairment of investment in associate	116	-	-	116
Employee benefits obligations	10,872	406	-	11,278
Total	<u>49,056</u>	<u>(1,537)</u>	<u>-</u>	<u>47,519</u>
Deferred tax liabilities:				
Unrealized gain from revaluation of assets	(99,548)	321	-	(99,227)
Total	<u>(99,548)</u>	<u>321</u>	<u>-</u>	<u>(99,227)</u>

	Thousand Baht			
	Separate financial statements			Balance As at September 30, 2019
	Balance As at December 31, 2018	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Allowance for doubtful accounts	2,033	(95)	-	1,938
Allowance for dilapidated and slow moving	35,602	(1,623)	-	33,979
Allowance for assets impairment	433	(225)	-	208
Employee benefits obligations	10,857	421	-	11,278
Total	<u>48,925</u>	<u>(1,522)</u>	<u>-</u>	<u>47,403</u>
Deferred tax liabilities:				
Unrealized gain from revaluation of assets	(95,077)	106	-	(94,971)
Total	<u>(95,077)</u>	<u>106</u>	<u>-</u>	<u>(94,971)</u>

25. INCOME TAX EXPENSES

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

	Thousand Baht			
	For the three-month periods ended September 30,			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax expense shown in profit or loss :				
Income tax expense for the period	(4,025)	8,701	(4,025)	8,577
Deferred tax:				
Changes in temporary differences relating to the original recognition and reversal	4,032	(6,137)	4,048	(6,065)
Total	<u>7</u>	<u>2,564</u>	<u>23</u>	<u>2,512</u>

	Thousand Baht			
	For the nine-month periods ended September 30,			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax expense shown in profit or loss :				
Income tax expense for the period	2,197	12,520	2,197	12,121
Deferred tax:				
Changes in temporary differences relating to the original recognition and reversal	1,332	(8,117)	1,415	(7,905)
Total	<u>3,529</u>	<u>4,403</u>	<u>3,612</u>	<u>4,216</u>

26. BASIC EARNINGS (LOSS) PER SHARE

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

For the three-month and nine-month periods ended September 30, 2019 and 2018

	For the three-month periods ended September 30,			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		
Loss for the period				
Equity holders of the parent (Thousand Baht)	(5,736)	(32,147)	(7,856)	(32,742)
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Basic loss per share (Baht/share)	(0.01)	(0.08)	(0.02)	(0.08)

	For the nine-month periods ended September 30,			
	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Profit for the period				
Equity holders of the parent (Thousand Baht)	15,551	12,684	6,850	6,497
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Basic earnings per share (Baht/share)	0.04	0.03	0.02	0.02

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.

The Company and its subsidiaries' revenue and gross profit information for the three-month and nine-month periods ended September 30, 2019 and 2018 by segments are as follows:

	Million Baht							
	For the three-month periods ended September 30,							
	Consolidated financial statements							
	Retail business segment		Other distribution channels		School business segment		Total	
2019	2018	2019	2018	2019	2018 (Restated)	2019	2018 (Restated)	
External revenue	460.48	562.80	167.07	179.29	48.57	45.39	676.12	787.48
Total revenues	460.48	562.80	167.07	179.29	48.57	45.39	676.12	787.48
Gross profit from operating according to the segment	174.59	182.68	53.07	52.44	11.15	9.60	238.81	244.72
Unallocated income and expenses:								
Other income							18.42	24.33
Selling expenses							(159.92)	(188.84)
Administrative expenses							(97.99)	(105.49)
Finance costs							(2.87)	(3.55)
Share of gain from associated companies							0.03	-
Income tax expenses							(0.01)	(2.56)
Loss for the period							(3.53)	(31.39)

Million Baht								
For the nine-month periods ended September 30,								
Consolidated financial statements								
	Retail business segment		Other distribution channels		School business segment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
					(Restated)		(Restated)	
External revenue	1,536.05	1,749.06	633.62	664.14	150.10	139.40	2,319.77	2,552.60
Total revenues	<u>1,536.05</u>	<u>1,749.06</u>	<u>633.62</u>	<u>664.14</u>	<u>150.10</u>	<u>139.40</u>	<u>2,319.77</u>	<u>2,552.60</u>
Gross profit from operating according to the segment	<u>572.81</u>	<u>632.31</u>	<u>202.61</u>	<u>211.00</u>	<u>42.55</u>	<u>35.25</u>	<u>817.97</u>	<u>878.56</u>
Unallocated income and expenses:								
Other income							51.69	57.31
Selling expenses							(508.17)	(570.35)
Administrative expenses							(323.08)	(331.51)
Finance costs							(9.46)	(11.50)
Share of gain from associate companies							0.03	1.00
Income tax expenses							(3.53)	(4.40)
Profit for the period							<u>25.45</u>	<u>19.11</u>
<u>As at September 30,</u>								
Property, plant and equipment							1,739.39	1,796.04
Intangible assets							3.13	3.80
Leasehold rights on land and buildings							38.24	48.63
Rental guarantee and deposit							85.37	91.51
Other assets							595.96	654.71
Total assets							<u>2,462.09</u>	<u>2,594.69</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 The Company has entered into space rental agreements for use as branch offices, totalling 319 branches. The lease periods ranged from 1 to 20 years, the total rental and utility fees were amount of Baht 295.45 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 to 30 years.

As at September 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	100,940	99,900
Over 1 and up to 5 years	110,279	104,527
Over 5 years	28,724	6,427
Total	239,943	210,854

28.2 Guarantees

As at September 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 May 31, 2019 to October 31, 2022. 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 September 30, 2019 as follow:

Principal amount	Interest revenue rate swap agreement (%)	Interest expenses rate swap agreement (%)	Termination date
Baht 124.52 million	THBFIX 1M + 1.74	THBFD 3M + 3.85	June 2021

29. CREDIT LIMITS

As at September 30, 2019, the Company had the credit limits with the local financial institutions as follows:

- 29.1 The Company had 3 overdrafts limit amounted Baht 60 million by entering into the agreement with 3 financial institutions, carried MOR% per annum that consisted of:
- 29.1.1 Two credit limits without guarantee amounted Baht 20 million and Baht 20 million.
 - 29.1.2 One credit limit with guarantee amounted Baht 20 million and guaranteed by mortgaging the land with buildings.
- 29.2 The Company had 2 short-term loan limits amounted Baht 250 million by entering into the agreement with two financial institutions in the form of promissory notes with maturity date not over 3 months and carried the interest rate of 3.30% per annum that consisted of:
- 29.2.1 One credit limit without guarantee amounted Baht 50 million.
 - 29.2.2 One credit limit with guarantee amounted Baht 200 million and guaranteed by mortgaging the land with buildings.
- 29.3 The Company had the long-term loan limits with a financial institution with the limit amounted Baht 700 million and guaranteed by mortgaging the land with buildings that consisted of:
- 29.3.1 Credit limit amounted Baht 250 million carried THBFD 3M+3.85% per annum.
 - 29.3.2 Credit limit amounted Baht 250 million carried MLR-1.5% per annum.
 - 29.3.3 Credit limit amounted Baht 200 million and not withdrawn.

30. FOREIGN CURRENCY ASSETS AND LIABILITIES

As at September 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 September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
	(Thousand)	(Thousand)	(Thousand)	(Thousand)		
USD	-	-	15	32	30.7661	32.6148
SGD	-	-	65	5	22.4173	23.9720
GBP	-	-	538	695	38.0369	41.5216

As at September 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	483	-	37.65 - 40.34	-	October 2019 - January 2020

31. 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 September 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	-	-	1,555.98	1,555.98

	Million Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property, plant and equipment	-	-	1,307.02	1,307.02

32. EVENTS AFTER THE REPORTING PERIOD

On October 10, 2019, the Civil Court of Southern Bangkok had requested the Supreme Court's judgment. The Supreme Court had ordered the insurance company to pay compensation for the damage caused by the fire incident on May 19, 2010 at the Stock Exchange of Thailand building and Big C Ratchadamri Department Store due to the political unrest. As a result, the fire had spread to the Company's branch workplace and causing the insured property to be damaged. The judgment of the Supreme Court had ordered the insurance company to pay compensation in the amount of Baht 11.34 million, including the interest rate at 7.5% per annum, not more than Baht 1.4 million. If not followed the judgment within 30 days, it may be confiscated or enforced by law.

33. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on November 8, 2019.