



SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Se-Education Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Se-Education Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statements of income, comprehensive income, changes in shareholders' equity and its cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Se-Education Public Company Limited and its subsidiaries as at December 31, 2020, its consolidated financial performance and cash flows for the year then ended and the separate financial position of Se-Education Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are matters that are most significant to my professional judgment in auditing the consolidated and separate financial statements for the current period. I have considered these matters under the context of the overall audit of the consolidated and separate financial statements. In the expression of my opinion, I do not express a separate opinion on these matters.

Revenue recognition from sales

Revenue from sales is a transaction with the significant value in the financial statements and also has a direct effect on the performance that the users of the financial statements pay attention to. I consider that the revenue recognition is a significant risk in the audit. Therefore, I have paid special attention on such revenue recognition regarding the accuracy and completeness of the revenue transactions recorded in the account.

I have audited the revenue recognition from sales by understanding and evaluating the effectiveness of significant internal controls related to sales revenue cycle and randomly testing compliance with the control system designed by the Company by testing from the sales process until the end of the process and evaluating the efficiency of the computer system that the Company uses to retrieve all the information related to sales reports, checking sales revenue recognition to be consistent with the Company's revenue recognition policy, randomly checking of sales documentation that incurred during the year and near the end of the accounting period, reviewing of credit memos issued by the Company after the end of the accounting period and analysing income by comparing historical data and industrial data, and checking potential irregularities that may incur in sales transactions especially the accounting transactions are made through journal vouchers.

Estimation of allowance for declining in value of inventories

As the reduction condition of the print and online media industry get more involved in the business, such change has affected the media and publishing services business. Therefore, the Company has a risk in the value of inventories higher than the net realizable value. However, the consideration of the net realizable value requires the considerable judgment of the management including the related assumptions. Therefore, I have paid special attention on the use of the management judgment regarding such estimation.

I have made the understanding policies and methods used by the management to estimate the net realizable value of inventories, using the methods to assess the net realizable value of inventories, randomly testing transactions in the report to separate age and net realizable value with relevant documents, assessing the reasonableness of the assumptions used by the management in determining sales at a price lower than cost to consider the appropriateness of the declining value of inventories, testing the accuracy of calculating the net realizable value of inventories and considering the appropriateness of the main assumptions the Company used as well as referencing internal and external data, considering the operational plan, including the analysis of past trends and considering the adequacy of disclosure according to Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Nannaphat Wannasomboon.



(Miss Nannaphat Wannasomboon)

Certified Public Accountant

Registration No. 7793

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 25, 2021

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

ASSETS

		Bath						
		Consolidated financial statements			Separate financial statements			
		As at December	As at December	As at January	As at December	As at December	As at January	
		31, 2020	31, 2019	1, 2019	31, 2020	31, 2019	1, 2019	
Notes			(Restated)	(Restated)		(Restated)	(Restated)	
Current assets								
	Cash and cash equivalents	6	120,105,379	111,493,330	139,466,326	38,044,635	48,092,145	85,531,195
	Current investments	9	-	6,100,034	-	-	100,034	-
	Trade and other current receivables	5, 7	55,736,284	57,788,888	62,950,818	50,158,578	54,698,912	57,944,984
	Short-term loan to subsidiary		-	-	-	-	-	1,800,000
	Inventories	8	317,823,819	327,591,960	335,088,836	315,880,439	326,305,959	330,431,836
	Other current financial assets	9	118,330,857	-	-	118,330,857	-	-
	Other current assets	10	28,861,126	36,689,596	38,822,934	26,267,412	34,238,297	36,033,154
	Total current assets		640,857,465	539,663,808	576,328,914	548,681,921	463,435,347	511,741,169
Non-current assets								
	Restricted bank deposits and other investments	11	12,952,177	12,932,664	13,413,204	12,952,177	12,932,664	13,413,204
	Investment in associated company	12	24,087,783	24,365,699	25,338,779	100,000	100,000	100,000
	Investment in subsidiary companies	13	-	-	-	69,482,091	69,482,091	70,294,511
	Property, plant and equipment	14	1,665,942,028	1,722,403,093	1,778,488,054	1,364,427,808	1,449,712,191	1,512,357,997
	Right-of-use assets	15	379,013,764	-	-	357,316,569	-	-
	Leasehold rights on land	15	-	5,524,264	5,809,523	-	-	-
	Leasehold rights on buildings	15	-	30,318,461	40,042,081	-	30,318,461	40,042,081
	Intangible assets	16	6,212,493	2,943,182	3,616,984	5,941,557	2,814,524	3,495,072
	Prepaid book copyright and translation fee		22,241,998	21,018,667	17,599,460	22,241,998	21,018,667	17,599,460
	Rental guarantee and deposit		25,514,961	82,076,781	89,950,768	25,514,961	82,076,781	89,950,768
	Deferred tax assets	24	-	-	131,341	-	-	-
	Withholding tax pending for the refund		25,956,897	23,499,013	15,515,038	25,956,897	23,499,013	15,515,038
	Other non-current assets		8,542,079	9,036,382	9,501,708	7,826,921	8,748,312	9,102,305
	Total non-current assets		2,170,464,180	1,934,118,206	1,999,406,940	1,891,760,979	1,700,702,704	1,771,870,436
	Total assets		2,811,321,645	2,473,782,014	2,575,735,854	2,440,442,900	2,164,138,051	2,283,611,605

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht					
		Consolidated financial statements			Separate financial statements		
		As at December	As at December	As at January	As at December	As at December	As at January
		31, 2020	31, 2019	1, 2019	31, 2020	31, 2019	1, 2019
Notes			(Restated)	(Restated)		(Restated)	(Restated)
Current liabilities							
	Overdraft and short-term loan from financial institution	17	140,000,000	63,032,754	-	140,000,000	63,032,754
	Trade and other current payables	18	573,339,713	680,937,194	826,276,136	560,410,005	668,009,365
	Income received in advance recognisable within one year	19	65,137,053	59,377,559	64,003,222	-	-
	Current portion of long-term loans	21	76,574,000	70,658,000	60,408,000	30,874,000	60,408,000
	Income tax payable		490,503	490,503	390,635	-	-
	Current portion of long-term employee benefits obligations	22	3,679,482	8,663,271	5,793,411	3,679,482	8,663,271
	Current portion of lease liabilities	25	85,040,589	-	-	83,789,639	-
	Other current financial liabilities	26	5,305,170	-	-	5,305,170	-
	Other current liabilities	20	29,489,308	33,019,447	29,242,839	26,352,420	31,115,826
	Total current liabilities		979,055,818	916,178,728	986,114,243	850,410,716	831,229,216
Non-current liabilities							
	Income received in advance	19	43,502,127	41,584,581	35,670,524	-	-
	Long-term loans	21	246,116,000	133,984,000	204,842,000	222,216,000	87,784,000
	Deferred tax liabilities	24	38,289,990	39,978,451	41,867,187	34,507,777	35,909,897
	Long-term employee benefits obligations	22	78,889,209	76,787,568	55,326,216	70,156,423	68,350,960
	Lease liabilities	25	183,173,492	-	-	167,963,450	-
	Provision for decommissioning costs	23	45,629,701	45,513,349	45,363,160	45,629,701	45,513,349
	Other non-current liabilities		10,856,706	9,868,240	9,057,239	6,972,672	7,412,680
	Total non-current liabilities		646,457,225	347,716,189	392,126,326	547,446,023	244,970,886
	Total liabilities		1,625,513,043	1,263,894,917	1,378,240,569	1,397,856,739	1,076,200,102

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Baht					
	Consolidated financial statements			Separate financial statements		
	As at December 31, 2020	As at December 31, 2019	As at January 1, 2019	As at December 31, 2020	As at December 31, 2019	As at January 1, 2019
	Notes	(Restated)	(Restated)	(Restated)	(Restated)	(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	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	391,944,418
Share premium		149,420,558	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	39,194,453
Subsidiaries		1,117,130	631,994	631,994	-	-
Unappropriated		130,692,236	165,057,224	161,809,122	91,998,611	143,166,395
Other components of shareholders' equity		379,764,193	380,896,491	382,025,642	370,028,121	371,169,308
Total shareholders' equity of parent		1,092,132,988	1,127,145,138	1,125,026,187	1,042,586,161	1,087,937,949
Total non-controlling interests of the subsidiaries		93,675,614	82,741,959	72,469,098	-	-
Total shareholders' equity		1,185,808,602	1,209,887,097	1,197,495,285	1,042,586,161	1,087,937,949
Total liabilities and shareholders' equity		2,811,321,645	2,473,782,014	2,575,735,854	2,440,442,900	2,283,611,605

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Notes		(Restated)		(Restated)
Revenues				
Revenues from sales	1,852,940,631	2,748,158,649	1,852,990,411	2,743,678,523
Tuition fees income	216,529,259	198,378,893	-	-
Interest income and dividend income	680,885	1,108,256	5,117,024	1,806,982
Other income	51,002,911	80,157,373	45,560,138	67,303,142
Total revenues	2,121,153,686	3,027,803,171	1,903,667,573	2,812,788,647
Expenses				
Cost of sales	1,181,878,230	1,764,009,458	1,182,113,099	1,757,992,499
Cost of tuition fees	147,166,333	147,003,972	-	-
Selling expenses	513,457,504	663,514,452	513,457,504	663,459,662
Administrative expenses	276,120,688	416,564,598	234,283,341	376,864,232
Other loss	5,014,805	-	5,014,805	-
Total expenses	2,123,637,560	2,991,092,480	1,934,868,749	2,798,316,393
Profit (loss) from operating activities	(2,483,874)	36,710,691	(31,201,176)	14,472,254
Finance cost	16,601,295	12,320,500	13,195,111	9,404,806
Share of gain from associated companies	222,084	26,920	-	-
Profit (loss) before income tax (expenses)	(18,863,085)	24,417,111	(44,396,287)	5,067,448
Income tax (expenses)	994,851	(1,215,868)	930,593	(1,215,200)
Profit (loss) for the year	(17,868,234)	23,201,243	(43,465,694)	3,852,248
Profit (loss) attributable to				
Equity holders of the Company	(33,126,056)	12,928,382	(43,465,694)	3,852,248
Non-controlling interests of the subsidiaries	15,257,822	10,272,861	-	-
	(17,868,234)	23,201,243	(43,465,694)	3,852,248
Basic earnings (loss) per share				
Attributable to equity holders of the Company	(0.08)	0.03	(0.11)	0.01

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Notes		(Restated)		(Restated)
Profit (loss) for the year	(17,868,234)	23,201,243	(43,465,694)	3,852,248
Other comprehensive income:				
Item that will be reclassified to profit or loss				
Gain (loss) on changes in value of				
available-for-sale investments, net from tax expenses	-	27	-	27
Item that will not be reclassified to profit or loss				
Actuarial gain (loss) arising from past-employment benefit,				
net from tax expense	379,178	(10,809,458)	379,178	(10,809,458)
Other comprehensive income (loss) for the year	379,178	(10,809,431)	379,178	(10,809,431)
Total comprehensive income (loss) for the year	(17,489,056)	12,391,812	(43,086,516)	(6,957,183)
Total comprehensive income (loss) attributable to				
Equity holders of the Company	(32,746,878)	2,118,951	(43,086,516)	(6,957,183)
Non-controlling interests of subsidiaries	15,257,822	10,272,861	-	-
	(17,489,056)	12,391,812	(43,086,516)	(6,957,183)

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR DECEMBER 31, 2020

Baht

Consolidated financial statements

	Equity attributable to the parent's shareholders														
	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated		Surplus on changes in value of available-for-sale investments		Other comprehensive income						
			Subsidiary		Company		in investments		Surplus on revaluation of assets		Total other components of equity				
			Company	Subsidiary	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary	Company		
Beginning balance as at January 1, 2019 - before adjust	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
The cumulative effect of the correction of accounting error				(35,021,678)									(35,021,678)		(35,021,678)
Beginning balance as at January 1, 2019 - after adjust	391,944,418	149,420,558	39,194,453	631,994	161,809,122	-	382,025,642	-	-	382,025,642	-	-	1,125,026,187	72,469,098	1,197,495,285
Profit (loss) for the year	-	-	-	-	12,928,382	-	-	-	-	-	-	-	12,928,382	10,272,861	23,201,243
Other comprehensive income (loss) for the year	-	-	-	-	(10,809,438)	27	-	27	-	-	27	-	(10,809,431)	-	(10,809,431)
Total other comprehensive income (loss) for the year	-	-	-	-	2,118,924	27	-	27	-	-	27	-	2,118,951	10,272,861	12,391,812
Transferred surplus on revaluation of assets to retained earnings	-	-	-	-	1,129,178	-	(1,129,178)	-	-	-	(1,129,178)	-	-	-	-
Balance as at December 31, 2019	391,944,418	149,420,558	39,194,453	631,994	165,057,224	27	380,896,464	380,896,491	-	380,896,464	-	-	1,127,145,138	82,741,959	1,209,887,097
The cumulative effect of the changes in accounting policies due to the adoption of new financial reporting standards	-	-	-	-	(2,265,245)	(27)	-	-	-	-	-	-	(2,265,272)	-	(2,265,272)
Balance as at January 1, 2020 - as restated	391,944,418	149,420,558	39,194,453	631,994	162,791,979	-	380,896,464	380,896,464	-	380,896,464	-	-	1,124,879,866	82,741,959	1,207,621,825
Legal reserve	-	-	-	485,136	(485,136)	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,324,167)	(4,324,167)
Profit (loss) for the year	-	-	-	-	(33,126,056)	-	-	-	-	-	-	-	(33,126,056)	15,257,822	(17,868,234)
Other comprehensive income (loss) for the year	-	-	-	-	379,178	-	-	-	-	-	-	-	379,178	-	379,178
Total comprehensive income (loss) for the year	-	-	-	-	(33,232,014)	-	-	-	-	-	-	-	(32,746,878)	10,933,655	(21,813,223)
Transferred surplus on revaluation of assets to retained earnings	-	-	-	-	1,132,271	-	(1,132,271)	-	-	-	-	-	-	-	-
Balance as at December 31, 2020	391,944,418	149,420,558	39,194,453	1,117,130	130,692,236	-	379,764,193	379,764,193	-	379,764,193	-	-	1,092,132,988	93,675,614	1,185,808,602

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

Baht

	Separate financial statements							Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings	Other components of equity	Surplus on revaluation of assets	Total other components of shareholders' equity	Total	
			Appropriated to legal reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Surplus on revaluation of assets	components of shareholders' equity	
Beginning balance as at January 1, 2019 - before adjust	391,944,418	149,420,558	39,194,453	178,188,073	-	371,169,308	371,169,308	1,129,916,810
The cumulative effect of the correction of accounting error	-	-	-	(35,021,678)	-	-	-	(35,021,678)
Beginning balance as at January 1, 2019 - after adjust	391,944,418	149,420,558	39,194,453	143,166,395	-	371,169,308	371,169,308	1,094,895,132
Profit (loss) for the year	-	-	-	3,852,248	-	-	-	3,852,248
Other comprehensive income (loss) for the year	-	-	-	(10,809,458)	27	-	27	(10,809,431)
Total comprehensive income (loss) for the year	-	-	-	(6,957,210)	27	-	27	(6,957,183)
Transferred surplus on revaluation of assets to retained earnings	-	-	-	569,813	-	(569,813)	(569,813)	-
Balance as at December 31, 2019	391,944,418	149,420,558	39,194,453	136,778,998	27	370,599,495	370,599,522	1,087,937,949
The cumulative effect of the changes in accounting policies due to the adoption of new financial reporting standards	-	-	-	(2,265,245)	(27)	-	(27)	(2,265,272)
Balance as at January 1, 2020 - as restated	391,944,418	149,420,558	39,194,453	134,513,753	-	370,599,495	370,599,495	1,085,672,677
Profit (loss) for the year	-	-	-	(43,465,694)	-	-	-	(43,465,694)
Other comprehensive income (loss) for the year	-	-	-	379,178	-	-	-	379,178
Total comprehensive income (loss) for the year	-	-	-	(43,086,516)	-	-	-	(43,086,516)
Transferred surplus on revaluation of assets to retained earnings	-	-	-	571,374	-	(571,374)	(571,374)	-
Balance as at December 31, 2020	391,944,418	149,420,558	39,194,453	91,998,611	-	370,028,121	370,028,121	1,042,586,161

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
Cash flows from operating activities				
Profit (loss) for the year	(17,868,234)	23,201,243	(43,465,694)	3,852,248
Adjustments to reconcile profit (loss) net cash provided by (used in) operating activities:				
Gain on disposal of temporary investments	(158,801)	(499,004)	(158,801)	(499,004)
Other unrealized losses	4,403,405	-	4,403,405	-
Gain from adjusting investment value	(157,142)	-	(157,142)	-
Share of gain from associated companies	(222,084)	(26,920)	-	-
Allowance for expected credit losses and estimated goods return (reversal)	(2,346,594)	(3,004,469)	(3,350,444)	(3,003,804)
Adjustments from reconcile account receivable (reversal)	-	(43,581)	-	(43,581)
Expense from loss of inventories	3,682,173	5,977,539	3,682,173	5,977,539
Allowance for loss of inventories, dilapidated and slow moving (reversal)	8,845,177	(22,462,865)	8,677,966	(22,456,029)
Expense for donation of goods and equipment	6,120,184	11,930,655	6,120,184	11,930,655
Expense from donate property	1,452,649	234,555	1,452,649	234,555
Expense from destroy inventories	19,600,111	24,169,410	19,600,111	24,169,410
Depreciation and amortisation property	75,693,278	88,053,090	56,236,751	71,026,787
Depreciation of right-of-use assets	87,925,336	-	86,360,691	-
Loss from cancellation of Right-of-use assets	18,547	-	-	-
Allowance for impairment of assets (reversal)	(857,326)	(1,251,830)	(857,326)	(1,251,830)
(Gain) loss on sales and written-off equipment	705,832	7,551,149	186,712	6,823,790
Loss on written-off intangible assets	15	-	15	-
Difference from rental reduction	(136,592)	-	(136,592)	-
Loss from impairment of investment in a subsidiary (reversal)	-	-	-	(187,510)
Loss from dissolution of a subsidiary company	-	-	-	217,543
Amortized leasehold rights on land and buildings	-	10,008,879	-	9,723,620
Adjustment from clearing long outstanding payable	(13,067,885)	(5,310,181)	(13,067,885)	(5,310,181)
Long-term employee benefits expenses	6,480,125	7,154,194	5,658,290	6,505,687
Past service costs	-	10,753,924	-	9,674,086
Interest income	(680,885)	(1,108,257)	(467,024)	(806,982)
Interest expenses	16,601,295	12,170,312	13,195,111	9,254,618
Dividend received	-	-	(4,650,000)	(1,000,000)
(Income) tax expenses	(994,851)	1,215,868	(930,593)	1,215,200
Profit from operating activities before changes in operating assets and liabilities	195,037,733	168,713,711	138,332,557	126,046,817

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Restated)		(Restated)
Operating assets (increase) decrease				
Trade and other current receivables	2,178,999	8,209,980	5,670,579	6,293,457
Inventories	(28,479,503)	(12,117,863)	(27,654,914)	(15,495,698)
Prepaid expense	4,040,035	(355,813)	3,978,548	(591,577)
Other current assets	30,516,963	2,392,943	29,949,234	2,353,763
Prepaid book copyright and translation fee	(1,223,331)	(3,419,207)	(1,223,331)	(3,419,207)
Rental guarantee and deposit	160,921	7,873,987	160,921	7,873,987
Other non-current assets	(25,466,064)	465,326	(25,035,506)	353,993
Operating liabilities increase (decrease)				
Trade and other current payables	(90,555,273)	(137,662,944)	(91,135,007)	(134,703,772)
Income received in advance	7,677,040	1,288,394	-	-
Other current liabilities	(3,530,139)	3,776,608	(4,763,406)	7,020,352
Other non-current liabilities	766,000	811,001	(439,999)	(588,560)
Cash received (paid) from operating activities	91,123,381	39,976,123	27,839,676	(4,856,445)
Cash paid for employee benefit	(8,888,300)	(7,088,729)	(8,362,643)	(6,957,267)
Cash paid for provision for decommissioning cost	(2,401,154)	-	(2,401,154)	-
Cash received from income tax	76,351	-	-	-
Cash paid for interest expenses	(16,483,812)	(12,206,650)	(13,077,628)	(9,290,956)
Cash paid for income tax	(3,340,658)	(8,058,804)	(2,457,884)	(7,983,975)
Net cash provided by (used in) operating activities	60,085,808	12,621,940	1,540,367	(29,088,643)
Cash flows from investing activities:				
Cash paid for temporary investment	(469,200,000)	(769,800,000)	(475,200,000)	(769,800,000)
Cash received from temporary investment	357,575,485	764,199,004	357,575,485	770,199,004
Cash received from loans from subsidiary companies	-	-	-	1,800,000
Cash received from dissolution of subsidiaries	-	-	-	782,386
(Increase) decrease in restricted bank deposits and other investments	(19,513)	480,540	(19,513)	480,540
Cash paid for purchase of fixed assets	(54,963,126)	(42,113,375)	(5,561,844)	(17,578,846)
Cash paid for purchase of intangible assets	(4,201,195)	(52,473)	(4,056,745)	(52,473)
Cash received from sale of equipment	875,857	2,158,357	849,221	1,354,580
Cash received from cancellation of lease liabilities	91,000	-	-	-
Dividend received	500,000	1,000,000	4,650,000	1,000,000
Cash received from interest income	719,145	1,108,257	467,024	839,648
Net cash flows used in investing activities	(168,622,347)	(43,019,690)	(121,296,372)	(10,975,161)

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	(23,032,754)	23,032,754	(23,032,754)	23,032,754
Cash received from short-term loan from financial institution	220,000,000	210,000,000	220,000,000	210,000,000
Cash paid for short-term loan from financial institution	(120,000,000)	(170,000,000)	(120,000,000)	(170,000,000)
Cash received from long-term loans	143,300,000	-	120,000,000	-
Cash paid for long-term loans	(25,252,000)	(60,608,000)	(15,102,000)	(60,408,000)
Cash paid for lease liabilities	(73,542,883)	-	(72,156,751)	-
Dividend paid	(4,323,775)	-	-	-
Net cash flows provided by (use in) from financing activities	117,148,588	2,424,754	109,708,495	2,624,754
Net increase (decrease) in cash and cash equivalents	8,612,049	(27,972,996)	(10,047,510)	(37,439,050)
Cash and cash equivalents at beginning of year	111,493,330	139,466,326	48,092,145	85,531,195
Cash and cash equivalents at end of year	120,105,379	111,493,330	38,044,635	48,092,145
Supplemental cash flows information				
Non-cash transactions				
Recognized (gain) loss in revaluation surplus on changes in value of investments decrease	(157,176)	(34)	(157,176)	(34)
Increase (decrease) in asset payables increase (decrease)	1,574,305	(802,774)	996,450	(1,393,275)
Right-of-use assets	(354,176,699)	-	(337,570,180)	-
Lease liabilities	354,176,699	-	337,570,180	-
Actuarial gain (loss) arising from past-employment benefit	473,973	-	473,973	-

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 Group 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 FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with Thai Financial Reporting Standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543 

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

The financial statements in Thai language are the official statutory financial statements of the Company. The 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	
			2020	2019
BaesLab Co., Ltd.	Operates in consulting, provision and distribution of software and hardware business.	Thailand	60.00	60.00
Pleam Patt Co.,Ltd.	Private school	Thailand	48.97	48.97

2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

2.2.5 Material balances and transactions between the Group companies have been eliminated from the consolidated financial statements.

2.2.6 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 The separate financial statements present investments in subsidiaries and associate under the cost method.

2.4 Financial reporting standards that became effective in the current year

During the year, the Group has have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below. *aw*

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

January 1, 2020, the Group has adopted TFRSs related to financial instruments and TFRS 16 in its financial statements by applying modified retrospective approach. The impact from the first-time adoption has been disclosed in Note 4 to the financial statements.

IFRS 16 Leases

IFRS 16 Leases supersedes IAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under IAS 17.

The Group has adopted IFRS 16, which the Company recognized the cumulative effects of the initial application of this financial reporting standard without restated the previous year's financial statements presented for comparative. However, the Group has chosen to comply with this financial reporting standard with the lease that was previously classified as operating lease by recognizing the liabilities under the lease as at January 1, 2020 with the present value of the remaining lease payment and discounted by the interest rate of the additional borrowing of the Group as at the initial application date. It was recognized the contractual use rights in the amount of liabilities under lease agreements adjusted by the amount of the prepaid or accrued lease payments which were related to the lease agreement recognized in the statement of financial position before the date of application of this financial reporting standard.

The effect of the change in accounting policy is stated in Note 4 to the financial statements. *aw*

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where use a simplified approach to determine expected credit losses.
- Chose to follow the guideline in lease agreement amendment in accordance with the financial reporting standards No.16 lease agreement. In the case that the Company as the lessee (lessee) receives the rent reduction following the lease agreement from the lessor due to COVID-19, the lessee can choose not to use such rent reduction as change of lease agreement. When the Company chose such alternative, it has to comply with all agreements that receive rent reduction. When the lessee obtains the rent reduction confirmation in writing, the liabilities will be gradually reduced in accordance with the lease agreement due in each period by the proportion of rent reduction obtained throughout the period of rent reduction by the former calculated amount and period of rent reduction as well as reversing depreciation from right-of-use assets and interest from liabilities under the lease agreement that is still recognized in each period by the proportion of rent reduction. The difference arising will be recorded in profit or loss. It requires the lessee to adjust the value of liabilities under the lease agreement without adjusting the value of right-of-use assets and revalue the value of liabilities under the agreement again.

2.5 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards. Which such adjustments are improve/revise principles the financial reporting is as follows:

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Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to “ IASC’ s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “ the conceptual framework” of which year

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in the financial reporting standard No. 3 “ Business Combination” describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as “business combination” or “purchase of assets” or not. Adjustments are as follows:

1. Describe clearly on the consideration of “business”, activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not. *aw*

Definition of significance

The definition of significance resulted in revising the accounting standard No. 1 “Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No. 8 - Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No. 1 “ Presentation of financial statements” in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.


The management of the Group is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

2.6 Thai Financial Reporting Standard No.16 “Leases”

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The management of the Group is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted. 

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

- 3.1.1 Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts except for consignment where the revenue from consignment is recognized when the event of either the sales report is received or the payment is received first
- 3.1.2 Advertising service revenue is recognized when services have been rendered taking into account the stage of completion.
- 3.1.3 Service income is recognized when services have been rendered taking into account the stage of completion.
- 3.1.4 The entrance fee income the Company has recognized the entrance fee for the period of rights specified by the students' status.
- 3.1.5 Education supporting fees are recognized as income of the school term to which they relate.
- 3.1.6 Interest income is recognized on an accrual basis based on the effective interest rate.
- 3.1.7 Dividends are recognized when the right to receive the dividends is established.


3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade and other current receivables/ Expected credit losses and returned goods

Applicable from January 1, 2020

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible, the Group apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses. 

Applicable prior to January 1, 2020

Trade and other current receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Allowance for returned goods is based on the percentage of the average returned goods for the year of accounts receivable at the end of the period

3.4 Inventories/Allowance for dilapidated, slow moving and loss of inventories

Finished goods are valued at the lower of cost (weighted average) and net realisable value. Cost includes all production costs and attributable overheads.

Work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value.

Raw materials are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Allowance for dilapidated and slow moving is based on the percentage of the inventory turnover in conjunction with the consideration of the book editor.

Allowance for lost goods are charged based on percentage of sales of each branch. The reversal of such allowance incurred when the inventory taking and inventories lost actually at the branch.

3.5 Investments

3.5.1 Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

3.5.2 Investments in debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity

3.5.3 Investment in associate are accounted for in the consolidated financial statements using the equity method.

3.5.4 Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of provision for impairment of investments (if any).

The fair value of unit trusts is determined from their net asset value of the last working day of the year.

The weighted average method is used for computation of the cost of investments. *aw*

3.6 Property, plant and equipment/Depreciation

Land and building and improvement are stated at revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made every 5 years to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Differences arising from the revaluation are dealt with in the financial statements as follows.

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of building and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

	<u>Useful lives</u>
Land improvement	10 - 50 years
Buildings and building improvement	5 - 50 years
Building decorations	5 - 6 years
Office equipment and air conditioners	5 - 10 years
Motor vehicles	5 - 10 years


Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

3.7 Intangible assets

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortized on a systematic basis over the economic useful line and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense are included in determining income. 

A summary of the intangible assets with finite useful lives is as follows.

	Useful lives
Computer software	5 - 10 years
Book copyright and translation fee	Amortised per number of book sold

3.8 Leases

Applicable from January 1, 2020

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

Applicable prior to January 1, 2020

Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel directors, and officers with authority in the planning and direction of the Company's operations.

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3.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period

Gains and losses on exchange are included in determining income.

3.11 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where property plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation. In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

3.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred

Post-employment benefits (Defined contribution plans)

The Group's employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred. *aw*

Post-employment benefits (Defined benefit plans)

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income. are recognised immediately in other comprehensive income and other long-term benefits are recognised immediately in profit and loss.

3.13 Provision for decommissioning costs

The Group recognises a provision for decommissioning costs, where an obligation exists. The estimated amount of the eventual costs relating to the decommissioning is discounted to its present value. The decommissioning costs are included in right-of-use assets and depreciated on a straight-line basis over the expected period of the decommissioning. The Group recognised provision for decommissioning costs is based on decommissioning costs which involves various assumptions, such as decommissioning period, future inflation rate and discount rate.

3.14 Provisions

Provisions are recognized when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.15 Income tax

Income tax expenses represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period using the tax rates enacted at the end of the reporting period. *an*

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

3.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
 - Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
 - Level 3 - Use of unobservable inputs such as estimates of future cash flows
- At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

3.17 Financial instruments

Applicable from January 1, 2020

At initial recognition, the Group has measure a financial assets and financial liabilities at its fair value. Financial assets and financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets and financial liabilities. Financial assets and financial liabilities at fair value through profit or loss, transaction costs are expensed in profit or loss. *an*

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classified its financial asset as to be subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

At initial recognition, the Group measure a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classify its debt instruments:

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss.

Dividends from such investments continue to be recognized in profit or loss when the Group right to receive payments is established. *aw*

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.


Classification and measurement of financial liabilities

Financial liabilities measured subsequently at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

Recognition and derecognition

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Group become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment of financial assets

The Group recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses. 

3.18 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

Consolidation of subsidiaries that the Company holds less than half of shares

The management of the Company determined that the Company has control over Plearn Patt Company Limited, even though the Company holds 48.97% of shares and voting rights that is less than half of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities, while other shareholders are only minor shareholders. As a result, Plearn Patt Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control

Expected credit losses

In determining an allowance for expected credit losses for accounts receivable, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Provision for diminution in value of inventories

In determining of provision for diminution in value of inventories (allowance for dilapidated, slow moving and lost goods), the management needs to make judgement and estimates based upon, among other things, past goods returned history, inventory turnover, the consideration of the book edition and past good lost history.

Determining the lease term of contracts with renewal and termination options

The Group determined the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassessed the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. *an*

Depreciation of property plant and equipment and right-of-use assets and amortization of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land and buildings at revalued amounts such amounts are determined by the independent valuer using the market approach for land and the cost approach for buildings. The valuation involves certain assumptions and estimates as described in Note 14.

In addition, the management is required to review property, plant and equipment and right-of-use assets and intangible assets for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increases rate and staff turnover rate.

Fair value of financial instruments

In determining the fair value of financial instruments recognized in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy. *an*

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

As described in Note 2.4 to the financial statements, during the current year, the Group has impacts from adoption of TFRSs related to financial instruments and TFRS 16.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	Baht			
	Consolidated financial statements			
	As at December 31, 2019 (Restated)	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Current investments	6,100,034	(6,100,034)	-	-
Trade and other current receivables	57,788,888	(2,220,199)	-	55,568,689
Other current financial assets	-	6,385,465	-	6,385,465
Other current assets	60,188,609	-	(1,493,322)	58,695,287
Total current assets	563,162,821	(1,934,768)	(1,493,322)	559,734,731
Non-current assets				
Property, plant and equipment	1,722,403,093	-	(32,911,467)	1,689,491,626
Right-of-use assets	-	-	480,825,111	480,825,111
Leasehold rights on land	5,524,264	-	(5,524,264)	-
Leasehold rights on buildings	30,318,461	-	(30,318,461)	-
Rental guarantee and deposit	82,076,781	-	(56,400,898)	25,675,883
Total non-current assets	1,910,619,193	-	355,670,021	2,266,289,214
Total assets	2,473,782,014	(1,934,768)	354,176,699	2,826,023,945
Current liabilities				
Current portion of lease liabilities	-	-	85,794,269	85,794,269
Total current liabilities	916,178,728	-	85,794,269	1,001,972,997
Non-current liabilities				
Deferred tax liabilities	39,978,451	(566,327)	-	39,412,124
Lease liabilities	-	-	268,382,430	268,382,430
Other non-current financial liabilities	-	896,831	-	896,831
Total non-current liabilities	347,716,189	330,504	268,382,430	616,429,123
Total liabilities	1,263,894,917	330,504	354,176,699	1,618,402,120
Shareholders' equity				
Unappropriated retained earnings	165,057,224	(2,265,245)	-	162,791,979
Other component of shareholder's equity	380,896,491	(27)	-	380,896,464
Total shareholders' equity of parent	1,127,145,138	(2,265,272)	-	1,124,879,866
Total shareholders' equity	1,209,887,097	(2,265,272)	-	1,207,621,825
Total liabilities and shareholders' equity	2,473,782,014	(1,934,768)	354,176,699	2,826,023,945

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	Baht			
	Separate financial statements			
	As at December 31, 2019 (Restated)	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Current investments	100,034	(100,034)	-	-
Trade and other current receivables	54,698,912	(2,220,199)	-	52,478,713
Other current financial assets	-	385,465	-	385,465
Total current assets	486,934,360	(1,934,768)	-	484,999,592
Non-current assets				
Property, plant and equipment	1,449,712,191	-	(32,911,467)	1,416,800,724
Right-of-use assets	-	-	457,201,006	457,201,006
Leasehold rights on buildings	30,318,461	-	(30,318,461)	-
Rental guarantee and deposit	82,076,781	-	(56,400,898)	25,675,883
Total non-current assets	1,677,203,691	-	337,570,180	2,014,773,871
Total assets	2,164,138,051	(1,934,768)	337,570,180	2,499,773,463
Current liabilities				
Current portion of lease liabilities	-	-	85,794,269	85,794,269
Total current liabilities	831,229,216	-	85,794,269	917,023,485
Non-current liabilities				
Deferred tax liabilities	35,909,897	(566,327)	-	35,343,570
Lease liabilities	-	-	251,775,911	251,775,911
Other non-current financial liabilities	-	896,831	-	896,831
Total non-current liabilities	244,970,886	330,504	251,775,911	497,077,301
Total liabilities	1,076,200,102	330,504	337,570,180	1,414,100,786
Shareholders' equity				
Unappropriated retained earnings	136,778,998	(2,265,245)	-	134,513,753
Other component of shareholder's equity	370,599,522	(27)	-	370,599,495
Total shareholders' equity	1,087,937,949	(2,265,272)	-	1,085,672,677
Total liabilities and shareholders' equity	2,164,138,051	(1,934,768)	337,570,180	2,499,773,463

4.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
Unappropriated retained earnings as at December 31, 2019	165,057,224	136,778,998
Increase in loss allowance for trade and other current receivables	(2,220,199)	(2,220,199)
Surplus on changes in value of investments	27	27
Hedge accounting and derivatives	(611,400)	(611,400)
Related income tax (expenses)	566,327	566,327
Adjustment to unappropriated retained earnings from adoption of TFRSs related to financial instruments on January 1, 2020	(2,265,245)	(2,265,245)
Unappropriated retained earnings as at January 1, 2020 – after adjust	162,791,979	134,513,753

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On January 1, 2020 (the date of initial application), the Group management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

	Baht					
	Consolidated financial statements			Separate financial statements		
	FVPL	Amortized cost	Total	FVPL	Amortized cost	Total
Financial assets as at January 1, 2020						
Cash and cash equivalents	-	111,493,330	111,493,330	-	48,092,145	48,092,145
Trade and other current receivables	-	55,568,689	55,568,689	-	52,478,713	52,478,713
Other current financial assets	385,465	6,000,000	6,385,465	385,465	-	385,465
Other current assets	-	58,695,287	58,695,287	-	57,737,310	57,737,310
Restricted bank deposits and other investments	-	12,932,664	12,932,664	-	12,932,664	12,932,664
Other non-current assets	-	9,036,382	9,036,382	-	8,748,312	8,748,312
	<u>385,465</u>	<u>253,726,352</u>	<u>254,111,817</u>	<u>385,465</u>	<u>179,989,144</u>	<u>180,374,609</u>
Financial liabilities as at January 1, 2020						
Bank overdrafts and short-term loans from						
financial institutions	-	63,032,754	63,032,754	-	63,032,754	63,032,754
Trade and other current payables	-	680,937,194	680,937,194	-	668,009,365	668,009,365
Other current liabilities	-	33,019,447	33,019,447	-	31,115,826	31,115,826
Long-term loan	-	204,642,000	204,642,000	-	148,192,000	148,192,000
Lease liabilities	-	354,176,699	354,176,699	-	337,570,180	337,570,180
Other non-current financial liabilities	896,831	-	896,831	896,831	-	896,831
Other non-current liabilities	-	9,868,240	9,868,240	-	7,412,680	7,412,680
	<u>896,831</u>	<u>1,345,676,334</u>	<u>1,346,573,165</u>	<u>896,831</u>	<u>1,255,332,805</u>	<u>1,256,229,636</u>

Hedge accounting

Derivatives and hedging activities the Company has the following derivative instruments:

	Baht
	Consolidated/Separate financial statements
As a January 1, 2020	
Current assets	
Foreign currency forwards - fair value hedges	285,431
Total current derivative assets	<u>285,431</u>
Non-current liabilities	
Cross currency interest rate swaps - fair value hedges	896,831
Total non-current derivative liabilities	<u>896,831</u>

Trade receivables

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

On that basis, the loss allowance for trade receivables was as follows:

	Baht				
	Consolidated financial statements				
	Not yet due	Up to 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020					
Gross carrying amount	35,893,833	18,451,668	3,754,317	3,462,611	61,562,429
Loss allowance	(177,011)	2,838,918	2,624,699	3,047,092	8,333,698

	Baht				
	Separate financial statements				
	Not yet due	Up to 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020					
Gross carrying amount	35,893,833	16,505,498	2,802,632	2,170,816	57,372,779
Loss allowance	(177,011)	2,838,918	2,172,406	1,755,298	6,589,611

The loss allowance for trade receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

	Baht	
	Consolidated financial statements	Separate financial statements
<u>Loss allowance for trade receivables</u>		
As at December 31, 2019	6,113,499	4,369,412
Amounts restated through opening unappropriated retained earnings	2,220,199	2,220,199
Opening loss allowance as at January 1, 2020	<u>8,333,698</u>	<u>6,589,611</u>

4.2 Leases

These liabilities were measured at the present value of the remaining lease payments, discounted using the Group incremental borrowing rates. The Group incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was ranged 4.50%.

For leases previously classified as finance leases applying TAS 17, the Group reclassified the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

	Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	208,633,794	179,544,599
Add: Purchase or extension options reasonably certain to be exercised	315,122,297	314,709,759
Less: Contracts reassessed as service agreements	(121,571,929)	(121,571,929)
Less: Advance for rental fee	(1,493,322)	-
	400,690,840	372,682,429
Less: Deferred interest expenses	(46,514,141)	(35,112,249)
Additional lease liabilities from TFRS 16 adoption	354,176,699	337,570,180
Finance lease liabilities as at December 31, 2019	-	-
Lease liabilities recognised as at January 1, 2020	354,176,699	337,570,180
Of which are:		
Current lease liabilities	85,794,269	85,794,269
Non-current lease liabilities	268,382,430	251,775,911
	354,176,699	337,570,180


The recognized right-of-use assets relate to the following types of assets:

	Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2020		
Lands	18,099,841	-
Leasehold rights on land	5,524,264	-
Leasehold rights on buildings	30,318,461	30,318,461
Rental area of the head office	386,745,726	386,745,726
Rental area of the branches	32,911,467	32,911,467
Vehicles	7,225,352	7,225,352
Total right-of-use assets	480,825,111	457,201,006

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
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 years ended December 31, 2020 and 2019, can be summarized as follows:

Transfer Pricing Policy		Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Transactions in the statements of income					
Subsidiary companies					
Sales of goods	Market price	-	-	386,134	141,933
Service expenses	Mutually agreed agreement	-	-	-	117,196
Interest income	MOR per annum	-	-	-	86,282
Service revenue	Mutually agreed agreement	-	-	4,673	76,682
Dividend income	As declared	-	-	4,150,000	-
Transactions in associate company					
Dividend income	As declared	-	-	500,000	1,000,000
Related companies					
Service revenue	Mutually agreed agreement	33,645	4,260,950	33,645	4,260,950
Purchases of goods	Market price	540,197	3,056,024	540,197	3,056,024
Shareholder and directors of subsidiary companies					
Lease land	Mutually agreed agreement	1,115,404	1,116,555	-	-
Amortised leasehold rights on land	Mutually agreed agreement	286,060	285,259	-	-
Interest expenses	5% - 6% per annum	62,541	60,000	-	-

As at December 31, 2020 and 2019 Significant outstanding balances with related companies are as follow:

	Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Outstanding balances at the statements of financial position				
Subsidiary companies				
Trade and other current receivables	-	-	7,482	14,925
Related companies				
Trade and other current receivables	229,588	1,495,068	229,588	1,495,068
Trade payable	1,074,813	1,137,794	1,074,813	1,137,794
Shareholder and directors of subsidiary companies				
Leasehold rights on land	5,238,224	5,524,264	-	-

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Directors and management's benefits

For the years ended December 31, 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	14,601,019	22,982,402	11,284,985	19,737,210
Post-employment benefits	637,348	2,332,510	532,336	2,166,378
Total	15,238,367	25,314,912	11,817,321	21,903,588

6. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	11,512,277	16,302,807	11,227,486	16,132,211
Bank deposits - current accounts	2,843,482	5,017,520	2,161,839	4,876,810
Bank deposits - saving accounts	105,749,620	90,173,003	24,655,310	27,083,124
Total	120,105,379	111,493,330	38,044,635	48,092,145

7. TRADE AND OTHER RECEIVABLES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - Related parties</u>				
Classified by aging				
Not yet due	-	1,495,068	7,482	1,509,993
Over 12 months	229,589	-	229,589	-
Total	229,589	1,495,068	237,071	1,509,993
<u>Trade receivables - Other companies</u>				
Classified by aging				
Not yet due	34,673,448	35,893,833	34,673,448	35,893,833
0 - 6 months	8,445,769	18,451,668	5,772,996	16,505,498
6 - 12 months	3,576,785	3,754,317	2,187,010	2,802,632
Over 12 months	8,865,597	3,462,611	6,790,457	2,170,816
Total	55,561,599	61,562,429	49,423,911	57,372,779
<u>Less</u> Expected credit losses	(4,770,700)	(6,149,513)	(2,022,762)	(4,405,426)
Allowance for goods return	(1,792,858)	(2,760,638)	(1,792,858)	(2,760,638)
Total	48,998,041	52,652,278	45,608,291	50,206,715
Total trade receivable	49,227,630	54,147,346	45,845,362	51,716,708

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	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Other current receivables</u>				
Advances	756,768	535,952	749,768	508,965
Others	5,751,886	3,105,590	3,563,448	2,473,239
Total other current receivables	6,508,654	3,641,542	4,313,216	2,982,204
Total trade and other current receivables - net	55,736,284	57,788,888	50,158,578	54,698,912

The movements in transactions of allowance for expected credit losses and returned goods as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	Allowance for expected credit losses	Allowance for goods return	Allowance for expected credit losses	Allowance for goods return
Beginning balance	6,149,513	2,760,638	4,405,426	2,760,638
<u>Add</u> Allowance for expected credit losses and returned goods return during the year	1,003,851	-	-	-
<u>Less</u> Allowance for expected credit losses and returned goods and goods return reversed during the year	(2,382,664)	(967,780)	(2,382,664)	(967,780)
Ending balance	4,770,700	1,792,858	2,022,762	1,792,858

8. INVENTORIES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Raw material	731,236	1,073,796	731,236	1,073,796
Work in process	8,805,697	7,195,136	8,805,697	7,043,776
Finished goods	485,519,862	487,878,038	483,476,897	486,643,812
Total	495,056,795	496,146,970	493,013,830	494,761,384
<u>Less</u> Allowance for loss of inventories	(2,990,253)	(2,766,575)	(2,990,253)	(2,766,575)
Allowance for dilapidated and slow moving	(174,242,723)	(165,788,435)	(174,143,138)	(165,688,850)
Inventories - net	317,823,819	327,591,960	315,880,439	326,305,959

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	168,555,010	191,017,875	168,455,425	190,911,454
Increase	21,030,453	8,791,589	21,030,453	8,791,590
Decrease	(12,352,487)	(31,254,454)	(12,352,487)	(31,247,619)
Ending balance	177,232,976	168,555,010	177,133,391	168,455,425

9. OTHER CURRENT FINANCIAL ASSETS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Investment in securities in unit trust				
- at cost	117,883,316	100,000	117,883,316	100,000
Add: Unrealized gain on changes in the value of investments	157,176	34	157,176	34
Investment in securities - at fair value	118,040,492	100,034	118,040,492	100,034
Foreign exchange contracts outstanding	290,365	-	290,365	-
Fixed deposits - 7 Months	-	6,000,000	-	-
Total	118,330,857	6,100,034	118,330,857	100,034

10. OTHER CURRENT ASSETS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplies	15,197,124	18,616,162	15,056,857	17,895,191
Prepaid expenses	10,016,567	14,056,602	8,470,103	12,448,651
Other current assets	3,647,435	4,016,832	2,740,452	3,894,455
Total	28,861,126	36,689,596	26,267,412	34,238,297

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11. RESTRICTED BANK DEPOSITS AND OTHER INVESTMENTS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2020	2019
Fixed deposits with 12 months maturity	8,000,000	8,000,000
Saving bonds with 7 years maturity	4,952,177	4,932,664
Total	<u>12,952,177</u>	<u>12,932,664</u>

As at December 31, 2020 and 2019, the fixed deposits with 12 months maturity, with the bearing of 0.25% and 1.85%, respectively and savings bonds with 10 years maturity, face value Baht 5.00 million and in the amount of Baht 5.00 million, respectively, with the bearing of 3.625% and 3.625%, respectively, has been used to guarantee electricity use, rental of space and dealers (Note 34.2 to financial statements).

12. INVESTMENTS IN AN ASSOCIATE

12.1 This account consisted of:

Company's name	Nature of business	Shareholding percentage (%)	Baht							
			Consolidated financial statements				Separate financial statements			
			At equity method		Allowance for impairment of investments		At equity method - Net		At cost method	
			2020	2019	2020	2019	2020	2019	2020	2019
M AND E Co., Ltd.	Painting office production of technical magazines and engineering manuals	25	24,667,783	24,945,699	(580,000)	(580,000)	24,087,783	24,365,699	100,000	100,000
Total			<u>24,667,783</u>	<u>24,945,699</u>	<u>(580,000)</u>	<u>(580,000)</u>	<u>24,087,783</u>	<u>24,365,699</u>	<u>100,000</u>	<u>100,000</u>

12.2 Share of comprehensive income and dividend received

During the years, the Company has recognized its share of profit from investments in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	Baht			
	Consolidated financial statements		Separate financial statements	
	Share of gain from investment in associate		Dividend received	
	2020	2019	2020	2019
M and E Co., Ltd.	222,084	26,920	500,000	1,000,000
	<u>222,084</u>	<u>26,920</u>	<u>500,000</u>	<u>1,000,000</u>

12.3 Summarized financial information of associate

Financial information of the associated company is summarized below.

Company's name	Baht									
	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the year ended	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
M and E Co., Ltd.	400,000	400,000	84,534,771	88,274,810	1,394,911	1,294,579	4,520,178	4,472,231	1,075,577	888,336

13. INVESTMENTS IN SUBSIDIARIES

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

Company's name	Paid-up capita		Shareholding percentage		Baht							
					Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		Dividend received during the year	
	2020 (Thousand Baht)	2019 (Thousand Baht)	2020 (%)	2019 (%)	2020	2019	2020	2019	2020	2019	2020	2019
BaesLab Co., Ltd.	250	250	60.00	60.00	150,000	150,000	-	-	150,000	150,000	-	-
Pleam Patt Co., Ltd.	151,850	151,850	48.97	48.97	83,000,000	83,000,000	(13,667,909)	(13,667,909)	69,332,091	69,332,091	4,150,000	-
Total					<u>83,150,000</u>	<u>83,150,000</u>	<u>(13,667,909)</u>	<u>(13,667,909)</u>	<u>69,482,091</u>	<u>69,482,091</u>	<u>4,150,000</u>	<u>-</u>

13.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
Pleam Patt Co., Ltd.	51.03	51.03	93,673,614	82,741,962	15,257,822	10,209,833	4,324,167	-

13.3 Summarized financial information that based on amounts before inter-company elimination about Pleam Patt Co., Ltd. that have material non-controlling

	Baht	
	2020	2019
Current assets	91,994,741	75,700,678
Non-current assets	325,331,329	279,892,961
Current liabilities	128,644,549	84,609,298
Non-current liabilities	98,921,168	102,877,750
Revenue	222,190,406	212,243,278
Profit	29,905,448	20,849,159
Other comprehensive income	222,089	221,482
Total comprehensive income	30,127,537	21,070,641
Cash flow from operating activities	58,770,374	40,995,135
Cash flow used in investing activities	(44,814,228)	(29,987,557)
Cash flow used in financing activities	4,676,225	(200,000)
Increase in cash and cash equivalents - net	<u>18,632,371</u>	<u>10,807,578</u>

On March 9, 2020, the Directors' Meeting of Plearnpat Co.,Ltd., a subsidiary of the Company, had a resolution to change the school operator from Plearnpat Co.,Ltd. to school juristic person under the Private School Act B.E. 2550, Section 24. When receiving the license to establish a formal school, the school in the system becomes a juristic person from the date of receiving the license and the licensee becomes a representative of the juristic person. This is the reason to separate Ploen Pattana School from Plearnpat Co.,Ltd. in order to operate in accordance with the Act B.E. 2550. *ar*

On July 28, 2020, the Annual General Shareholders' Meeting for the year 2020 of Ploenpat Co., Ltd., a subsidiary had a resolution to pay the interim dividend for the year 2020 to the shareholders at Baht 0.50 per share for 16,947,550 shares, totaled Baht 8.47 million on August 24, 2020.

14. PROPERTY, PLANT AND EQUIPMENT

This account consisted of:

	Baht						
	Consolidated financial statements						
	Balance	The impacts	Transaction during the year				Balance
	As at December 31,2019 (Restated)	adoption of TFRSs related of TFRS 16	Additions	Deduction	Transfer In (out)		As at December 31,2020
Cost							
Land and land improvement	479,007,312	-	15,000,000	-	4,998,481	499,005,793	
Building and building improvement	820,646,422	-	748,241	(973,901)	3,916,514	824,337,276	
Building and building decorations	397,902,968	(214,637,627)	4,522,991	(24,292,580)	-	163,495,752	
Dismantling cost	36,904,889	(19,844,205)	-	-	-	17,060,684	
Office equipment	575,924,637	-	11,197,402	(23,511,284)	3,211,236	566,821,991	
Motor Vehicles	35,683,288	-	-	(7,759,044)	-	27,924,244	
Construction in progress	5,895,677	-	24,995,666	-	(15,199,388)	15,691,955	
Total	2,351,965,193	(234,481,832)	56,464,300	(56,536,809)	(3,073,157)	2,114,337,695	
Less Accumulated depreciation							
Land and land improvement	26,888,913	-	2,786,607	-	-	29,675,520	
Building and building improvement	211,013,483	-	23,759,756	(514,444)	-	234,258,795	
Building and building decorations	348,675,095	(182,723,982)	10,972,075	(23,206,846)	-	153,716,342	
Dismantling cost	35,907,067	(18,846,383)	-	-	-	17,060,684	
Office equipment	470,415,574	-	33,988,119	(22,093,386)	-	482,310,307	
Motor Vehicles	31,348,631	-	1,182,444	(7,759,022)	-	24,772,053	
Total	1,124,248,763	(201,570,365)	72,689,001	(53,573,698)	-	941,793,701	
Allowance for impairment							
Building and building decorations	914,991	-	57,665	(914,991)	-	57,665	
Total	914,991	-	57,665	(914,991)	-	57,665	
Appraised value - net							
Land and land improvement	454,263,154	-	-	-	-	454,263,154	
Building and building improvement	41,338,500	-	-	(2,145,955)	-	39,192,545	
Property, plant and equipment appraised value - net	495,601,654	-	-	(2,145,955)	-	493,455,699	
Property, plant and equipment - net	1,722,403,093	-	-	-	-	1,665,942,028	

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Baht					
Consolidated financial statements					
	Balance as at	Transaction during the year			Balance as at
	December 31, 2018 (Restated)	Additions	Deduction	Transfer In (out)	December 31, 2019 (Restated)
Cost					
Land and land improvement	478,320,312	313,200	-	373,800	479,007,312
Building and building improvement	807,294,249	1,457,288	(1,302,087)	13,196,972	820,646,422
Building and building decorations	439,708,135	984,873	(46,547,915)	3,757,875	397,902,968
Dismantling cost	36,904,889	-	-	-	36,904,889
Office equipment	658,979,090	15,164,006	(99,729,779)	1,511,320	575,924,637
Motor Vehicles	38,238,496	389,762	(4,246,753)	1,301,783	35,683,288
Construction in progress	3,035,955	23,001,472	-	(20,141,750)	5,895,677
Total	2,462,481,126	41,310,601	(151,826,534)	-	2,351,965,193
Less Accumulated depreciation					
Land and land improvement	24,157,109	2,731,804	-	-	26,888,913
Building and building improvement	188,669,890	22,802,832	(459,239)	-	211,013,483
Building and building decorations	369,636,964	22,289,770	(43,251,639)	-	348,675,095
Dismantling cost	35,318,826	588,241	-	-	35,907,067
Office equipment	527,444,471	37,063,902	(94,092,799)	-	470,415,574
Motor Vehicles	34,340,736	1,086,692	(4,078,797)	-	31,348,631
Total	1,179,567,996	86,563,241	(141,882,474)	-	1,124,248,763
Allowance for impairment					
Building and building decorations	2,166,821	57,328	(1,309,158)	-	914,991
Total	2,166,821	57,328	(1,309,158)	-	914,991
Appraised value - net					
Land and land improvement	454,263,154	-	-	-	454,263,154
Building and building improvement	43,478,591	-	(2,140,091)	-	41,338,500
Property, plant and equipment appraised value - net	497,741,745	-	(2,140,091)	-	495,601,654
Property, plant and equipment - net	<u>1,778,488,054</u>				<u>1,722,403,093</u>

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Baht						
Separate financial statements						
	Balance	The impacts adoption of TFRSs related of TFRS 16	Transaction during the year			Balance
	As at December 31,2019 (Restated)		Additions	Deduction	Transfer In (out)	As at December 31,2020
Cost						
Land and land improvement	364,160,894	-	-	-	-	364,160,894
Building and building improvement	553,793,229	-	-	-	-	553,793,229
Building and building decorations	397,904,474	(214,637,627)	4,522,991	(24,292,580)	-	163,497,258
Dismantling cost	36,904,889	(19,844,205)	-	-	-	17,060,684
Office equipment	498,620,352	-	2,468,525	(20,868,647)	65,000	480,285,230
Motor Vehicles	33,986,188	-	-	(7,759,044)	-	26,227,144
Construction in progress	2,571,748	-	649,358	-	(3,138,157)	82,949
Total	1,887,941,774	(234,481,832)	7,640,874	(52,920,271)	(3,073,157)	1,605,107,388
Less Accumulated depreciation						
Land and land improvement	5,668,690	-	870,427	-	-	6,539,117
Building and building improvement	83,684,606	-	13,284,097	-	-	96,968,703
Building and building decorations	348,674,546	(182,723,982)	10,972,075	(23,206,846)	-	153,715,793
Dismantling cost	35,907,067	(18,846,383)	-	-	-	17,060,684
Office equipment	408,218,496	-	28,472,202	(19,463,401)	-	417,227,297
Motor Vehicles	29,840,038	-	993,938	(7,759,022)	-	23,074,954
Total	911,993,443	(201,570,365)	54,592,739	(50,429,269)	-	714,586,548
Allowance for impairment						
Building and building decorations	914,991	-	57,665	(914,991)	-	57,665
Total	914,991	-	57,665	(914,991)	-	57,665
Appraised value - net						
Land and land improvement	453,344,554	-	-	-	-	453,344,554
Building and building improvement	21,334,297	-	-	(714,218)	-	20,620,079
Property, plant and equipment appraised value - net	474,678,851	-	-	(714,218)	-	473,964,633
Property, plant and equipment - net	1,449,712,191					1,364,427,808

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	Baht				
	Separate financial statements				
	Balance as at	Transaction during the year			Balance as at
	December 31, 2018 (Restated)	Additions	Deduction	Transfer In (out)	December 31, 2019 (Restated)
<u>Cost</u>					
Land and land improvement	364,160,894	-	-	-	364,160,894
Building and building improvement	553,793,229	-	-	-	553,793,229
Building and building decorations	438,924,135	984,873	(45,762,409)	3,757,875	397,904,474
Dismantling cost	36,904,889	-	-	-	36,904,889
Office equipment	587,411,869	7,179,531	(95,971,048)	-	498,620,352
Motor Vehicles	35,547,231	389,762	(3,252,588)	1,301,783	33,986,188
Construction in progress	-	7,631,406	-	(5,059,658)	2,571,748
Total	<u>2,016,742,247</u>	<u>16,185,572</u>	<u>(144,986,045)</u>	<u>-</u>	<u>1,887,941,774</u>
<u>Less Accumulated depreciation</u>					
Land and land improvement	4,800,641	868,049	-	-	5,668,690
Building and building improvement	70,436,804	13,247,802	-	-	83,684,606
Building and building decorations	369,313,138	22,185,243	(42,823,835)	-	348,674,546
Dismantling cost	35,318,826	588,241	-	-	35,907,067
Office equipment	465,671,809	33,211,339	(90,664,652)	-	408,218,496
Motor Vehicles	32,067,328	857,343	(3,084,633)	-	29,840,038
Total	<u>977,608,546</u>	<u>70,958,017</u>	<u>(136,573,120)</u>	<u>-</u>	<u>911,993,443</u>
<u>Allowance for impairment</u>					
Building and building decorations	2,166,821	57,328	(1,309,158)	-	914,991
Total	<u>2,166,821</u>	<u>57,328</u>	<u>(1,309,158)</u>	<u>-</u>	<u>914,991</u>
<u>Appraised value - net</u>					
Land and land improvement	453,344,554	-	-	-	453,344,554
Building and building improvement	22,046,563	-	(712,266)	-	21,334,297
Property, plant and equipment					
Appraised value - net	<u>475,391,117</u>	<u>-</u>	<u>(712,266)</u>	<u>-</u>	<u>474,678,851</u>
Property, plant and equipment - net	<u>1,512,357,997</u>				<u>1,449,712,191</u>

The Company had transferred the system development fee of SE-ED Digital that recorded in the work under the construction process to intangible assets amounted Baht 3.07 million (Note 16).

The Group arranged for an independent professional value to appraise the value of certain assets in 2017 on an asset-by-asset basis (Level 3).

The basis of the revaluation was as follows:

Land was revalued using the Market approach.

Buildings were revalued using the Cost approach, which represents the estimated cost to construct a new building at the current replacement cost less depreciation based on useful life.

As at December 31, 2020 and 2019, certain building and equipment were fully depreciated but are still in use of the Group. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted Baht 652.26 million and Baht 574.68 million respectively, (Separate financial statements Baht 596.94 million and Baht 518.41 million, respectively. *an*)

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 17, 21 and 35 to the financial statements).

15. RIGHT-OF-USE ASSETS

This account consisted of:

	Baht				Balance as at December 31, 2020
	Consolidated financial statements				
	Balance as at December 31, 2019	The impacts adoption of TFRSs related of TFRS 16	Transaction during the year		
			Additions	Deduction	
Cost					
Leasehold rights on land	10,030,858	-	-	-	10,030,858
Leasehold rights on buildings	214,870,600	-	-	(41,410,525)	173,460,075
Rental area	-	404,845,567	-	(388,189)	404,457,378
Rental area improvement	-	214,637,627	-	-	214,637,627
Dismantling cost	-	19,844,205	-	-	19,844,205
Vehicles	-	7,225,352	-	-	7,225,352
Total	224,901,458	646,552,751	-	(41,798,714)	829,655,495
Allowance for impairment					
Leasehold rights on land	4,506,594	-	286,039	-	4,792,633
Leasehold rights on buildings	184,552,139	-	7,340,617	(41,410,522)	150,482,234
Rental area	-	-	84,419,164	(25,923)	84,393,241
Rental area improvement	-	182,723,982	6,031,693	-	188,755,675
Dismantling cost	-	18,846,383	386,700	-	19,233,083
Vehicles	-	-	2,984,865	-	2,984,865
Total	189,058,733	201,570,365	101,449,078	(41,436,445)	450,641,731
Right-of-use assets - net	35,842,725				379,013,764

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	Baht				Balance as at December 31, 2020
	Separate financial statements				
	Balance as at December 31, 2019	The impacts adoption of TFRSs related of TFRS 16	Transaction during the year		
			Additions	Deduction	
<u>Cost</u>					
Leasehold rights on buildings	214,870,600	-	-	(41,410,525)	173,460,075
Rental area	-	386,745,726	-	-	386,745,726
Rental area improvement	-	214,637,627	-	-	214,637,627
Dismantling cost	-	19,844,205	-	-	19,844,205
Vehicles	-	7,225,352	-	-	7,225,352
Total	<u>214,870,600</u>	<u>628,452,910</u>	<u>-</u>	<u>(41,410,525)</u>	<u>801,912,985</u>
<u>Allowance for impairment</u>					
Leasehold rights on buildings	184,552,139	-	7,340,617	(41,410,522)	150,482,234
Rental area	-	-	83,140,559	-	83,140,559
Rental area improvement	-	182,723,982	6,031,693	-	188,755,675
Dismantling cost	-	18,846,383	386,700	-	19,233,083
Vehicles	-	-	2,984,865	-	2,984,865
Total	<u>184,552,139</u>	<u>201,570,365</u>	<u>99,884,434</u>	<u>(41,410,522)</u>	<u>444,596,416</u>
Right-of-use assets - net	<u>30,318,461</u>				<u>357,316,569</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.

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. INTANGIBLE ASSETS

This account consisted of:

	Baht			Balance as at December 31, 2020
	Consolidated financial statements			
	Balance as at December 31, 2019	Transaction during the year		
		Additions	Deduction	
<u>Cost</u>				
Computer program	48,659,097	4,201,195	(289,365)	52,570,927
<u>Less Accumulated amortization</u>	<u>45,715,915</u>	<u>931,869</u>	<u>(289,350)</u>	<u>46,358,434</u>
Intangible assets - net	<u>2,943,182</u>			<u>6,212,493</u>

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	Baht				
	Consolidated financial statements				
	Balance as at	Transaction during the year			Balance as at
	December	Additions	Deduction		December
31, 2018			31, 2019		
<u>Cost</u>					
Computer program	48,606,624	52,473	-	48,659,097	
<u>Less Accumulated amortization</u>	44,989,640	726,275	-	45,715,915	
Intangible assets - net	<u>3,616,984</u>			<u>2,943,182</u>	

	Baht				
	Separate financial statements				
	Balance as at	Transaction during the year			Balance as at
	December	Additions	Deduction		December
31, 2019			31, 2020		
<u>Cost</u>					
Computer program	48,265,665	4,056,745	(289,365)	52,033,045	
<u>Less Accumulated amortization</u>	45,451,141	929,697	(289,350)	46,091,488	
Intangible assets - net	<u>2,814,524</u>			<u>5,941,557</u>	

	Baht				
	Separate financial statements				
	Balance as at	Transaction during the year			Balance as at
	December	Additions	Deduction		December
31, 2018			31, 2019		
<u>Cost</u>					
Computer program	48,213,192	52,473	-	48,265,665	
<u>Less Accumulated amortization</u>	44,718,120	733,021	-	45,451,141	
Intangible assets - net	<u>3,495,072</u>			<u>2,814,524</u>	

17. OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2020, the Company have the short-term loans amount of Baht 140.00 million and 40.00 million, respectively, in the form of promissory in the amount of Baht 220.00 million notes in the not over 3 months with interest rate of 3% per annum and the Company had the overdrafts amounted Baht 23.03 million with carried MOR% per annum and guaranteed by mortgaging the land with buildings (Note 35 to the financial statements).

18. TRADE AND OTHER PAYABLES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
Trade payable - related parties	-	1,137,794	7,482	1,137,794
Trade payable - other companies	486,491,843	594,559,079	485,419,959	593,935,758
Accrued expenses	62,281,629	66,101,878	50,608,447	54,567,349
Other payables for purchase of assets	622,025	2,196,330	429,901	1,426,351
Notes payable	40,885	3,077,511	40,885	3,077,511
Other payables	23,903,331	13,864,602	23,903,331	13,864,602
Total	573,339,713	680,937,194	560,410,005	668,009,365

19. INCOME RECEIVED IN ADVANCE

This account consisted of:

	Baht	
	Consolidated financial statements	
	2020	2019
Income received in advance - not yet recognized	108,639,180	100,962,140
Less Income received in advance recognizable within one year	(65,137,053)	(59,377,559)
Net	43,502,127	41,584,581

Movements of income received in advance for the years ended December 31, 2020 and 2019, as follows:

	Baht		
	Consolidated financial statements		
	Initial entrance fee	Education supporting fee	Total
Balance as at January 1, 2019	39,178,333	60,495,413	99,673,746
Add Increase during the year	14,726,000	186,970,301	201,696,301
Less Income recognition during the year	(7,816,375)	(190,562,518)	(198,378,893)
Less Returned due to resignation of students	(187,000)	(1,842,014)	(2,029,014)
Balance as at December 31, 2019	45,900,958	55,061,182	100,962,140
Add Increase during the year	15,230,000	209,090,199	224,320,199
Less Income recognition during the year	(10,164,882)	(206,364,377)	(216,529,259)
Less Returned due to resignation of students	(80,000)	(33,900)	(113,900)
Balance as at December 31, 2020	50,886,076	57,753,104	108,639,180

20. OTHER CURRENT LIABILITIES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Coupon and prepaid card payable	17,414,267	19,849,706	17,414,267	19,849,706
Accrued withholding tax	1,709,939	1,592,519	1,344,617	1,425,793
Unearned income	2,863,365	3,175,014	2,130,080	2,174,517
Advance received for purchasing books	2,193,264	5,418,593	2,193,264	5,418,593
Others	5,308,473	2,983,615	3,270,192	2,247,217
Total	29,489,308	33,019,447	26,352,420	31,115,826

21. LONG-TERM LOANS

This account consisted of:

Loan	Interest rate (%)	Repayment schedule	Baht			
			Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019
1	THBFD 3M + 3.85*	Monthly instalment as from July 31, 2014 with the last instalment in September 30, 2021	44,380,000	53,320,000	44,380,000	53,320,000
2	MLR-1.5	Monthly instalment as from November 30, 2014 with the last instalment in December 31, 2023	88,710,000	94,872,000	88,710,000	94,872,000
3	THBFIX 6M + 2.56	repayment on the 13th salary from the month of loan withdrawal starting September 30, 2021	100,000,000	-	100,000,000	-
4	6.00 - 7.50**	Settlement at maturity date of the contracts	69,600,000	56,450,000	-	-
5	2.00	3 rd year repayment starts April 14, 2022	20,000,000	-	20,000,000	-
Total			322,690,000	204,642,000	253,090,000	148,192,000
Less: Current portion			(76,574,000)	(70,658,000)	(30,874,000)	(60,408,000)
Long-term loans - net			246,116,000	133,984,000	222,216,000	87,784,000


* Interest expense rate in swap transaction agreement

** Unsecured long-term loan 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 35.3 to the 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 35.3 to the financial statements).

In April 2020, the Company has entered into a loan agreement (revised edition) to request a suspension of loans amounted No. 1 and 2 for 1 year from April 2020 to March 2021 by repayment of loan amounted No. 1 within June 2022 and loan amounted No. 2 within November 2024 

22. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for compensation on employees'	59,001,829	60,467,986	50,269,043	52,031,378
Provision for long service awards	23,566,862	24,982,853	23,566,862	24,982,853
Total	82,568,691	85,450,839	73,835,905	77,014,231

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term employee benefit obligations				
at beginning of the year	85,450,839	61,119,627	77,014,231	54,279,902
Included in profit or loss :				
Past service cost recognition	-	10,753,924	-	9,674,086
Current service cost recognition	6,546,410	5,271,998	5,919,618	4,817,198
Cost of interest	1,338,321	1,882,196	1,143,278	1,688,489
Actuarial (gain) loss of other long-term benefits				
recognized-other long-term benefits	(1,404,606)	2,666,923	(1,404,606)	2,666,923
Included in other comprehensive income :				
Experience adjustment				
Demographic assumption change	(1,733,461)	4,392,762	(1,733,461)	4,392,762
Financial assumption changes	1,259,488	6,452,138	1,259,488	6,452,138
Benefit paid during year	(8,888,300)	(7,088,729)	(8,362,643)	(6,957,267)
Net long-term employee benefit obligations				
at the end of the year	82,568,691	85,450,839	73,835,905	77,014,231

Long-term employee benefit expenses are recognised in profit or loss are as follows.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of sales	-	2,091,859	-	1,299,602
Selling and administrative expenses	6,480,125	15,816,259	5,658,290	14,880,171
Total expenses recognised in profit or loss	6,480,125	17,908,118	5,658,290	16,179,773

As at December 31, 2020 and 2019, the Group expects to pay Baht 3.68 million and Baht 8.66 million, respectively of long-term employee benefits during the next year, (Separate financial statements Baht 3.68 million and Baht 8.66 million, respectively.)

As at December 31, 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefit is 7-14 years and 7-10 years (Separate financial statements 7-14 years and 7 - 14 years, respectively.)

Significant actuarial assumptions are summarised below.

	Percent			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	0.92 - 2.65	1.71 - 2.65	0.92 - 1.49	1.71
Salary increase rate	4.00	4.00	4.00	4.00
Staff turnover rate*	0.00 - 45.84	0.00 - 45.84	3.82 - 45.84	3.82 - 45.84

* Percentage change in the number of employees with high turnover rates are only part of the branches employees which rate is as well as the retail sector with an average turnover rate of approximately 30% to 60% per year.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at December 31, 2020 and 2019 are summarised below.

	Baht			
	2020			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(3,432,768)	3,656,015	(3,438,622)	3,703,560
Salary increase rate (1%)	6,035,113	(5,282,436)	5,951,404	(5,207,292)
Staff turnover rate (20%)	(8,921,069)	11,312,634	(8,832,375)	11,176,986

	Baht			
	2019			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5%)	(3,728,858)	4,013,567	(3,447,560)	3,716,106
Salary increase rate (1%)	6,680,307	(5,849,920)	5,935,279	(5,178,034)
Staff turnover rate (20%)	(9,836,193)	12,678,778	(9,072,072)	11,555,396

23. PROVISION FOR DECOMMISSIONING COST

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2020	2019 (Restated)
Provision decommissioning costs	45,828,492	45,828,492
Less deferred interest	(198,791)	(315,143)
Net	45,629,701	45,513,349

The Company had recognized the provisions of decommissioning costs under the Company area lease agreement as the Company had obligation to demolish after the expiration of the area lease agreements for office buildings, branches.

24. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
Deferred tax assets	60,493,141	59,141,879	60,377,141	59,025,879
Deferred tax liabilities	(98,783,131)	(99,120,330)	(94,884,918)	(94,935,776)
Deferred tax asset (liabilities) - net	(38,289,990)	(39,978,451)	(34,507,777)	(35,909,897)

The components of deferred tax assets and liabilities are as follows:

	Baht				
	Consolidated financial statements				
	Balance as at	The impacts	Income (expenses) during the year		Balance as at
	December 31, 2019 (Restated)	of adoption of TFRSs related of financial instruments	In profit or loss	In other comprehensive income	December 31, 2020
Deferred tax assets :					
Unrealized loss from derivatives	-	122,280	880,680	-	1,002,960
Allowance for expected credit losses and goods returns	1,433,215	444,040	(1,114,131)	-	763,124
Allowance for dilapidated and slow moving	33,103,713	-	1,724,915	-	34,828,628
Allowance for assets impairment	182,999	-	(171,466)	-	11,533
Provision for decommissioning costs	8,903,106	-	100,609	-	9,003,715
Provision for impairment of investment in associate	116,000	-	-	-	116,000
Employee benefits obligations	15,402,846	-	(540,870)	(94,795)	14,767,181
Total	59,141,879	566,320	879,737	(94,795)	60,493,141
Deferred tax liabilities:					
Unrealized gains from changes in investment values	7	(7)	31,435	-	31,435
Surplus on revaluation of assets	99,120,323	-	(429,184)	-	98,691,139
Right-of-use assets	-	-	60,557	-	60,557
Total	99,120,330	(7)	(337,192)	-	98,783,131

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December	In profit or loss	In other	December
31, 2018	comprehensive		31, 2019	
(Restated)		income	(Restated)	
Deferred tax assets:				
Allowance for expected credit losses and goods returns	2,033,973	(600,758)	-	1,433,215
Allowance for dilapidated and slow moving	35,602,426	(2,498,713)	-	33,103,713
Allowance for assets impairment	433,364	(250,365)	-	182,999
Provision for decommissioning costs	8,755,419	147,687	-	8,903,106
Provision for impairment of investment in associate	116,000	-	-	116,000
Employee benefits obligations	10,871,322	4,531,524	-	15,402,846
Total	57,812,504	1,329,375	-	59,141,879
Deferred tax liabilities:				
Unrealized gains from changes in investment values	-	-	7	7
Surplus on revaluation of assets	99,548,350	-	(428,027)	99,120,323
Total	99,548,350	-	(428,020)	99,120,330

	Baht				
	Separate financial statements				
	Balance as at	The impacts	Income (expenses) during the period		Balance as at
	December	of adoption of	In profit or loss	In other	December
31, 2019	TFRSs related of	comprehensive		31, 2020	
(Restated)	financial instruments		income		
Deferred tax assets :					
Unrealized loss from derivatives	-	122,280	880,680	-	1,002,960
Allowance for expected credit losses and goods returns	1,433,215	444,040	(1,114,131)	-	763,124
Allowance for dilapidated and slow moving	33,103,713	-	1,724,915	-	34,828,628
Allowance for assets impairment	182,999	-	(171,466)	-	11,533
Provision for decommissioning costs	8,903,106	-	100,609	-	9,003,715
Employee benefits obligations	15,402,846	-	(540,870)	(94,795)	14,767,181
Total	59,025,879	566,320	879,737	(94,795)	60,377,141
Deferred tax liabilities:					
Unrealized gains from changes in investment values	7	(7)	31,435	-	31,435
Surplus on revaluation of assets	94,935,769	-	(142,843)	-	94,792,926
Right-of-use assets	-	-	60,557	-	60,557
Total	94,935,776	(7)	(50,851)	-	94,884,918

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	Baht			Balance as at December 31, 2019 (Restated)
	Separate financial statements			
	Balance as at December 31, 2018 (Restated)	Revenue (expenses) during the year		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Allowance for expected credit losses and goods returns	2,033,973	(600,758)	-	1,433,215
Allowance for dilapidated and slow moving	35,602,426	(2,498,713)	-	33,103,713
Allowance for assets impairment	433,364	(250,365)	-	182,999
Provision for decommissioning costs	8,755,419	147,687	-	8,903,106
Employee benefits obligations	10,855,980	4,546,866	-	15,402,846
Total	<u>57,681,162</u>	<u>1,344,717</u>	<u>-</u>	<u>59,025,879</u>
Deferred tax liabilities:				
Unrealized gains from changes in investment values	-	-	7	7
Surplus on revaluation of assets	95,078,223	-	(142,454)	94,935,769
Total	<u>95,078,223</u>	<u>-</u>	<u>(142,447)</u>	<u>94,935,776</u>

25. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2020 are presented below.

	Baht	
	Consolidated financial statements	Separate financial statements
As at December 31, 2019	-	-
Effects of the adoption of TFRS16	<u>354,176,699</u>	<u>337,570,180</u>
As at January 1, 2020	354,176,699	337,570,180
Accretion of interest	3,347,201	3,240,011
Payments	(74,918,637)	(74,918,637)
Decrease from rental reduction	(14,138,465)	(14,138,465)
Decrease from contract cancellation	<u>(252,717)</u>	<u>-</u>
As at December 31, 2020	268,214,081	251,753,089
Less: current portion	<u>(85,040,589)</u>	<u>(83,789,639)</u>
Lease liabilities - net of current portion	<u>183,173,492</u>	<u>167,963,450</u>

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As at December 31, 2020 and January 1, 2020 (after adjust), the payment of these contracts are as follow:-

	Baht					
	Consolidated financial statements					
	As at December 31, 2020			As at January 1, 2020 (after adjust)		
	Principal	Interest expenses	Total	Principal	Interest expenses	Total
Payment due within 1 year	85,040,589	5,707,831	90,748,420	85,794,269	3,239,894	89,034,163
Payment due over 1 year to 5 years	173,412,542	27,845,855	201,258,397	257,312,059	33,198,572	290,510,631
Payment due over 5 years	9,760,950	9,556,330	19,317,280	11,070,371	10,075,558	21,145,929
Total	268,214,081	43,110,016	311,324,097	354,176,699	46,514,024	400,690,723

	Baht					
	Separate financial statements					
	As at December 31, 2020			As at January 1, 2020 (after adjust)		
	Principal	Interest expenses	Total	Principal	Interest expenses	Total
Payment due within 1 year	83,789,639	5,602,226	89,391,865	85,794,269	3,239,894	89,034,163
Payment due over 1 year to 5 years	167,453,829	26,145,871	193,599,700	251,110,447	31,698,912	282,809,359
Payment due over 5 years	509,621	115,627	625,248	665,464	173,326	838,790
Total	251,753,089	31,863,724	283,616,813	337,570,180	35,112,132	372,682,312

The following are the amounts recognized in profit or loss:

	Baht	
	Consolidated	Separate
	financial statements	financial statements
Depreciation of right-of-use assets	87,925,335	86,360,691
Interest expense on lease liabilities	2,869,072	2,761,882
Total	90,794,407	89,122,573

The Group has total cash outflows for leases of Baht 73.54 million (the separate: Baht 72.15 million)

26. OTHER NON - CURRENT FINANCIAL LIABILITIES

As at December 31, 2020 and 2019, details of other non-current financial liabilities are as below.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Foreign exchange contracts outstanding				
Interest rate swap transaction (Note 34.3.3)	5,305,170	-	5,305,170	-
Other non-current financial liabilities total	5,305,170	-	5,305,170	-

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27. SURPLUS ON REVALUATION OF ASSETS

This represents surplus arising from revaluation of land and buildings. The surplus is amortized to retained earnings on a straight-line basis over the remaining life of the related assets.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance of the year	380,896,464	382,025,642	370,599,495	371,169,308
Revaluations for the year	-	-	-	-
Less: Amortization for the year	(1,132,271)	(1,129,178)	(571,374)	(569,813)
Ending balance of the year	379,764,193	380,896,464	370,028,121	370,599,495

Surplus on revaluation of assets can neither be offset against deficit nor used for dividend payment.

28. STATUTORY RESERVE

The Company

Pursuant to Section 116 of the Public Limited Companies Act B.E 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

Subsidiary

According to the Thai Civil and Commercial Code, the subsidiary is required to set aside to a statutory reserve an amount equal to at least 5% of its net profit each time the Company pay out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment

29. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salary and wages and other employee benefits	390,377,968	540,038,062	261,515,568	416,313,912
Depreciation and amortization	87,494,904	103,230,244	66,478,406	85,994,383
Rental, service and utilities expenses	230,030,473	315,929,047	226,185,788	310,150,644
Provision for diminution in value of receivables and inventories	26,100,430	2,322,159	25,933,218	2,322,159
Purchase of goods and raw materials used	1,158,979,380	1,681,684,762	1,131,113,711	1,646,270,770
Changes in inventories of finished goods and work in process	(981,025)	(26,892,089)	(981,025)	(26,344,344)
Expense variable by sales	42,300,592	63,728,761	42,300,592	63,673,971

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30. (INCOME) TAX EXPENSES

This account consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
(Income) tax expenses shown in profit or loss :				
Current income tax :				
Current tax expense for the year	-	99,869	-	-
Deferred tax:				
Changes in temporary differences relating to the original recognition and reversal	(994,851)	1,115,999	(930,593)	1,215,200
Total	(994,851)	1,215,868	(930,593)	1,215,200

The reconciliation between accounting profit (loss) and income tax expense is shown below.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
Accounting profit (loss) before tax	(18,863,085)	24,417,111	(44,396,287)	5,067,448
Applicable tax rate	0%, 20%	0%, 20%	0%, 20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(9,721,871)	885,854	(8,879,258)	855,834
Temporary differences and taxable loss not recorded as deferred tax assets	9,710,814	(625,821)	9,818,043	(584,939)
Effects of:				
Income not subject to tax	(44,416)	(200,000)	(930,000)	(200,000)
Non-deductible expenses	2,784,230	5,224,869	2,784,230	5,211,339
Additional expense deductions allowed	(3,723,608)	(4,085,482)	(3,723,608)	(4,085,482)
Others	-	16,448	-	18,448
Total	8,727,020	330,014	7,948,665	359,366
(Income) tax expenses reported in the statement of income	(994,851)	1,215,868	(930,593)	1,215,200

31. BASIC EARNINGS (LOSS) PER SHARE

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

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
	Profit (loss) for the year			
Equity holders of the parent (Baht)	(33,126,056)	12,928,382	(43,465,694)	3,852,248
Weighted average number of ordinary shares (shares)	391,944,418	391,944,418	391,944,418	391,944,418
Basic earnings (loss) per share (Baht/share)	(0.08)	0.03	(0.11)	0.01

32. OPERATION SEGMENT

Operating segment information is reported in a manner consistent with the internal reports of the Group 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 Group is 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's operating profit or loss, on a basis consistent with that used to measure the operating profit or loss in the financial statement.

The Group's revenue and gross profit information for the years ended December 31, 2020 and 2019 by segments are as follows:

	Million Baht							
	Retail business segment		Other distribution channels		School business segment		Total	
	2020	2019 (Restated)	2020	2019 (Restated)	2020	2019 (Restated)	2020	2019 (Restated)
External revenue	1,198.40	1,975.81	654.54	772.35	216.53	198.38	2,069.47	2,946.54
Total revenues	1,198.40	1,975.81	654.54	772.35	216.53	198.38	2,069.47	2,946.54
Gross profit from operating according to the segment	438.79	739.82	232.28	246.10	69.36	49.60	740.43	1,035.52
Unallocated income and expenses:								
Other income							51.68	81.27
Selling expenses							(513.46)	(663.51)
Administrative expenses							(281.13)	(416.57)
Finance costs							(16.60)	(12.32)
Share of gain from associated companies							0.22	0.03
Income tax (expenses)							0.99	(1.22)
Profit (loss) for the year							(17.87)	23.20
<u>As at December 31,</u>								
Property, plant and equipment							1,665.94	1,722.40
Right-of-use assets							379.01	-
Intangible assets							6.21	2.94
Leasehold rights on land and buildings							-	35.84
Rental guarantee and deposit							25.51	82.08
Other assets							734.65	630.52
Total assets							2,811.32	2,473.78

The basis of pricing between the Group is consistent with that for third party transactions.

33. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. By setting a policy both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by CIMB - Principal Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules.

The contribution payment to the Provident Fund year 2020 that had been impacted from the pandemic situation of COVID-19 had been decreased the contribution rate as follows:

- January - March 2020, at 5%
- April - June 2020, at 3%
- July - December 2020, the Company stopped the contribution.

The Group has contributed to the fund for the years, ended December 31, 2020 and 2019 in the amount of Baht 7.43 million and Baht 14.37 million, respectively (The Separate amount of Baht 4.99 million and 13.99 million, respectively).

34. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020, the Group has no obligations under lease agreements and related service agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Company recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 15 to the financial statements.

34.1 Operating lease commitments

34.1.1 As December 31, 2020 the Company has entered into space rental agreements for use as branch offices, totalling 149 branches. The lease periods ranged from 1 to 20 years. Total rental and utility fees were approximately Baht 88.29 million per annum. Some of rental fees were calculated from the percentage of sales amounts of that branch.

34.1.2 As December 31, 2020 the Group has entered into several costs service related with the operations. The terms of the agreements are generally between 1 and 30 years.

The Group, future minimum lease payments required under operating leases contracts as at December 31, 2020 and 2019 as follow:

	Baht			
	Consolidated financial Statement		Separate financial Statement	
	2020	2019	2020	2019
Payable:				
In up to 1 year	55,253,237	88,299,339	55,253,237	86,917,425
In over 1 and up to 5 years	32,921,524	92,252,970	32,921,524	86,467,784
In over 5 years	5,085,522	28,081,485	5,085,522	6,159,390
Total	<u>93,260,283</u>	<u>208,633,794</u>	<u>93,260,283</u>	<u>179,544,599</u>

34.2 Guarantees

As at December 31, 2020, 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 1.00 million were pledged to guarantee the electricity usage and rental of head office. *an*

34.3 Long-term service commitments

34.3.1 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.

34.3.2 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.

35. CREDIT LIMITS

As at December 31, 2020, the Company had the credit limits with the local financial institutions as follows:

35.1 The Company had 3 overdrafts limit amounted Baht 50 million by entering into the agreement with 3 financial institutions, carried MOR% per annum that consisted of:

35.1.1) Two credit limits without guarantee amounted Baht 20 million and Baht 10 million, respectively.

35.1.2) One credit limit with guarantee amounted Baht 20 million and guaranteed by mortgaging the land with buildings.

35.2 The Company had 2 short-term loan limits amounted Baht 220 million by entering into the agreement with two financial institutions in the form of promissory notes with maturity date not over three months and carried the interest rate of 3.30% per annum that consisted of:

35.2.1) One credit limit without guarantee amounted Baht 20 million.

35.2.2) One credit limit with guarantee amounted Baht 200 million and guaranteed by mortgaging the land with buildings.

35.3 Long-term loan from financial institutions

35.3.1 The Company had the long-term loan with a financial institution at the limit amount of Baht 20 million, with interest rate 2.00%, without collateral.

35.3.2 The Company has the long-term loan with a financial institution guaranteed by a mortgage on land and buildings for 2 credit lines divided as:

35.3.2.1) The loans amounted Baht 500 million consisted of:

- Loan agreement amounted Baht 250 million at THBFIX 3M+3.85% per annum
- Loan agreement amounted Baht 250 million at MLR-1.5% per annum

35.3.2.2) Loan amounted Baht 100 million at THBFIX 6M + 2.56% per annum *aw*

36. CORRECTION OF ACCOUNTING ERROR

During the year, the Company had found that the financial statements for the year ended December 31, 2019, did not have the provision of decommissioning costs of leasehold improvements. Therefore, the Company had corrected the accounting errors by restating the financial statements retrospectively for the year ended December 31, 2020. The impact to the financial statements can be summarized as follows:

	Baht		
	Consolidated/ Separate financial statement		
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2018
Statement of financial position			
Property, plant and equipment increase	611,123	997,822	1,586,063
Trade and other current payables decrease	-	(1,526,705)	-
Deferred tax liabilities decrease	(9,003,715)	(8,903,106)	(8,755,419)
Provision for decommissioning costs increase	45,627,701	45,513,349	45,363,160
Unappropriated decrease	(34,488,154)	(34,085,716)	(35,021,678)
Statement of income			
Selling expense increase (decrease)	386,699	(938,464)	-
Income tax (expense)	100,609	147,686	-
Finance cost increase	116,348	150,188	-

37. FINANCIAL INSTRUMENTS

37.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Group exposures to interest rate risk relate primarily to its cash at banks, bank overdrafts, and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. *an*

As December 31, 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	2020 (Baht)				
	Consolidated financial statements				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	More than 1 - 5 years			
Financial assets					
Cash and cash equivalents	27,257,338	-	-	92,848,041	120,105,379
Restricted bank deposits and other investments	-	12,952,177	-	-	12,952,177
Total	27,257,338	12,952,177	-	92,848,041	133,057,556
Financial liabilities					
Overdraft and Short-term loan from financial institution	140,000,000	-	-	-	140,000,000
Long-term loans	-	-	322,690,000	-	322,690,000
Lease liabilities	85,040,589	183,173,492	-	-	268,214,081
Total	225,040,589	183,173,492	322,690,000	-	730,904,081

	2019 (Baht)				
	Consolidated financial statements				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	More than 1 - 5 years			
Financial assets					
Cash and cash equivalents	95,190,523	-	-	16,302,807	111,493,330
Current investment	6,000,000	-	100,034	-	6,100,034
Restricted bank deposits and other investments	-	12,932,664	-	-	12,932,664
Total	101,190,523	12,932,664	100,034	16,302,807	130,526,028
Financial liabilities					
Overdraft and Short-term loan from financial institution	63,032,754	-	-	-	63,032,754
Long-term loans	-	56,450,000	148,192,000	-	204,642,000
Total	63,032,754	56,450,000	148,192,000	-	267,674,754

an

	2020 (Baht)				
	Separate financial statements				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	More than 1 - 5 years			
Financial assets					
Cash and cash equivalents	26,817,150	-	-	11,227,485	38,044,635
Restricted bank deposits and other investments	-	12,952,177	-	-	12,952,177
Total	26,817,150	12,952,177	-	11,227,485	50,996,812
Financial liabilities					
Overdraft and Short-term loan from financial institution	140,000,000	-	-	-	140,000,000
Long-term loans	-	-	253,090,000	-	253,090,000
Lease liabilities	83,789,639	167,963,450	-	-	251,753,089
Total	223,789,639	167,963,450	253,090,000	-	644,843,089
	2019 (Baht)				
	Separate financial statements				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	More than 1 - 5 years			
Financial assets					
Cash and cash equivalents	31,959,934	-	-	16,132,211	48,092,145
Current investments	100,034	-	-	-	100,034
Restricted bank deposits and other investments	-	12,932,664	-	-	12,932,664
Total	32,059,968	12,932,664	-	16,132,211	61,124,843
Financial liabilities					
Overdraft and Short-term loan from financial institution	63,032,754	-	-	-	63,032,754
Long-term loans	-	-	148,192,000	-	148,192,000
Total	63,032,754	-	148,192,000	-	211,224,754

Interest Rate Swap Transaction Agreement

The Company has the detail of the interest rate swap agreement outstanding as at December 31, 2020 as follow:

Principal amount	Interest revenue rate swap	Interest expenses rate swap	Termination date
	agreement (%)	agreement (%)	
Baht 44.38 million	THBFIX 1M + 1.74	THBFD 3M + 3.85	June 2022
Baht 100.00 million	THBFIX 6M + 2.56	4.50	August 2025 <i>an</i>

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at December 31, 2020 and 2019, 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)	
	2020 (Thousand)	2019 (Thousand)	2020 (Thousand)	2019 (Thousand)	2020	2019
USD	-	-	3	13	30.2068	30.3313
SGD	-	-	4	-	22.9540	22.5935
GBP	-	-	829	988	41.0771	39.9523

As at December 31, 2020, the Company has foreign exchange contracts outstanding are summarized follow:

Foreign currency	Consolidated/Separate financial statements				
	Bought amount (Thousand)	Sold amount (Thousand)	Contractual exchange rate (Baht per foreign currency)		Maturity date
			Bought	Sold	
GBP	525	-	39.950 - 40.450	-	January 25, 2021 - May 25, 2021

37.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position as at December 31, 2020 as follow:

	Baht					
	Consolidated financial statements			Separate financial statements		
	FVPL	Amortized cost	Total	FVPL	Amortized cost	Total
Financial assets as at December 31, 2020						
Cash and cash equivalents	-	120,105,379	120,105,379	-	38,044,635	38,044,635
Trade and other current receivables	-	55,736,284	55,736,284	-	50,158,578	50,158,578
Other current financial assets	290,365	118,040,492	118,330,857	290,365	118,040,492	118,330,857
Other current assets	-	28,861,126	28,861,126	-	26,267,412	26,267,412
Restricted bank deposits and other investments	-	12,952,177	12,952,177	-	12,952,177	12,952,177
Other non-current assets	-	8,542,079	8,542,079	-	7,826,921	7,826,921
	<u>290,365</u>	<u>344,237,537</u>	<u>344,527,902</u>	<u>290,365</u>	<u>253,290,215</u>	<u>253,580,580</u>

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	Baht					
	Consolidated financial statements			Separate financial statements		
	FVPL	Amortized cost	Total	FVPL	Amortized cost	Total
Financial liabilities as at December 31, 2020						
Bank overdrafts and short-term loans from						
financial institutions	-	140,000,000	140,000,000	-	140,000,000	140,000,000
Trade and other current payables	-	573,339,713	573,339,713	-	560,410,005	560,410,005
Other current financial liabilities	5,305,170	-	5,305,170	5,305,170	-	5,305,170
Other current liabilities	-	29,489,308	29,489,308	-	26,352,420	26,352,420
Lease liabilities	-	268,214,081	268,214,081	-	251,753,089	251,753,089
Long-term	-	322,690,000	322,690,000	-	282,624,000	282,624,000
Other non-current liabilities	-	10,856,706	10,856,706	-	6,972,672	6,972,672
	<u>5,305,170</u>	<u>1,344,589,808</u>	<u>1,349,894,978</u>	<u>5,305,170</u>	<u>1,268,112,186</u>	<u>1,273,417,356</u>

Fair value hierarchy

As at December 31, 2020, the Company and its subsidiary had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property, plant and equipment	-	-	1,553,819,848	1,553,819,848

	Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property, plant and equipment	-	-	1,288,410,935	1,288,410,935

38. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders value. As at December 31, 2020 and 2019, the Group's debt-to-equity ratio was 1.37 and 1.04, respectively and the Company's debt-to-equity ratio was 1.34 and 0.99, respectively.

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES


Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2020
Overdraft	23,032,754	(23,032,754)	-	-
Short-term loan from financial institution	40,000,000	100,000,000	-	140,000,000
Long-term loans from financial institution	204,642,000	118,048,000	-	322,690,000
Lease liabilities	-	(85,962,618)	354,176,699	268,214,081
Total	267,674,754	109,052,628	354,176,699	730,904,081

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2019
Overdraft	-	23,032,754	-	23,032,754
Short-term loan from financial institution	-	40,000,000	-	40,000,000
Long-term loans from financial institution	265,250,000	(60,608,000)	-	204,642,000
Total	265,250,000	2,424,754	-	267,674,754

	Baht			
	Separate financial statements			
	Balance as at December 31, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2020
Overdraft	23,032,754	(23,032,754)	-	-
Short-term loan from financial institution	40,000,000	100,000,000	-	140,000,000
Long-term loans from financial institution	148,192,000	104,898,000	-	253,090,000
Lease liabilities	-	(85,817,091)	337,570,180	251,753,089
Total	211,224,754	96,048,155	337,570,180	644,843,089

	Baht			
	Separate financial statements			
	Balance as at December 31, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2019
Overdraft	-	23,032,754	-	23,032,754
Short-term loan from financial institution	-	40,000,000	-	40,000,000
Long-term loans from financial institution	208,600,000	(60,408,000)	-	148,192,000
Total	208,600,000	2,624,754	-	211,224,754

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows. 

40. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Group, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

41. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 25, 2021. 