

Section 3

Financial Position and Performance

13. Financial Highlights

13.1 Summary of Financial Statement

- **Financial Statement for year-end, as of December 31, 2016, 2015 and 2014 :**

The accounting auditor has expressed non-binding opinions towards the financial statement.

The auditor is Mr. Sophon Permsirivallop, Ms. Rungnapa Lertsuwanku, Ms. Rosaporn Decharkom and Ms. Sumana Punpongsanon from EY Office Limited.

13.2 Financial Statement

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Assets						
Current assets						
Cash and cash equivalents	159,057	131,671	102,630	92,917	86,444	98,480
Current investments	97,806	189,302	326,173	72,806	157,188	265,472
Trade and other receivables	85,126	70,419	85,400	80,523	66,361	81,658
Short-term loan to subsidiary	-	-	-	3,000	-	-
Inventories	403,332	368,513	377,172	397,218	365,867	376,208
Other current assets	88,734	41,028	34,919	86,590	39,118	34,590
Total current assets	834,056	800,933	926,295	733,054	714,977	856,408
Non-current assets						
Restricted bank deposits and other investments	13,374	13,355	13,310	13,374	13,355	13,310
Investments in subsidiaries	-	-	-	70,295	70,305	70,317
Investments in associate	25,950	25,651	25,937	100	100	100
Property, plant and equipment	1,491,005	1,529,225	1,606,148	1,295,530	1,320,763	1,384,494
Leasehold rights on land	5,696	6,032	6,367	-	-	-
Leasehold rights on buildings	62,084	63,292	74,596	62,084	63,292	74,596
Intangible assets	5,516	7,158	9,141	5,869	7,533	9,537
Prepaid book copyright and translation fee	17,179	16,266	18,295	17,179	16,266	18,295
Rental guarantee and deposit	100,755	100,358	101,308	100,755	100,358	101,308
Deferred tax assets	22,754	19,686	18,312	23,830	20,912	19,612
Other non-current assets	10,506	6,881	2,067	10,402	6,805	2,022
Total non-current assets	1,754,820	1,787,904	1,875,480	1,599,419	1,619,690	1,693,591
Total assets	2,588,876	2,588,837	2,801,775	2,332,473	2,334,667	2,549,999

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	1,023,590	968,861	1,089,275	1,014,577	961,529	1,080,363
Current portion of long-term loans	93,090	87,920	81,430	71,520	71,520	71,520
Income received in advance recognisable						
within one year	46,367	43,561	42,626	-	-	-
Income tax payable	318	236	10,333	-	-	10,333
Current portion of provision for						
long-term employee benefits	8,832	3,630	4,354	8,443	3,630	4,354
Other current liabilities	71,868	25,548	36,111	69,826	23,800	35,053
Total current liabilities	1,244,064	1,129,755	1,264,129	1,164,366	1,060,479	1,201,624
Non-current liabilities						
Income received in advance, net of current portion	772	1,932	4,155	-	-	-
Long-term loans, net of current portion	318,250	411,890	499,810	261,600	333,120	404,640
Provision for long-term employee benefits, net of						
current portion	57,391	43,496	39,253	51,399	39,079	36,188
Other non-current liabilities	7,438	8,128	8,525	7,438	8,128	8,525
Total non-current liabilities	383,851	465,446	551,743	320,437	380,328	449,353
Total liabilities	1,627,914	1,595,202	1,815,873	1,484,803	1,440,807	1,650,977

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Shareholders' equity						
Share capital						
Registered						
391,944,529 ordinary shares of Baht 1 each	391,945	391,945	391,945	391,945	391,945	391,945
Issued and paid-up						
391,944,418 ordinary shares of Baht 1 each	391,944	391,944	391,944	391,944	391,944	391,944
Share premium	149,421	149,421	149,421	149,421	149,421	149,421
Retained earnings						
Appropriated - statutory reserve	39,194	39,194	39,194	39,194	39,194	39,194
Unappropriated	175,114	211,567	210,281	143,938	187,766	194,034
Other components of shareholders' equity	127,532	130,330	129,485	123,172	125,535	124,429
Equity attributable to owners of the Company	883,206	922,457	920,325	847,670	893,860	899,022
Non-controlling interests of the subsidiaries	77,756	71,178	65,577	-	-	-
Total shareholders' equity	960,962	993,636	985,902	847,670	893,860	899,022
Total liabilities and shareholders' equity	2,588,876	2,588,837	2,801,775	2,332,473	2,334,667	2,549,999
	-	-	-	-	-	-

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the year ended 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Revenues						
Revenues from sales	4,078,112	4,343,306	4,768,676	4,075,360	4,340,601	4,765,634
Tuition fees income	164,584	153,232	143,977	-	-	-
Interest and dividend income	1,250	914	1,221	2,425	2,806	3,140
Other income	43,603	45,118	51,063	36,385	36,725	40,963
Total revenues	4,287,549	4,542,570	4,964,937	4,114,171	4,380,133	4,809,737
Expenses						
Cost of sales	2,702,466	2,838,915	3,124,199	2,699,731	2,835,086	3,120,202
Cost of tuition fees	124,619	115,952	111,325	-	-	-
Selling expenses	939,202	985,253	1,028,406	939,142	985,253	1,028,406
Administrative expenses	477,829	482,683	570,823	449,833	457,688	542,485
Total expenses	4,244,116	4,422,802	4,834,753	4,088,707	4,278,026	4,691,093
Profit before share of profit from investments in associate, finance cost and income tax expenses	43,433	119,768	130,183	25,464	102,107	118,645
Share of profit from investments in associate	1,799	1,714	2,252	-	-	-
Profit before finance cost and income tax expenses	45,231	121,482	132,436	25,464	102,107	118,645
Finance cost	(23,773)	(28,344)	(19,003)	(18,339)	(22,208)	(12,335)
Profit before income tax expenses	21,458	93,139	113,433	7,126	79,899	106,310
Income tax expenses	(2,110)	(16,627)	(22,536)	(2,088)	(16,349)	(22,530)
Profit for the year	19,348	76,512	90,897	5,038	63,550	83,779
Profit attributable to						
Equity holders of the Company	12,365	70,876	86,400	5,038	63,550	83,779
Non-controlling interests of the subsidiaries	6,983	5,636	4,497			
	19,348	76,512	90,897			
Earnings per share						
Basic earnings per share						
Profit attributable to equity holders of the Company	0.03	0.18	0.22	0.01	0.16	0.21

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive

For the year ended 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Profit for the year	19,348	76,512	90,897	5,038	63,550	83,779
Other comprehensive income:						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Gain (loss) on changes in value of						
available-for-sale investments	(3,075)	1,703	1,439	(2,620)	1,716	971
Less: Income tax effect	615	(341)	(1,506)	524	(343)	(194)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(2,460)	1,363	(67)	(2,096)	1,373	777
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial gain (loss)	(2,862)	329	(6,220)	(2,432)	386	(6,712)
Less: Income tax effect	332	77	1,342	332	77	1,342
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(2,529)	406	(4,878)	(2,100)	463	(5,369)
Other comprehensive income for the year	(4,989)	1,769	(4,944)	(4,196)	1,836	(4,592)
Total comprehensive income for the year	14,359	78,281	85,952	842	65,385	79,187
Total comprehensive income attributable to						
Equity holders of the Company	7,781	72,679	81,014	842	65,385	79,187
Non-controlling interests of subsidiaries	6,578	5,601	4,938			
Total comprehensive income for the year	14,359	78,281	85,952			

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders									
	Other components of equity									
	Other comprehensive income									
	Surplus (deficit)									
	Issued and paid-up share capital	Share premium	Retained earnings		on changes in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Appropriated	Unappropriated									
Balance as at 1 January 2014	391,944	149,421	39,194	198,971	-	130,331	130,331	909,861	60,639	970,500
Profit for the year (restated)	-	-	-	86,400	-	-	-	86,400	4,497	90,897
Other comprehensive income for the year (restated)	-	-	-	(5,129)	961	(1,218)	(258)	(5,386)	442	(4,944)
Total comprehensive income for the year	-	-	-	81,272	961	(1,218)	(258)	81,014	4,938	85,952
Dividend paid	-	-	-	(70,550)	-	-	-	(70,550)	-	(70,550)
Transferred surplus on revaluation of assets to retained earning	-	-	-	588	-	(588)	(588)	-	-	-
Balance as at 31 December 2014	391,944	149,421	39,194	210,281	961	128,524	129,485	920,325	65,577	985,902
Balance as at 1 January 2015	391,944	149,421	39,194	210,281	961	128,524	129,485	920,325	65,577	985,902
Profit for the year	-	-	-	70,876	-	-	-	70,876	5,636	76,512
Other comprehensive income for the year	-	-	-	435	1,368	-	1,368	1,803	(34)	1,769
Total comprehensive income for the year	-	-	-	71,312	1,368	-	1,368	72,679	5,601	78,281
Dividend paid	-	-	-	(70,548)	-	-	-	(70,548)	-	(70,548)
Transferred surplus on revaluation of assets to retained earning	-	-	-	523	-	(523)	(523)	-	-	-
Balance as at 31 December 2015	391,944	149,421	39,194	211,567	2,329	128,002	130,330	922,457	71,178	993,636
Balance as at 1 January 2016	391,944	149,421	39,194	211,567	2,329	128,002	130,330	922,457	71,178	993,636
Profit for the year	-	-	-	12,365	-	-	-	12,365	6,983	19,348
Other comprehensive income for the year	-	-	-	(2,310)	(2,274)	-	(2,274)	(4,585)	(405)	(4,989)
Total comprehensive income for the year	-	-	-	10,055	(2,274)	-	(2,274)	7,781	6,578	14,359
Dividend paid	-	-	-	(47,033)	-	-	-	(47,033)	-	(47,033)
Transferred surplus on revaluation of assets to retained earning	-	-	-	524	-	(524)	(524)	-	-	-
Balance as at 31 December 2016	391,944	149,421	39,194	175,114	55	127,477	127,532	883,206	77,756	960,962

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

Separate financial statements

	Separate financial statements								
	<div> <div> Issued and paid-up share capital Share premium </div> <div> Retained earnings <div> Appropriated Unappropriated </div> </div> </div>				Other components of equity				
					Other comprehensive income		Total other components of shareholders' equity		Total shareholders' equity
					Surplus (deficit) on changes in value of available-for-sale investments				
					Surplus on revaluation of assets				
	share capital	Share premium	Appropriated	Unappropriated	investments	revaluation of assets	equity	equity	
Balance as at 1 January 2014	391,944	149,421	39,194	185,907	-	123,918	123,918	890,385	
Profit for the year (restated)	-	-	-	83,779	-	-	-	83,779	
Other comprehensive income for the year (restated)	-	-	-	(5,369)	777	-	777	(4,592)	
Total comprehensive income for the year	-	-	-	78,410	777	-	777	79,187	
Dividend paid	-	-	-	(70,550)	-	-	-	(70,550)	
Transferred surplus on revaluation of assets to retained earning	-	-	-	266	-	(266)	(266)	-	
Balance as at 31 December 2014	391,944	149,421	39,194	194,034	777	123,651	124,429	899,022	
Balance as at 1 January 2015	391,944	149,421	39,194	194,034	777	123,651	124,429	899,022	
Profit for the year	-	-	-	63,550	-	-	-	63,550	
Other comprehensive income for the year	-	-	-	463	1,373	-	1,373	1,836	
Total comprehensive income for the year	-	-	-	64,013	1,373	-	1,373	65,385	
Dividend paid	-	-	-	(70,548)	-	-	-	(70,548)	
Transferred surplus on revaluation of assets to retained earning	-	-	-	266	-	(266)	(266)	-	
Balance as at 31 December 2015	391,944	149,421	39,194	187,766	2,150	123,385	125,535	893,860	
Balance as at 1 January 2016	391,944	149,421	39,194	187,766	2,150	123,385	125,535	893,860	
Profit for the year	-	-	-	5,038	-	-	-	5,038	
Other comprehensive income for the year	-	-	-	(2,100)	(2,096)	-	(2,096)	(4,196)	
Total comprehensive income for the year	-	-	-	2,938	(2,096)	-	(2,096)	842	
Dividend paid	-	-	-	(47,033)	-	-	-	(47,033)	
Transferred surplus on revaluation of assets to retained earning	-	-	-	267	-	(267)	(267)	-	
Balance as at 31 December 2016	391,944	149,421	39,194	143,938	55	123,118	123,172	847,670	

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement

For the year ended 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Cash flows from operating activities						
Profit before tax	21,458	93,139	113,433	7,126	79,899	106,310
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	120,694	124,173	129,782	102,975	106,560	111,677
Allowance for doubtful accounts and estimated goods return (reversal)	(4,230)	3,114	(2,473)	(4,309)	2,851	(1,307)
Adjustment from reconciliation accounts receivable	(105)	(6)	(201)	(105)	(6)	(201)
Reversal of allowance for impairment of assets	(1,235)	(719)	2,427	(1,235)	(719)	2,427
Expense from loss of inventories	11,088	8,853	12,236	11,088	8,853	12,236
Allowance for dilapidated, slow moving and loss of inventories	2,343	2,971	26,236	2,343	2,971	26,236
Share of profit from investment in associate	(1,799)	(1,714)	(2,252)	-	-	-
Gain on disposal of current investments	(4,640)	(3,047)	(1,482)	(4,230)	(2,122)	(1,248)
Expense for donation of goods and equipment	8,805	6,096	5,137	8,805	6,096	5,137
Loss from stock destruction	10,024	2,363	5,571	10,024	2,363	5,571
Provision for long-term employee benefits	19,707	8,462	6,064	18,173	6,862	4,692
Loss on sales and written-off equipment	4,273	2,657	9,543	4,052	2,655	9,606
Loss on impairment of investment	-	-	-	11	12	165
Amortisation of leasehold rights on land and buildings	11,563	11,639	13,148	11,227	11,304	12,813
Adjustment from clearing coupon payable	-	(7,742)	(5,513)	-	(7,742)	(5,513)
Adjustment from clearing long outstanding payable	(3,573)	-	-	(3,573)	-	-
Interest expenses	23,773	28,344	18,973	18,339	22,208	12,335
Interest income	(1,250)	(914)	(1,221)	(925)	(806)	(1,140)
Dividend income	-	-	-	(1,500)	(2,000)	(2,000)
Profit from operating activities before changes in operating assets and liabilities	216,896	277,670	329,407	178,284	239,240	297,795
Operating assets (increase) decrease						
Trade and other receivables	(10,372)	8,764	19,366	(9,748)	9,344	18,824
Inventories	(67,079)	(11,624)	(52,666)	(63,610)	(9,943)	(55,003)
Prepaid expenses	(1,268)	(988)	2,668	(1,106)	555	1,361
Advance payment for purchasing books	(37,400)	-	-	(37,400)	-	-
Compensation receivable from the insurance claim	-	3,108	57	-	3,108	57
Other current assets	(8,996)	1,027	2,398	(8,920)	978	4,968
Prepaid book copyright and translation fee	(913)	2,029	4,858	(913)	2,029	4,858
Rental guarantee and deposit	(397)	950	6,868	(397)	950	6,868
Other non-current assets	(3,624)	1,126	(1,736)	(3,597)	1,157	(1,736)

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2016 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Operating liabilities increase (decrease)						
Trade and other payables	50,599	(109,892)	(182,377)	48,807	(108,166)	(185,491)
Income received in advance	1,646	(1,289)	(2,025)	-	-	-
Advance received for purchasing books	44,226	(81)	-	44,226	(81)	-
Other current liabilities	5,668	(2,740)	(15,975)	5,373	(3,430)	(15,894)
Cash paid for long-term employee benefits	(3,472)	(4,615)	(14,589)	(3,472)	(4,309)	(14,589)
Other non-current liabilities	(691)	(397)	(116)	(691)	(397)	(100)
Cash flows from operating activities	184,823	163,050	96,137	146,838	131,035	61,918
Cash paid for interest expenses	(23,795)	(28,371)	(18,918)	(18,360)	(22,235)	(12,281)
Cash paid for income tax	(4,150)	(34,469)	(23,288)	(4,150)	(34,356)	(23,270)
Net cash flows from operating activities	156,879	100,209	53,932	124,328	74,443	26,367
Cash flows from investing activities						
Decrease in current investments	93,061	141,622	(301,252)	85,993	112,122	(241,252)
Increase in short-term loan to subsidiary	-	-	-	(3,000)	-	-
Dividend received from associated company	1,500	2,000	2,000	-	-	-
Interest income	1,208	875	1,323	879	854	1,242
Dividends income	-	-	-	1,500	2,000	2,000
Increase in restricted bank deposit and other investment	(20)	(44)	1,272	(20)	(44)	1,272
Acquisition of equipment	(81,275)	(63,810)	(126,977)	(76,175)	(59,507)	(120,726)
Proceeds from sales of equipment	1,723	215	1,241	1,710	208	1,178
Acquisition of intangible assets	(166)	(45)	(3,317)	(166)	(45)	(3,853)
Increase in leasehold rights on buildings	(10,020)	-	-	(10,020)	-	-
Net cash flows from investing activities	6,011	80,812	(425,711)	700	55,588	(360,138)
Cash flows from financing activities						
Repayment of short-term loans from financial institutions	(100,000)	-	(100,000)	(100,000)	-	(100,000)
Cash receipt from short-term loans	100,000	-	529,500	100,000	-	500,000
Repayment of long-term loans	(88,470)	(81,430)	(44,740)	(71,520)	(71,520)	(23,840)
Dividend paid	(47,033)	(70,548)	(70,550)	(47,033)	(70,548)	(70,550)
Net cash flows used in financing activities	(135,503)	(151,978)	314,210	(118,553)	(142,068)	305,610
Net increase (decrease) in cash and cash equivalents	27,388	29,043	(57,569)	6,476	(12,036)	(28,161)
Cash and cash equivalents at beginning of year	131,671	102,630	160,199	86,444	98,480	126,641
Cash and cash equivalents at end of year (Note 7)	159,059	131,673	102,630	92,919	86,444	98,480
Supplemental cash flows information						
Non-cash transactions						
Increase (decrease) in revaluation surplus on changes in value of available-for-sale investments	(3,075)	1,703	1,439	(2,620)	1,716	971
Purchase of fixed assets for which cash has not been paid	4,151	10,494	7,169	4,263	10,641	7,174
Actuarial gain (loss)	(2,862)	329	(6,220)	(2,432)	386	(6,712)
Transfer asset under installation to prepaid leasehold right	-	5,940	-	-	5,940	-

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

13.3 Financial Ratios (calculated from consolidated financial statements)

table 4 : Financial ratio of 2016 2015 and 2014

		Consolidated financial statements		
		2016	2015	2014
Financial ratios				(Restated)
Return On Equity (ROE)	%	1.37	7.69	9.44
Return on Asset (ROA)	%	1.75	4.51	4.90
Debt to Equity Ratio	times	1.69	1.61	1.84
Interest Coverage Ratio	times	10.29	12.00	19.60

Note:

- ROE (Return on Equity) = Net profit (Parent Company only) divided by shareholder's equity (averaged) from Parent Company only
- ROA (Return on Assets) = Net profit before financial and tax expenses divided by total assets (averaged)
- Debt to Equity ratio = total debts divided by shareholder's equity (minor shareholder's equity included)
- Debt service Coverage Ratio = Net cash flows from operation activities + interest + income tax expenses divided by interest from operation and investment

ROE was 1.37% decreased by 6.32% while ROA was 1.75% decreased by 2.76%

Return on Equity (ROE) was 1.37%, decreased by 6.32% while Return on Assets (ROA) was 1.75%, decreased by 2.76% Since lower operational performance of the retail business.

Debt to Equity Ratio was 1.69 times, Increased by 0.08 times

Debt to Equity Ratio of the shareholder increased by 0.08 times from increasing current liabilities in advance received for purchasing books.

Interest Coverage Ratio was 10.29 times, decreased by 1.71 times

Interest Coverage Ratio decreased by 1.71 times According to lower operational performance.

14. Management Discussion and Analysis

Publishing Business Situation in 2016

Overview

In 2016, the Company continues to be affected by economic slowdown continues. Due to a decrease of net purchasing power, and rising household debt, also affected the sales of print publications in every sector, aligning with the decline in the general retail business.

To rectify the situation, the Company has improved profit efficiency of its branches and closed 17 small unprofitable branches in 2016. Further, the Company has revised the product mix proportion to match more targeted customers. The Company encouraged more promotions while continuously reduced its expenses, including canceling 25% rental space from previous last year.

New 20 branches were opened. As in December 31, 2016 there were in the total of 414 stores, and 2 points of sales currently in operation.

SE-ED's profit in 2016 is THB 12.37 million.

According to consolidated financial statements in 2016, net profit of the Company is THB 12.37 million, decreased THB 58.51 million, which accounted for 82.55%. The net profit in separate financial statements is THB 5.04 million, decreased THB 58.51 million, which accounted for 92.07%, can be summarized as follows:

- The total revenue from the consolidated financial statement decreased by 5.61% from the previous year. The total revenue from the separate financial statement decreased by 6.07%. And the revenue from the Company's retail business slightly declined.
- The Selling and administrative expenses decreased by 3.47% due to improvement on profit efficiency of the branches and close down of the unprofitable branches. This resulted in the decrease of rental cost, service cost, public utility cost, and employee-related cost according to the decrease of active branches.

In 2016, however, the Company had acknowledged the loss by estimating the long-term benefits of its employees based on actuarial science calculation.
- Income tax expenses decreased of THB 14.26 million according to an overall situation of the Company.

- Finance cost decreased of THB 3.70 million because the Company paid the long-term loan on time to decrease the loan.

Dividend of 2016 at rate of THB 0.01 per share

Approved and agreed to propose in the AGM to approve the dividend payments for the operation result of the 2016 fiscal year by the rate of THB 0.01 per share or THB 3.92 million in total.

The list of shareholders listed to receive dividend is to be announced on May 3, 2017 and, by the section 225 in Securities and Exchange Act, the names of shareholders will be compiled by closing the shareholders register book on May 4, 2017. The cash dividend shall be paid on May 18, 2017.

Table 1 : Operation results of 2016 and 2015

(Unit : Million Baht)

	Consolidated financial statement			
	2016	2015	Increase (decrease)	%
Revenue from sales of goods	4,242.70	4,496.54	(253.84)	(5.65%)
Cost of sales	2,827.09	2,954.87	(127.78)	(4.32%)
Gross profit	1,415.61	1,541.67	(126.06)	(8.18%)
Gross profit margin	33.37%	34.29%		(0.92%)
EBITDA	177.49	257.29	(79.80)	(31.02%)
Equity holders of the Company	12.37	70.88	(58.51)	(82.55%)
Net earnings per share	0.03	0.18	(0.15)	(82.55%)

Note: EBITDA is earnings before Interest and Tax, plus Depreciation & Amortization.

**In 2016
Margin decreased
or 0.92%**

In 2016, gross profit was THB 1,415.61 million, decreased to the same period last year by THB 126.06 million or 8.18%. And gross margin in 2016 was 33.37%, decreased by 0.92% from the previous year, mainly due to market competition. To attract customers in the retail business to purchase it. And the promotion of its wholesale business to inventories turnover rate improved.

In 2016, cost of sales and services decreased by THB 127.78 million Cost of sales and services according to consolidated financial statements is THB 2,827.09 million, decreased by THB 127.78 million or 4.32% in accordance with the decline of sales. in sales.

EBITDA decreased by THB 79.80 million or 31.02% EBITDA decreased by THB 79.80 million due to the decrease of net profit by 82.55% from the slowdowns in general retailing business, resulted in a decrease of profitability.

Table 2 : Statement of financial position As at 31 December 2016 and 31 December 2015

(Unit : Million Baht)

	Consolidated financial statement			
	31 December 2016	31 December 2015	Increase (decrease)	%
Current assets	834.06	800.93	33.12	4.14%
Non-current assets	1,754.82	1,787.90	(33.08)	(1.85%)
Total assets	2,588.88	2,588.84	0.04	0.00%
Current liability	1,244.06	1,129.76	114.30	10.12%
Non-current liability	383.85	465.45	(81.60)	(17.53%)
Total liability	1,627.91	1,595.20	32.71	2.05%
Total shareholder's equity	960.96	993.64	(32.67)	(3.29%)
Total liability and shareholder's equity	2,588.88	2,588.84	0.04	0.00%

**Current assets
Increased by THB
33.12 million or 4.14%**

Current assets Increased by THB 33.12 million as follows:

- Cash and Current investments decrease of THB 64.11 million or 19.97%, because the Company has to pay long-term loans.
- A increase of inventories by THB 34.82 million or 9.45% from the increase of foreign books and non-book products.
- Trade and other receivables increased 14.71 million or 20.88% due to an increase of distribution receivables from the increasing sales.
- Other current assets increased 47.71 million or 116.28%, mainly from books advance payment in total of THB 37.40 million.

**Non-current assets
decreased by THB
33.08 million or 1.85%**

Non-current assets decreased by THB 33.08 million, mainly because the fixed asset decreased by THB 38.22 million from depreciation of the year.

**Current liability
Increased by THB
114.30 million or
10.12%**

Current liability decreased by THB 114.30 million as follows:

- Current portion of long-term loans Increased by THB 5.17 million due to an increase of the due loans of the Company's subsidiaries.
- Trade accounts payable and other Payables Increased by THB 54.73 million due to importing foreign books.
- Current portion of provision for long-term employee benefits increased by THB 5.20 million according to the number of retired employees.
- Other current liabilities increased by THB 46.31 million by advance received for purchasing books.

**Non-current liability
decreased by THB
81.60 million or 17.53%**

Non-current liability decreased by THB 81.60 million from paying back the long-term loans.

**Shareholder's equity
decreased by THB
32.67 million or 3.29%**

Shareholder's equity decreased by THB 32.67 million because the Company's paying dividend of 2015 and decreased net profit in 2016.

Table 3 : Statement of cash flows of 2016 and 2015

(Unit : Million Baht)				
Consolidated financial statement				
	2016	2015	Increase (decrease)	%
Cash flows from (used) operation activities	156.88	100.21	56.67	56.55%
Cash flows from (used) investing activities	6.01	80.81	(74.80)	(92.56%)
Cash flows from (used) financing activities	(135.50)	(151.98)	16.48	(10.84%)
Cash flows increased (decreased)	27.39	29.04	(1.65)	(5.68%)

**Cash flows from
operation activities in
2016 was THB 156.88
million**

- Profit from operation that was cash equaled THB 216.90 million as follows:
 - Net profit before income tax in 2016 was THB 21.46 million.
 - Adjustments to reconcile profit before tax totals THB 195.44 million including depreciation and amortization of THB 120.69 million; interest expenses of THB 23.77 million; Provision for long-term employee benefits of THB 19.71 million; amortization leasehold right on land and buildings of THB 11.56 million; Expense from loss of inventories THB 11.09 million; Loss from stock destruction of THB 10.02 million; expense for donation of goods and equipment of THB 8.80 million; and Gain on disposal of current investments of THB (4.64) million;
- Cash decreased by THB 10.37 million from an increase of trade and other receivables, Most of them were from distribution from the coming semester.
- Cash decreased by THB 67.08 million due to an increase of the sales of foreign books and non-book products.
- Cash from books advance payments deceased by THB 37.40 million because of advance paying for books about King Rama IX.
- Cash decreased from increasing current assets by THB 8.99 million.
- Cash increased from payables and other payables by THB 50.60 million from notes payable from payments for books.
- Cash increased by THB 44.23 million from advance received for purchasing books.

**Cash flows from in
investing activities in
2016 was THB 6.01
million.**

- Cash decreased by THB 93.06 million from selling current investments in order to pay the long-term loan.
- Cash decreased by THB 81.27 million from opening the new branches.
- Cash decreased by THB 10.02 million from increase in leasehold rights on buildings.

**Cash flows used
financing activities in
2016 was THB (135.50)
million**

- Cash decreased from repaying to financial institutions by THB 88.47 million.
- Cash decreased by THB 47.03 million from paying dividend of 2015 in May 2016.

**Corporate Governance
Report of Thai Listed
Companies**

In operation and management, the Company emphasized on good governance policies together with social and environmental responsibilities. Since the Company was the exemplar in many aspects, The IOD has appraised SE-ED to be excellent (5 stars) level in Corporate Governance Report of Thai Listed Companies 2016 appraisal for 9 consecutive years.