

Section 3

Financial Position and Performance

13. Financial Highlights

13.1 Summary of Financial Statement

- **Financial Statement for year-end, as of December 31, 2018:**

The accounting auditor has expressed non-binding opinions towards the financial statement.
The auditor is Ms. Nanaphat Wannasomboon from Dharmniti Auditing Co., Ltd.

- **Financial Statement for year-end, as of December 31, 2017 and 2016:**

The accounting auditor has expressed non-binding opinions towards the financial statement.
The auditor are Ms. Pimjai Manitkajohnkit and Ms. Rosaporn Decharkom from EY Office Limited.

13.2 Financial Statement

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
Assets						
Current assets						
Cash and cash equivalents	139,466	145,865	159,057	85,531	94,320	92,917
Current investments	-	18,883	97,806	-	18,883	72,806
Trade and other receivables	62,951	79,027	85,126	57,945	73,681	80,523
Short-term loan to subsidiary	-	-	-	1,800	1,800	3,000
Inventories	335,089	324,830	403,332	330,432	318,496	397,218
Other current assets	54,338	51,954	88,734	51,548	48,495	86,590
	591,844	620,558	834,056	527,256	555,675	733,054
Non-current assets held for sale	-	50,432	-	-	50,432	-
Total current assets	591,844	670,990	834,056	527,256	606,107	733,054
Non-current assets						
Restricted bank deposits and other investments	13,413	13,394	13,374	13,413	13,394	13,374
Investments in subsidiaries	-	-	-	70,295	70,295	70,295
Investment in associate	25,339	25,912	25,950	100	100	100
Property, plant and equipment	1,776,902	1,844,562	1,491,005	1,510,772	1,570,739	1,295,530
Leasehold rights on land	5,810	6,095	5,696	-	-	-
Leasehold rights on buildings	40,042	50,789	62,084	40,042	50,789	62,084
Intangible assets	3,617	3,910	5,516	3,495	4,232	5,869
Prepaid book copyright and translation fee	17,599	15,691	17,179	17,599	15,691	17,179
Rental guarantee and deposit	89,951	98,608	100,755	89,951	98,608	100,755
Deferred tax assets	131	15	22,754	-	-	23,830
Other non-current assets	9,502	9,666	10,506	9,102	9,444	10,402
Total non-current assets	1,982,306	2,068,642	1,754,820	1,754,769	1,833,292	1,599,419
Total assets	2,574,150	2,739,631	2,588,876	2,282,026	2,439,398	2,332,473

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	826,276	914,575	1,023,590	810,980	904,655	1,014,577
Income received in advance recognisable						
within one year	57,248	53,644	46,367	-	-	-
Current portion of long-term loans	60,408	279,008	93,090	60,408	269,008	71,520
Income tax payable	391	327	318	-	-	-
Current portion of provision for						
long-term employee benefits	5,793	8,598	8,832	5,793	8,598	8,443
Other current liabilities	29,243	44,121	71,868	24,095	35,211	69,826
Total current liabilities	979,359	1,300,273	1,244,064	901,277	1,217,472	1,164,366
Non-current liabilities						
Income received in advance, net of current portion	9,298	15,857	772	-	-	-
Long-term loans, net of current portion	204,842	56,750	318,250	148,192	-	261,600
Provision for long-term employee benefits, net of						
current portion	55,326	63,796	57,391	48,486	57,970	51,399
Deferred tax liabilities	50,623	50,818	-	46,152	46,062	-
Other non-current liabilities	9,057	8,346	7,438	8,001	8,346	7,438
Total non-current liabilities	329,146	195,567	383,851	250,832	112,378	320,437
Total liabilities	1,308,505	1,495,840	1,627,914	1,152,109	1,329,851	1,484,803

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
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						
- The Company	39,194	39,194	39,194	39,194	39,194	39,194
- Subsidiary	632	632	-	-	-	-
Unappropriated	213,053	145,234	175,114	178,188	111,524	143,938
Other components of shareholders' equity	382,026	428,873	127,532	371,169	417,464	123,172
Equity attributable to owners of the Company	1,176,270	1,155,299	883,206	1,129,917	1,109,548	847,670
Non-controlling interests of the subsidiaries	89,374	88,493	77,756	-	-	-
Total shareholders' equity	1,265,644	1,243,792	960,962	1,129,917	1,109,548	847,670
Total liabilities and shareholders' equity	2,574,150	2,739,631	2,588,876	2,282,026	2,439,398	2,332,473

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
Revenues						
Revenues from sales	3,117,513	3,524,028	4,078,112	3,104,385	3,518,350	4,075,360
Tuition fees income	187,166	173,137	164,584	-	-	-
Interest and dividend income	1,241	1,281	1,250	9,420	5,552	2,425
Other income	76,128	70,310	43,603	67,530	61,975	36,385
Total revenues	3,382,049	3,768,757	4,287,549	3,181,335	3,585,877	4,114,171
Expenses						
Cost of sales	2,032,012	2,298,548	2,702,466	2,021,493	2,292,737	2,699,731
Cost of tuition fees	140,496	131,689	124,619	-	-	-
Selling and distribution expenses	759,806	842,135	939,202	759,675	842,003	939,142
Administrative expenses	414,332	500,380	477,829	375,947	468,522	449,833
Total expenses	3,346,646	3,772,752	4,244,116	3,157,114	3,603,262	4,088,707
Profit (loss) before share of profit from investment						
in associate, finance cost and income tax	35,402	(3,995)	43,433	24,221	(17,385)	25,464
Share of profit from investment in associate	1,007	962	1,799	-	-	-
Profit (loss) before finance cost and income tax	36,409	(3,033)	45,231	24,221	(17,385)	25,464
Finance cost	(14,866)	(19,457)	(23,773)	(11,869)	(14,908)	(18,339)
Profit (loss) before income tax	21,543	(22,489)	21,458	12,351	(32,293)	7,126
Income tax revenues	1,868	3,702	(2,110)	1,535	3,611	(2,088)
Profit (loss) for the year	23,411	(18,787)	19,348	13,886	(28,682)	5,038
Profit (loss) attributable to						
Equity holders of the Company	14,615	(25,702)	12,365	13,886	(28,682)	5,038
Non-controlling interests of the subsidiaries	8,797	6,915	6,983			
	23,411	(18,787)	19,348			
Earnings per share						
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Com	0.04	(0.07)	0.03	0.04	(0.07)	0.01

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
Profit (loss) for the year	23,411	(18,787)	19,348	13,886	(28,682)	5,038
Other comprehensive income:						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Loss on changes in value of						
available-for-sale investments	(7)	(61)	(3,075)	(7)	(61)	(2,620)
Less: Income tax effect	1	12	615	1	12	524
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(5)	(49)	(2,460)	(5)	(49)	(2,096)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial gain (loss)	7,852	(144)	(2,862)	8,110	-	(2,432)
Changes in revaluation of assets	-	386,810	-	-	368,161	-
Less: Income tax effect	(1,622)	(77,362)	332	(1,622)	(73,632)	332
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income	6,230	309,304	(2,529)	6,488	294,529	(2,100)
Other comprehensive income for the year	6,225	309,255	(4,989)	6,483	294,479	(4,196)
Total comprehensive income for the year	29,636	290,468	14,359	20,369	265,798	842
Total comprehensive income attributable to						
Equity holders of the Company	20,971	276,013	7,781	20,369	265,798	842
Non-controlling interests of subsidiaries						
Total comprehensive income for the year	8,665	14,455	6,578			
	29,636	290,468	14,359			

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the parent's shareholders											
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity					Total
						Other comprehensive income					
			Surplus			Total other components of shareholders'	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders'		
										on changes in value of	
			The Company	Subsidiary	Unappropriated	available-for-sale investments	assets	equity			
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
Balance as at 1 January 2017	391,944	149,421	39,194	-	175,114	55	127,477	127,532	883,206	77,756	960,962
Loss for the year	-	-	-	-	(25,702)	-	-	-	(25,702)	6,915	(18,787)
Other comprehensive income for the year	-	-	-	-	(71)	(49)	301,835	301,785	301,715	7,540	309,255
Total comprehensive income for the year	-	-	-	-	(25,773)	(49)	301,835	301,785	276,013	14,455	290,468
Dividend paid	-	-	-	-	(3,919)	-	-	-	(3,919)	-	(3,919)
Subsidiary paid dividend to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(3,718)	(3,718)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	632	(632)	-	-	-	-	-	-
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	444	-	(444)	(444)	-	-	-
Balance as at 31 December 2017	391,944	149,421	39,194	632	145,234	5	428,868	428,873	1,155,299	88,493	1,243,792
Balance as at 1 January 2018	391,944	149,421	39,194	632	145,234	5	428,868	428,873	1,155,299	88,493	1,243,792
Profit for the year	-	-	-	-	14,615	-	-	-	14,615	8,797	23,411
Other comprehensive income for the year	-	-	-	-	6,362	(5)	-	(5)	6,357	(132)	6,225
Total comprehensive income for the year	-	-	-	-	20,977	(5)	-	(5)	20,971	8,665	29,636
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Subsidiary paid dividend to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(7,784)	(7,784)
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	46,842	-	(46,842)	(46,842)	-	-	-
Balance as at 31 December 2018	391,944	149,421	39,194	632	213,053	-	382,026	382,026	1,176,270	89,374	1,265,644

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

Separate financial statements

					Other components of equity			
					Other comprehensive income			
					Surplus			
					on changes		Total other	
	Issued and		Retained earnings		in value of	Surplus on	components of	Total
	paid-up		Appropriated		available-for-sale	revaluation of	shareholders'	shareholders'
	share capital	Share premium	- Statutory reserve	Unappropriated	investments	assets	equity	equity
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
Balance as at 1 January 2017	391,944	149,421	39,194	143,938	55	123,118	123,172	847,670
Loss for the year	-	-	-	(28,682)	-	-	-	(28,682)
Other comprehensive income for the year	-	-	-	-	(49)	294,529	294,479	294,479
Total comprehensive income for the year	-	-	-	(28,682)	(49)	294,529	294,479	265,798
Dividend paid	-	-	-	(3,919)	-	-	-	(3,919)
Transferred surplus on revaluation of assets to retained earning	-	-	-	188	-	(188)	(188)	-
Balance as at 31 December 2017	391,944	149,421	39,194	111,524	5	417,459	417,464	1,109,548
Balance as at 1 January 2018	391,944	149,421	39,194	111,524	5	417,459	417,464	1,109,548
Profit for the year	-	-	-	13,886	-	-	-	13,886
Other comprehensive income for the year	-	-	-	6,488	(5)	-	(5)	6,483
Total comprehensive income for the year	-	-	-	20,374	(5)	-	(5)	20,369
Transferred surplus on revaluation of assets to retained earning	-	-	-	46,289	-	(46,289)	(46,289)	-
Balance as at 31 December 2018	391,944	149,421	39,194	178,188	-	371,169	371,169	1,129,917

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
Cash flows from operating activities						
Profit (loss) before tax	21,543	(22,489)	21,458	12,351	(32,293)	7,126
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	100,265	111,639	120,694	84,040	95,103	102,975
Reversal of allowance for doubtful accounts and estimated goods return	(120)	(309)	(4,230)	(563)	(504)	(4,309)
Adjustment from reconciliation accounts receivable	(626)	(165)	(105)	(626)	(165)	(105)
Allowance for impairment of assets (reversal)	(323)	2,016	(1,235)	(323)	2,016	(1,235)
Expense from loss of inventories	7,949	6,345	11,088	7,949	6,345	11,088
Allowance for loss of inventories, dilapidated and slow moving (revrsal)	(25,327)	7,976	2,343	(25,327)	7,970	2,343
Provision for impairment of investment	580	-	-	-	-	11
Expense for donation of goods and equipment	6,568	11,115	8,805	6,568	11,115	8,805
Provision for long-term employee benefits	3,417	16,069	19,707	2,661	16,045	18,173
Share of profit from investment in associate	(1,007)	(962)	(1,799)	-	-	-
Gain on disposal of current investments	(845)	(1,345)	(4,640)	(845)	(1,345)	(4,230)
Loss from stock destruction	7,699	23,212	10,024	7,699	23,212	10,024
Loss on sales and written-off equipment	5,181	3,038	4,273	4,512	2,596	4,052
Gain on sales of land	(9,568)	-	-	(9,568)	-	-
Amortised of leasehold rights on land and buildings	11,032	11,578	11,563	10,746	11,296	11,227
Loss on written-off leasehold right on land	-	2,818	-	-	-	-
Adjustment from clearing coupon payable	-	(6,394)	-	-	(6,394)	-
Adjustment from clearing long outstanding payable	(2,750)	(1,192)	(3,573)	(2,750)	(1,192)	(3,573)
Interest expenses	14,866	19,457	23,773	11,869	14,908	18,339
Interest income	(1,241)	(1,281)	(1,250)	(950)	(983)	(925)
Dividend income	-	-	-	(8,470)	(4,569)	(1,500)
Profit from operating activities before changes in operating assets and liabilities	137,293	181,124	216,896	98,975	143,159	178,284
Operating assets (increase) decrease						
Trade and other receivables	16,822	13,468	(10,372)	16,925	14,405	(9,748)
Inventories	(7,577)	29,855	(67,079)	(8,826)	30,081	(63,610)
Prepaid expenses	1,044	1,196	(1,268)	516	2,326	(1,106)
Advance payment for purchasing books	-	37,400	(37,400)	-	37,400	(37,400)
Other current assets	(3,524)	(5,899)	(8,996)	(3,718)	(5,837)	(8,920)
Prepaid book copyright and translation fee	(1,908)	1,488	(913)	(1,908)	1,488	(913)
Rental guarantee and deposit	8,657	2,148	(397)	8,657	2,148	(397)
Other non-current assets	164	839	(3,624)	342	957	(3,597)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
Operating liabilities increase (decrease)						
Trade and other payables	(85,879)	(109,279)	50,599	(91,451)	(110,023)	48,807
Income received in advance	(2,954)	22,362	1,646	-	-	-
Cash paid for long-term employee benefits	(6,838)	(10,042)	(3,472)	(6,838)	(9,319)	(3,472)
Advance received for purchasing books	1,788	(43,295)	44,226	1,788	(43,295)	44,226
Other current liabilities	2,083	7,135	5,668	5,846	267	5,373
Other non-current liabilities	711	908	(691)	(345)	908	(691)
Cash flows from operating activities	59,882	129,409	184,821	19,963	64,664	146,836
Cash received from tax refund	6,983	5,992	-	6,859	5,992	-
Cash paid for interest expenses	(14,909)	(19,438)	(23,795)	(11,913)	(14,890)	(18,360)
Cash paid for income tax	(6,888)	(9,013)	(4,150)	(6,706)	(8,809)	(4,150)
Net cash flows from operating activities	45,068	106,950	156,877	8,204	46,957	124,326
Cash flows from investing activities						
Increase in restricted bank deposits and other investments	(19)	(19)	(20)	(19)	(19)	(20)
Decrease in current investments	19,722	80,206	93,061	19,722	55,206	85,993
Decrease in short-term loan to subsidiary	-	-	-	-	1,200	(3,000)
Dividend received	1,000	1,000	1,500	8,470	4,569	1,500
Interest income	1,241	1,410	1,208	950	997	879
Cash received from advanced deposit	-	16,000	-	-	16,000	-
Proceeds from sales of equipment	1,922	375	1,723	1,892	363	1,710
Proceeds from sales of land	44,000	-	-	44,000	-	-
Cash paid for purchase of property and equipment	(41,040)	(132,390)	(81,275)	(31,598)	(55,834)	(76,175)
Cash paid for purchase of intangible assets	-	(5)	(166)	-	(5)	(166)
Cash paid for acquisition of leasehold right	-	(3,499)	(10,020)	-	-	(10,020)
Net cash flows from (used in) investing activities	26,825	(36,922)	6,011	43,416	22,477	700
Cash flows from financing activities						
Repayment of short-term loans from financial institutions	(30,000)	(100,000)	(100,000)	(30,000)	(100,000)	(100,000)
Cash received from short-term loans from financial institution	30,000	100,000	100,000	30,000	100,000	100,000
Cash received from other short-term loan	300	-	-	-	-	-
Repayment of other short-term loan	(300)	-	-	-	-	-
Cash received from long-term loans	-	10,550	-	-	-	-
Repayment of long-term loans	(70,508)	(86,132)	(88,470)	(60,408)	(64,112)	(71,520)
Dividend paid	(7,783)	(7,638)	(47,033)	-	(3,919)	(47,033)
Net cash flows used in financing activities	(78,291)	(83,220)	(135,503)	(60,408)	(68,031)	(118,553)
Net increase (decrease) in cash and cash equivalents	(6,398)	(13,192)	27,386	(8,789)	1,402	6,474
Cash and cash equivalents at beginning of year	145,865	159,057	131,671	94,320	92,917	86,444
Cash and cash equivalents at end of year (Note 7)	139,466	145,865	159,057	85,531	94,320	92,917
	-	-	-	-	-	-
Supplemental cash flows information						
Non-cash transactions						
Recognised loss in revaluation surplus on changes in value of available-for-sale investments	7	(61)	(3,075)	7	(61)	(2,620)
Decrease (increase) in trade Payable	(2,376)	246	4,151	(2,181)	82	4,263
Surplus on revaluation of assets	-	386,810	-	-	368,161	-
Actuarial loss	7,852	(144)	(2,862)	8,110	-	(2,432)
Decrease in deposit received from sale of land	(16,000)	-	-	(16,000)	-	-
Transferred land and building to non-current assets held for sale	-	50,432	-	-	50,432	-

13.3 Financial Ratios (calculated from consolidated financial statements)

table 4 : Financial ratio of 2018 2017 and 2016

		Consolidated financial statements		
		2018	2017	2016
Financial ratios				
Return On Equity (ROE)	%	1.25	(2.52)	1.37
Return on Asset (ROA)	%	1.37	(0.11)	1.68
Debt to Equity Ratio	times	1.03	1.20	1.69
Interest Coverage Ratio	times	10.67	10.78	10.29

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 Ration = Profit from operating activities before changes in operating assets + interest + income tax expenses divided by interest from operation and investment

ROE was 1.25% increased by 3.77% while ROA was 1.37% increased by 1.48 %

Return on Equity (ROE) was 1.25% increased by 3.77% while Return on Assets (ROA) was 1.37% increased by 1.48%, aligning with improving operating performance.

Debt to Equity Ratio was 1.03 times, decreased by 0.26 times

Debt to Equity Ratio of the shareholder which decreased by 0.17 times due to paying long-term liabilities which was due.

Interest Coverage Ratio was 10.67 times, decreased by 0.11 times

Interest Coverage Ratio decreased by 0.11 times due to a decrease of cash from operational margin and a decrease of interest in accordance with the principle portion.

14. Management Discussion and Analysis

Publishing Business Situation in 2018

Overview

In the year of 2018, the Company was getting well adapted in every aspect, especially in the following aspects:

- Better product management to have a more effective turnover rate, yielding a decrease of expenses from reserving for the slow-turnover goods
- Better product ratio in the bookstores which meet the needs of main targeted customers of each branch, resulting in better profitability
- Better creative marketing promotions regarding the Government's national policy on shopping which was one of the factors that improved the Company's operational performance. Also, shutting unprofitable 37 branches and continuously financial cutbacks make better expense control for the Company. As of 31 December, 2018 the 355 branches are active.
- The new market penetration like the institute market, and the products for improving students' potential received clearly better response than in 2017. It allows the Company to meet the institutes' needs more precisely. The mentioned products are the course books from Oxford University Press with its curriculum in improving English teachers and criteria for evaluating 4 skills of CEFR (Cambridge Assessment) , including the digital self-learning media for improving English proficiency which are available anywhere and anytime.

SE-ED's profit in 2018 is THB 14.61 million.

The Company's performances can be summarized as follows:

- **The total revenue** from the consolidated financial statement decreased by 10.26% from the previous year. The total revenue from the separate financial statement decreased by 11.28% which primarily caused by the revenue from the Company's retail business declined due to customer traffic lessened and customers spent more time on social media for information, negatively affected retail business in overall. Also, this decrease of sales was affected by closing down unprofitable branches
- **The selling and administrative expenses** decreased by 12.54% due to better stock management, improved working performance, and well

costs and expenses control.

- **Finance cost** decreased by THB 4.59 million because the Company paid the long-term loan on time.

Table 1 : Operation results of 2018 and 2017

(Unit : Million Baht)

Consolidated financial statement				
	2018	2017	Increase (decrease)	%
Revenue from sales of goods	3,304.68	3,697.17	(392.49)	(10.62%)
Cost of sales	2,172.51	2,430.24	(257.73)	(10.61%)
Gross profit	1,132.17	1,266.93	(134.76)	(10.64%)
Gross profit margin	34.26%	34.27%		(0.01%)
EBITDA	147.71	120.18	27.53	22.91%
Profit (loss) attributable to				
Equity holders of the Company	14.61	(25.70)	40.31	156.85%
Net earnings per share	0.04	(0.07)	0.11	157.14%

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

***Margin decreased
or 0.01%***

In 2018, gross profit was THB 1,132.17 million, decreased by THB 134.76 million or 10.64% from the previous year due to a decrease in sales. Gross margin in 2018 was 34.26%, decreased by 0.01% from the previous year due to marketing promotions to draw in customers.

***cost of sales and
services decreased by
THB 257.73 million***

Cost of sales and services according to consolidated financial statements is THB 2,172.51 million, decreased by THB 257.73 million or 10.61% in accordance with the decline of sales.

***EBITDA increased by
THB 27.53 million or
22.91%***

EBITDA increased by THB 27.53 million as a result of net profit increased by THB 40.31 million, due to improved inventory management and a decrease of long-term benefits for employees since the branches were closed in the past three years. Also, the Company gained profit from selling the Company's previous land and property.

Table2: Statement of financial position As at 31 December 2018 and 31 December 2017

(Unit : Million Baht)

Consolidated financial statement				
	31 December 2018	31 December 2017	Increase (decrease)	%
Current assets	591.84	670.99	(79.15)	(11.80%)
Non-current assets	1,982.31	2,068.64	(86.33)	(4.17%)
Total assets	2,574.15	2,739.63	(165.48)	(6.04%)
Current liability	979.36	1,300.27	(320.91)	(24.68%)
Non-current liability	329.15	195.57	133.58	68.30%
Total liability	1,308.51	1,495.84	(187.33)	(12.52%)
Total shareholder's equity	1,265.64	1,243.79	21.85	1.76%
Total liability and shareholder's equity	2,574.15	2,739.63	(165.48)	(6.04%)

Current assets

Current assets decreased by THB 79.15 million as follows:

decreased by THB**79.15 million or 11.80%**

- Non-current assets held for sale decreased by THB 50.43 million from selling the Company's previous land and property.
- Temporary investments decreased by THB 18.88 million or 100% by selling for paying long-term loans.

Non-current assets**decreased by THB****86.33 million or 4.17%**

Non-current assets decreased by THB 86.33 million from accounting depreciation of lands, buildings, and equipment in 2018.

Current liability**decreased by THB****320.91 million or
24.68%**

Current liability decreased by THB 320.91 million incurred from long term loans re-classification.

Non-current liability**increased by THB****133.58 million or
68.30%**

Non-current liabilities increased by THB 133.58 million from reclassifying to a long-term loan class, resulting from receiving the letter of indulgence regarding terms and conditions in retaining financial ratio in the last quarter.

Shareholder's equity Shareholder's equity increased by THB 21.85 million due to the profits.
increased by THB
21.85 million or 1.76%

Table 3 : Statement of cash flows of 2018 and 2017

(Unit : Million Baht)

	Consolidated financial statement			
	2018	2017	Increase (decrease)	%
Cash flows from (used) operation activities	45.07	106.95	(61.88)	(57.86%)
Cash flows from (used) investing activities	26.82	(36.92)	63.74	(172.64%)
Cash flows from (used) financing activities	(78.29)	(83.22)	4.93	5.92%
Cash flows (decreased)	(6.40)	(13.19)	6.79	51.48%

Cash flows from operation activities in 2018 was THB 45.07 million

The net cash flows from operation in the amount of THB 45.07 million came from:

- Profit in the form of cash from operation was THB 137.29 million.
- Operational assets decreased THB 13.68 million due to payment received from educational receivables.
- Operational liabilities decreased by THB 91.09 million due to a decrease of trade payables, which aligned with a decline of sales.
- Cash decreased by THB 14.91 million from paying an interest of the long-term loans.

Cash flows from investing activities in 2018 was THB 26.82 million.

- Cash increased by THB 44 million from selling the Company's previous land and property.
- Cash increased by THB 19.72 million from selling short-term investments.
- Cash decreased by THB 41.04 million from purchasing equipment: book shelves, computer tools, and electrical tools.
- Provident fund gained from the associate company M&E in the amount of THB 1 million.

Cash flows used in financing activities in 2018 was THB (78.29) million

- Cash decreased from repaying to financial institutions by THB 70.51 million.
- Cash decreased from paying dividend in the amount of THB 7.78 million due to the operation of Plearn Patt Co., Ltd. the Company's subsidiary company.