

Section 3

Financial Position and Performance

13. Financial Highlights

13.1 Summary of Financial Statement

- **Financial Statement for year-end, as of December 31, 2020 and 2019:**
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, 2018:**
The accounting auditor has expressed non-binding opinions towards the financial statement. The auditor are Ms. Pimjai Manitkajohnkit from EY Office Limited.

13.2 Financial Statement

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

ASSETS

(Unit: Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		As at December	As at December	As at December	As at December	As at December	As at December
		31, 2020	31, 2019	31, 2018	31, 2020	31, 2019	31, 2018
			(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

(Unit: Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		As at December	As at December	As at December	As at December	As at December	As at December
		31, 2020	31, 2019	31, 2018	31, 2020	31, 2019	31, 2018
			(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	810,979,636
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	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	5,793,411
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	24,095,474
Total current liabilities		979,055,818	916,178,728	986,114,243	850,410,716	831,229,216	901,276,521
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	148,192,000
Deferred tax liabilities	24	38,289,990	39,978,451	41,867,187	34,507,777	35,909,897	37,397,061
Long-term employee benefits obligations	22	78,889,209	76,787,568	55,326,216	70,156,423	68,350,960	48,486,491
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	45,363,160
Other non-current liabilities		10,856,706	9,868,240	9,057,239	6,972,672	7,412,680	8,001,240
Total non-current liabilities		646,457,225	347,716,189	392,126,326	547,446,023	244,970,886	287,439,952
Total liabilities		1,625,513,043	1,263,894,917	1,378,240,569	1,397,856,739	1,076,200,102	1,188,716,473

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.)

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	As at December	As at December	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2018	31, 2020	31, 2019	31, 2018
Notes		(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	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	391,944,418
Share premium	149,420,558	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	39,194,453
Subsidiaries	1,117,130	631,994	631,994	-	-	-
Unappropriated	130,692,236	165,057,224	161,809,122	91,998,611	136,778,998	143,166,395
Other components of shareholders' equity	379,764,193	380,896,491	382,025,642	370,028,121	370,599,522	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	1,094,895,132
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	1,094,895,132
Total liabilities and shareholders' equity	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 INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		2020	2019	2018	2020	2019	2018
			(Restated)	(Restated)		(Restated)	
Revenues							
Revenues from sales		1,852,940,631	2,748,158,649	3,117,513,466	1,852,990,411	2,743,678,523	3,104,385,137
Tuition fees income		216,529,259	198,378,893	184,287,434	-	-	-
Interest income and dividend income		680,885	1,108,256	1,240,896	5,117,024	1,806,982	9,419,708
Other income		51,002,911	80,157,373	76,127,728	45,560,138	67,303,142	67,530,033
Total revenues		<u>2,121,153,686</u>	<u>3,027,803,171</u>	<u>3,379,169,524</u>	<u>1,903,667,573</u>	<u>2,812,788,647</u>	<u>3,181,334,878</u>
Expenses							
Cost of sales		1,181,878,230	1,764,009,458	2,032,012,451	1,182,113,099	1,757,992,499	2,021,492,954
Cost of tuition fees		147,166,333	147,003,972	140,495,738	-	-	-
Selling expenses		513,457,504	663,514,452	759,806,448	513,457,504	663,459,662	759,674,710
Administrative expenses		276,120,688	416,564,598	414,331,572	234,283,341	376,864,232	375,946,691
Other loss		5,014,805	-	-	5,014,805	-	-
Total expenses		<u>2,123,637,560</u>	<u>2,991,092,480</u>	<u>3,346,646,209</u>	<u>1,934,868,749</u>	<u>2,798,316,393</u>	<u>3,157,114,355</u>
Profit (loss) from operating activities		<u>(2,483,874)</u>	<u>36,710,691</u>	<u>32,523,315</u>	<u>(31,201,176)</u>	<u>14,472,254</u>	<u>24,220,523</u>
Finance cost		16,601,295	12,320,500	14,865,816	13,195,111	9,404,806	11,869,495
Share of gain from associated companies		222,084	26,920	1,006,772	-	-	-
Profit (loss) before income tax (expenses)		<u>(18,863,085)</u>	<u>24,417,111</u>	<u>18,664,271</u>	<u>(44,396,287)</u>	<u>5,067,448</u>	<u>12,351,028</u>
Income tax (expenses)	30	994,851	(1,215,868)	1,868,216	930,593	(1,215,200)	1,534,996
Profit (loss) for the year		<u>(17,868,234)</u>	<u>23,201,243</u>	<u>20,532,487</u>	<u>(43,465,694)</u>	<u>3,852,248</u>	<u>13,886,024</u>
Profit (loss) attributable to							
Equity holders of the Company		(33,126,056)	12,928,382	13,205,044	(43,465,694)	3,852,248	13,886,024
Non-controlling interests of the subsidiaries		15,257,822	10,272,861	7,327,443	-	-	-
		<u>(17,868,234)</u>	<u>23,201,243</u>	<u>20,532,487</u>	<u>(43,465,694)</u>	<u>3,852,248</u>	<u>13,886,024</u>
Basic earnings (loss) per share	31						
Attributable to equity holders of the Company		<u>(0.08)</u>	<u>0.03</u>	<u>0.03</u>	<u>(0.11)</u>	<u>0.01</u>	<u>0.04</u>

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

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Notes		(Restated)	(Restated)		(Restated)	
Profit (loss) for the year	(17,868,234)	23,201,243	20,532,487	(43,465,694)	3,852,248	13,886,024
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	(5,357)	-	27	(5,357)
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)	6,230,149	379,178	(10,809,458)	6,488,289
Other comprehensive income (loss) for the year	379,178	(10,809,431)	6,224,792	379,178	(10,809,431)	6,482,932
Total comprehensive income (loss) for the year	(17,489,056)	12,391,812	26,757,279	(43,086,516)	(6,957,183)	20,368,956
Total comprehensive income (loss) attributable to						
Equity holders of the Company	(32,746,878)	2,118,951	19,561,565	(43,086,516)	(6,957,183)	20,368,956
Non-controlling interests of subsidiaries	15,257,822	10,272,861	7,195,714	-	-	-
	(17,489,056)	12,391,812	26,757,279	(43,086,516)	(6,957,183)	20,368,956

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

(Unit: Baht)

(Unit: Baht)													
Consolidated financial statements													
Equity attributable to the parent's shareholders													
Notes	Issued and paid-up share capital	Share premium	Other components of equity										
			Retained earnings		Other comprehensive income		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 to legal reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Surplus on revaluation of assets							
											Company	Subsidiary	
	Balance as at January 1, 2018 - before adjust		391,944,418	149,420,558	39,194,453	631,994	145,234,144	5,357	428,867,985	428,873,342	1,155,298,909	88,492,609	1,243,791,518
	Cumulative effect of change in accounting policy for income	4	-	-	-	-	(14,812,609)	-	-	-	(14,812,609)	(15,435,724)	(30,248,333)
	Balance as at January 1, 2018 - as restated		391,944,418	149,420,558	39,194,453	631,994	130,421,535	5,357	428,867,985	428,873,342	1,140,486,300	73,056,885	1,213,543,185
	Profit for the year		-	-	-	-	13,205,044	-	-	-	13,205,044	7,327,443	20,532,487
	Other comprehensive income (loss) for the year		-	-	-	-	6,361,878	(5,357)	-	(5,357)	6,356,521	(131,729)	6,224,792
	Total comprehensive income (loss) for the year		-	-	-	-	19,566,922	(5,357)	-	(5,357)	19,561,565	7,195,714	26,757,279
	Subsidiary paid dividend to non-controlling interest of subsidiary		-	-	-	-	-	-	-	-	-	(7,783,501)	(7,783,501)
	Transferred surplus on revaluation of assets to retained earnings		-	-	-	-	46,842,343	-	(46,842,343)	(46,842,343)	-	-	-
	Balance as at December 31, 2018		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
	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	36	-	-	-	-	(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		-	-	-	-	(10,809,458)	27	-	27	(10,809,431)	-	(10,809,431)
	Total other comprehensive income (loss) for the year		-	-	-	-	2,118,924	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	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	4	-	-	-	-	(2,265,245)	(27)	-	(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	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		-	-	-	485,136	(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)	(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	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

(Unit: Baht)

	Notes	Separate financial statements							
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total other components of shareholders' equity	Total shareholders' equity
				Appropriated to legal reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Surplus on revaluation of assets		
Balance as at January 1, 2018		391,944,418	149,420,558	39,194,453	111,524,454	5,357	417,458,614	417,463,971	1,109,547,854
Profit for the year		-	-	-	13,886,024	-	-	-	13,886,024
Other comprehensive income (loss) for the year		-	-	-	6,488,289	(5,357)	-	(5,357)	6,482,932
Total comprehensive income (loss) for the year		-	-	-	20,374,313	(5,357)	-	(5,357)	20,368,956
Transferred surplus on revaluation of assets to retained earnings		-	-	-	46,289,306	-	(46,289,306)	(46,289,306)	-
Balance as at December 31, 2018		391,944,418	149,420,558	39,194,453	178,188,073	-	371,169,308	371,169,308	1,129,916,810
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	36	-	-	-	(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	4	-	-	-	(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

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2020	2019 (Restated)	2018 (Restated)	2020	2019 (Restated)	2018
Cash flows from operating activities						
Profit (loss) for the year	(17,868,234)	23,201,243	20,532,487	(43,465,694)	3,852,248	13,886,024
Adjustments to reconcile profit (loss) net cash provided by (used in) operating activities:						
Gain on disposal of temporary investments	(158,801)	(499,004)	(845,344)	(158,801)	(499,004)	(845,344)
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)	(1,006,772)	-	-	-
Loss from impairment of investment in associated companies	-	-	580,000	-	-	-
Allowance for expected credit losses and estimated goods return (rev	(2,346,594)	(3,004,469)	(119,834)	(3,350,444)	(3,003,804)	(562,939)
Adjustments from reconcile account receivable (reversal)	-	(43,581)	(626,401)	-	(43,581)	(626,401)
Expense from loss of inventories	3,682,173	5,977,539	7,948,912	3,682,173	5,977,539	7,948,912
Allowance for loss of inventories, dilapidated and slow moving (rever	8,845,177	(22,462,865)	(25,326,949)	8,677,966	(22,456,029)	(25,326,949)
Expense for donation of goods and equipment	6,120,184	11,930,655	6,568,193	6,120,184	11,930,655	6,568,193
Expense from donate property	1,452,649	234,555	-	1,452,649	234,555	-
Expense from destroy inventories	19,600,111	24,169,410	7,699,350	19,600,111	24,169,410	7,699,350
Depreciation and amortisation property	75,693,278	88,053,090	100,264,918	56,236,751	71,026,787	84,040,281
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)	(322,720)	(857,326)	(1,251,830)	(322,720)
(Gain) loss on sales and written-off equipment	705,832	7,551,149	5,181,158	186,712	6,823,790	4,511,909
Gain on sale of land	-	-	(9,567,949)	-	-	(9,567,949)
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	11,031,752	-	9,723,620	10,746,494
Adjustment from clearing long outstanding payable	(13,067,885)	(5,310,181)	(2,749,684)	(13,067,885)	(5,310,181)	(2,749,684)
Long-term employee benefits expenses	6,480,125	7,154,194	3,416,610	5,658,290	6,505,687	2,661,125
Past service costs	-	10,753,924	-	-	9,674,086	-
Interest income	(680,885)	(1,108,257)	(1,240,848)	(467,024)	(806,982)	(949,660)
Interest expenses	16,601,295	12,170,312	14,865,816	13,195,111	9,254,618	11,869,495
Dividend received	-	-	-	(4,650,000)	(1,000,000)	(8,470,000)
(Income) tax expenses	(994,851)	1,215,868	(1,868,216)	(930,593)	1,215,200	(1,534,996)
Profit from operating activities before changes in operating assets and liabilities	195,037,733	168,713,711	134,414,479	138,332,557	126,046,817	98,975,141

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

	(Unit: Baht)					
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
		(Restated)	(Restated)		(Restated)	
Operating assets (increase) decrease						
Trade and other current receivables	2,178,999	8,209,980	16,821,936	5,670,579	6,293,457	16,925,387
Inventories	(28,479,503)	(12,117,863)	(7,576,629)	(27,654,914)	(15,495,698)	(8,825,748)
Prepaid expense	4,040,035	(355,813)	1,043,593	3,978,548	(591,577)	516,366
Other current assets	30,516,963	2,392,943	(3,524,224)	29,949,234	2,353,763	(3,718,395)
Prepaid book copyright and translation fee	(1,223,331)	(3,419,207)	(1,908,129)	(1,223,331)	(3,419,207)	(1,908,129)
Rental guarantee and deposit	160,921	7,873,987	8,656,825	160,921	7,873,987	8,656,825
Other non-current assets	(25,466,064)	465,326	164,441	(25,035,506)	353,993	342,176
Operating liabilities increase (decrease)						
Trade and other current payables	(90,555,273)	(137,662,944)	(85,879,268)	(91,135,007)	(134,703,772)	(91,451,083)
Income received in advance	7,677,040	1,288,394	(75,244)	-	-	-
Other current liabilities	(3,530,139)	3,776,608	3,871,244	(4,763,406)	7,020,352	7,633,681
Other non-current liabilities	766,000	811,001	711,000	(439,999)	(588,560)	(345,000)
Cash received (paid) from operating activities	91,123,381	39,976,123	66,720,024	27,839,676	(4,856,445)	26,801,221
Cash paid for employee benefit	(8,888,300)	(7,088,729)	(6,838,430)	(8,362,643)	(6,957,267)	(6,838,430)
Cash paid for provision for decommissioning cost	(2,401,154)	-	-	(2,401,154)	-	-
Cash received from income tax	76,351	-	6,983,233	-	-	6,859,171
Cash paid for interest expenses	(16,483,812)	(12,206,650)	(14,908,928)	(13,077,628)	(9,290,956)	(11,912,607)
Cash paid for income tax	(3,340,658)	(8,058,804)	(6,887,947)	(2,457,884)	(7,983,975)	(6,705,666)
Net cash provided by (used in) operating activities	60,085,808	12,621,940	45,067,952	1,540,367	(29,088,643)	8,203,689
Cash flows from investing activities:						
Cash paid for temporary investment	(469,200,000)	(769,800,000)	19,721,722	(475,200,000)	(769,800,000)	19,721,722
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	(19,460)	(19,513)	480,540	(19,460)
Cash paid for purchase of fixed assets	(54,963,126)	(42,113,375)	(41,040,394)	(5,561,844)	(17,578,846)	(31,598,204)
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	1,921,832	849,221	1,354,580	1,891,892
Cash received from sale of land	-	-	44,000,000	-	-	44,000,000
Cash received from cancellation of lease liabilities	91,000	-	-	-	-	-
Dividend received	500,000	1,000,000	1,000,000	4,650,000	1,000,000	8,470,000
Cash received from interest income	719,145	1,108,257	1,240,848	467,024	839,648	949,660
Net cash flows used in investing activities	(168,622,347)	(43,019,690)	26,824,548	(121,296,372)	(10,975,161)	43,415,610

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

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2020	2019 (Restated)	2018 (Restated)	2020	2019 (Restated)	2018
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 loans	-	-	300,000	-	-	-
Cash paid for short-term loans	-	-	(300,000)	-	-	-
Cash received from short-term loan from financial institution	220,000,000	210,000,000	30,000,000	220,000,000	210,000,000	30,000,000
Cash paid for short-term loan from financial institution	(120,000,000)	(170,000,000)	(30,000,000)	(120,000,000)	(170,000,000)	(30,000,000)
Cash received from long-term loans	143,300,000	-	-	120,000,000	-	-
Cash paid for long-term loans	(25,252,000)	(60,608,000)	(70,508,000)	(15,102,000)	(60,408,000)	(60,408,000)
Cash paid for lease liabilities	(73,542,883)	-	-	(72,156,751)	-	-
Dividend paid	(4,323,775)	-	(7,782,795)	-	-	-
Net cash flows provided by (use in) from financing activities	117,148,588	2,424,754	(78,290,795)	109,708,495	2,624,754	(60,408,000)
Net increase (decrease) in cash and cash equivalents	8,612,049	(27,972,996)	(6,398,295)	(10,047,510)	(37,439,050)	(8,788,701)
Cash and cash equivalents at beginning of year	111,493,330	139,466,326	145,864,621	48,092,145	85,531,195	94,319,896
Cash and cash equivalents at end of year	120,105,379	111,493,330	139,466,326	38,044,635	48,092,145	85,531,195
Supplemental cash flows information						
Non-cash transactions						
Recognized (gain) loss in revaluation surplus on changes in value of investments decrease	(157,176)	(34)	6,697	(157,176)	(34)	6,697
Increase (decrease) in asset payables increase (decrease)	1,574,305	(802,774)	(2,376,403)	996,450	(1,393,275)	(2,181,186)
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	-	7,852,221	473,973	-	8,110,361
Decrease in deposit received from sale of land	-	-	(16,000,000)	-	-	(16,000,000)

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

13.3 Financial Ratios (calculated from consolidated financial statements)

table 4 : Financial ratio of 2020, 2019 and 2018

Financial ratios		Consolidated financial statements		
		2020	2019 (Restated)	2018 (Restated)
Return On Equity (ROE)	%	(2.99)	1.15	1.16
Return on Asset (ROA)	%	(0.09)	1.46	1.26
Debt to Equity Ratio	times	1.37	1.04	1.15
Interest Coverage Ratio	times	13.04	15.48	10.47

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

ROE was (2.99%)

decreased by 4.14%

while ROA was

(0.09%) decreased by

1.55%

Return on Equity (ROE) was (2.99%) decreased by 4.14% while Return on Assets (ROA) was (0.09%) decreased by 1.55% following the lower operating performance.

Debt to Equity Ratio

was 1.37 times,

increased by 0.33

times

Debt to Equity Ratio of the shareholder increased by 0.33 times because recording liabilities under lease agreements according to TFRS#16 Leases which was firstly effective in 2020.

Interest Coverage

Ratio was 13.04 times,

decreased by 2.44

times

Interest coverage ratio decreased by 2.44 times in line with lower operating results and increased interest expenses following the principal burden.

14. Management Discussion and Analysis

Overview

In 2020, the overall economic situations in Thailand and the world had slowed down considerably due to the new COVID-19 pandemic at the end of the year. The Company was affected immensely by the declining of consumer spending power, the change in way of life, working from home, and studying online at home. Although the government has eased in the measures, still consumers were concerned and some ceased to visit the shopping malls. As a result, the main income of the Company decreased significantly. It was also impacted by the introduction of the new financial reporting standard for the first time on January 1, 2020, as follows:

- **The impact of the COVID-19 epidemic** From Q1/2020 to Q2/2020 most SE-ED Book Center branches were closed from March 22 to May 16, closed 289 branches in total with only 23 branches open during that time. However, the Company had continued to control costs in all dimensions, including the closure of non-profitable branches and the control of publishing and merchandising only the products that have quality and meet customer's needs. Regarding educational institution customers, the Company had the new way to offer products, learning materials and services in an online format. These products consisted of media for self-learning learners to enhance skills and knowledge and media teachers to manage class to be consistent with the new way of teaching and learning which affected by the COVID-19 epidemic.
- **TFRS 16: Leases** The right-of-use asset recording increased by THB 379.01 million, including leasehold rights of land and buildings of THB 28.22 million and lease liabilities increased by THB 313.84 million, part of which was the provision of decommissioning costs of THB 45.63 million, according to lease agreement of shop areas and office building. This was considered as a correction of accounting error by reducing retained earnings of THB 34.37 million and reducing deferred tax liabilities of THB 9 million, which is considered a one-time item.
- **TFRS 9: Financial Instruments** Other losses were increased by Baht 5.01 million due to fair value hedging of interest rate hedges by adjusting the fair value of long-term interest rate swap contracts as gain (loss) on foreign exchange and a result of weakening Thai baht, which was adjusted in conjunction with other non-current financial liabilities accounts.

- **Closure of Branches** The Company closed 21 unprofitable branches with active 293 branches left as of December 31, 2020. This helped in cost effective control. As a result, the operating performance of the retail business had dropped only 15%. Although the Company was impacted by the COVID-19 pandemic, affecting sales of the retail business group down 39% from the previous year.
- **Cost control** By assessing the situation in advance and planning to manage the cash flow affected by the government's shutdown measures, the Company had effectively adjusted itself to the situation, with the notion of it partners and partners to be least affected.

However, the Company was improving its online channels to be more convenient and faster to facilitate the changes of customer behavior which tended to shop online more. The Company structure had been revised to increase efficiency, reduce costs, and generate new sources of income. The Company also attached great importance to new digital businesses. Currently, the Company was under products & services development with collaboration from alliances specialized in education, content providers, and international technology leaders in order to strengthen and maintain its premier position in book industry and the greatest book store chain store of Thailand. This would embark a new era of learning centers on online and offline platforms.

SE-ED's loss in 2020 is THB 33.13 million.

In 2020, the net loss according to the consolidated financial statements was THB 33.13 million, the loss increased by THB 46.06 million or 356.23%. It was a result of the net loss according to the separate financial statements of THB 43.47 million, the loss increased by THB 47.32 million from the decrease in sales and impact of COVID-19 pandemic. As a result, the economy has been greatly slowed down, it would take a long time to recover.

The Company's performances can be summarized as follows:

- **Consolidated income** decreased by 29.94% as revenue from separate financial statements, a decrease of 32.32% due to the impact of the COVID-19 situation, which greatly reduced the main income of the Company. Other income decreased by THB 29.59 million because in 2019, the Company received a claim for compensation from political unrest in 2010 in amount of THB 18.60 million.
- **The sales and administrative expenses** decreased by 26.44% due to effective control costs and the reduction of the rental fee during COVID-19.
- **Financing cost** increased by THB 4.28 million from an increase of loans.

Table 1 : Operation results of 2020 and 2019

(Unit : Million Baht)

	Consolidated financial statement			
	2020	2019 (Restated)	Increase (decrease)	%
Revenue from sales of goods	2,069.47	2,946.54	(877.07)	(29.77%)
Cost of sales	1,329.05	1,911.01	(581.96)	(30.45%)
Gross profit	740.42	1,035.53	(295.11)	(28.50%)
Gross profit margin	35.78%	35.14%		0.64%
EBITDA	101.88	162.76	(60.88)	(37.40%)
Profit (loss) attributable to				
Equity holders of the Company	(33.13)	12.93	(46.06)	(356.23%)
Net earnings per share (Unit : Baht)	(0.08)	0.03	(0.11)	(366.67%)

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

**Margin increased
or 0.64%**

In 2020, gross profit was THB 740.42 million, decreased by THB 295.11 million or 28.50% from the previous year due to a decrease in sales. Gross margin in 2020 was 35.78%, increased by 0.64% from the previous year due to more focusing and pushing on digital learning products and more effective marketing management for sales promoting.

**cost of sales and
services decreased by
THB 581.96 million**

Cost of sales and services according to consolidated financial statements is THB 1,329.05 million, decreased by THB 581.96 million or 30.45% in accordance with the decline of sales.

**EBITDA decreased by
THB 60.88 million or
37.40%**

EBITDA decreased by THB 60.88 million baht or 37.40% compared to the previous year. This is because the main revenue from sales decreased by 29.77% and net profit (loss) decreased by THB 46.06 million.

Table2: Statement of financial position As at 31 December 2020 and 31 December 2019

(Unit : Million Baht)

Consolidated financial statement				
	31 December 2020	31 December 2019 (Restated)	Increase (decrease)	%
Current assets	640.86	539.66	101.20	18.75%
Non-current assets	2,170.46	1,934.12	236.34	12.22%
Total assets	2,811.32	2,473.78	337.54	13.64%
Current liability	979.06	916.18	62.88	6.86%
Non-current liability	646.45	347.72	298.73	85.91%
Total liability	1,625.51	1,263.90	361.61	28.61%
Total shareholder's equity	1,185.81	1,209.88	(24.07)	(1.99%)
Total liability and shareholder's equity	2,811.32	2,473.78	337.54	13.64%

Current assets
increased by THB
101.20 million or
18.75%

Current assets increased by THB 101.20 million as follows:

- Other current financial assets increased by THB 112.23 million from investment in available-for-sale.

Non-current assets
increased by THB
236.34 million or
12.22%

Non-current assets increased by THB 236.34 million due to:

- The rights of use under lease agreements increased by THB 379.01 million according to TFRS#16 Leases.

Current liability
increased by THB
62.88 million or 6.86%

Current liability increased by THB 62.88 million as follows:

- The short-term loans increased by THB 76.97 million from borrowing from financial institutions.
- Trade account payables and other payables decreased by THB 107.60 million due to paying to payable on due payment.

Non-current liability
increased by THB
298.73 million or
85.91%

Non-current liabilities increased by THB 298.73 million due to:

- Liabilities under lease agreements increased by THB 183.17 million according to TFRS#16 Leases which was effective in 2020.
- Long-term loans increased by THB 112.14 million from borrowing from financial institutions To be used as working capital during COVID-19 situations

Shareholder's equity decreased by THB 24.07 million or 1.99% Shareholder's equity decreased by THB 24.07 million due to performance of the subsidiary companies.

Table 3 : Statement of cash flows of 31 December 2020 and 2019

(Unit : Million Baht)

	Consolidated financial statement			
	2020	2019 (Restated)	Increase (decrease)	%
Cash flows from (used) operation activities	60.09	12.62	47.47	376.15%
Cash flows from (used) investing activities	(168.62)	(43.02)	(125.60)	(291.96%)
Cash flows from (used) financing activities	117.15	2.42	114.73	7779.75%
Net Cash flows (decreased)	8.62	(27.98)	36.60	130.81%

Cash flows from operation activities in 2020 was THB 60.09 million

The net cash flows from operation in the amount of THB 60.09 million came from:

- Profit in the form of cash from operation was THB 195.04 million.
- Operating assets increased by THB 18.27 million, most of which was an increase in products during the opening the new semester every year.
- Operating liabilities decreased by THB 85.64 million due to payment of trade payables.
- Cash decreased from paying employees' long-term benefits for THB 8.89 million in the forms of the retirement pays and honor rewards program for employees.
- Cash decreased by THB 16.48 million from paying an interest of the long-term loans.

Cash flows used in investing activities in 2020 was THB (168.62) million.

- Cash decreased by investing THB 111.62 million in the open fund.
- Cash decreased by THB 54.96 million from the purchase of land to expand the school building and purchase the school supplies of the subsidiary.
- Cash decreased by THB 4.20 million from payment of development of the SE-ED Digital program.

Cash flows from financing activities in 2020 was THB 117.15 million

- Cash increased from short-term loans from financial institutes by THB 76.97 million.
- Cash increased from the long-term loans from financial institutions by THB 118.05 million.
- Cash decreased by THB 73.54 million due to paying liabilities under lease agreements.
- Cash decreased from subsidiary companies' dividend payment of THB 4.32 million.