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Independent Auditor's Report on Review of Interim Financial Information To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated statement of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 30 June 2013, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2013, and the statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2013, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of SE-EDUCATION PUBLIC COMPANY LIMITED for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.





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Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy made due to the adoption of Thai Accounting Standard 12 *Income Taxes* and change in accounting policy for property, plant and equipment. My conclusion is not qualified in respect of this matter.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 7 August 2013



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

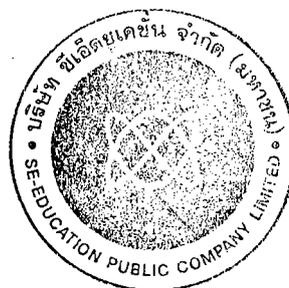
Statement of financial position

As at 30 June 2013

(Unit: Thousand Baht)

| Note | Consolidated financial statements | | | Separate financial statements | | | |
|--|--|---|------------------|--|---|------------------|------------------|
| | 30 June 2013 (Unaudited but reviewed) | 31 December 2012 (Audited) (Restated) | 1 January 2012 | 30 June 2013 (Unaudited but reviewed) | 31 December 2012 (Audited) (Restated) | 1 January 2012 | |
| Assets | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | 5 | 284,382 | 346,948 | 570,314 | 269,513 | 343,504 | 540,048 |
| Current investments | 6 | - | 168,391 | 178,856 | - | 168,391 | 178,856 |
| Trade and other receivables | 4, 7 | 185,232 | 104,224 | 132,414 | 183,565 | 100,830 | 116,604 |
| Short-term loan to subsidiaries | 4 | - | - | - | 44 | 15,044 | 15,024 |
| Inventories | 8 | 334,640 | 401,338 | 396,082 | 332,932 | 400,167 | 394,433 |
| Other current assets | | 57,588 | 66,717 | 39,925 | 55,394 | 65,320 | 37,644 |
| Total current assets | | 861,842 | 1,087,618 | 1,317,591 | 841,448 | 1,093,256 | 1,282,609 |
| Non-current assets | | | | | | | |
| Restricted bank deposits and other investments | 9 | 12,838 | 12,578 | 12,390 | 12,838 | 12,578 | 12,390 |
| Investments in subsidiaries | 10 | - | - | - | 70,482 | 69,432 | 69,432 |
| Investments in associate | 11 | 26,507 | 26,795 | 27,044 | 100 | 100 | 100 |
| Property, plant and equipment | 12 | 1,460,382 | 1,251,681 | 844,502 | 1,220,779 | 1,006,733 | 656,326 |
| Leasehold right on land | 4 | 6,870 | 7,036 | 7,372 | - | - | - |
| Leasehold rights on buildings | 13 | 93,170 | 98,836 | 110,295 | 93,169 | 98,836 | 110,295 |
| Intangible assets | 14 | 6,589 | 7,894 | 5,343 | 6,431 | 7,711 | 5,110 |
| Prepaid book copyright and translation fee | | 23,343 | 22,510 | 27,179 | 23,343 | 22,510 | 27,179 |
| Rental guarantee and deposit | | 109,308 | 104,759 | 92,243 | 109,308 | 104,759 | 92,243 |
| Deferred tax assets | 3, 19 | 8,772 | 3,094 | 21,819 | 8,772 | 3,094 | 21,819 |
| Other non-current assets | | 4,730 | 6,265 | 15,031 | 4,700 | 6,234 | 14,806 |
| Total non-current assets | | 1,752,509 | 1,541,448 | 1,163,218 | 1,549,922 | 1,331,987 | 1,009,700 |
| Total assets | | 2,614,351 | 2,629,066 | 2,480,809 | 2,391,370 | 2,425,243 | 2,292,309 |

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 30 June 2013

(Unit: Thousand Baht)

| Note | Consolidated financial statements | | | Separate financial statements | | | | |
|---|--|---|------------------|---|---|------------------|------------------|------------------|
| | 30 June 2013 (Unaudited but reviewed) | 31 December 2012 (Audited) (Restated) | 1 January 2012 | 30 June 2013 (Unaudited but reviewed) | 31 December 2012 (Audited) (Restated) | 1 January 2012 | | |
| Liabilities and shareholders' equity | | | | | | | | |
| Current liabilities | | | | | | | | |
| | Trade and other payables | 4, 15 | 1,406,314 | 1,459,103 | 1,500,207 | 1,401,639 | 1,452,020 | 1,494,765 |
| | Short-term loans from other person | | - | - | 3,400 | - | - | - |
| | Current portion of long-term loans | | 48,400 | - | - | - | - | - |
| | Income received in advance recognisable within one year | 16 | 34,062 | 33,800 | 28,949 | - | - | - |
| | Income tax payable | | 16,746 | 16,614 | 34,178 | 16,746 | 16,614 | 34,178 |
| | Current portion of provision for long-term employee benefits | | - | 8,770 | 6,122 | - | 8,770 | 6,122 |
| | Other current liabilities | 17 | 54,090 | 46,910 | 37,958 | 52,102 | 45,779 | 36,903 |
| | Total current liabilities | | 1,559,612 | 1,565,197 | 1,610,814 | 1,470,487 | 1,523,183 | 1,571,968 |
| Non-current liabilities | | | | | | | | |
| | Income received in advance | 16 | 11,994 | 2,695 | 5,303 | - | - | - |
| | Long-term loans, net of current portion | | 34,510 | 74,710 | 64,600 | - | - | - |
| | Provision for long-term employee benefits, net of current portion | | 44,981 | 39,696 | 39,620 | 43,156 | 38,078 | 38,185 |
| | Other non-current liabilities | | 8,862 | 9,066 | 8,510 | 8,815 | 8,990 | 8,465 |
| | Total non-current liabilities | | 100,347 | 126,167 | 118,033 | 51,971 | 47,068 | 46,650 |
| | Total liabilities | | 1,659,959 | 1,691,364 | 1,728,847 | 1,522,458 | 1,570,251 | 1,618,618 |
| Shareholders' equity | | | | | | | | |
| | Share capital | 18 | | | | | | |
| | Registered | | | | | | | |
| | 391,944,529 ordinary shares of Baht 1 each (31 December 2012: 356,313,243 ordinary shares of Baht 1 each) (1 January 2012: 323,921,130 ordinary shares of Baht 1 each) | | 391,945 | 356,313 | 323,921 | 391,945 | 356,313 | 323,921 |
| | Issued and paid-up | | | | | | | |
| | 391,944,418 ordinary shares of Baht 1 each (31 December 2012: 356,313,243 ordinary shares of Baht 1 each) (1 January 2012: 323,921,130 ordinary shares of Baht 1 each) | | 391,944 | 356,313 | 323,921 | 391,944 | 356,313 | 323,921 |
| | Share premium | | 149,421 | 149,421 | 149,421 | 149,421 | 149,421 | 149,421 |
| | Retained earnings | | | | | | | |
| | Appropriated - statutory reserve | | 39,195 | 35,631 | 35,627 | 39,195 | 35,631 | 35,627 |
| | Unappropriated | | 180,293 | 205,705 | 171,309 | 164,333 | 191,040 | 154,945 |
| | Other components of shareholders' equity | | 130,594 | 129,321 | 9,777 | 124,019 | 122,587 | 9,777 |
| | Equity attributable to owners of the Company | | 891,447 | 876,391 | 690,055 | 868,912 | 854,992 | 673,691 |
| | Non-controlling interests of the subsidiaries | | 62,945 | 61,311 | 61,907 | - | - | - |
| | Total shareholders' equity | | 954,392 | 937,702 | 751,962 | 868,912 | 854,992 | 673,691 |
| | Total liabilities and shareholders' equity | | 2,614,351 | 2,629,066 | 2,480,809 | 2,391,370 | 2,425,243 | 2,292,309 |

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

Directors



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

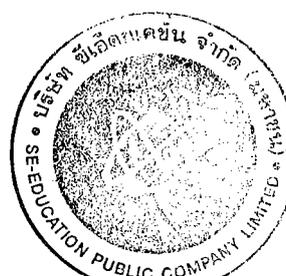
Statement of income

For the three-month period ended 30 June 2013

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| Revenues | | | | | |
| Revenues from sales | 4 | 1,415,812 | 1,501,257 | 1,415,597 | 1,499,833 |
| Tuition fees income | 16 | 37,993 | 37,719 | - | - |
| Interest and dividend income | | 1,436 | 6,845 | 3,580 | 9,030 |
| Other income | | 10,375 | 5,311 | 9,200 | 4,770 |
| Total revenues | | 1,465,616 | 1,551,132 | 1,428,377 | 1,513,633 |
| Expenses | | | | | |
| Cost of sales | 4 | 957,596 | 1,012,062 | 957,585 | 1,011,060 |
| Cost of tuition fees | | 24,438 | 23,576 | - | - |
| Selling expenses | | 279,646 | 267,424 | 279,646 | 267,424 |
| Administrative expenses | 4 | 166,133 | 151,778 | 159,070 | 144,316 |
| Total expenses | | 1,427,813 | 1,454,840 | 1,396,301 | 1,422,800 |
| Profit before share of profit from investment in associate, finance cost and income tax expenses | | | | | |
| Share of profit from investments in associate | 11 | 1,714 | 1,750 | - | - |
| Profit before finance cost and income tax expenses | | 39,517 | 98,042 | 32,076 | 90,833 |
| Finance cost | 4 | (1,322) | (1,132) | (2) | - |
| Profit before income tax expenses | | 38,195 | 96,910 | 32,074 | 90,833 |
| Income tax expenses | 19 | (11,718) | (18,039) | (11,718) | (18,039) |
| Profit for the period | | 26,477 | 78,871 | 20,356 | 72,794 |
| Profit attributable to | | | | | |
| Equity holders of the Company | | 23,184 | 75,494 | 20,356 | 72,794 |
| Non-controlling interests of the subsidiaries | | 3,293 | 3,377 | | |
| | | 26,477 | 78,871 | | |
| (Unit: Baht) | | | | | |
| Earnings per share | | | | | |
| 20 | | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 0.06 | 0.19 | 0.05 | 0.19 |

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

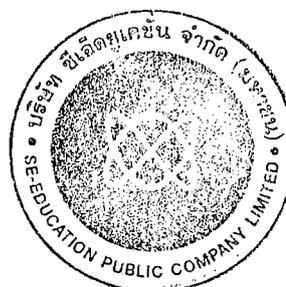
Statement of comprehensive income

For the three-month period ended 30 June 2013

(Unit: Thousand Baht)

| Note | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| Profit for the period | 26,477 | 78,871 | 20,356 | 72,794 |
| Other comprehensive income: | | | | |
| Loss on changes in value of available-for-sale investments | (780) | (211) | (780) | (211) |
| Income tax effect | 3 157 | 43 | 157 | 43 |
| Other comprehensive income for the period | (623) | (168) | (623) | (168) |
| Total comprehensive income for the period | 25,854 | 78,703 | 19,733 | 72,626 |
| Total comprehensive income attributable to | | | | |
| Equity holders of the Company | 22,561 | 75,326 | 19,733 | 72,626 |
| Non-controlling interests of subsidiaries | 3,293 | 3,377 | | |
| Total comprehensive income for the period | 25,854 | 78,703 | | |

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| Revenues | | | | | |
| Revenues from sales | 4 | 2,698,474 | 2,830,438 | 2,698,048 | 2,827,262 |
| Income from tuition fees | 16 | 65,728 | 63,679 | - | - |
| Interest and dividend income | | 2,939 | 10,860 | 5,421 | 13,335 |
| Other income | | 24,133 | 21,987 | 21,034 | 20,246 |
| Total revenues | | 2,791,274 | 2,926,964 | 2,724,503 | 2,860,843 |
| Expenses | | | | | |
| Cost of sales | 4 | 1,815,704 | 1,926,132 | 1,815,651 | 1,924,844 |
| Cost of services | | 49,084 | 45,739 | - | - |
| Selling expenses | | 550,174 | 514,504 | 550,174 | 514,504 |
| Administrative expenses | 4 | 308,593 | 278,127 | 294,535 | 263,389 |
| Total expenses | | 2,723,555 | 2,764,502 | 2,660,360 | 2,702,737 |
| Profit before share of profit from investment in associate, finance cost and income tax expenses | | | | | |
| Share of profit from investments in associate | 11 | 1,714 | 1,750 | - | - |
| Profit before finance cost and income tax expenses | | 69,433 | 164,212 | 64,143 | 158,106 |
| Finance cost | 4 | (2,811) | (2,283) | (191) | (8) |
| Profit before income tax expenses | | 66,622 | 161,929 | 63,952 | 158,098 |
| Income tax expenses | 19 | (12,035) | (32,174) | (12,035) | (32,174) |
| Profit for the period | | 54,587 | 129,755 | 51,917 | 125,924 |
| Profit attributable to | | | | | |
| Equity holders of the Company | | 53,053 | 127,264 | 51,917 | 125,924 |
| Non-controlling interests of the subsidiaries | | 1,534 | 2,491 | | |
| | | 54,587 | 129,755 | | |
| (Unit: Baht) | | | | | |
| Earnings per share | | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | 20 | 0.13 | 0.32 | 0.13 | 0.32 |

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

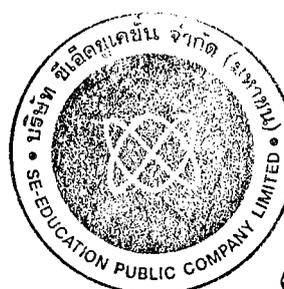
Statement of comprehensive income

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

| Note | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| | | | | |
| Profit for the period | <u>54,587</u> | <u>129,755</u> | <u>51,917</u> | <u>125,924</u> |
| Other comprehensive income: | | | | |
| Gain (loss) on changes in value of | | | | |
| available-for-sale investments | 1,995 | 4,172 | 1,995 | 4,172 |
| Income tax effect | 3 (398) | (982) | (398) | (982) |
| Other comprehensive income for the period | <u>1,597</u> | <u>3,190</u> | <u>1,597</u> | <u>3,190</u> |
| Total comprehensive income for the period | <u>56,184</u> | <u>132,945</u> | <u>53,514</u> | <u>129,114</u> |
| Total comprehensive income attributable to | | | | |
| Equity holders of the Company | 54,650 | 130,454 | <u>53,514</u> | <u>129,114</u> |
| Non-controlling interests of subsidiaries | <u>1,534</u> | <u>2,491</u> | | |
| Total comprehensive income for the period | <u>56,184</u> | <u>132,945</u> | | |

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | | | |
|---|--|---------------|-------------------|---|----------------------------------|--|--|--|--------|----------------------------|
| | Equity attributable to the parent's shareholders | | | | | | | | | |
| | Other components of equity | | | | | | | | | |
| | Issued and paid-up share capital | Share premium | Retained earnings | | Surplus on revaluation of assets | Total other components of shareholders' equity | Total equity attributable to shareholders of the Company | Equity attributable to interests of the subsidiaries | Total | Total shareholders' equity |
| Appropriated | | | Unappropriated | on changes in value of available-for-sale investments | | | | | | |
| Balance as at 31 December 2011 - as previously reported | 323,921 | 149,421 | 35,627 | 143,795 | (10,625) | 26,097 | 15,472 | 668,236 | 61,907 | 730,143 |
| Cumulative effect of changes in accounting policies (Note 3) | - | - | - | 27,514 | 307 | (6,002) | (5,695) | 21,819 | - | 21,819 |
| Balance as at 31 December 2011 - as restated | 323,921 | 149,421 | 35,627 | 171,309 | (10,318) | 20,095 | 9,777 | 690,055 | 61,907 | 751,962 |
| Increase in share capital from issuance of stock dividend (Note 21) | 32,392 | - | - | (32,392) | - | - | - | - | - | - |
| Dividend paid (Note 21) | - | - | - | (71,625) | - | - | - | (71,625) | - | (71,625) |
| Total comprehensive income for the period (restated) | - | - | - | 127,264 | 3,190 | - | 3,190 | 130,454 | 2,491 | 132,945 |
| Resulting from change in shareholding ratio of equity attributable to non-controlling interests of the subsidiaries due to the decrease in the subsidiary's share capital | - | - | - | - | - | - | - | - | (650) | (650) |
| Transferred surplus on revaluation of assets to retained earnings | - | - | - | 493 | - | (493) | (493) | - | - | - |
| Balance as at 30 June 2012 - as restated | 356,313 | 149,421 | 35,627 | 195,049 | (7,128) | 19,602 | 12,474 | 748,864 | 63,748 | 812,632 |
| Balance as at 31 December 2012 - as previously reported | 356,313 | 149,421 | 35,631 | 171,963 | (1,995) | 161,964 | 159,969 | 873,297 | 61,311 | 934,608 |
| Cumulative effect of changes in accounting policies (Note 3) | - | - | - | 33,742 | 398 | (31,046) | (30,646) | 3,094 | - | 3,094 |
| Balance as at 31 December 2012 - as restated | 356,313 | 149,421 | 35,631 | 205,705 | (1,597) | 130,918 | 129,321 | 876,391 | 61,311 | 937,702 |
| Increase in share capital from issuance of stock dividend (Notes 18 and 21) | 35,631 | - | - | (35,631) | - | - | - | - | - | - |
| Transferred to legal reserve | - | - | 3,564 | (3,564) | - | - | - | - | - | - |
| Dividend paid (Note 21) | - | - | - | (39,594) | - | - | - | (39,594) | - | (39,594) |
| Total comprehensive income for the period | - | - | - | 53,053 | 1,597 | - | 1,597 | 54,650 | 1,534 | 56,184 |
| Non - controlling interests of the subsidiaries increase from invest in a new subsidiary | - | - | - | - | - | - | - | - | 100 | 100 |
| Transferred surplus on revaluation of assets to retained earnings | - | - | - | 324 | - | (324) | (324) | - | - | - |
| Balance as at 30 June 2013 | 391,944 | 149,421 | 39,195 | 180,293 | - | 130,594 | 130,594 | 891,447 | 62,945 | 954,392 |

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

Separate financial statements

| | Other components of equity | | | | | | | | | | Total shareholders' equity |
|---|----------------------------------|---------------|-------------------|--------------|----------------------------------|---|----------------------------------|--|----------------------------|----------------|----------------------------|
| | Other comprehensive income | | | | | Total other components of shareholders' equity | | | | | |
| | Issued and paid-up share capital | Share premium | Retained earnings | | Surplus on revaluation of assets | Surplus (deficit) on changes in value of available-for-sale investments | Surplus on revaluation of assets | Total other components of shareholders' equity | Total shareholders' equity | | |
| | | | | Appropriated | | | | | | Unappropriated | |
| Balance as at 31 December 2011 - as previously reported | 323,921 | 149,421 | 35,627 | 127,431 | (10,625) | 26,097 | 15,472 | 651,872 | | | |
| Cumulative effect of changes in accounting policies (Note 3) | - | - | - | 27,514 | 307 | (6,002) | (5,695) | 21,819 | | | |
| Balance as at 31 December 2011 - as restated | 323,921 | 149,421 | 35,627 | 154,945 | (10,318) | 20,095 | 9,777 | 673,691 | | | |
| Increase in share capital from issuance of stock dividend (Note 21) | 32,392 | - | - | (32,392) | - | - | - | - | | | |
| Dividend paid (Note 21) | - | - | - | (71,625) | - | - | - | (71,625) | | | |
| Total comprehensive income for the period (restated) | - | - | - | 125,924 | 3,190 | - | 3,190 | 129,114 | | | |
| Transferred surplus on revaluation of assets to retained earnings | - | - | - | 493 | - | (493) | (493) | - | | | |
| Balance as at 30 June 2012 - as restated | 356,313 | 149,421 | 35,627 | 177,345 | (7,128) | 19,602 | 12,474 | 731,180 | | | |
| Balance as at 31 December 2012 - as previously reported | 356,313 | 149,421 | 35,631 | 157,298 | (1,995) | 155,230 | 153,235 | 851,898 | | | |
| Cumulative effect of changes in accounting policies (Note 3) | - | - | - | 33,742 | 398 | (31,046) | (30,648) | 3,094 | | | |
| Balance as at 31 December 2012 - as restated | 356,313 | 149,421 | 35,631 | 191,040 | (1,597) | 124,184 | 122,587 | 854,992 | | | |
| Increase in share capital from issuance of stock dividend (Notes 18 and 21) | 35,631 | - | - | (35,631) | - | - | - | - | | | |
| Transferred to legal reserve | - | - | 3,564 | (3,564) | - | - | - | - | | | |
| Dividend paid (Note 21) | - | - | - | (39,594) | - | - | - | (39,594) | | | |
| Total comprehensive income for the period | - | - | - | 51,917 | 1,597 | - | 1,597 | 53,514 | | | |
| Transferred surplus on revaluation of assets to retained earnings | - | - | - | 165 | - | (165) | (165) | - | | | |
| Balance as at 30 June 2013 | 391,944 | 149,421 | 39,195 | 164,333 | - | 124,019 | 124,019 | 868,912 | | | |

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of cash flows

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| Cash flows from operating activities | | | | |
| Profit before tax | 66,622 | 161,929 | 63,952 | 158,098 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities | | | | |
| Depreciation and amortisation | 61,250 | 56,302 | 52,565 | 50,818 |
| Allowance for doubtful account and goods return (reversal) | 7,561 | 2,464 | 7,553 | 2,768 |
| Adjustment from reconciliation of accounts receivable | (1,523) | - | (1,523) | - |
| Expense from lost of goods | 8,239 | 9,551 | 8,239 | 9,551 |
| Allowance for lost of goods and stock obsolescence (reversal) | 18,909 | (1,240) | 18,909 | (1,163) |
| Expense from donation of goods and equipment | 6,663 | 8,804 | 6,663 | 8,804 |
| Provision for long-term employee benefits | 574 | 812 | 366 | 698 |
| Share of profit from investment in associate | (1,714) | (1,750) | - | - |
| Gain on sales of current investments | (3,654) | - | (3,654) | - |
| Expense from stock destruction | 4,003 | 4,579 | 4,003 | 4,579 |
| Loss on sales of equipment | 1,202 | 667 | 1,187 | 664 |
| Amortised leasehold rights on land and buildings | 5,833 | 5,865 | 5,667 | 5,698 |
| Adjustment from un-utilized coupon payable | (3,999) | (1,491) | (3,999) | (1,491) |
| Interest expenses | 2,811 | 2,283 | 191 | 8 |
| Interest income | (2,535) | (7,351) | (3,018) | (7,826) |
| Dividend income | (404) | (3,509) | (2,404) | (5,509) |
| Profit from operating activities before changes in operating assets and liabilities | 169,838 | 237,915 | 154,697 | 225,697 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (87,046) | (55,102) | (88,765) | (67,776) |
| Inventories | 28,884 | 18,612 | 29,421 | 18,142 |
| Compensation receivable from the insurance claim | - | 19,820 | - | 19,820 |
| Other current assets | 9,190 | (22,233) | 9,986 | (21,966) |
| Prepaid book copyright and translation fee | (833) | 3,234 | (833) | 3,234 |
| Rental guarantee and deposit | (4,549) | (4,427) | (4,549) | (4,427) |
| Other non-current assets | 1,535 | 4,247 | 1,535 | 4,145 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 2,285 | 65,379 | 1,222 | 64,990 |
| Accrued expenses | (57,044) | (27,748) | (53,974) | (26,141) |
| Income received in advance | 9,561 | 258 | - | - |
| Provision for long-term employee benefits | (4,059) | (6,286) | (4,059) | (6,286) |
| Other current liabilities | 11,179 | 2,021 | 10,322 | 982 |
| Other non-current liabilities | (204) | 470 | (175) | 400 |
| Cash flows from (used in) operating activities | 78,737 | 236,160 | 54,828 | 210,814 |
| Cash paid for interest expenses | (2,811) | (2,283) | (191) | (8) |
| Cash paid for income tax | (17,977) | (34,178) | (17,977) | (34,178) |
| Net cash flows from operating activities | 57,949 | 199,699 | 36,660 | 176,628 |

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statement of cash flows (continued)**

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

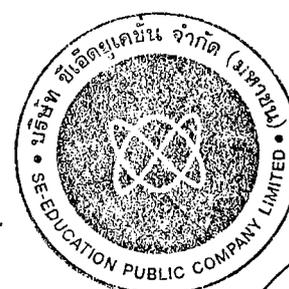
| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| Cash flows from investing activities | | | | |
| Increase in restricted bank deposit and other investment | (260) | (188) | (260) | (188) |
| Decrease in current investments | 174,040 | 1,819 | 174,040 | 1,819 |
| Decrease in loan to subsidiary | - | - | 15,000 | - |
| Increase in investment in subsidiaries | - | - | (1,050) | - |
| Dividend received from associated company | 2,000 | - | - | - |
| Interest received | 2,476 | 7,097 | 2,958 | 7,572 |
| Dividends income | 404 | 5,509 | 2,404 | 5,509 |
| Acquisition of intangible assets | (267,924) | (122,959) | (264,187) | (85,648) |
| Proceeds from sales of equipment | 242 | 163 | 237 | 139 |
| Acquisition of intangible assets | (199) | (198) | (199) | (198) |
| Net cash flows used in investing activities | (89,221) | (108,757) | (71,057) | (70,995) |
| Cash flows from financing activities | | | | |
| Repayment of short-term loan from other person | - | (3,400) | - | - |
| Cash receipt from long-term loan from related person | 8,200 | 6,410 | - | - |
| Increase in non-controlling interests | 100 | - | - | - |
| Dividend paid | (39,594) | (71,625) | (39,594) | (71,625) |
| Net cash flows used in financing activities | (31,294) | (68,615) | (39,594) | (71,625) |
| Net increase (decrease) in cash and cash equivalents | (62,566) | 22,327 | (73,991) | 34,008 |
| Cash and cash equivalents at beginning of period | 346,948 | 570,314 | 343,504 | 540,048 |
| Cash and cash equivalents at end of period (Note 5) | 284,382 | 592,641 | 269,513 | 574,056 |

Supplemental cash flows information

Non-cash transactions

| | | | | |
|--|--------|--------|--------|--------|
| Increase in revaluation surplus in investments | - | 4,172 | - | 4,172 |
| Recognized in revaluation surplus in available for sale investments | 1,995 | - | 1,995 | - |
| Purchase of property, plant and equipment for which cash has not been paid | 1,970 | 2,510 | 2,370 | 2,251 |
| Depreciation surplus on revaluation of asset under shareholder's equity | (324) | (493) | (165) | (493) |
| Issuance of stock dividend | 35,631 | 32,392 | 35,631 | 32,392 |

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2013

1. General information

1.1 Corporate information

SE-EDUCATION PUBLIC COMPANY LIMITED (“the Company”) is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Thailand on 29 April 1993. The Company’s registered office is located at No. 1858/87-90 TCIF Tower Building, 19th Floor, Bangna-Trad Road, Bangna Sub-District, Bangna District, Bangkok, and its distribution center is situated at 99 Moo 1, Kingkaew Road, Tambon Rajatewa, Bangplee District, Samutprakarn.

The Company and its subsidiaries operate its business in Thailand and engage in the following businesses:

1. Operate SE-ED Book Center and network stores which consist of various university bookstores in Bangkok and other provinces as well as the network and sales area in various forms.
2. Distribute both books published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
3. Publish book as well as academic and educational journals, provide services for display advertisements to be published in the Company’s monthly magazine and provide the printing service for other parties.
4. SE-ED Learning Center is an education center that provides services and activities aiming to develop potentials and aptitudes of Thai children such as supplementary math and English courses.
5. Plearnpattana School (subsidiary), a private school offering courses for students from pre-kindergarten to Matayom 6.
6. BaesLab Co., Ltd. (subsidiary) operates in consulting, provision and distribution of software and hardware business.



1.2 Basis for preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2012, with no change in structure of the subsidiaries during the current period, except that the Company invests 60% of the share capital of BaesLab Co., Ltd., a new subsidiary company, during the current period.

1.4 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

- | | |
|-----------------------|--|
| TAS 12 | Income Taxes |
| TAS 20 (revised 2009) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2009) | The Effects of Changes in Foreign Exchange Rates |

Financial Reporting Standard:

- | | |
|--------|--------------------|
| TFRS 8 | Operating Segments |
|--------|--------------------|

Accounting Standard Interpretations:

- | | |
|---------|--|
| TSIC 10 | Government Assistance - No Specific Relation to Operating Activities |
|---------|--|



TSIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 *Income Taxes*

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3.

1.5 Change in accounting policy for property, plant and equipment

During the period, the Company and its subsidiaries changed an accounting policy of depreciation recording of its property, plant and equipment (PPE), which presents on a revaluation basis, previously only the depreciation calculated on the original cost of PPE was charged to the income statement, as permitted by the relevant notification of the Federation of Accounting Professions, to charge depreciation on the total revalued amount to its income statement as required by TAS 16 (revised 2009) *Property, plant and equipment*. The Company and its subsidiaries changed this accounting policy in the current year and restated the prior year's financial statements, presented for comparative purposes, as though the depreciation charged to the income statement was initially calculated on the revalued amount of PPE. The cumulative effect of this change in accounting policy has been presented in Note 3.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012, except for the change in the accounting policies due to the adoption of TAS 12 *Income Taxes* and change in accounting policy for property, plant and equipment, which presents on a revaluation basis. These accounting policies are as follows:



Income tax

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

Current tax

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

Deferred tax

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

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

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

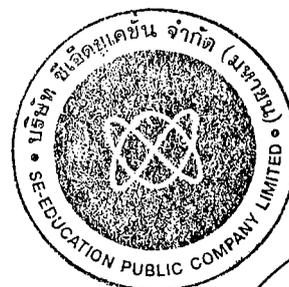
The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Property, building and equipment and depreciation

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

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

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



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

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

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

| | | |
|---------------------------------------|--------|-------|
| Land improvement | 10 | years |
| Buildings and building improvement | 5 - 30 | years |
| Building decorations | 5 - 6 | years |
| Office equipment and air conditioners | 5 - 10 | years |
| Motor vehicles | 5 - 10 | years |

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

2. New accounting standards issued during the period not yet effective

The Federation of Accounting Professions has issued notifications, which have been published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.



| | <u>Effective date</u> |
|---|-----------------------|
| Financial Reporting Standard: | |
| TFRS 4 Insurance Contracts | 1 January 2016 |
| Accounting Standard Interpretation: | |
| TSIC 29 Service Concession Arrangements: Disclosures | 1 January 2014 |
| Financial Reporting Standard Interpretations: | |
| TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities | 1 January 2014 |
| TFRIC 4 Determining whether an Arrangement contains a Lease | 1 January 2014 |
| TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | 1 January 2014 |
| TFRIC 7 Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> | 1 January 2014 |
| TFRIC 10 Interim Financial Reporting and Impairment | 1 January 2014 |
| TFRIC 12 Service Concession Arrangements | 1 January 2014 |
| TFRIC 13 Customer Loyalty Programmes | 1 January 2014 |

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company and its subsidiaries, except TFRIC 1, TFRIC 4, TFRIC 10 and TFRIC 13, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

3. Cumulative effect of the changes in accounting policies

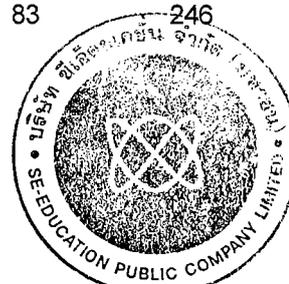
During the current period, the Company and its subsidiaries made the changes described in Notes 1.5 and 1.6 to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes* and change in accounting policy for property, plant and equipment, which presents on a revaluation basis. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.



(Unaudited but reviewed)

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

| | (Unit: Thousand Baht) | | | |
|---|--|-------------|--|-----------------------|
| | Consolidated and Separate financial statements | | | |
| | As at | As at | As at | |
| | 30 June | 31 December | 1 January | |
| | 2013 | 2012 | 2012 | |
| Statement of financial position | | | | |
| Increase in deferred tax assets | 39,785 | 34,140 | 27,821 | |
| Increase in deferred tax liabilities | 31,013 | 31,046 | 6,002 | |
| Increase in unappropriated retained earnings | 9,170 | 33,742 | 27,514 | |
| Decrease in other components of shareholders' equity | (398) | (30,648) | (5,695) | |
| | | | | (Unit: Thousand Baht) |
| | Consolidated financial statements | | Separate financial statements | |
| | For the three-month period ended 30 June | | For the three-month period ended 30 June | |
| | 2013 | 2012 | 2013 | 2012 |
| Statement of income | | | | |
| Profit or loss: | | | | |
| Increase in administrative expenses | 83 | 246 | 83 | 246 |
| Increase (decrease) in income tax expenses | 2,240 | (2,629) | 2,240 | (2,629) |
| Increase (decrease) in profit attributable to equity holders of the Company | | | | |
| Increase (decrease) in basic earnings per share (Baht) | (2,323) | 2,383 | (2,323) | 2,383 |
| Statement of comprehensive income | | | | |
| Other comprehensive income: | (0.006) | 0.007 | (0.006) | 0.007 |
| Decrease in loss on changes in value of available-for-sale investments | 157 | 43 | 157 | 43 |
| Decrease in depreciation - surplus on revaluation of asset | 83 | 246 | 83 | 246 |



(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------|--|---------|
| | For the six-month period ended 30 June | | For the six-month period ended 30 June | |
| | 2013 | 2012 | 2013 | 2012 |
| Statement of income | | | | |
| Profit or loss: | | | | |
| Increase in administrative expenses | 324 | 493 | 165 | 493 |
| Decrease in income tax expenses | (8,772) | (1,787) | (8,772) | (1,787) |
| Increase in profit attributable to equity holders of the Company | 8,448 | 1,294 | 8,607 | 1,294 |
| Increase in basic earnings per share (Baht) | 0.022 | 0.004 | 0.022 | 0.004 |
| Statement of comprehensive income | | | | |
| Other comprehensive income: | | | | |
| Decrease in gain on changes in value of available-for-sale investments | (398) | (982) | (398) | (982) |
| Decrease in depreciation - surplus on revaluation of asset | 324 | 493 | 165 | 493 |

4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with their related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

| | For the three-month periods ended 30 June | | | | Transfer pricing policy |
|-------------------------------------|---|------|-------------------------------|------|-------------------------|
| | Consolidated financial statements | | Separate financial statements | | |
| | 2013 | 2012 | 2013 | 2012 | |
| Transactions with subsidiary | | | | | |
| Sales of goods | - | - | 1,301 | 284 | Market price |
| Interest income | - | - | 183 | 287 | MOR per annum |
| Transactions with associate | | | | | |
| Purchase of goods | - | 682 | - | 682 | Market price |



(Unaudited but reviewed)

(Unit: Thousand Baht)

| | For the three-month periods ended 30 June | | | | Transfer pricing policy |
|--|---|--------|-------------------------------|--------|---------------------------|
| | Consolidated financial statements | | Separate financial statements | | |
| | 2013 | 2012 | 2013 | 2012 | |
| <u>Transactions with shareholders and directors of subsidiaries</u> | | | | | |
| Lease land expenses | 274 | 266 | - | - | Mutually agreed agreement |
| Amortised land leasehold right | 83 | 83 | - | - | Mutually agreed agreement |
| Interest expenses | 183 | - | - | - | 5% - 6% per annum |
| <u>Transactions with related companies</u> | | | | | |
| Purchase of goods | 4,941 | 19,520 | 4,941 | 19,520 | Market price |
| Sales of goods | - | 2,414 | - | 2,414 | Mutually agreed price |

(Unit: Thousand Baht)

| | For the six-month periods ended 30 June | | | | Transfer pricing policy |
|--|---|--------|-------------------------------|--------|---------------------------|
| | Consolidated financial statements | | Separate financial statements | | |
| | 2013 | 2012 | 2013 | 2012 | |
| <u>Transactions with subsidiary</u> | | | | | |
| Sales of goods | - | - | 1,762 | 313 | Market price |
| Interest income | - | - | 520 | 577 | MOR per annum |
| <u>Transactions with associate</u> | | | | | |
| Purchase of goods | - | 1,408 | - | 1,408 | Market price |
| <u>Transactions with shareholders and directors of subsidiaries</u> | | | | | |
| Lease land expenses | 546 | 528 | - | - | Mutually agreed agreement |
| Amortised land leasehold right | 166 | 166 | - | - | Mutually agreed agreement |
| Interest expenses | 520 | - | - | - | 5% - 6% per annum |
| <u>Transactions with related companies</u> | | | | | |
| Purchase of goods | 8,756 | 25,872 | 8,756 | 25,872 | Market price |
| Sales of goods | - | 2,966 | - | 2,966 | Mutually agreed price |



(Unaudited but reviewed)

As at 30 June 2013 and 31 December 2012, the balances of the accounts between the Company, its subsidiaries and its related parties and persons are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| <u>Short-term loan to subsidiaries</u> | | | | |
| Subsidiaries | - | - | 44 | 15,044 |
| <u>Leasehold right on land</u> | | | | |
| Shareholder/director of subsidiary | 6,870 | 7,036 | - | - |
| <u>Trade accounts receivables (Note 7)</u> | | | | |
| Subsidiaries | - | - | 1,108 | 18 |
| <u>Trade accounts payable (Note 15)</u> | | | | |
| Associate | 2,315 | 2,319 | 2,315 | 2,319 |
| Shareholders | 2,311 | 4,474 | 2,311 | 4,474 |
| Related companies of shareholders | 8,958 | 8,726 | 8,958 | 8,726 |
| Total | 13,584 | 15,519 | 13,584 | 15,519 |

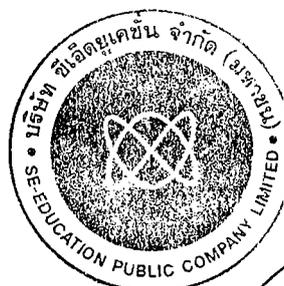
Short-term loan to subsidiary is promissory notes from which is payable at call. The subsidiary obtained such loan for the purpose of funding the school building construction and its working capital. Interest is charged at MOR of a commercial bank per annum.

Directors and management's remuneration

For the six-month periods ended 30 June 2013 and 2012, the Company and its subsidiaries had benefits expense payable to their directors and management

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------|-----------------------------------|------|-------------------------------|------|
| | 2013 | 2012 | 2013 | 2012 |
| Short-term employee benefits | 15.4 | 18.3 | 13.9 | 16.3 |
| Post-employment benefits | 0.7 | 1.0 | 0.6 | 1.1 |
| Total | 16.1 | 19.3 | 14.5 | 17.4 |



5. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | 30 June | 31 December | 30 June | 31 December |
| | 2013 | 2012 | 2013 | 2012 |
| Cash | 31,877 | 28,235 | 30,654 | 28,069 |
| Bank deposits with maturity not over 3 months | 119,505 | 157,847 | 105,859 | 154,569 |
| Highly liquid investments with an original maturity not over 3 months | 133,000 | 160,866 | 133,000 | 160,866 |
| Total | 284,382 | 346,948 | 269,513 | 343,504 |

6. Current investments

(Unit: Thousand Baht)

| | Consolidated / Separate financial statements | | | |
|--|--|------------|------------------|----------------|
| | 30 June 2013 | | 31 December 2012 | |
| | Cost | Fair value | Cost | Fair value |
| Available-for-sale securities | | | | |
| Equity securities | - | - | 60,000 | 58,500 |
| Debt securities | - | - | 110,386 | 109,891 |
| Total available-for-sale securities | - | - | 170,386 | 168,391 |
| Add: Unrealised loss on changes in values of investments | - | - | (1,995) | - |
| Current investments – net | - | - | 168,391 | 168,391 |



7. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2013 | 2012 | 2013 | 2012 |
| <u>Trade accounts receivables - related parties</u> (Note 4) | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | - | - | 1,108 | 18 |
| <u>Trade accounts receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 82,825 | 25,313 | 82,777 | 25,313 |
| Past due | | | | |
| Up to 6 months | 97,518 | 69,054 | 95,661 | 66,981 |
| 6 - 12 months | 16,977 | 1,937 | 16,730 | 1,387 |
| Over 12 months | 2,510 | 13,256 | 922 | 11,604 |
| Total | 199,830 | 109,560 | 197,198 | 105,303 |
| Less: Allowance for doubtful debts | (14,010) | (10,839) | (12,314) | (9,151) |
| Allowance for goods return | (6,520) | (2,131) | (6,520) | (2,131) |
| Total trade accounts receivables - unrelated parties, net | 179,300 | 96,590 | 178,364 | 94,021 |
| <u>Other receivables</u> | | | | |
| Advances | 2,432 | 2,153 | 2,299 | 2,068 |
| Others | 3,500 | 5,481 | 2,902 | 4,741 |
| Total other receivables | 5,932 | 7,634 | 5,201 | 6,809 |
| Trade and other receivables, net | 185,232 | 104,224 | 183,565 | 100,830 |

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the six-month period ended 30 June 2013, are as follows:



(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Allowance for doubtful debts | Allowance for goods return | Allowance for doubtful debts | Allowance for goods return |
| Balance as at 31 December 2012 | (10,839) | (2,131) | (9,151) | (2,131) |
| Add: Allowance made during the period | (3,859) | (4,389) | (3,671) | (4,389) |
| Less: Allowance reversed during the period | 688 | - | 508 | - |
| Balance as at 30 June 2013 | <u>(14,010)</u> | <u>(6,520)</u> | <u>(12,314)</u> | <u>(6,520)</u> |

8. Inventories

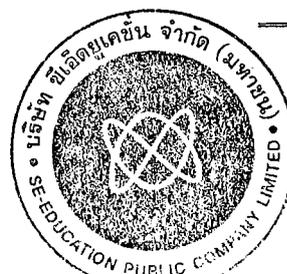
(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| Raw material | 18,891 | 22,160 | 18,891 | 22,160 |
| Work in process | 7,881 | 11,084 | 7,276 | 11,084 |
| Finished goods | 452,226 | 493,543 | 451,023 | 492,272 |
| Total | 478,998 | 526,787 | 477,190 | 525,516 |
| Less: Allowance for lost goods | (5,071) | (6,115) | (5,071) | (6,115) |
| Allowance for dilapidated and slow moving | (139,287) | (119,334) | (139,187) | (119,234) |
| Inventories, net | <u>334,640</u> | <u>401,338</u> | <u>332,932</u> | <u>400,167</u> |

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the six-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--|-----------------------------------|-------------------------------|
| Balance as at 31 December 2012 | (125,449) | (125,349) |
| Add: Allowance made during the period | (26,009) | (26,009) |
| Less: Allowance reversed during the period | 7,100 | 7,100 |
| Balance as at 30 June 2013 | <u>(144,358)</u> | <u>(144,258)</u> |



9. Restricted bank deposits and other investments

(Unit: Thousand Baht)

| | Consolidated/Separate financial statements | | |
|--|---|---------------|----------------|
| | 30 June | 31 December | Interest rates |
| | 2013 | 2012 | (% p.a.) |
| Fixed deposits with 12 months | 9,272 | 9,012 | 2.35 - 2.50 |
| Government bonds with 7 years maturity | 3,566 | 3,566 | 4.00 |
| Total | 12,838 | 12,578 | |

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor.

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

| Company's name | Issued and | | Shareholding | | Cost | | Allowance for | | Carrying amounts | |
|----------------------------|-----------------|----------|--------------|----------|---------------|---------------|-----------------|-----------------|------------------|---------------|
| | paid-up capital | | percentage | | | | impairment | | based on cost | |
| | 30 | 31 | 30 | 31 | 30 | 31 | 30 | 31 | 30 | 31 |
| | June | December | June | December | June | December | June | December | June | December |
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | |
| | | | (%) | (%) | | | | | | |
| SE-ED Book Center Co.,Ltd. | 1,000 | 100 | 99.99 | 99.93 | 1,000 | 100 | - | - | 1,000 | 100 |
| BaesLab Co., Ltd. | 250 | - | 60.00 | - | 150 | - | - | - | 150 | - |
| Plearn Patt Co.,Ltd. | 169,476 | 169,476 | 48.97 | 48.97 | 83,000 | 83,000 | (13,668) | (13,668) | 69,332 | 69,332 |
| | | | | | <u>84,150</u> | <u>83,100</u> | <u>(13,668)</u> | <u>(13,668)</u> | <u>70,482</u> | <u>69,432</u> |

During the current period, the Company invests in ordinary shares of BaesLab Co., Ltd., which operates in consulting, provision and distribution of software and hardware business. This company has registered share capital of Baht 1,000,000 (Baht 250,000 paid-up, or equivalent to 25% of the registered share capital). The Company holds 60% of its share capital and has certain common directors. Therefore, such company is concern as a subsidiary of the Company.

During the current quarter, the Company increased its investment in addition share capital of SE-ED Book Center Co., Ltd., the subsidiary, amounting to Baht 900,000, which made the Company's portion in that company increase from 99.93% to 99.99%.



11. Investments in an associate

(Unit: Thousand Baht)

| Company's name | Nature of business | Shareholding percentage | | Consolidated financial statements | | Separate financial statements | | Dividend income during the period | |
|-------------------|--|-------------------------|---------------|---|---------------|---------------------------------------|---------------|-----------------------------------|---------------|
| | | 30 | 31 | Carrying amounts based on equity method | | Carrying amounts based on cost method | | during the period | |
| | | June 2013 | December 2012 | June 2013 | December 2012 | June 2013 | December 2012 | June 2013 | December 2012 |
| M AND E Co., Ltd. | Printing office, production of technical magazines and engineering manuals | 25 | 25 | 26,507 | 26,795 | 100 | 100 | 2,000 | 2,000 |
| | | | | <u>26,507</u> | <u>26,795</u> | <u>100</u> | <u>100</u> | <u>2,000</u> | <u>2,000</u> |

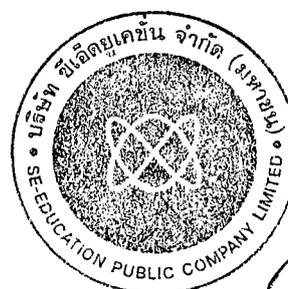
The Company has not recorded investment in the above associate company in the consolidated financial statements for the six-month period ended 30 June 2013 using the equity method because such associate company did not prepare the interim financial statements. However, the effect of these transactions to the consolidated financial statements of the current period is immaterial. (As at 30 June 2013, the investment in such associate company was equivalent to 1.01% of total assets in the consolidated financial statements).

12. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial Statements |
|--|-----------------------------------|-------------------------------|
| Net book value as at 31 December 2012 | 1,251,681 | 1,006,733 |
| Acquisitions during period - at cost | 269,893 | 266,556 |
| Disposals during period - net book value at disposal date | (1,423) | (1,402) |
| Write - off during period - net book value at write - off date | (24) | (22) |
| Depreciation for the period | (59,745) | (51,086) |
| Net book value as at 30 June 2013 | <u>1,460,382</u> | <u>1,220,779</u> |



13. Leasehold rights on buildings

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers. The terms of these leaseholds range between 10 to 30 years. For the six-month period ended 30 June 2013, the Company amortised leasehold rights as expenses totalling Baht 5.67 million (2012: Baht 5.70 million).

14. Intangible assets

Movements of the intangible assets which are right for software usage fee during the six-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial Statements |
|---------------------------------------|--------------------------------------|----------------------------------|
| Net book value as at 31 December 2012 | 7,894 | 7,711 |
| Acquisitions during period - at cost | 199 | 199 |
| Amortisation for the period | (1,504) | (1,479) |
| Net book value as at 30 June 2013 | 6,589 | 6,431 |

15. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|------------------------|----------------------|------------------------|
| | financial statements | | financial statements | |
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| Trade accounts payable - related parties (Note 4) | 13,584 | 15,519 | 13,584 | 15,519 |
| Trade accounts payable - unrelated parties | 1,252,312 | 1,253,695 | 1,250,751 | 1,252,762 |
| Accrued expenses | 70,761 | 127,806 | 68,047 | 122,020 |
| Other payables for purchase of machineries | 2,835 | 5,169 | 2,435 | 4,805 |
| Notes payable | 11,713 | 32,698 | 11,713 | 32,698 |
| Other payables | 55,109 | 24,216 | 55,109 | 24,216 |
| Total | 1,406,314 | 1,459,103 | 1,401,639 | 1,452,020 |



(Unaudited but reviewed)

16. Income received in advance

(Unit: Thousand Baht)

| | Consolidated | |
|--|----------------------|---------------------|
| | financial statements | |
| | 30 June 2013 | 31 December 2012 |
| Income received in advance - not yet recognised | 46,056 | 36,495 |
| Less: Income received in advance recognisable within one year | (34,062) | (33,800) |
| Net | 11,994 | 2,695 |

During the six-month period ended 30 June 2013, movements of income received in advance are as follows:

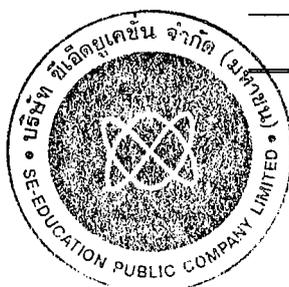
(Unit: Thousand Baht)

| | The initial entrance fee | Education supporting fee | Total |
|--|-----------------------------|-----------------------------|----------|
| Balance as at 31 December 2012 | 4,317 | 32,178 | 36,495 |
| Plus: Increase during the period | 4,186 | 71,103 | 75,289 |
| Less: Income recognition during the period | (8,503) | (57,225) | (65,728) |
| Balance as at 30 June 2013 | - | 46,056 | 46,056 |

17. Other current liabilities

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---------------------------|----------------------|------------------------|----------------------|------------------------|
| | financial statements | | financial statements | |
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| Coupon payable | 23,939 | 24,190 | 23,939 | 24,190 |
| Accrued withholding tax | 3,123 | 6,805 | 2,835 | 6,524 |
| Unearned income | 9,927 | 7,279 | 9,672 | 7,279 |
| Retention on construction | 11,742 | - | 11,742 | - |
| Others | 5,359 | 8,636 | 3,914 | 7,786 |
| Total | 54,090 | 46,910 | 52,102 | 45,779 |



18. Share capital / Dividend stock

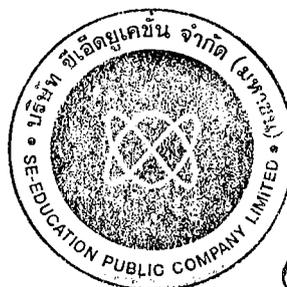
On 25 April 2013, the Annual General Meeting of the Company's shareholders passed the resolutions in relation to the Company's share capital as follows:

1. To decrease the registered capital of the Company from Baht 356,313,243 to Baht 356,313,209 by cancelling the registered ordinary shares remaining after the stock dividend allocation of 34 ordinary shares with a par value of Baht 1 each, previously made in accordance with the resolution of the Annual General Shareholders Meeting no. 1/2555. The Company registered with the Ministry of Commerce the decrease in its registered capital to Baht 356,313,209, and paid-up share capital at Baht 356,313,209 on 1 May 2013.
2. Paid dividend by the Company's ordinary shares in the ratio of 10 existing shares per 1 dividend share, not exceeding 35,631,320 shares, or in the total amount not exceeding Baht 35.63 million or shall be converted as dividend payment at Baht 0.10 per share. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash in the amount of Baht 0.10 per share.
3. To increase the registered capital from the previous registered capital of Baht 356,313,209 to be the new registered capital of Baht 391,944,529 by issuing an additional 35,631,320 ordinary shares at the par value of Baht 1 each to support the payment of a stock dividend. The Company registered with the Ministry of Commerce the increase in its registered capital to Baht 391,944,529, and paid-up share capital at Baht 356,313,209 on 2 May 2013. The Company reports to the Stock Exchange of Thailand (SET) the number of 35,631,209 ordinary shares actually allocated to the stock dividend on 16 May 2013.

On 22 May 2013, the Company registered with the Ministry of Commerce the increase in its paid-up capital at Baht 391,944,418.

19. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.



(Unaudited but reviewed)

Income tax expenses for the three-month and six-month periods ended 30 June 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|--|---------------------------|--|---------------------------|
| | financial statements | | financial statements | |
| | For the three-month period ended 30 June | | For the three-month period ended 30 June | |
| | <u>2013</u> | <u>2012</u> (Restated) | <u>2013</u> | <u>2012</u> (Restated) |
| Current income tax: | | | | |
| Interim corporate income tax charge | 9,478 | 20,668 | 9,478 | 20,668 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 2,240 | (2,629) | 2,240 | (2,629) |
| Income tax expense reported in the statements of comprehensive income | <u>11,718</u> | <u>18,039</u> | <u>11,718</u> | <u>18,039</u> |

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|--|---------------------------|--|---------------------------|
| | financial statements | | financial statements | |
| | For the six-month period ended 30 June | | For the six-month period ended 30 June | |
| | <u>2013</u> | <u>2012</u> (Restated) | <u>2013</u> | <u>2012</u> (Restated) |
| Current income tax: | | | | |
| Interim corporate income tax charge | 18,109 | 33,961 | 18,109 | 33,961 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | (6,074) | (1,787) | (6,074) | (1,787) |
| Income tax expense reported in the statements of comprehensive income | <u>12,035</u> | <u>32,174</u> | <u>12,035</u> | <u>32,174</u> |



20. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividends of 35,631,209 shares as disensed in Note 18, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

The following table sets forth the computation of basic and diluted earnings per share:

| Consolidated financial statements | | | | | |
|--|-----------------|--|-------------------|--------------------|------------|
| For the three-month period ended 30 June | | | | | |
| Profit for the period | | Weighted average number of ordinary shares | | Earnings per share | |
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| | (Restated) | | (Restated) | | (Restated) |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | | | | |
| 23,184 | 75,494 | 391,945 | 391,945 | 0.06 | 0.19 |
| | | | | | |
| Separate financial statements | | | | | |
| For the three-month period ended 30 June | | | | | |
| Profit for the period | | Weighted average number of ordinary shares | | Earnings per share | |
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| | (Restated) | | (Restated) | | (Restated) |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | | | | |
| 20,356 | 72,794 | 391,945 | 391,945 | 0.05 | 0.19 |



(Unaudited but reviewed)

| Consolidated financial statements | | | | | |
|--|-----------------|--|-------------------|--------------------|------------|
| For the six-month period ended 30 June | | | | | |
| Profit for the period | | Weighted average number of ordinary shares | | Earnings per share | |
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| | (Restated) | | (Restated) | | (Restated) |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | | | | |
| 53,053 | 127,264 | 391,945 | 391,945 | 0.13 | 0.32 |
| Separate financial statements | | | | | |
| For the six-month period ended 30 June | | | | | |
| Profit for the period | | Weighted average number of ordinary shares | | Earnings per share | |
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| | (Restated) | | (Restated) | | (Restated) |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | | | | |
| 51,917 | 125,924 | 391,945 | 391,945 | 0.13 | 0.32 |

21. Dividends / stock dividends

| Dividends | Approved by | Total dividends | Dividend per share |
|--|---|-----------------|--------------------|
| | | (Thousand Baht) | (Baht) |
| Stock dividend on the fourth quarter of 2011 | Annual General Meeting of the shareholders on 26 April 2012 | 32.39 | 0.10 |
| Dividend on the fourth quarter of 2011 | Annual General Meeting of the shareholders on 26 April 2012 | 35.99 | 0.11 |
| Dividend on the first quarter of 2012 | Board of Directors' meeting on 10 May 2012 | 35.63 | 0.10 |
| Total dividend paid and stock dividend for the six-month period ended 30 June 2012 | | 104.01 | 0.31 |
| Dividend on the fourth quarter of 2012 | Annual General Meeting of the shareholders on 25 April 2013 | 35.63 | 0.10 |
| Dividend on the fourth quarter of 2012 | Annual General Meeting of the shareholders on 25 April 2013 | 39.60 | 0.11 |
| Total dividend paid and stock dividend for the six-month period ended 30 June 2013 | | 75.23 | 0.21 |



22. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on the sales channels of products and services and have three reportable segments (1) retail business (2) other distribution channels and (3) institution of private education business. These operations are mainly carried on in Thailand.

No operating segments have been aggregated to form the above reportable operating segments.

Chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Company and its subsidiaries financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

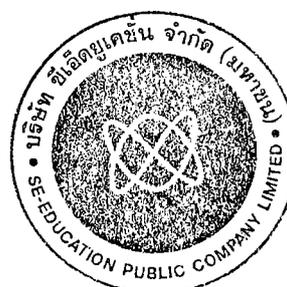
Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated on consolidation.

The following table present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2013 and 2012, respectively.

(Unit: Thousand Baht)

| | For the three-month periods ended 30 June | | | | | | | | | |
|---|---|-----------|-----------------------------|---------|---|--------|---------------------------------------|-------|---------------|-----------|
| | Retail business | | Other distribution channels | | Institution of private education business | | Elimination of inter-segment revenues | | Consolidation | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Segment revenue | 1,159,345 | 1,266,810 | 256,253 | 233,023 | 39,508 | 39,427 | (1,301) | (284) | 1,453,805 | 1,538,976 |
| Segment profit (loss) | 30,963 | 43,149 | 11,232 | 66,752 | 6,715 | 7,096 | (520) | 132 | 48,390 | 117,129 |
| Unallocated income and expenses: | | | | | | | | | | |
| Interest and dividend income | | | | | | | | | 1,436 | 6,845 |
| Other income | | | | | | | | | 10,374 | 5,311 |
| Share of profit from investments in associate | | | | | | | | | 1,714 | 1,750 |
| Operation expenses | | | | | | | | | (22,397) | (32,993) |
| Financial cost | | | | | | | | | (1,322) | (1,132) |
| Income tax expenses | | | | | | | | | (11,718) | (18,039) |
| Profit for the period | | | | | | | | | 26,477 | 78,871 |



(Unaudited but reviewed)

For the six-month periods ended 30 June

| | Retail business | | Other distribution channels | | Institution of private education business | | Elimination of inter-segment revenues | | Consolidation | |
|---|------------------|------------------|-----------------------------|----------------|---|---------------|---------------------------------------|--------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Segment revenue | <u>2,258,117</u> | <u>2,417,602</u> | <u>439,931</u> | <u>409,660</u> | <u>67,916</u> | <u>67,168</u> | <u>(1,762)</u> | <u>(313)</u> | <u>2,764,202</u> | <u>2,894,117</u> |
| Segment profit (loss) | 55,705 | 109,836 | 35,504 | 80,272 | 2,981 | 5,083 | (520) | 7 | 93,670 | 195,198 |
| Unallocated income and expenses: | | | | | | | | | | |
| Interest and dividend income | | | | | | | | | 2,939 | 10,860 |
| Other income | | | | | | | | | 24,132 | 21,987 |
| Share of profit from investments in associate | | | | | | | | | 1,714 | 1,750 |
| Operation expenses | | | | | | | | | (53,022) | (65,583) |
| Financial cost | | | | | | | | | (2,811) | (2,283) |
| Income tax expenses | | | | | | | | | (12,035) | (32,174) |
| Profit for the period | | | | | | | | | <u>54,587</u> | <u>129,755</u> |

23. Commitments and contingent liabilities

23.1 Capital commitments

As at 30 June 2013, the Company had capital commitments of approximately Baht 161 million, relating to the construction of warehouse buildings.

23.2 Operating lease commitments

- a) As 30 June 2013, the Company entered into building lease and services agreements for use as the head office and merchandise distribution center. The Company has also entered into space rental agreements for use as branch offices, totaling 424 branches. The lease periods ranged from 1 to 12 years. For the period ended 30 June 2013, the total rental and utility fees were approximately Baht 510.4 million per annum. Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, land, warehouses and vehicles. The terms of the agreements are generally between 1 and 30 years.

As at 30 June 2013, future minimum lease payments required under operating leases contracts were as follows.

| | <u>Million Baht</u> |
|--------------------------|---------------------|
| Outstanding commitments: | |
| Less than 1 year | 27.2 |
| 1 to 5 years | 57.2 |
| More than 5 years | 16.6 |



For the six-month period ended 30 June 2013, the Company recognised rental expenses of Baht 18.1 million.

23.3 Guarantees

As at 30 June 2013 and 31 December 2012, the Company has pledged the bank deposit of Baht 6.1 million to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 2.3 million were pledged to guarantee the electricity usage and rental of head office.

23.4 Long-term service commitments

- a) The Company entered into agent appointment agreement with a foreign company for the contractual period of 1 year commencing from 1 January 2011 to 31 December 2011. When the agreement is expired, if no party inform the cancellation of the agreement in written, the agreement will be automatically extend for more one year, with the same as exist conditions.
- b) The Company entered into three-year contracts allowing the use of copyrights with various authors which can be automatically extended for another three years and agreed to pay, remuneration at the percentage of the number of books published or sold.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 August 2013.

