

SE-EDUCATION PUBLIC COMPANY LIMITED  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 2013

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

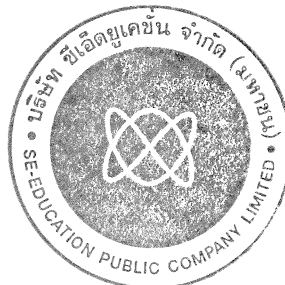
I have reviewed the accompanying consolidated statement of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 30 September 2013, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2013, and the statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 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

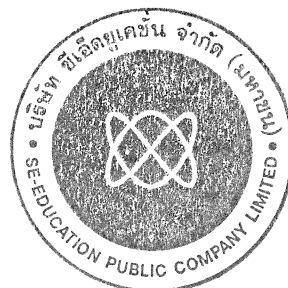
I draw attention to Note 3 to the financial statements regarding the change in accounting policy made due to the adoption of Thai Accounting Standard 12 *Income Taxes* and change in accounting policy for property, plant and equipment. My conclusion is not qualified in respect of this matter.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 8 November 2013



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

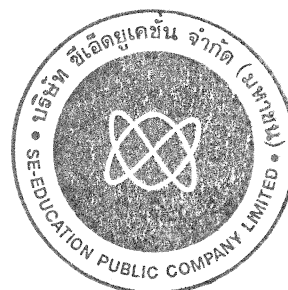
## Statement of financial position

As at 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	30 September	31 December	1 January	30 September	31 December	1 January	
	Note	2013	2012	2012	2013	2012	2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	5	89,340	346,948	570,314	77,654	343,504	540,048
Current investments	6	103,999	168,391	178,856	103,999	168,391	178,856
Trade and other receivables	4, 7	103,630	104,224	132,414	103,844	100,830	116,604
Short-term loan to subsidiaries	4	-	-	-	5,000	15,044	15,024
Inventories	8	343,107	401,338	396,082	340,534	400,167	394,433
Other current assets		51,252	66,717	39,925	49,591	65,320	37,644
<b>Total current assets</b>		<b>691,328</b>	<b>1,087,618</b>	<b>1,317,591</b>	<b>680,622</b>	<b>1,093,256</b>	<b>1,282,609</b>
<b>Non-current assets</b>							
Restricted bank deposits and other investments	9	17,648	12,578	12,390	17,648	12,578	12,390
Investments in subsidiaries	10	-	-	-	70,482	69,432	69,432
Investments in associate	3, 11	25,684	25,971	26,220	100	100	100
Property, plant and equipment	12	1,542,162	1,251,681	844,502	1,306,490	1,006,733	656,326
Leasehold right on land	4	6,786	7,036	7,372	-	-	-
Leasehold rights on buildings	13	90,289	98,836	110,295	90,289	98,836	110,295
Intangible assets	14	8,544	7,894	5,343	8,399	7,711	5,110
Prepaid book copyright and translation fee		22,487	22,510	27,179	22,487	22,510	27,179
Rental guarantee and deposit		110,477	104,759	92,243	110,477	104,759	92,243
Deferred tax assets	3, 20	10,671	3,094	21,819	10,671	3,094	21,819
Other non-current assets		663	6,265	15,031	472	6,234	14,806
<b>Total non-current assets</b>		<b>1,835,411</b>	<b>1,540,624</b>	<b>1,162,394</b>	<b>1,637,515</b>	<b>1,331,987</b>	<b>1,009,700</b>
<b>Total assets</b>		<b>2,526,739</b>	<b>2,628,242</b>	<b>2,479,985</b>	<b>2,318,137</b>	<b>2,425,243</b>	<b>2,292,309</b>

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



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of financial position (continued)

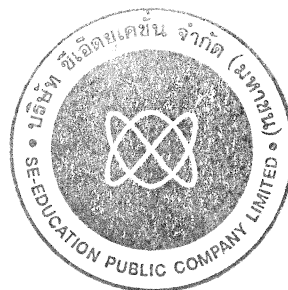
As at 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	30 September	31 December	1 January	30 September	31 December	1 January	
	Note	2013	2012	2012	2013	2012	2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from financial institutions	15	80,000	-	-	80,000	-	-
Trade and other payables	4, 16	1,249,321	1,459,103	1,500,207	1,244,254	1,452,020	1,494,765
Short-term loans from other person		-	-	3,400	-	-	-
Current portion of long-term loans							
Income received in advance recognisable within one year	17	20,700	-	-	-	-	-
Income tax payable		2,819	16,614	34,178	2,819	16,614	34,178
Current portion of provision for long-term employee benefits		7,451	8,770	6,122	7,451	8,770	6,122
Other current liabilities	18	57,961	46,910	37,958	56,852	45,779	36,903
<b>Total current liabilities</b>		<b>1,429,770</b>	<b>1,565,197</b>	<b>1,610,814</b>	<b>1,391,376</b>	<b>1,523,183</b>	<b>1,571,968</b>
<b>Non-current liabilities</b>							
Income received in advance	17	10,537	2,695	5,303	-	-	-
Long-term loans from director		500	-	-	-	-	-
Long-term loans, net of current portion		75,280	74,710	64,600	-	-	-
Provision for long-term employee benefits, net of current portion		37,845	39,696	39,620	35,865	38,078	38,185
Other non-current liabilities		8,886	9,066	8,510	8,856	8,990	8,465
<b>Total non-current liabilities</b>		<b>133,048</b>	<b>126,167</b>	<b>118,033</b>	<b>44,721</b>	<b>47,068</b>	<b>46,650</b>
<b>Total liabilities</b>		<b>1,562,818</b>	<b>1,691,364</b>	<b>1,728,847</b>	<b>1,436,097</b>	<b>1,570,251</b>	<b>1,618,618</b>
<b>Shareholders' equity</b>							
Share capital	19						
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		191,402	204,881	170,485	177,546	191,040	154,945
Other components of shareholders' equity		130,428	129,321	9,777	123,934	122,587	9,777
Equity attributable to owners of the Company		902,390	875,567	689,231	882,040	854,992	673,691
Non-controlling interests of the subsidiaries		61,531	61,311	61,907	-	-	-
<b>Total shareholders' equity</b>		<b>963,921</b>	<b>936,878</b>	<b>751,138</b>	<b>882,040</b>	<b>854,992</b>	<b>673,691</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,526,739</b>	<b>2,628,242</b>	<b>2,479,985</b>	<b>2,318,137</b>	<b>2,425,243</b>	<b>2,292,309</b>

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

Directors



(Unaudited but reviewed)

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

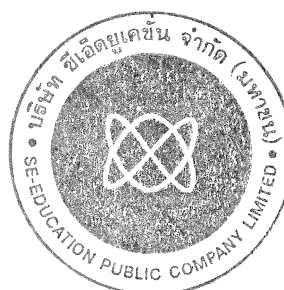
## Statement of income

For the three-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
<b>Revenues</b>					
Revenues from sales	4	1,263,411	1,374,368	1,263,377	1,374,300
Tuition fees income	17	30,513	28,120	-	-
Interest and dividend income		716	5,092	729	5,635
Other income		7,459	7,561	5,908	6,438
<b>Total revenues</b>		<b>1,302,099</b>	<b>1,415,141</b>	<b>1,270,014</b>	<b>1,386,373</b>
<b>Expenses</b>					
Cost of sales	4	842,942	941,017	843,654	941,043
Cost of tuition fees		26,886	24,508	-	-
Selling expenses		264,123	263,285	264,123	263,285
Administrative expenses	4	153,992	140,476	146,911	134,313
<b>Total expenses</b>		<b>1,287,943</b>	<b>1,369,286</b>	<b>1,254,688</b>	<b>1,338,641</b>
<b>Profit before share of profit from investment in associate, finance cost and income tax expenses</b>					
Finance cost	4	(1,621)	(1,147)	(16)	(3)
<b>Profit before income tax expenses</b>		<b>12,535</b>	<b>44,708</b>	<b>15,310</b>	<b>47,729</b>
Income tax expenses	20	(2,181)	(9,120)	(2,181)	(9,120)
<b>Profit for the period</b>		<b>10,354</b>	<b>35,588</b>	<b>13,129</b>	<b>38,609</b>
<b>Profit attributable to</b>					
Equity holders of the Company		11,768	36,853	13,129	38,609
Non-controlling interests of the subsidiaries		(1,414)	(1,265)		
		10,354	35,588		
(Unit: Baht)					
<b>Earnings per share</b>					
Basic earnings per share					
Profit attributable to equity holders of the Company	21	0.03	0.09	0.03	0.10

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

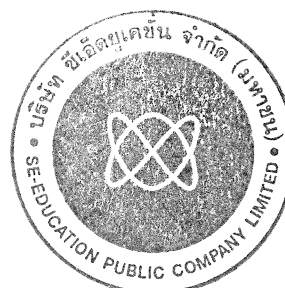
Statement of comprehensive income

For the three-month period ended 30 September 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
<b>Profit for the period</b>	<b>10,354</b>	<b>35,588</b>	<b>13,129</b>	<b>38,609</b>
<b>Other comprehensive income:</b>				
Gain (loss) on changes in value of available-for-sale investments	(1)	3,735	(1)	3,735
Income tax effect	3	(747)	-	(747)
<b>Other comprehensive income for the period</b>	<b>(1)</b>	<b>2,988</b>	<b>(1)</b>	<b>2,988</b>
<b>Total comprehensive income for the period</b>	<b>10,353</b>	<b>38,576</b>	<b>13,128</b>	<b>41,597</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	11,767	39,841	13,128	41,597
Non-controlling interests of subsidiaries	(1,414)	(1,265)		
<b>Total comprehensive income for the period</b>	<b>10,353</b>	<b>38,576</b>		

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



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(Unaudited but reviewed)

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

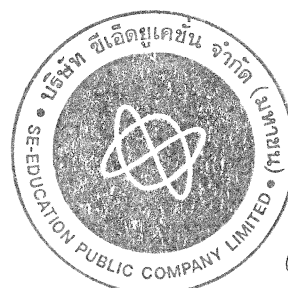
## Statement of income

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
<b>Revenues</b>					
Revenues from sales	4	3,961,885	4,204,806	3,961,425	4,201,562
Income from tuition fees	17	96,241	91,799	-	-
Interest and dividend income		3,655	15,952	6,150	18,970
Other income		27,186	29,548	22,537	26,684
<b>Total revenues</b>		<b>4,088,967</b>	<b>4,342,105</b>	<b>3,990,112</b>	<b>4,247,216</b>
<b>Expenses</b>					
Cost of sales	4	2,658,646	2,867,161	2,659,305	2,865,887
Cost of services		75,970	70,247	-	-
Selling expenses		814,297	777,789	814,297	777,789
Administrative expenses	4	458,179	418,110	437,041	397,209
<b>Total expenses</b>		<b>4,007,092</b>	<b>4,133,307</b>	<b>3,910,643</b>	<b>4,040,885</b>
<b>Profit before share of profit from investment in associate, finance cost and income tax expenses</b>		<b>81,875</b>	<b>208,798</b>	<b>79,469</b>	<b>206,331</b>
Share of profit from investments in associate	11	1,714	1,750	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>83,589</b>	<b>210,548</b>	<b>79,469</b>	<b>206,331</b>
Finance cost	4	(4,432)	(3,430)	(207)	(11)
<b>Profit before income tax expenses</b>		<b>79,157</b>	<b>207,118</b>	<b>79,262</b>	<b>206,320</b>
Income tax expenses	20	(14,216)	(41,294)	(14,216)	(41,294)
<b>Profit for the period</b>		<b>64,941</b>	<b>165,824</b>	<b>65,046</b>	<b>165,026</b>
<b>Profit attributable to</b>					
Equity holders of the Company		64,821	164,598	65,046	165,026
Non-controlling interests of the subsidiaries		120	1,226		
		<b>64,941</b>	<b>165,824</b>		
(Unit: Baht)					
<b>Earnings per share</b>	21				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.17	0.42	0.17	0.42

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





(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

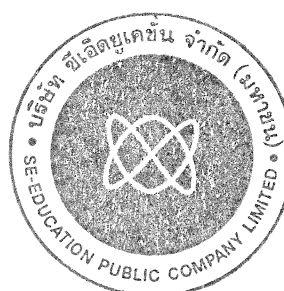
Statement of comprehensive income

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
<b>Profit for the period</b>		<u>64,941</u>	<u>165,824</u>	<u>65,046</u>	<u>165,026</u>
<b>Other comprehensive income:</b>					
Gain on changes in value of available-for-sale investments		1,994	7,907	1,994	7,907
Income tax effect	3	<u>(398)</u>	<u>(1,581)</u>	<u>(398)</u>	<u>(1,581)</u>
<b>Other comprehensive income for the period</b>		<u>1,596</u>	<u>6,326</u>	<u>1,596</u>	<u>6,326</u>
<b>Total comprehensive income for the period</b>		<u><u>66,537</u></u>	<u><u>172,150</u></u>	<u><u>66,642</u></u>	<u><u>171,352</u></u>
<b>Total comprehensive income attributable to</b>					
Equity holders of the Company		66,417	170,924	<u>66,642</u>	<u>171,352</u>
Non-controlling interests of subsidiaries		<u>120</u>	<u>1,226</u>		
<b>Total comprehensive income for the period</b>		<u><u>66,537</u></u>	<u><u>172,150</u></u>		

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



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

(Unaudited but reviewed)

(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 non-controlling interests of the subsidiaries	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)	-	-	-	26,690	307	(6,002)	(5,695)	20,995	-	20,995
Balance as at 31 December 2011 - as restated	323,921	149,421	35,627	170,485	(10,318)	20,095	9,777	689,231	61,907	751,138
Increase in share capital from issuance of stock dividend (Note 22)	32,392	-	-	(32,392)	-	-	-	-	-	-
Dividend paid (Note 22)	-	-	-	(107,257)	-	-	-	(107,257)	-	(107,257)
Total comprehensive income for the period (restated)	-	-	-	164,598	6,326	-	6,326	170,924	1,226	172,150
Unappropriated retained earning transferred to statutory reserve	-	-	4	(4)	-	-	-	-	-	-
Change in shareholding ratio of equity attributable to non-controlling interests of the subsidiaries due to the decrease in the subsidiary's share capital	-	-	-	743	(743)	-	(743)	-	(650)	(650)
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	-	19,352	15,360	752,898	62,483	815,381
Balance as at 30 September 2012 - as restated	356,313	149,421	35,631	196,173	(3,992)	19,352	15,360	752,898	62,483	815,381
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)	-	-	-	32,918	398	(31,046)	(30,648)	2,270	-	2,270
Balance as at 31 December 2012 - as restated	356,313	149,421	35,631	204,881	(1,597)	130,918	129,321	875,567	61,311	936,878
Increase in share capital from issuance of stock dividend (Notes 19 and 22)	35,631	-	-	(35,631)	-	-	-	-	-	-
Transferred to legal reserve	-	-	3,564	(3,564)	-	-	-	-	-	-
Dividend paid (Note 22)	-	-	-	(39,594)	-	-	-	(39,594)	-	(39,594)
Total comprehensive income for the period	-	-	-	64,821	1,596	-	1,596	66,417	120	66,537
Non - controlling interests of the subsidiaries increase from invest in a new subsidiary	-	-	-	-	-	-	-	-	100	100
Transferred surplus on revaluation of assets to retained earnings	-	-	-	489	(489)	-	(489)	-	-	-
Balance as at 30 September 2013	391,944	149,421	39,195	191,402	(1)	130,429	130,428	902,390	61,531	963,921

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 nine-month period ended 30 September 2013**

	<b>Separate financial statements</b>										
	(Unit: Thousand Baht)										
	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 shareholders' equity	Other comprehensive income			Total shareholders' equity
Appropriated			Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments				Surplus on revaluation of assets	Surplus (deficit) on changes in value of available-for-sale investments		
<b>Balance as at 31 December 2011 - as previously reported</b>	323,921	149,421	35,627	127,431	26,097	15,472	651,872				
Cumulative effect of changes in accounting policies (Note 3)	-	-	-	27,514	(6,002)	(5,695)	21,819				
<b>Balance as at 31 December 2011 - as restated</b>	323,921	149,421	35,627	154,945	20,095	9,777	673,691				
Increase in share capital from issuance of stock dividend (Note 22)	32,392	-	-	(32,392)	-	-	-				
Dividend paid (Note 22)	-	-	-	(107,257)	-	-	(107,257)				
Total comprehensive income for the period (restated)	-	-	-	165,026	6,326	6,326	171,352				
Unappropriate retained earnings transferred to statutory reserve	-	-	4	(4)	-	-	-				
Transferred surplus on revaluation of assets to retained earnings	-	-	-	743	(743)	(743)	-				
<b>Balance as at 30 September 2012 - as restated</b>	356,313	149,421	35,631	181,061	19,352	15,360	737,786				
<b>Balance as at 31 December 2012 - as previously reported</b>	356,313	149,421	35,631	157,298	155,230	153,235	851,898				
Cumulative effect of changes in accounting policies (Note 3)	-	-	-	33,742	(31,046)	(30,648)	3,094				
<b>Balance as at 31 December 2012 - as restated</b>	356,313	149,421	35,631	191,040	124,184	122,587	854,992				
Increase in share capital from issuance of stock dividend (Notes 19 and 22)	35,631	-	-	(35,631)	-	-	-				
Transferred to legal reserve	-	-	3,564	(3,564)	-	-	-				
Dividend paid (Note 22)	-	-	-	(39,594)	-	-	(39,594)				
Total comprehensive income for the period	-	-	-	65,046	1,596	1,596	66,642				
Transferred surplus on revaluation of assets to retained earnings	-	-	-	249	(249)	(249)	-				
<b>Balance as at 30 September 2013</b>	391,944	149,421	39,195	177,546	123,935	123,934	882,040				

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	79,157	207,118	79,262	206,320
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	91,960	85,710	78,819	77,084
Allowance for doubtful account and goods return (reversal)	3,372	(23,764)	3,399	(23,080)
Adjustment from reconciliation of accounts receivable	(1,270)	(34)	(1,270)	(34)
Expense from lost of goods	10,775	13,698	10,775	13,698
Allowance for lost of goods and stock obsolescence (reversal)	32,646	(1,456)	32,646	(1,380)
Expense from donation of goods and equipment	6,676	14,149	6,672	14,149
Provision for long-term employee benefits	889	4,945	527	4,762
Share of profit from investment in associate	(1,714)	(1,750)	-	-
Gain on sales of current investments	(3,792)	-	(3,792)	-
Expense from stock destruction	6,255	7,827	6,255	7,827
Loss on sales of equipment	1,113	644	1,081	580
Amortised leasehold rights on land and buildings	8,797	8,830	8,547	8,579
Adjustment from un-utilized coupon payable	(4,507)	(2,532)	(4,507)	(2,532)
Interest expenses	4,432	3,430	207	11
Interest income	(3,251)	(10,350)	(3,746)	(11,368)
Dividend income	(404)	(5,602)	(2,404)	(7,602)
Profit from operating activities before changes in operating assets and liabilities	231,134	300,863	212,471	287,014
Operating assets (increase) decrease				
Trade and other receivables	(1,508)	12,368	(5,143)	(2,336)
Inventories	1,892	(7,257)	3,294	(7,748)
Compensation receivable from the insurance claim	-	19,820	-	19,820
Other current assets	15,425	(13,919)	15,689	(14,578)
Prepaid book copyright and translation fee	23	523	23	523
Rental guarantee and deposit	(5,718)	(7,261)	(5,718)	(7,261)
Other non-current assets	5,602	6,195	5,762	6,000
Operating liabilities increase (decrease)				
Trade and other payables	(146,405)	22,944	(169,928)	20,700
Accrued expenses	(65,737)	(13,083)	(40,064)	(13,001)
Income received in advance	(14,440)	(21,805)	-	-
Provision for long-term employee benefits	(4,059)	(6,286)	(4,059)	(6,286)
Other current liabilities	15,558	4,548	15,580	4,383
Other non-current liabilities	(180)	555	(135)	510
Cash flows from operating activities	31,587	298,205	27,772	287,740
Cash paid for interest expenses	(4,432)	(3,430)	(207)	(11)
Cash paid for income tax	(35,985)	(66,404)	(35,985)	(66,404)
<b>Net cash flows from (used in) operating activities</b>	<b>(8,830)</b>	<b>228,371</b>	<b>(8,420)</b>	<b>221,325</b>

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



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

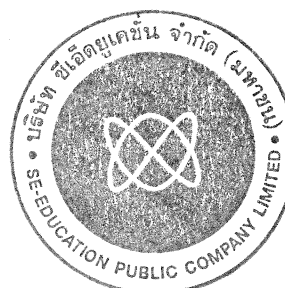
## Statement of cash flows (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
<b>Cash flows from investing activities</b>				
Decrease in current investments	70,178	19,094	70,178	19,094
(Increase) decrease in loan to subsidiary	-	-	10,044	(27,020)
Increase in investment in subsidiaries	-	-	(1,050)	-
Dividend received from associated company	2,000	-	-	-
Interest received	3,291	9,830	3,786	10,848
Dividends income	404	7,602	2,404	7,602
Cash paid for construction of building and acquisition of equipment	(379,290)	(204,790)	(375,554)	(152,001)
Proceeds from sales of equipment	352	260	345	235
Acquisition of intangible assets	(2,919)	(456)	(2,919)	(456)
<b>Net cash flows used in investing activities</b>	<b>(305,984)</b>	<b>(168,460)</b>	<b>(292,766)</b>	<b>(141,698)</b>
<b>Cash flows from financing activities</b>				
Increase in restricted bank deposit and other investment	(5,070)	(188)	(5,070)	(188)
Repayment of short-term loan from other person	-	(3,400)	-	-
Cash receipt from short-term loan from financial institutions	80,000	-	80,000	-
Cash receipt from long-term loan from related person	21,770	7,460	-	-
Increase in non-controlling interests	100	-	-	-
Dividend paid	(39,594)	(107,257)	(39,594)	(107,257)
<b>Net cash flows from (used in) financing activities</b>	<b>57,206</b>	<b>(103,385)</b>	<b>35,336</b>	<b>(107,445)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(257,608)</b>	<b>(43,474)</b>	<b>(265,850)</b>	<b>(27,818)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>346,948</b>	<b>570,314</b>	<b>343,504</b>	<b>540,048</b>
<b>Cash and cash equivalents at end of period (Note 5)</b>	<b>89,340</b>	<b>526,840</b>	<b>77,654</b>	<b>512,230</b>
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Increase in revaluation surplus in investments	-	7,907	-	7,907
Recognized in revaluation surplus in available for sale investments	1,994	-	1,994	-
Purchase of property, plant and equipment for which cash has not been paid	2,359	4,242	2,226	4,211
Depreciation surplus on revaluation of asset under shareholder's equity	(489)	(743)	(249)	(743)
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 nine-month periods ended 30 September 2013**

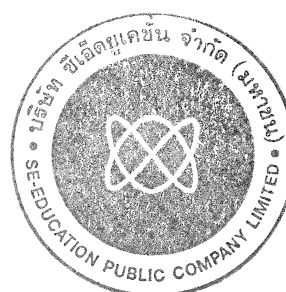
**1. General information**


**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.



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## 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 second quarter of current year.

## 1.4 Accounting standards that became effective in the current accounting period

Below is a summary of accounting standards that became effective in the current accounting period.

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 has changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company 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.

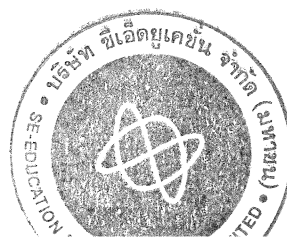
**1.5 Changes in accounting policies**

**(a) Property, plant and equipment**

During the current year, 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.

**(b) Long-term employee benefits**

During the current year, the associated company changed its accounting policy for recording of long-term employee benefits and establishing a retirement benefit reserve for staff using the basis of its best estimate of its payment obligations as at the end of the reporting period. The associated company recognises the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The cumulative effect of this change in accounting policy has been presented in Note 3.



A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.



## 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.

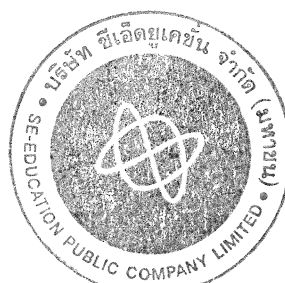
The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against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

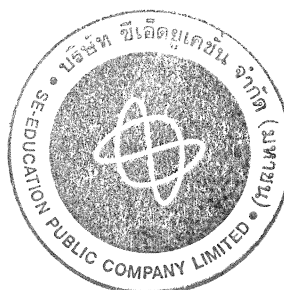
Depreciation of building and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives:

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. Accounting standards that will become effective in the future

Below is a summary of accounting standards that will become effective in the future.

	<u>Effective date</u>
Accounting Standard:	
TAS 12 (revised 2012) Income taxes	1 January 2014
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32 Intangible Assets – Web Site Costs	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
TFRIC 17 Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18 Transfers of Assets from Customers	1 January 2014



(Unaudited but reviewed)

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 TSIC 15, 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.

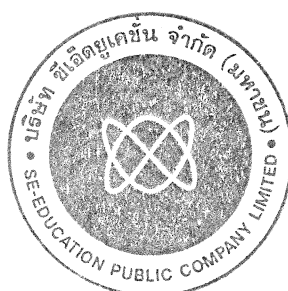
### 3. Cumulative effect of the changes in accounting policies

During the current period, the Company and its subsidiaries made the changes described in Notes 1.4 and 1.5 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, and the associate made the changes in accounting for long-term employee benefits. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 30 September 2013	As at 31 December 2012	As at 1 January 2012
<b>Statement of financial position</b>			
Increase in deferred tax assets	41,667	34,140	27,821
Increase in deferred tax liabilities	30,996	31,046	6,002
Decrease in investments in associate	(824)	(824)	(824)
Increase in unappropriated retained earnings	40,893	32,918	26,690
Decrease in other components of shareholders' equity	(31,046)	(30,648)	(5,695)



(Unaudited but reviewed)

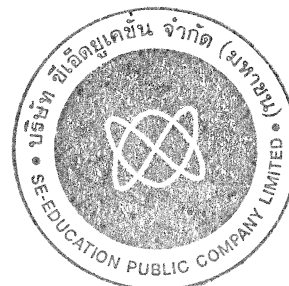
(Unit: Thousand Baht)

## Separate financial statements

	As at 30 September 2013	As at 31 December 2012	As at 1 January 2012
<b>Statement of financial position</b>			
Increase in deferred tax assets	41,667	34,140	27,821
Increase in deferred tax liabilities	30,996	31,046	6,002
Increase in unappropriated retained earnings	41,717	33,742	27,514
Decrease in other components of shareholders' equity	(31,046)	(30,648)	(5,695)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 30 September		For the three-month period ended 30 September	
	2013	2012	2013	2012
<b>Statement of income</b>				
<b>Profit or loss:</b>				
Increase in administrative expenses	165	250	84	250
Increase (decrease) in income tax expenses	(1,901)	3,463	(1,901)	3,463
Increase (decrease) in profit attributable to equity holders of the Company	1,736	(3,713)	1,817	(3,713)
Increase (decrease) in basic earnings per share (Baht)	0.004	(0.010)	0.005	(0.010)
<b>Statement of comprehensive income</b>				
<b>Other comprehensive income:</b>				
Decrease in gain on changes in value of available-for-sale investments	-	(747)	-	(747)
Decrease in depreciation - surplus on revaluation of asset	165	250	84	250



(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	2013	2012	2013	2012
<b>Statement of income</b>				
<b>Profit or loss:</b>				
Increase in administrative expenses	489	743	249	743
Increase (decrease) in income tax expenses	(7,975)	1,676	(7,975)	1,676
Increase (decrease) in profit attributable to equity holders of the Company	7,486	(2,419)	7,726	(2,419)
Increase (decrease) in basic earnings per share (Baht)	0.020	(0.007)	0.020	(0.007)
<b>Statement of comprehensive income</b>				
<b>Other comprehensive income:</b>				
Decrease in gain on changes in value of available-for-sale investments	(398)	(1,581)	(398)	(1,581)
Decrease in depreciation - surplus on revaluation of asset	489	743	249	743

#### 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.

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
	<b>Transactions with subsidiary</b>				
Sales of goods	-	-	773	140	Market price
Interest income	-	-	8	545	MOR per annum
<b>Transactions with associate</b>					
Purchase of goods	-	222	-	222	Market price

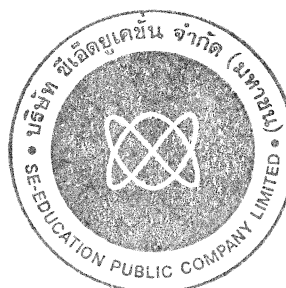


(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
<b><u>Transactions with shareholders and directors of subsidiaries</u></b>					
Lease land expenses	277	220	-	-	Mutually agreed agreement
Amortised land leasehold right	84	85	-	-	Mutually agreed agreement
Interest expenses	8	-	-	-	5% - 6% per annum
<b><u>Transactions with related companies</u></b>					
Purchase of goods	842	42,393	842	42,393	Market price
Goods return	-	(64,936)	-	(64,936)	Market price
Sales of goods	-	536	-	536	Mutually agreed price

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
<b><u>Transactions with subsidiary</u></b>					
Sales of goods	-	-	2,535	453	Market price
Interest income	-	-	528	1,122	MOR per annum
<b><u>Transactions with associate</u></b>					
Purchase of goods	-	1,630	-	1,630	Market price
Dividend income	-	-	2,000	2,000	As declared
<b><u>Transactions with shareholders and directors of subsidiaries</u></b>					
Lease land expenses	823	748	-	-	Mutually agreed agreement
Amortised land leasehold right	250	251	-	-	Mutually agreed agreement
Interest expenses	528	-	-	-	5% - 6% per annum
<b><u>Transactions with related companies</u></b>					
Purchase of goods	9,599	129,248	9,599	129,248	Market price
Goods return	-	(125,920)	-	(125,920)	Market price
Sales of goods	-	3,502	-	3,502	Mutually agreed price



(Unaudited but reviewed)

As at 30 September 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 September 2013	31 December 2012	30 September 2013	31 December 2012
<b><u>Short-term loan to subsidiaries</u></b>				
Subsidiaries	-	-	5,000	15,044
<b><u>Leasehold right on land</u></b>				
Shareholder/director of subsidiary	6,786	7,036	-	-
<b><u>Trade and other receivables (Note 7)</u></b>				
Subsidiaries	-	-	1,619	18
Related companies of shareholders	890	-	890	-
Total	890	-	2,509	18
<b><u>Trade accounts payable (Note 16)</u></b>				
Associate	2,174	2,319	2,174	2,319
Shareholders	2,130	4,474	2,130	4,474
Related companies of shareholders	7,984	8,726	7,984	8,726
Total	12,288	15,519	12,288	15,519

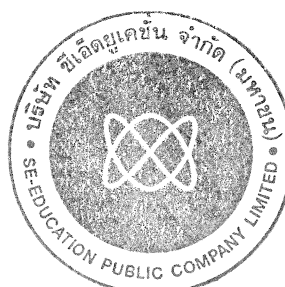
Short-term loan to subsidiary is promissory notes from which is payable at call. The subsidiary obtained such loan for the purpose of funding the school building construction and its working capital. Interest is charged at MOR of a commercial bank per annum.

#### Directors and management's remuneration

For the nine-month periods ended 30 September 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	23.71	25.40	21.62	22.58
Post-employment benefits	0.95	1.13	0.84	1.12
Total	24.66	26.53	22.46	23.70





**5. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Cash	19,859	28,235	19,714	28,069
Bank deposits with maturity not over 3 months	69,481	157,847	57,940	154,569
Highly liquid investments with an original maturity not over 3 months	-	160,866	-	160,866
<b>Total</b>	<b>89,340</b>	<b>346,948</b>	<b>77,654</b>	<b>343,504</b>

**6. Current investments**

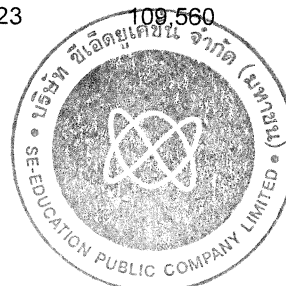
(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	30 September 2013		31 December 2012	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sale securities</b>				
Equity securities	-	-	60,000	58,500
Debt securities	104,000	103,999	110,386	109,891
Total available-for-sale securities	104,000	103,999	170,386	168,391
Add: Unrealised loss on changes in values of investments	(1)	-	(1,995)	-
<b>Current investments - net</b>	<b>103,999</b>	<b>103,999</b>	<b>168,391</b>	<b>168,391</b>

**7. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	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	890	-	909	18
<u>Trade accounts receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	62,300	25,313	62,296	25,313
Past due				
Up to 6 months	39,230	69,054	38,676	66,981
6 - 12 months	2,096	1,937	1,847	1,387
Over 12 months	4,007	13,256	2,455	11,604
<b>Total</b>	<b>108,523</b>	<b>109,560</b>	<b>106,183</b>	<b>105,303</b>



(Unaudited but reviewed)

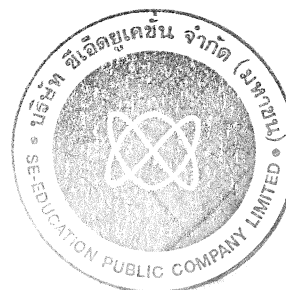
(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Less: Allowance for doubtful debts	(13,509)	(10,839)	(11,848)	(9,151)
Allowance for goods return	(2,833)	(2,131)	(2,833)	(2,131)
Total trade accounts receivables - unrelated parties, net	92,181	96,590	91,502	94,021
<u>Other receivables</u>				
Related party (Note 4)	-	-	1,600	-
Advances	2,248	2,153	2,092	2,068
Others	9,201	5,481	8,650	4,741
Total other receivables	11,449	7,634	12,342	6,809
Trade and other receivables, net	103,630	104,224	103,844	100,830

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

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	Allowance for	Allowance	Allowance for	Allowance
	doubtful	for goods	doubtful	for goods
	debts	return	debts	return
Balance as at 31 December 2012	(10,839)	(2,131)	(9,151)	(2,131)
Add: Allowance made during the period	(2,901)	(702)	(2,712)	(702)
Less: Allowance reversed during the period	231	-	15	-
Balance as at 30 September 2013	(13,509)	(2,833)	(11,848)	(2,833)



(Unaudited but reviewed)

**8. Inventories**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Raw material	14,706	22,160	14,706	22,160
Work in process	10,163	11,084	8,693	11,084
Finished goods	476,333	493,543	475,130	492,272
Total	501,202	526,787	498,529	525,516
Less: Allowance for lost goods	(5,771)	(6,115)	(5,771)	(6,115)
Allowance for dilapidated and slow moving	(152,324)	(119,334)	(152,224)	(119,234)
Inventories, net	343,107	401,338	340,534	400,167

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the nine-month period ended 30 September 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	(36,734)	(36,734)
Less: Allowance reversed during the period	4,088	4,088
Balance as at 30 September 2013	(158,095)	(157,995)

**9. Restricted bank deposits and other investments**

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		Interest rates (% p.a.)
	30 September 2013	31 December 2012	
Fixed deposits with 12 months	9,272	9,012	2.35 - 2.50
Government bonds, net	8,376	3,566	3.62 - 4.00
Total	17,648	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:

(Unit: Thousand Baht)

Company's name	Issued and paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method – net	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 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>

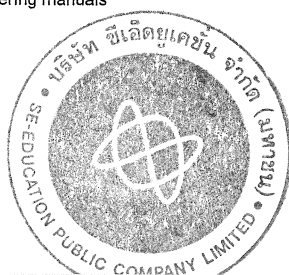
During the second quarter of current year, the Company invests in ordinary shares of BaesLab Co., Ltd., which operates in consulting, provision and distribution of software and hardware business. This company has registered share capital of Baht 1,000,000 (Baht 250,000 paid-up, or equivalent to 25% of 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 second quarter of current year, 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 associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend income during the period	
		30 September 2013	31 December 2012	Carrying amounts based on equity method		Carrying amounts based on cost method		during the period	
				30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
		(%)	(%)	(Restated)					
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	25,684	25,971	100	100	2,000	2,000
				<u>25,684</u>	<u>25,971</u>	<u>100</u>	<u>100</u>	<u>2,000</u>	<u>2,000</u>



(Unaudited but reviewed)

The Company has not recorded investment in the above associate company in the consolidated financial statements for the nine-month period ended 30 September 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 September 2013, the investment in such associate company was equivalent to 1.02% of total assets in the consolidated financial statements).

## 12. Property, plant and equipment

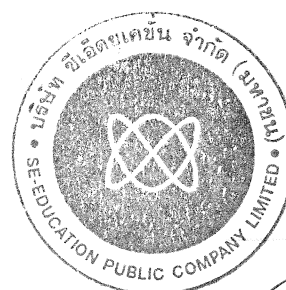
Movements of the property, plant and equipment account during the nine-month period ended 30 September 2013 are summarised below.

(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	381,649	377,780
Disposals during period - net book value at disposal date	(1,411)	(1,372)
Write - off during period - net book value at write - off date	(66)	(64)
Depreciation for the period	(89,691)	(76,587)
Net book value as at 30 September 2013	<u>1,542,162</u>	<u>1,306,490</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. During the nine-month period ended 30 September 2013, the Company amortised leasehold rights as expenses totalling Baht 8.55 million (2012: Baht 8.58 million).



**14. Intangible assets**

Movements of the intangible assets which are right for software usage fee during the nine-month period ended 30 September 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	2,919	2,920
Amortisation for the period	(2,269)	(2,232)
Net book value as at 30 September 2013	<u>8,544</u>	<u>8,399</u>

**15. Short-term loans from financial institutions**

(Unit: Thousand Baht)

	Interest rate (% per annum)	30 September 2013	31 December 2012
Short-term loans from financial institutions	3.75	<u>80,000</u>	-

These balances are unsecured loans from two financial institutions. The loan is a promissory note which due for repayment at call. The Company has repaid all outstanding balances in October 2013.

**16. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Trade accounts payable - related parties (Note 4)	12,288	15,519	12,288	15,519
Trade accounts payable - unrelated parties	1,085,063	1,253,695	1,084,096	1,252,762
Accrued expenses	85,954	127,806	82,085	122,020
Other payables for purchase of machineries	2,810	5,169	2,579	4,805
Notes payable	21,789	32,698	21,789	32,698
Other payables	41,417	24,216	41,417	24,216
Total	<u>1,249,321</u>	<u>1,459,103</u>	<u>1,244,254</u>	<u>1,452,020</u>



(Unaudited but reviewed)

## 17. Income received in advance

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	30 September 2013	31 December 2012
Income received in advance - not yet recognised	22,055	36,495
Less: Income received in advance recognisable within one year	(11,518)	(33,800)
Net	10,537	2,695

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

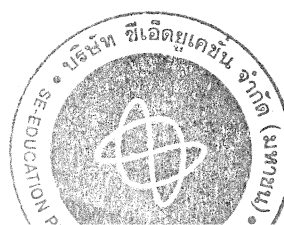
(Unit: Thousand Baht)

	The initial entrance fee	Education supporting fee	Total
Balance as at 31 December 2012	4,317	32,178	36,495
Add: Increase during the period	5,110	76,691	81,801
Less: Income recognition during the period	(9,427)	(86,814)	(96,241)
Balance as at 30 September 2013	-	22,055	22,055

## 18. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Coupon payable	23,926	24,190	23,926	24,190
Accrued withholding tax	3,342	6,805	3,012	6,524
Unearned income	8,258	7,279	8,095	7,279
Retention on construction	16,642	-	16,642	-
Others	5,793	8,636	5,177	7,786
Total	57,961	46,910	56,852	45,779



## 19. Share capital / Dividend stock

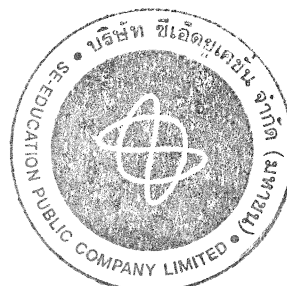
On 25 April 2013, the Annual General Meeting of the Company's shareholders passed the resolutions in relation to the Company's share capital as follows:

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.

## 20. 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.



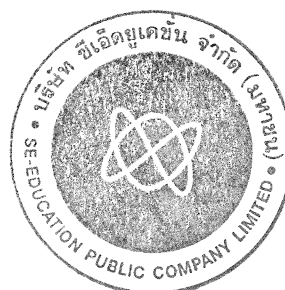


(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month period ended 30 September		For the three-month period ended 30 September	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
<b>Current income tax:</b>				
Interim corporate income tax charge	4,082	5,657	4,082	5,657
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,901)	3,463	(1,901)	3,463
<b>Income tax expense reported in the statements of comprehensive income</b>	<u>2,181</u>	<u>9,120</u>	<u>2,181</u>	<u>9,120</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
<b>Current income tax:</b>				
Interim corporate income tax charge	22,191	39,618	22,191	39,618
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(7,975)	1,676	(7,975)	1,676
<b>Income tax expense reported in the statements of comprehensive income</b>	<u>14,216</u>	<u>41,294</u>	<u>14,216</u>	<u>41,294</u>



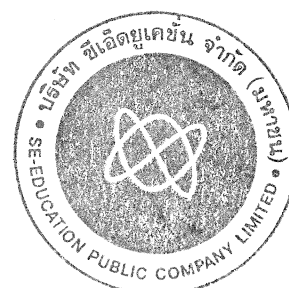
## 21. Earnings per share

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 discussed in Note 19, 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 September					
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)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
11,768	36,853	391,944	391,944	0.03	0.09

Separate financial statements					
For the three-month period ended 30 September					
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)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
13,129	38,609	391,944	391,944	0.03	0.10



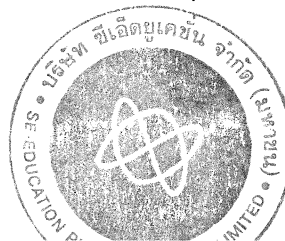
(Unaudited but reviewed)

Consolidated financial statements					
For the nine-month period ended 30 September					
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)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
64,821	164,598	391,944	391,944	0.17	0.42

Separate financial statements					
For the nine-month period ended 30 September					
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)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
65,046	165,026	391,944	391,944	0.17	0.42

## 22. Dividends / stock dividends

Dividends/stock dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (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
Dividend on the second quarter of 2012	Board of Directors' meeting on 7 August 2012	35.64	0.10
Total dividend paid and stock dividend for the nine-month period ended 30 September 2012		139.65	0.41
Stock 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 nine-month period ended 30 September 2013		75.23	0.21



## 23. 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.

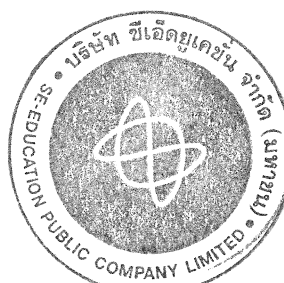
Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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 nine-month periods ended 30 September 2013 and 2012, respectively.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September									
	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	1,069,586	1,186,253	189,636	189,188	36,006	28,328	(1,305)	(1,281)	1,293,923	1,402,488
Segment profit (loss)	6,750	62,939	28,934	10,159	(2,715)	(2,458)	(15)	(14)	32,954	70,626
Unallocated income and expenses:										
Interest and dividend income									716	5,092
Other income									7,459	7,561
Operation expenses									(26,973)	(37,424)
Financial cost									(1,621)	(1,147)
Income tax expenses									(2,181)	(9,120)
Profit for the period									10,354	35,588



	For the nine-month periods ended 30 September									
	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	3,328,688	3,603,855	628,583	598,848	103,922	95,496	(3,067)	(1,594)	4,058,126	4,296,605
Segment profit (loss)	24,557	172,775	102,336	90,431	266	2,625	(535)	(7)	126,624	265,824
Unallocated income and expenses:										
Interest and dividend income									3,655	15,952
Other income									27,186	29,548
Share of profit from investments in associate									1,714	1,750
Operation expenses									(75,590)	(102,526)
Financial cost									(4,432)	(3,430)
Income tax expenses									(14,216)	(41,294)
Profit for the period									64,941	165,824

## 24. Commitments and contingent liabilities

### 24.1 Capital commitments

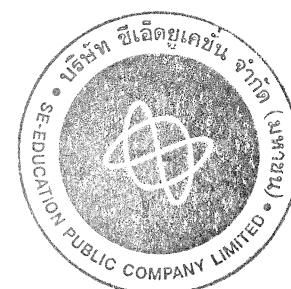
As at 30 September 2013, the Company had capital commitments of approximately Baht 103 million, relating to the construction of warehouse buildings.

### 24.2 Operating lease commitments

- As 30 September 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 425 branches. The lease periods ranged from 1 to 12 years. For the period ended 30 September 2013, the total rental and utility fees were approximately Baht 504.5 million per annum. Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- 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 September 2013, future minimum lease payments required under operating leases contracts were as follows.

	Million Baht
Outstanding commitments:	
Less than 1 year	36.8
1 to 5 years	62.3
More than 5 years	38.9



For the nine-month period ended 30 September 2013, the Company recognised rental expenses of Baht 28.2 million.

### 24.3 Guarantees

As at 30 September 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 2.6 million were pledged to guarantee the electricity usage and rental of head office.

### 24.4 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.

### 25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 November 2013.

