

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Report and consolidated financial statements
31 December 2013



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Independent Auditor's Report

To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.





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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries and of SE-EDUCATION PUBLIC COMPANY LIMITED as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 5 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes* and change in accounting policy for property, plant and equipment. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policies for income taxes and property, plant and equipment. My opinion is not qualified in respect of this matter.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

(Formerly known as "Ernst Young Office Limited")

Bangkok: 28 February 2014



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
			(Restated)			(Restated)	
Assets							
Current assets							
Cash and cash equivalents	9	160,199,112	346,948,078	570,313,730	126,640,899	343,504,045	540,048,337
Current investments	10	22,000,450	168,391,421	178,856,222	22,000,450	168,391,421	178,856,222
Trade and other receivables	8, 11	102,148,706	104,223,811	132,413,781	99,030,510	100,829,110	116,604,185
Short-term loan to subsidiaries	8	-	-	-	-	15,044,000	15,024,000
Inventories	12	373,685,380	401,338,157	396,081,981	370,384,635	400,166,573	394,433,224
Other current assets	13	40,087,656	66,716,498	39,923,577	41,022,388	65,320,393	37,642,802
Total current assets		698,121,304	1,087,617,965	1,317,589,291	659,078,882	1,093,255,542	1,282,608,770
Non-current assets							
Restricted bank deposits and other investments	14	14,581,919	12,578,094	12,389,767	14,581,919	12,578,094	12,389,767
Investments in subsidiaries	15	-	-	-	70,482,022	69,432,021	69,432,021
Investments in associate	16	25,684,265	25,970,648	26,220,517	100,000	100,000	100,000
Property, plant and equipment	17	1,612,838,569	1,251,681,263	844,502,319	1,379,322,395	1,006,732,809	656,326,364
Leasehold right on land	8, 18	6,701,406	7,036,247	7,372,005	-	-	-
Leasehold right on buildings	19	87,408,881	98,836,186	110,294,800	87,408,881	98,836,186	110,294,800
Intangible assets	20	7,979,917	7,893,855	5,342,770	7,843,436	7,711,163	5,109,940
Prepaid book copyright and translation fee		23,152,620	22,510,401	27,178,920	23,152,620	22,510,401	27,178,920
Rental guarantee and deposit		108,176,483	104,758,729	92,243,456	108,176,483	104,758,729	92,243,456
Deferred tax assets	5, 30	14,488,207	3,094,381	21,818,756	14,488,207	3,094,381	21,818,756
Other non-current assets	21	330,386	6,264,790	15,030,957	285,338	6,234,404	14,806,002
Total non-current assets		1,901,342,653	1,540,624,594	1,162,394,267	1,705,841,301	1,331,988,188	1,009,700,026
Total assets		2,599,463,957	2,628,242,559	2,479,983,558	2,364,920,183	2,425,243,730	2,292,308,796

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
			(Restated)			(Restated)	
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	25	100,000,000	-	-	100,000,000	-	-
Trade and other payables	8, 23	1,264,428,175	1,459,103,361	1,500,207,097	1,258,625,340	1,452,020,058	1,494,765,388
Short-term loans from other person		-	-	3,400,000	-	-	-
Current portion of long-term loans	25	20,700,000	-	-	-	-	-
Income received in advance recognisable within one year	22	39,728,427	33,800,547	28,948,104	-	-	-
Income tax payable		7,097,018	16,613,628	34,177,556	7,097,018	16,613,628	34,177,556
Current portion of provision for long-term employee benefits	33	9,202,493	8,770,150	6,121,974	9,202,493	8,770,150	6,121,974
Other current liabilities	24	57,598,530	46,909,751	37,957,936	56,459,906	45,778,988	36,903,209
Total current liabilities		1,498,754,643	1,565,197,437	1,610,812,667	1,431,384,757	1,523,182,824	1,571,968,127
Non-current liabilities							
Income received in advance	22	9,078,569	2,695,456	5,303,446	-	-	-
Long-term loans from director		500,000	-	-	-	-	-
Long-term loans, net of current portion	25	75,280,000	74,710,000	64,600,000	-	-	-
Provision for long-term employee benefits	33	36,709,974	39,695,419	39,620,219	34,525,344	38,077,685	38,185,058
Other non-current liabilities		8,640,850	9,065,959	8,509,919	8,625,001	8,990,332	8,465,002
Total non-current liabilities		130,209,393	126,166,834	118,033,584	43,150,345	47,068,017	46,650,060
Total liabilities		1,628,964,036	1,691,364,271	1,728,846,251	1,474,535,102	1,570,250,841	1,618,618,187

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

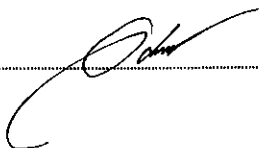
Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
	Note	2013	2012	2012	2013	2012	2012
			(Restated)			(Restated)	
Shareholders' equity							
Share capital							
Registered	26						
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)		391,944,529	356,313,243	323,921,130	391,944,529	356,313,243	323,921,130
Issued and paid-up							
391,944,418 ordinary shares of Baht 1 each							
(31 December 2012: 356,313,209 ordinary shares of Baht 1 each)							
(1 January 2012: 323,921,130 ordinary shares of Baht 1 each)		391,944,418	356,313,209	323,921,130	391,944,418	356,313,209	323,921,130
Share premium		149,420,558	149,420,558	149,420,558	149,420,558	149,420,558	149,420,558
Retained earnings							
Appropriated - statutory reserve	28	39,194,453	35,631,321	35,626,917	39,194,453	35,631,321	35,626,917
Unappropriated		198,970,962	204,882,021	170,484,365	185,907,446	191,040,717	154,944,610
Other components of shareholders' equity		130,330,886	129,320,178	9,777,394	123,918,206	122,587,084	9,777,394
Equity attributable to owners of the Company		909,861,277	875,567,287	689,230,364	890,385,081	854,992,889	673,690,609
Non-controlling interests of the subsidiaries		60,638,644	61,311,001	61,906,943	-	-	-
Total shareholders' equity		970,499,921	936,878,288	751,137,307	890,385,081	854,992,889	673,690,609
Total liabilities and shareholders' equity		2,599,463,957	2,628,242,559	2,479,983,558	2,364,920,183	2,425,243,730	2,292,308,796

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



 Director





SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the year ended 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
			(Restated)		(Restated)
Revenues					
Revenues from sales	8	5,181,366,287	5,522,183,620	5,180,470,594	5,518,650,807
Income from tuition fees	22	127,040,373	119,709,940	-	-
Interest and dividend income		4,201,116	22,054,538	6,649,843	25,532,215
Other income		44,764,279	62,261,376	38,623,791	56,428,933
Total revenues		5,357,372,055	5,726,209,474	5,225,744,228	5,600,611,955
Expenses					
Cost of sales	8	3,479,396,106	3,750,892,792	3,479,727,627	3,749,490,625
Cost of services		101,048,669	94,520,660	-	-
Selling expenses		1,078,402,122	1,042,067,389	1,078,402,123	1,042,067,389
Administrative expenses	8	606,754,387	580,401,842	578,138,171	552,033,100
Total expenses		5,265,601,284	5,467,882,683	5,136,267,921	5,343,591,114
Profit before share of profit from investments in associate, finance cost and income tax expenses					
		91,770,771	258,326,791	89,476,307	257,020,841
Share of profit from investments in associate	16	1,713,617	1,750,131	-	-
Profit before finance cost and income tax expenses					
		93,484,388	260,076,922	89,476,307	257,020,841
Finance cost	8	(6,399,915)	(4,718,502)	(521,275)	(17,647)
Profit before income tax expenses		87,084,473	255,358,420	88,955,032	257,003,194
Income tax expenses	30	(15,566,825)	(46,216,728)	(15,566,825)	(46,216,728)
Profit for the year		71,517,648	209,141,692	73,388,207	210,786,466
Profit attributable to					
Equity holders of the Company		72,290,005	209,088,015	73,388,207	210,786,466
Non-controlling interests of the subsidiaries		(772,357)	53,677		
		71,517,648	209,141,692		
Earnings per share					
31					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.18	0.53	0.19	0.54

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Profit for the year	71,517,648	209,141,692	73,388,207	210,786,466
Other comprehensive income:				
Gain (loss) on changes in value of				
available-for-sale investments	1,995,659	8,629,630	1,995,659	8,629,630
Income tax effect	(398,039)	90,423	(398,039)	90,423
Surplus on revaluation of assets	-	136,609,297	-	129,876,203
Income tax effect	-	(25,192,330)	-	(25,192,330)
Other comprehensive income for the year	1,597,620	120,137,020	1,597,620	113,403,926
Total comprehensive income for the year	73,115,268	329,278,712	74,985,827	324,190,392
Total comprehensive income attributable to				
Equity holders of the Company	73,887,625	329,225,035	74,985,827	324,190,392
Non-controlling interests of subsidiaries	(772,357)	53,677		
Total comprehensive income for the year	73,115,268	329,278,712		

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



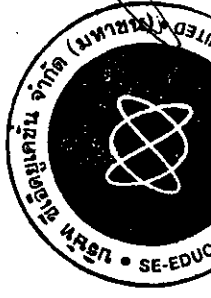
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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to the parent's shareholders										
	Other components of equity										
	Surplus (deficit)										
	Issued and paid-up share capital	Share premium	Appropriated	Unappropriated	Retained earnings	on changes in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 31 December 2011 - as previously reported	323,921,130	149,420,558	35,626,917	143,794,698	-	(10,624,839)	26,097,022	15,472,183	668,235,486	61,906,943	730,142,429
Cumulative effect of changes in accounting policies (Note 5)	-	-	-	26,689,667	-	307,526	(6,002,315)	(5,694,789)	20,994,878	-	20,994,878
Balance as at 31 December 2011 - as restated	323,921,130	149,420,558	35,626,917	170,484,365	-	(10,317,313)	20,094,707	9,777,394	689,230,364	61,906,943	751,137,307
Increase in share capital from issuance of stock dividend (Notes 34)	32,392,079	-	-	(32,392,079)	-	-	-	-	-	-	-
Dividend paid (Note 34)	-	-	-	(142,888,112)	-	-	-	-	(142,888,112)	-	(142,888,112)
Total comprehensive income for the year (restated)	-	-	-	209,088,015	-	8,720,053	111,416,967	120,137,020	329,225,035	53,677	329,278,712
Transferred retained earnings to legal reserve (Note 28)	-	-	4,404	(4,404)	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	(649,619)	(649,619)
Trasferred surplus on revaluation of assets to retained earnings	-	-	-	594,236	-	-	(594,236)	(594,236)	-	-	-
Balance as at 31 December 2012 - as restated	356,313,209	149,420,558	35,631,321	204,882,021	-	(1,597,260)	130,917,438	129,320,178	875,567,287	61,311,001	936,878,288
Balance as at 31 December 2012 - as previously reported	356,313,209	149,420,558	35,631,321	171,963,381	-	(1,995,209)	161,963,524	159,968,315	873,296,784	61,311,001	934,607,785
Cumulative effect of changes in accounting policies (Note 5)	-	-	-	32,918,640	-	397,949	(31,046,086)	(30,848,137)	2,270,503	-	2,270,503
Balance as at 31 December 2012 - as restated	356,313,209	149,420,558	35,631,321	204,882,021	-	(1,597,260)	130,917,438	129,320,178	875,567,287	61,311,001	936,878,288
Increase in share capital from issuance of stock dividend (Notes 26, 34)	35,631,209	-	-	(35,631,209)	-	-	-	-	-	-	-
Dividend paid (Note 34)	-	-	-	(39,593,635)	-	-	-	-	(39,593,635)	-	(39,593,635)
Total comprehensive income for the year	-	-	-	72,290,005	-	1,597,620	-	1,597,620	73,887,625	(772,357)	73,115,268
Transferred retained earnings to legal reserve (Note 28)	-	-	3,563,132	(3,563,132)	-	-	-	-	-	-	-
Non - controlling interests of the subsidiaries increase from invest in a new subsidiary (Note 15.2)	-	-	-	-	-	-	-	-	-	100,000	100,000
Trasferred surplus on revaluation of assets to retained earnings	-	-	-	586,912	-	-	(586,912)	(586,912)	-	-	-
Balance as at 31 December 2013	391,944,418	149,420,558	39,194,453	198,970,962	-	360	130,330,526	130,330,886	909,861,277	60,638,644	970,499,921

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements							
	Other components of equity							
	Other comprehensive income							Total shareholders' equity
	Surplus (deficit)							
Issued and paid-up share capital	Share premium	Retained earnings		Surplus on revaluation of assets	Total other components of shareholders' equity			
		Appropriated	Unappropriated					
323,921,130	149,420,558	35,626,917	127,431,065	(10,624,839)	26,097,022	15,472,183	651,871,853	
-	-	-	27,513,545	307,526	(6,002,315)	(5,694,799)	21,818,756	
323,921,130	149,420,558	35,626,917	154,944,610	(10,317,313)	20,094,707	9,777,394	673,690,609	
Increase in share capital from issuance of stock dividend (Notes 34)	-	-	(32,392,079)	-	-	-	-	
Dividend paid (Note 34)	-	-	(142,888,112)	-	-	-	(142,888,112)	
Total comprehensive income for the year (restated)	-	-	210,786,466	8,720,053	104,683,873	113,403,926	324,190,392	
Transferred retained earnings to legal reserve (Note 28)	-	-	4,404	(4,404)	-	-	-	
Transferred surplus on revaluation of assets to retained earning	-	-	594,236	-	(594,236)	(594,236)	-	
Balance as at 31 December 2012 - as restated	356,313,209	149,420,558	35,631,321	191,040,717	(1,597,260)	122,587,084	854,992,889	
Balance as at 31 December 2012 - as previously reported	356,313,209	149,420,558	35,631,321	157,298,199	(1,995,209)	153,235,221	851,898,508	
Cumulative effect of changes in accounting policies (Note 5)	-	-	-	33,742,518	397,949	(30,648,137)	3,094,381	
Balance as at 31 December 2012 - as restated	356,313,209	149,420,558	35,631,321	191,040,717	(1,597,260)	122,587,084	854,992,889	
Increase in share capital from issuance of stock dividend (Notes 26, 34)	35,631,209	-	-	(35,631,209)	-	-	-	
Transferred retained earning to legal reserve (Note 28)	-	-	3,563,132	(3,563,132)	-	-	(39,593,635)	
Dividend paid (Note 34)	-	-	-	(39,593,635)	-	-	74,985,827	
Total comprehensive income for the year	-	-	-	73,388,207	1,597,620	1,597,620	74,985,827	
Transferred surplus on revaluation of assets to retained earning	-	-	-	266,498	-	(266,498)	-	
Balance as at 31 December 2013	391,944,418	149,420,558	39,194,453	185,907,446	360	123,917,846	890,385,081	

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Cash flow statement
For the year ended 31 December 2013

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before tax	87,084,473	255,358,420	88,955,032	257,003,194
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	122,548,960	117,435,832	104,906,851	104,709,146
Allowance for doubtful accounts and estimated goods return (reversal)	2,962,673	(18,798,205)	2,719,450	(18,320,346)
Reversal allowance for impairment loss	-	(17,718,411)	-	(16,012,978)
Adjustment from clearing accounts receivable	(1,203,890)	(417,957)	(1,203,890)	(417,957)
Expense from lost of inventories	12,897,884	15,782,648	12,897,884	15,782,648
Allowance for dilapidated slow moving and lost of inventories	51,369,033	14,951,458	51,369,033	15,028,044
Share of profit from investment in associate	(1,713,617)	(1,750,131)	-	-
Gain on sales of current investments	(4,122,608)	-	(4,122,608)	-
Expense from donation of goods and equipment	6,755,374	17,159,452	6,755,374	17,159,452
Expense from stock destruction	8,138,355	11,495,083	8,138,355	11,495,083
Provision for long-term employee benefits	1,505,898	9,009,766	939,002	8,827,193
Loss on sales and written-off equipment	4,107,850	1,411,998	4,073,188	1,068,115
Amortisation of leasehold right on land and buildings	11,762,146	11,794,372	11,427,305	11,458,614
Adjustment from clearing accounts payable and coupon payable	(12,611,941)	(9,042,413)	(12,611,941)	(9,042,413)
Interest expenses	6,399,915	4,718,502	521,275	17,647
Interest income	(3,845,919)	(13,386,222)	(4,294,646)	(14,862,854)
Dividend income	(403,688)	(8,669,361)	(2,403,688)	(10,669,361)
Profit from operating activities before changes in operating assets and liabilities	291,630,898	389,334,831	268,065,976	373,223,227
Operating assets (increase) decrease				
Trade and other receivables	(3,228,939)	27,585,928	(3,262,221)	14,693,174
Inventories	(51,507,869)	(64,637,631)	(49,378,708)	(65,191,391)
Prepaid expenses	28,961,851	(21,770,613)	29,028,640	(21,645,520)
Compensation receivable from the insurance claim	3,545,261	19,820,204	3,545,261	19,820,204
Other current assets	(2,333,009)	(5,955,792)	(4,730,635)	(6,315,935)
Prepaid book copyright and translation fee	(642,219)	4,668,519	(642,219)	4,668,519
Rental guarantee and deposit	(3,417,754)	(12,515,273)	(3,417,754)	(12,515,273)
Other non-current assets	5,934,404	8,766,167	5,949,066	8,571,600

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

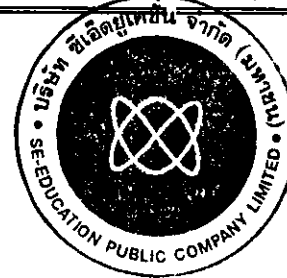


SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Operating liabilities increase (decrease)				
Trade accounts payable	(129,093,989)	(39,060,267)	(128,865,306)	(38,987,913)
Income received in advance	12,310,993	2,244,453	-	-
Accrued expenses	(56,938,232)	(23,756,207)	(56,018,170)	(25,106,054)
Notes payables	(21,763,177)	21,444,918	(21,763,177)	21,444,918
Other payables	12,254,639	5,247,762	12,569,204	5,247,762
Other current liabilities	23,300,720	12,126,244	23,292,859	12,050,208
Cash paid for long-term employee benefits	(4,059,000)	(6,286,390)	(4,059,000)	(6,286,390)
Other non-current liabilities	(425,109)	556,040	(365,331)	525,330
Cash flows from operating activities	104,529,469	317,812,893	69,948,485	284,196,466
Cash paid for interest expenses	(6,399,915)	(4,718,502)	(521,275)	(17,647)
Cash paid for corporate income tax	(36,875,301)	(70,158,187)	(36,875,301)	(70,158,187)
Net cash flows from operating activities	61,254,253	242,936,204	32,551,909	214,020,632
Cash flows from investing activities				
Decrease in current investments	152,509,238	19,094,431	152,509,238	19,094,430
Increase in investment in subsidiaries	-	-	(1,050,000)	-
Dividend received from associated company	2,000,000	-	-	-
Interest income	3,845,919	13,670,088	4,294,645	15,146,720
Dividends income	403,688	10,669,361	2,403,688	10,669,361
Decrease in restricted bank deposit and other investment	(2,003,825)	(188,327)	(2,003,825)	(188,327)
Acquisition of land property and equipment	(484,635,406)	(368,870,945)	(478,587,912)	(307,840,662)
Proceeds from sales of equipment	520,306	442,915	488,250	402,933
Acquisition of intangible assets	(2,919,504)	(4,941,267)	(2,919,504)	(4,941,267)
Cash receipt from loan to subsidiary	-	-	15,044,000	-
Cash paid for short-term loans to subsidiary	-	-	-	(20,000)
Net cash flows used in investing activities	(330,279,584)	(330,123,744)	(309,821,420)	(267,676,812)
Cash flows from financing activities				
Repayment of short-term loans from other person	-	(3,400,000)	-	-
Cash receipt from short-term loans from financial institutions	100,000,000	-	100,000,000	-
Cash receipt from long-term loans	21,770,000	10,110,000	-	-
Increase in non-controlling interests	100,000	-	-	-
Dividend paid	(39,593,635)	(142,888,112)	(39,593,635)	(142,888,112)
Net cash flows used in financing activities	82,276,365	(136,178,112)	60,406,365	(142,888,112)
Net decrease in cash and cash equivalents	(186,748,966)	(223,365,652)	(216,863,146)	(196,544,292)
Cash and cash equivalents at beginning of year	346,948,078	570,313,730	343,504,045	540,048,337
Cash and cash equivalents at end of year (Note 9)	160,199,112	346,948,078	126,640,899	343,504,045

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Supplemental cash flows information				
Non-cash transactions				
Increase in revaluation surplus on changes in				
value of available-for-sale investments	1,995,659	8,629,630	1,995,659	8,629,630
Purchase of fixed assets for which cash has not been paid	865,573	5,169,062	682,731	4,804,962
Depreciation surplus on revaluation of asset				
under shareholder's equity	(653,537)	(742,795)	(333,123)	(742,795)
Surplus on revaluation of assets	-	136,809,297	-	129,876,203
Issuance of stock dividend	32,631,209	32,392,079	35,631,209	32,392,079

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



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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to financial statements

For the year ended 31 December 2013

1. General 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. Its distribution center is situated at 118 Moo 1, Tambon Sisa Chorakhe Yai, Bang Sao Tong District, Samutprakarn (formerly located at 99 Moo 1, Kingkaew Road, Tambon Rajatewa, Bangplee District, Samutprakarn).

The Company and its subsidiaries operate its business in Thailand and are authorized to engage in the following:

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 and provide services for display advertisements to be published in the Company's monthly magazine.
4. SE-ED Learning Center organises the youth camp known as "SE-ED Kiddy Camp", learning activities for the youth and training courses and seminars for the public.
5. Plearnpattana School, 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.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.



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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 (%)	2012 (%)
SE-ED Book Center Co., Ltd.	Business consultant	Thailand	99.99	99.93
Plearn Patt Co., Ltd.	Private school	Thailand	48.97	48.97
BaesLab Co., Ltd.	Technology consultant	Thailand	60.00	-

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.



3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

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
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Accounting Standard Interpretations:

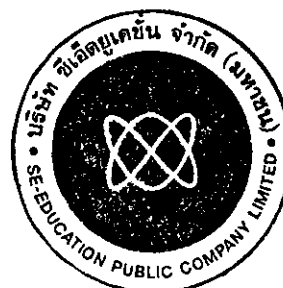
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

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.

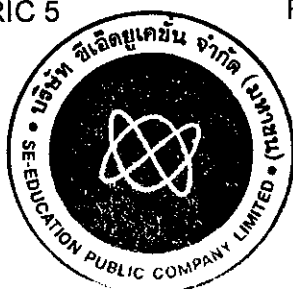
TAS 12 Income Taxes

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 5.



(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
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



		<u>Effective date</u>
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

The Company's management believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. 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 5.

(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 5.



5. Cumulative effect of the changes in accounting policies

During the current year, the Company, its subsidiaries and its associate made the changes described in Notes 3 and 4 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, comprehensive income and changes in shareholders' equity are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at	As at	As at
	31 December 2013	31 December 2012	1 January 2012
Statement of financial position			
Increase in deferred tax assets	45,468	34,140	27,821
Increase in deferred tax liabilities	30,979	31,046	6,002
Decrease in investments in associate	(824)	(824)	(824)
Increase in unappropriated retained earnings	44,644	32,918	26,690
Decrease in other components of shareholders' equity	(30,979)	(30,648)	(5,695)

(Unit: Thousand Baht)

	Separate financial statements		
	As at	As at	As at
	31 December 2013	31 December 2012	1 January 2012
Statement of financial position			
Increase in deferred tax assets	45,468	34,140	27,821
Increase in deferred tax liabilities	30,979	31,046	6,002
Increase in unappropriated retained earnings	45,468	33,742	27,514
Decrease in other components of shareholders' equity	(30,979)	(30,648)	(5,695)



	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
Statement of income				
Profit or loss:				
Increase in administrative expenses	653	743	333	743
Decrease in income tax expenses	11,792	6,377	11,792	6,377
Increase in profit attributable to equity holders of the Company	11,139	5,634	11,459	5,634
Increase in basic earnings per share (Baht)	0.03	0.01	0.03	0.01
Statement of comprehensive income				
Other comprehensive income:				
Increase (decrease) in gain on changes in value of available-for-sale investments	(398)	90	(398)	90
Decrease in surplus on revaluation of asset	-	25,192	-	25,192
Decrease in depreciation - surplus on revaluation of asset	66	149	66	149
Statement of changes in shareholders' equity				
Increase in retained earning	587	594	266	594

6. Significant accounting policies

6.1 Revenues recognition

- Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances, except for consignment where the revenue from consignment is recognized when the event of either the sales report is received or the payment is received first.
- Service revenue is recognised when services have been rendered taking into account the stage of completion.
- Entrance fees are recognised as income at the time of acceptance of the pupil by the subsidiary.
- Education supporting fees are recognised as income of the school term to which they relate.



- e) Interest income is recognised on an accrual basis based on the effective interest rate.
- f) Dividends are recognised when the right to receive the dividends is established.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.3 Trade and other receivables/Allowance for doubtful accounts and returned goods

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Allowance for returned goods is based on the percentage of the average returned goods for the year of provincial accounts receivable at the end of the period.

6.4 Inventories/Allowance for dilapidated, slow moving and lost of inventories

Finished goods are valued at the lower of cost (weighted average) and net realisable value. Cost includes all production costs and attributable factory overheads.

Work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Allowance for dilapidated and slow moving is based on the percentage of the inventory turnover in conjunction with the consideration of the book editor.

Allowance for lost goods are charged at rates of 0.30% for each sales branch. The reversal of such allowance incurred when the inventory taking and inventories lost actually at the branch.

6.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.



- b) Investments in associate are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of provision for impairment of investments (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

6.6 Property, plant and equipment/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.

6.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.8 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

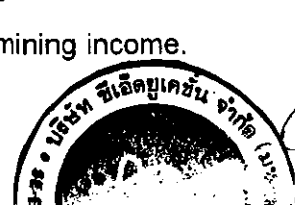
A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years
Book copyright and translation fee	Amortised per number of book sold

6.9 Leasehold right on land and building/Amortisation

Leasehold right on land and building are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation of leasehold right on land and building calculate base on the straight-line basis over the lease term.

The amortisation expense are included in determining income.



6.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

6.11 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

6.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

6.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.



An impairment loss is recognised in profit or loss. However in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

6.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by the director of human resource and organisation development of the Company, based on actuarial techniques, using the projected unit credit method.



Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

The defined benefits liability and other long-term benefit liabilities comprise the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

6.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

6.16 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.



7. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Provision for diminution in value of inventories

In determining of provision for diminution in value of inventories (allowance for dilapidated, slow moving and lost goods), the management needs to make judgement and estimates based upon, among other things, past goods returned history, inventory turnover, the consideration of the book edition and past good lost history.

Provision for impairment of investments in securities

The Company and its subsidiaries treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company and its subsidiaries measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the cost approach for buildings. The valuation involves certain assumptions and estimates.



In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans and other long-term employee benefits

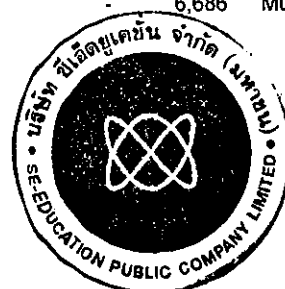
The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate and staff turnover rate.

8. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with 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)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2013	2012	2013	2012	
<u>Transactions with subsidiary</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	2,637	472	Market price
Interest income	-	-	542	1,630	MOR per annum
<u>Transactions with associate</u>					
Purchase of goods	-	2,113	-	2,113	Market price
Dividend income	-	-	2,000	2,000	As declared
<u>Transactions with management and directors</u>					
Lease land	1,101	1,001	-	-	Mutually agreed agreement
Amortised land leasehold right	335	335	-	-	Mutually agreed agreement
Interest expenses	542	-	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchases of goods	10,727	152,141	10,727	152,141	Market price
Returns of goods	-	(154,179)	-	(154,179)	Market price
Sales of goods	-	6,686	-	6,686	Mutually agreed agreement



As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related parties and companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Short-term loans to subsidiary</u>				
Subsidiaries	-	-	-	15,044
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	6,701	7,036	-	-
<u>Trade accounts receivable (Note 11)</u>				
Subsidiary	-	-	28	18
Related companies of shareholders	170	-	170	-
Total	170	-	198	18
<u>Trade accounts payable (Note 23)</u>				
Associate	1,692	2,319	1,692	2,319
Shareholders	2,389	4,474	2,389	4,474
Related companies of shareholders	3,604	8,726	3,604	8,726
Total	7,685	15,519	7,685	15,519

Short-term loan to subsidiaries

As at 31 December 2013 and 2012, the balance of loans between the Company and those subsidiary companies and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loans to related parties	Related by	Balance as at 31 December 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2013
SE-ED Book Center Co., Ltd.	Subsidiary	44	-	(44)	-
Plearn Patt Co., Ltd.	Subsidiary	15,000	14,000	(29,000)	-
Total		15,044	14,000	(29,044)	-

Short-term loan to Plearn Patt Co., Ltd. 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 per annum rate of a commercial bank.



Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	28.55	37.66	25.81	34.21
Post-employment benefits	1.27	1.22	1.12	1.19
Total	29.82	38.88	26.93	35.40

9. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	32,618	28,235	32,474	28,069
Bank deposits with maturity not over 3 months	127,581	157,847	94,167	154,569
Highly liquid investments with an original maturity not over 3 months	-	160,866	-	160,866
Total	160,199	346,948	126,641	343,504

As at 31 December 2013, bank deposit in saving accounts, fixed deposits and government bonds carried interest between 0.125% and 2.50% per annum (2012: between 0.10% and 2.75% per annum).

10. Current investments

	(Unit: Thousand Baht)			
	Consolidated / Separate financial statements			
	As at 31 December 2013			
	Cost	Fair value	Dividend received	Accumulated dividend received
Available-for-sale securities				
Debt securities	22,000	22,000	-	-
Total available-for-sale securities	22,000	22,000	-	-
Less: Unrealised loss on changes in values of investments	-	-	-	-
Current investments - net	22,000	22,000	-	-



(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	As at 31 December 2012			
	Cost	Fair value	Dividend received	Accumulated dividend received
Available-for-sale securities				
Equity securities	60,000	58,500	5,242	43,711
Debt securities	110,386	109,891	3,427	18,165
Total available-for-sale securities	170,386	168,391	8,669	61,876
Less: Unrealised loss on changes in values of investments	(1,995)	-	-	-
Current investments - net	168,391	168,391	8,669	61,876

11. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade accounts receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	170	-	198	18
Total	170	-	198	18
Less: Allowance for doubtful debts	-	-	-	-
Total trade accounts receivables - related parties, net	170	-	198	18
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	46,079	25,313	46,079	25,313
Past due				
Up to 6 months	53,255	69,054	51,029	66,981
6 - 12 months	1,669	1,937	1,252	1,387
Over 12 months	6,474	13,256	4,740	11,604
Total	107,477	109,560	103,100	105,285
Less: Allowance for doubtful debts	(12,741)	(10,839)	(10,810)	(9,151)
Allowance for goods return	(3,192)	(2,131)	(3,192)	(2,131)
Total trade accounts receivables - unrelated parties, net	91,544	96,590	89,098	94,003



	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Other receivables</u>				
Advances	2,447	2,153	2,239	2,068
Insurance claim receivable	6,105	-	6,105	-
Others	1,883	5,481	1,390	4,740
Total other receivables	10,435	7,634	9,734	6,808
Trade and other receivables - net	102,149	104,224	99,030	100,829

12. Inventories

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Raw materials	16,785	22,160	-	-	16,785	22,160
Work in process	9,056	11,084	(511)	(986)	8,545	10,098
Finished goods	524,662	493,543	(176,307)	(124,463)	348,355	369,080
Total	550,503	526,787	(176,818)	(125,449)	373,685	401,338

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Raw materials	16,785	22,160	-	-	16,785	22,160
Work in process	6,800	11,084	(511)	(986)	6,289	10,098
Finished goods	523,517	492,272	(176,207)	(124,363)	347,310	367,909
Total	547,102	525,516	(176,718)	(125,349)	370,384	400,167



13. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Supplies	13,590	12,249	12,887	11,670
Prepaid expenses	16,353	45,314	15,510	44,539
Other current assets	10,145	9,154	12,625	9,111
Total	40,088	66,717	41,022	65,320

14. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate
	2013	2012	(% p.a.)
Fixed deposits with 12 months maturity	9,272	9,012	2.35 - 2.50
Government bonds with 7 years maturity	5,310	3,566	3.625
	14,582	12,578	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 35.3.

15. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
	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
					84,150	83,100	(13,668)	(13,668)	70,482	69,432



15.1 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%.

15.2 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.

16. Investments in an associate

16.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements						Carrying amounts based on equity method	
			Shareholding percentage		Cost					
			2013 (%)	2012 (%)	2013	2012	2013	2012	2013	2012
M and E Co., Ltd.	Painting office production of technical magazines and engineering manuals	Thailand	25	25	100	100			25,684	25,971
Total					100	100			25,684	25,971

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements								Carrying amounts based on equity method	
			Shareholding percentage		Cost		Allowance for impairment of investments					
			2013 (%)	2012 (%)	2013	2012	2013	2012	2013	2012	2013	2012
M and E Co., Ltd.	Painting office production of technical magazines and engineering manuals	Thailand	25	25	100	100	-	-			100	100
Total					100	100	-	-			100	100



16.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	during the year		during the year	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
M and E Co., Ltd.	1,714	1,750	2,000	2,000
Total	1,714	1,750	2,000	2,000

16.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the	
	as at		as at		as at		for the year		year ended	
	31 December		31 December		31 December		ended		31 December	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
M and E Co., Ltd.	0.4	0.4	117.2	117.2	4.8	5.7	27.1	29.3	6.9	7.0

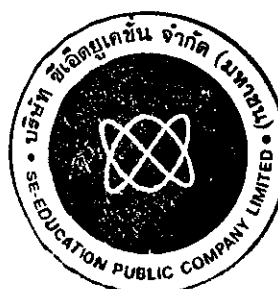
For the years ended 31 December 2013 and 2012, the Company recognised participating profit or loss from result operation for the year ended 31 December 2012 and 2011 of the associate, whose financial statements were audited by another auditor. The Company consequently recorded share of profit from investment in associate in the consolidated statement of income, for the year ended 31 December 2013 and 2012 of Baht 1.7 million and Baht 1.7 million, respectively (equivalent 2.41% and 0.86%, respectively) of the profit for the years in the consolidated financial statements. As at 31 December 2013 and 2012, the investment in such associate was Baht 25.68 million and Baht 25.97 million, respectively, or equivalent to 0.99% and 1.02%, respectively, of total assets in the consolidated financial statements.



17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				
	Land and land improvements	Buildings and building improvement	Building decorations	Office equipment and air conditioners	Motor vehicles	Assets under installation	Total
Cost / Revalued amount:							
1 January 2012	379,660	196,552	387,224	638,261	41,203	28,598	1,671,498
Additions	3,334	375	17,178	101,844	3,548	243,139	369,418
Disposals	-	(333)	(5,402)	(27,615)	-	-	(33,350)
Written off	-	-	(3,992)	(1,108)	-	-	(5,100)
Transfer in (out)	2,728	62,120	48,312	12,108	488	(125,756)	-
Revaluations	123,845	12,764	-	-	-	-	136,609
Capitalised interest	-	-	-	-	-	340	340
31 December 2012	509,567	271,478	443,320	723,490	45,239	146,321	2,139,415
Additions	381	1,011	8,496	64,316	-	411,296	485,500
Disposals	-	-	(11,077)	(22,786)	-	-	(33,863)
Written off	-	-	(4,341)	(4,081)	-	-	(8,422)
Transfer in (out)	-	42	40,666	11,270	-	(51,978)	-
31 December 2013	509,948	272,531	477,064	772,209	45,239	505,639	2,582,630
Accumulated depreciation:							
1 January 2012	10,124	61,210	275,527	430,965	31,451	-	809,277
Depreciation for the year	1,252	7,393	36,448	68,350	1,602	-	115,045
Depreciation on disposals	-	(35)	(5,402)	(26,630)	-	-	(32,067)
Depreciation on written off	-	-	(3,420)	(1,101)	-	-	(4,521)
31 December 2012	11,376	68,568	303,153	471,584	33,053	-	887,734
Depreciation for the year	1,371	9,660	39,580	67,505	1,599	-	119,715
Depreciation on disposals	-	-	(9,861)	(21,808)	-	-	(31,669)
Depreciation on written off	-	-	(2,302)	(3,687)	-	-	(5,989)
31 December 2013	12,747	78,228	330,570	513,594	34,652	-	969,791
Allowance for impairment:							
1 January 2012	16,013	1,705	-	-	-	-	17,718
Transfer from investment property	(16,013)	(1,705)	-	-	-	-	(17,718)
31 December 2012	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	-	-	-
Decrease during the year	-	-	-	-	-	-	-
31 December 2013	-	-	-	-	-	-	-
Net book value:							
1 January 2011	353,523	133,637	111,697	207,296	9,752	28,598	844,503
31 December 2012	498,191	202,910	140,167	251,906	12,186	146,321	1,251,681
31 December 2013	497,201	194,303	146,494	258,615	10,587	505,639	1,612,839
Depreciation for the year							
2012 (Baht 10.03 million included in cost of services, and the balance in selling and administrative expenses)							115,045
2013 (Baht 14.50 million included in cost of services, and the balance in selling and administrative expenses)							119,715



(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				Total
	Land and land improvements	Buildings and building improvement	Building decorations	Office equipment and air conditioners	Motor vehicles	Assets under installation	
Cost / Revalued amount:							
1 January 2012	344,030	19,646	387,224	601,339	39,658	6,018	1,397,915
Additions	56	-	17,176	94,002	3,549	193,580	308,363
Disposals	-	-	(5,402)	(26,079)	-	-	(31,481)
Written off	-	-	(3,992)	(1,108)	-	-	(5,100)
Transfer in (out)	2,727	-	48,313	335	488	(51,863)	-
Revaluations	123,845	6,031	-	-	-	-	129,876
31 December 2012	470,658	25,677	443,319	668,489	43,695	147,735	1,799,573
Additions	-	-	8,496	60,493	-	410,282	479,271
Disposals	-	-	(11,077)	(21,991)	-	-	(33,068)
Written off	-	-	(4,341)	(4,020)	-	-	(8,361)
Transfer in (out)	-	-	40,666	10,472	-	(51,138)	-
31 December 2013	470,658	25,677	477,063	713,443	43,695	506,879	2,237,415
Accumulated depreciation:							
1 January 2012	658	14,934	275,527	404,487	29,969	-	725,575
Depreciation for the year	-	743	36,447	63,638	1,541	-	102,369
Depreciation on disposals	-	-	(5,402)	(25,180)	-	-	(30,582)
Depreciation on written off	-	-	(3,420)	(1,101)	-	-	(4,521)
31 December 2012	658	15,677	303,152	441,844	31,510	-	792,841
Depreciation for the year	-	333	39,580	60,607	1,599	-	102,119
Depreciation on disposals	-	-	(9,861)	(21,077)	-	-	(30,938)
Depreciation on written off	-	-	(2,302)	(3,628)	-	-	(5,930)
31 December 2013	658	16,010	330,569	477,746	33,109	-	858,092
Allowance for impairment:							
1 January 2012	16,013	-	-	-	-	-	16,013
Decrease during the year	(16,013)	-	-	-	-	-	(16,013)
31 December 2012	-	-	-	-	-	-	-
Decrease during the year	-	-	-	-	-	-	-
31 December 2013	-	-	-	-	-	-	-
Net book value:							
1 January 2012	327,359	4,712	111,697	196,852	9,689	6,018	656,327
31 December 2012	470,000	10,000	140,167	226,645	12,185	147,735	1,006,732
31 December 2013	470,000	9,667	146,494	235,697	10,586	506,879	1,379,323
Depreciation for the year							
2012 (Included in selling and administrative expenses)							102,369
2013 (Included in selling and administrative expenses)							102,119



The Company and a subsidiary company arranged for an independent professional valuer to appraise the value of certain assets in 2012 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market approach.
- Land and buildings were revalued using the Cost approach, which represents the estimated cost to construct a new building at the current replacement cost less depreciation based on useful life and plus the market value of the land.

Had the land and buildings been carried in the financial statements based on historical cost, their net book values as of 31 December 2013 and 2012 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and land improvements	351,971	352,961	324,770	324,770
Buildings and building improvements	178,223	186,177	-	-

As at 31 December 2013, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 629.64 million (2012: Baht 532.80 million) (the Company only: Baht 606.35 million, 2012: Baht 512.73 million).

18. Leasehold right on land

The whole amount of the leasehold rights consisted of two land lease agreements which the subsidiary entered into with its shareholders totalling Baht 10 million. It is related to the lease of land area of approximately 20 rais for the period of 30 years for the purpose of operating an education institute. The contracts stipulate that, during the contractual period, the lessor agreed not to sell the leased land to anyone without obtaining prior consent from the subsidiary and, if the lessor has the utmost need and could not find any other alternative, the lessor promises to offer the land for sale to the subsidiary first at an arm's-length price. If the subsidiary does not respond to the offer within 60 days, the lessor is entitled to sell the leased land to a third party who will be obliged to bind himself or herself to the conditions stipulated in these lease contracts.

During the year ended 31 December 2013, the subsidiary amortised leasehold right as expense totalling Baht 0.33 million (2012: Baht 0.33 million).



19. Leasehold right on buildings

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers in order to open SE-ED Book Center. The terms of these leaseholds range between 10 to 30 years. For the year ended 31 December 2013, the Company amortised leasehold right as expenses totalling Baht 11.43 million (2012: Baht 11.46 million).

20. Intangible assets

The net book value of intangible assets as at 31 December 2013 and 2012 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
As at 31 December 2013:		
Cost	44,662	44,161
Less: Allowance for diminution in value	(36,682)	(36,318)
Net book value	7,980	7,843
As at 31 December 2012:		
Cost	41,743	41,242
Less: Allowance for diminution in value	(33,849)	(33,531)
Net book value	7,894	7,711

A reconciliation of the net book value of intangible assets for the years 2013 and 2012 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	7,894	5,343	7,711	5,110
Acquisition of computer software	2,919	4,941	2,919	4,941
Amortisation	(2,833)	(2,390)	(2,787)	(2,340)
Net book value at end of year	7,980	7,894	7,843	7,711



21. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Long-term prepaid expenses	285	2,234	285	2,234
Others	45	4,031	-	4,000
Total	330	6,265	285	6,234

22. Income received in advance / income from tuition fees

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
Income received in advance - not yet recognised	48,807	36,496
Less: Income received in advance recognisable within one year	(39,729)	(33,801)
Net	9,078	2,695

During the year ended 31 December 2013 and 2012, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	Education supporting	
	The initial entrance fee	fee
Balance as at 1 January 2012	-	34,252
Plus: Increase during the year	14,308	108,503
Less: Income recognition during the year	(9,990)	(109,720)
Less: Returned due to resignation of students	-	(857)
Balance as at 31 December 2012	4,318	32,178
Plus: Increase during the year	11,024	129,371
Less: Income recognition during the year	(10,562)	(116,718)
Less: Returned due to resignation of students	-	(804)
Balance as at 31 December 2013	4,780	44,027



23. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Trade accounts payable - related parties	7,685	15,519	7,685	15,519
Trade accounts payable - unrelated parties	1,132,436	1,253,695	1,131,730	1,252,762
Accrued expenses	70,857	127,806	66,002	122,020
Other payables for purchase of machineries	4,303	5,169	4,122	4,805
Notes payable	10,936	32,698	10,936	32,698
Other payables	38,211	24,216	38,150	24,216
Total	1,264,428	1,459,103	1,258,625	1,452,020

24. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Coupon payable	24,369	24,190	24,369	24,190
Accrued withholding tax	3,442	6,805	3,174	6,524
Unearned income	7,780	6,677	7,490	6,677
Retention for construction	16,642	-	16,642	-
Others	5,366	9,238	4,785	8,388
Total	57,599	46,910	56,460	45,779

25. Loans

a) Short-term loans from financial institutions

These balances are unsecured loans from two financial institutions, with the interest of 3.55% and 3.93% per annum. These loans are due for repayment in the first quarter of 2014.

b) Long-term loans

As at 31 December 2013 and 2012, long-term loans consisted of loans from the parents of students under educational loans project of Plearn Pattana Co., Ltd. (a subsidiary) for use as building construction and working capital within such subsidiary. Written loan agreements for the period of 3 to 7 years were made, with the interest rates of 5.80% - 7.50% per annum.



26. Registered share capital / Stock dividend

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.



27. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2013	2012
		(Restated)
Balance - beginning of year	130,917	20,094
Plus: Surplus	-	111,417
Less: Amortisation	(587)	(594)
Balance - end of year	130,330	130,917

	(Unit: Thousand Baht)	
	Separate	
	financial statements	
	2013	2012
		(Restated)
Balance - beginning of year	124,184	20,094
Plus: Surplus	-	104,684
Less: Amortisation	(266)	(594)
Balance - end of year	123,918	124,184

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.



29. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Salary and wages and other employee benefits	743,489	732,231	666,796	653,760
Depreciation and amortisation	134,311	128,487	116,334	115,425
Rental, service and utilities expenses	573,014	557,697	567,974	552,366
Provision for diminution in value of receivables and inventories	75,909	20,823	75,634	20,959
Purchase of goods and raw materials used	3,268,911	3,546,319	3,268,911	3,546,319
Changes in inventories of finished goods and work in process	(29,091)	23,464	(26,961)	23,464
Variable expense based on sale volume	115,869	123,387	115,869	123,387

30. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separated	
	financial statement	
	2013	2012
		(Restated)
Current income tax:		
Current income tax charge	27,359	52,594
Deferred tax:		
Relating to origination and reversal of temporary differences	(11,792)	(7,601)
Effects of changes in the applicable tax rates	-	1,224
Income tax expense reported in the statement of comprehensive income	15,567	46,217

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 is presented below.



(Unit: Thousand Baht)

Consolidated financial statement

	2013	2012
		(Restated)
Accounting profit before tax	87,084	255,358
Applicable tax rate	20%, 0%	23%, 0%
Accounting profit before tax multiplied by applicable tax rate	17,417	58,732
Effects of changes in the applicable tax rates	-	1,224
Effects of:		
Tax exempt for subsidiary company	287	25
Non-deductible expenses	3,213	1,354
Additional expense deductions allowed	(5,380)	(15,122)
Others	30	4
Total	(1,850)	(13,739)
Income tax expenses reported in the statement of comprehensive income	15,567	46,217

(Unit: Thousand Baht)

Separate financial statement

	2013	2012
		(Restated)
Accounting profit before tax	88,955	257,003
Applicable tax rate	20%	23%
Accounting profit before tax multiplied by applicable tax rate	17,791	59,111
Effects of changes in the applicable tax rates	-	1,224
Effects of:		
Non-deductible expenses	3,156	1,004
Additional expense deductions allowed	(5,380)	(15,122)
Total	(2,224)	(14,118)
Income tax expenses reported in the statement of comprehensive income	15,567	46,217



The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statement		
	Statements of financial position		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
		(Restated)	
Deferred tax assets			
Allowance for doubtful accounts	2,800	2,258	6,441
Allowance for diminution in value of inventories	33,922	23,374	12,879
Gain on re-measuring available-for-sale investments	-	398	308
Provision for long-term employee benefits	8,746	8,112	8,193
Total	45,468	34,140	27,821
Deferred tax liabilities			
Unrealised gain from revaluation of trading investments	30,979	31,046	6,002
Total	30,979	31,046	6,002
Deferred tax assets - net	14,489	3,094	21,819

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

No corporate income tax was payable for Plean Patt Co., Ltd., since the Company is exempted from the payment of income tax on income from its private school business in accordance with Royal Decree No. 284 B.E. 2538 dated 30 June 1995.

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of the prior year 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 26, 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					
Profit for the year		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					
72,290	209,088	391,944	391,944	0.18	0.53
Separate financial statements					
Profit for the year		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					
73,388	210,786	391,944	391,944	0.19	0.54

32. 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 year ended 31 December 2013 and 2012, respectively.

(Unit: Thousand Baht)

	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	4,353,931	4,742,228	828,557	776,423	130,541	123,715	(2,623)	(473)	5,308,406	5,641,893
Segment profit (loss)	47,620	208,499	112,629	91,565	(1,436)	27,320	(543)	(115)	158,270	327,269
Unallocated income and expenses:										(Restated)
Interest and dividend income									4,201	22,054
Other income									44,764	62,261
Share of profit from investments in associate									1,714	1,750
Operation expenses									(115,464)	(153,257)
Financial cost									(6,400)	(4,718)
Income tax expenses									(15,567)	(46,217)
Profit for the period									71,518	209,142

The basis of pricing between the Company and its subsidiary is consistent with that for third party transactions.

33. Post-employment benefits for employees

33.1 Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Ayudhaya Fund Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company contributed Baht 17.44 million (2012: Baht 16.25 million) to the fund.

33.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	48,466	45,742	46,848	44,307
Current service cost	4,285	7,363	3,779	7,232
Interest cost	1,987	1,647	1,921	1,595
Actuarial gain	(4,767)	-	(4,761)	-
Benefits paid during the year	(4,059)	(6,286)	(4,059)	(6,286)
Defined benefit obligation at end of year	45,912	48,466	43,728	46,848



Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Current service cost	4,285	7,363	3,779	7,232
Interest cost	1,987	1,647	1,921	1,595
Actuarial gain recognised during the year	(4,767)	-	(4,761)	-
Total expense recognized in profit or loss	1,505	9,010	939	8,827
Line items under which such expenses are included in profit or loss				
Cost of sales	470	1,253	103	1,212
Selling and administrative expenses	1,035	7,757	836	7,615

Principal actuarial assumptions at the valuation date were as follows:

(Unit: % p.a.)

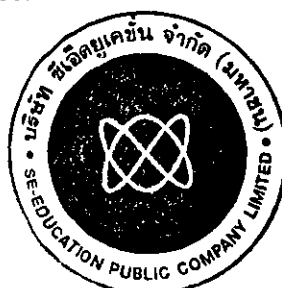
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Discount rate	4.1	3.6	4.1	3.6
Future salary increase rate (depending on age)	5.0	3.0 - 8.0	5.0	3.0 - 8.0
Staff turnover rate*	18.7 - 50.5	6.0 - 40.0	18.7 - 50.5	6.0 - 40.0

*Percentage change in the number of employees with high turnover rates are only part of the branches employees which rate is as well as the retail sector with an average turnover rate of approximately 30% to 60% per year.

Amounts of defined benefit obligation and experience adjustments on the obligation for the current and previous periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	45,912	43,728	(4,767)	(4,761)
Year 2012	48,466	46,848	-	-
Year 2011	45,742	44,307	-	-



34. 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 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
Dividend on the third quarter of 2012	Board of Director's meeting on 7 November 2012	35.64	0.10
Total dividend paid and stock dividend during the year ended 31 December 2012		<u>175.29</u>	<u>0.51</u>
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 during the year ended 31 December 2013		<u>75.23</u>	<u>0.21</u>

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2013, the Company had capital commitments of approximately Baht 54 million, relating to the construction of warehouse and distribution center.

35.2 Operating lease commitments

- As 31 December 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 429 branches (2012: 419 branches.) The lease periods ranged from 1 to 12 years and 9 months. For the year ended 31 December 2013, the total rental and utility fees were approximately Baht 558.96 million. (2012: Baht 543.49 million) Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- The Company has entered into several lease agreements in respect of the lease of office building space, land and warehouses. The terms of the agreements are generally between 1 and 30 years.



Future minimum lease payments required under operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2013</u>	<u>2012</u>
Outstanding commitments:		
Less than 1 year	28.1	28.1
1 to 5 years	56.7	32.2
More than 5 years	35.3	43.6

During the year ended 31 December 2013, the Company recognised rental expenses in the income statement of Baht 36.4 million. (2012: Baht 35.2 million)

35.3 Guarantees

As at 31 December 2013, the Company has pledged the bank deposit of Baht 4.5 million (2012: Baht 4.4 million) to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 5.3 million (2012: Baht 2.3 million) were pledged to guarantee the electricity usage and rental of head office.

35.4 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.

36. Financial instruments

36.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.



Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to its cash at banks, bank overdrafts, and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidate financial statements							
As at 31 December 2013							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	127	-	-	-	33	160	0.125 - 2.70
Current investments	-	-	-	22	-	22	2.76
Trade and other receivables	-	-	-	-	102	102	-
Restricted bank deposits	-	15	-	-	-	15	2.35 - 3.625
	127	15	-	22	135	299	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,264	1,264	-
Long-term loans	-	75	-	-	-	75	6.0 - 7.0
	-	75	-	-	1,264	1,339	



(Unit: Million Baht)

Consolidate financial statements

As at 31 December 2012

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	319	-	-	-	28	347	0.10 - 2.75
Current investments	-	-	-	168	-	168	2.60 - 3.25
Trade and other receivables	-	-	-	-	104	104	-
Restricted bank deposits	-	13	-	-	-	13	0.75 - 4.00
	319	13	-	168	132	632	
Financial liabilities							
Trade and other payables	-	-	-	-	1,459	1,459	-
Long-term loans	-	75	-	-	-	75	5.80 - 7.50
	-	75	-	-	1,459	1,534	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2013

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	94	-	-	-	33	127	0.125 - 2.70
Current investments	-	-	-	22	-	22	2.76
Trade and other receivables	-	-	-	-	99	99	-
Restricted bank deposits	-	15	-	-	-	15	2.35 - 3.625
	94	15	-	22	132	263	
Financial liabilities							
Trade and other payables	-	-	-	-	1,258	1,258	-
	-	-	-	-	1,258	1,258	



Separate financial statements							
As at 31 December 2012							
Fixed interest rates						Effective interest rate (% per annum.)	
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalent	315	-	-	-	28	343	0.10 - 2.75
Current investments	-	-	-	168	-	168	2.60 - 3.25
Trade and other receivables	-	-	-	-	101	101	-
Short-term loans to subsidiaries	-	-	-	15	-	15	MOR
Restricted bank deposits	-	13	-	-	-	13	0.75 - 4.00
	315	13	-	183	129	640	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,452	1,452	-
	-	-	-	-	1,452	1,452	

Foreign currency risk

The Company has exposure to significant foreign currency risk relating to the purchase of goods in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

36.2 Fair values of financial instruments

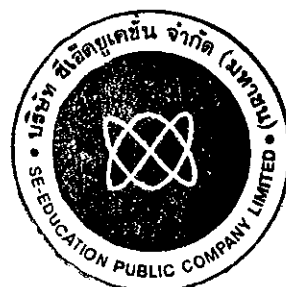
Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

37. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Group's total liabilities to shareholders' equity ratio as at 31 December 2013 was 1.68:1 (2012: 1.81:1), and the Company only was 1.66:1 (2012: 1.84:1).



38. Event after the reporting period

The meeting of the Company's Board of Directors held on 28 February 2014 passed a resolution to pay dividends to the Company's shareholders from the operations for the year 2013. The Company will pay a cash dividend at Baht 0.18 per share, or equivalent to amount of not exceed Baht 70.55 million. Dividend will be paid and accounted for after the approval of the Annual General Meeting of the shareholders.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2014.

