

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month period ended
31 March 2014

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

I have reviewed the accompanying consolidated statement of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 31 March 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of SE-EDUCATION PUBLIC COMPANY LIMITED for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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





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Conclusion

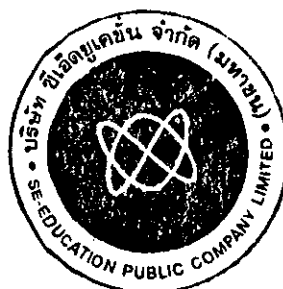
Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 8 May 2014



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 March 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Assets					
Current assets					
Cash and cash equivalents	3	159,986	160,199	115,778	126,641
Current investments	4	-	22,000	-	22,000
Trade and other receivables	2, 5	131,976	102,149	129,982	99,031
Inventories	6	332,161	373,685	328,127	370,385
Other current assets		41,655	40,088	38,707	41,022
Total current assets		665,778	698,121	612,594	659,079
Non-current assets					
Restricted bank deposits and other investments	7	14,582	14,582	14,582	14,582
Investments in subsidiaries	8	-	-	70,482	70,482
Investments in associate	9	25,684	25,684	100	100
Property, plant and equipment	10	1,644,696	1,612,839	1,414,260	1,379,322
Leasehold right on land	2, 11	6,619	6,702	-	-
Leasehold rights on buildings	12	84,591	87,409	84,591	87,409
Intangible assets	13	7,447	7,980	10,839	7,843
Prepaid book copyright and translation fee		21,779	23,153	21,779	23,153
Rental guarantee and deposit		108,342	108,176	108,342	108,176
Deferred tax assets		14,092	14,488	14,092	14,488
Other non-current assets		227	330	183	285
Total non-current assets		1,928,059	1,901,343	1,739,250	1,705,840
Total assets		2,593,837	2,599,464	2,351,844	2,364,919

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

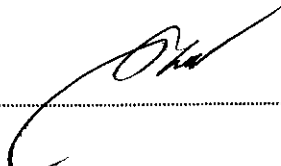
Statement of financial position (continued)

As at 31 March 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	14	210,000	100,000	210,000
Trade and other payables	2, 15	1,140,291	1,264,428	1,131,971
Current portion of long-term loans	18	6,260	20,700	-
Income received in advance recognisable within one year	16	37,015	39,728	-
Income tax payable		8,733	7,097	8,733
Current portion of provision for long-term employee benefits		4,469	9,202	4,469
Other current liabilities	17	59,117	57,599	56,768
Total current liabilities		1,465,885	1,498,754	1,411,941
Non-current liabilities				
Income received in advance	16	7,595	9,078	-
Long-term loans from director		500	500	-
Long-term loans, net of current portion	18	98,520	75,280	-
Provision for long-term employee benefits, net of current portion		31,256	36,710	29,121
Other non-current liabilities		8,565	8,642	8,565
Total non-current liabilities		146,436	130,210	37,686
Total liabilities		1,612,321	1,628,964	1,449,627
Shareholders' equity				
Share capital				
Registered				
391,944,529 ordinary shares of Baht 1 each		391,945	391,945	391,945
Issued and paid-up				
391,944,418 ordinary shares of Baht 1 each		391,945	391,945	391,945
Share premium		149,421	149,421	149,421
Retained earnings				
Appropriated - statutory reserve		39,194	39,194	39,194
Unappropriated		210,486	198,971	197,821
Other components of shareholders' equity		130,249	130,331	123,836
Equity attributable to owners of the Company		921,295	909,862	902,217
Non-controlling interests of the subsidiaries		60,221	60,638	-
Total shareholders' equity		981,516	970,500	890,386
Total liabilities and shareholders' equity		2,593,837	2,599,464	2,351,844

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

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Directors



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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Revenues from sales		1,184,994	1,282,662	1,184,436	1,282,451
Tuition fees income	16	29,981	27,735	-	-
Interest and dividend income		44	1,503	44	1,841
Other income		11,832	13,758	8,727	11,834
Total revenues		1,226,851	1,325,658	1,193,207	1,296,126
Expenses					
Cost of sales		790,442	858,108	790,131	858,066
Cost of tuition fees		25,732	24,646	-	-
Selling expenses		263,332	270,528	263,332	270,528
Administrative expenses		130,027	142,460	123,292	135,465
Total expenses		1,209,533	1,295,742	1,176,755	1,264,059
Profit before finance cost and income tax expenses					
tax expenses		17,318	29,916	16,452	32,067
Finance cost		(3,292)	(1,489)	(1,611)	(189)
Profit before income tax expenses		14,026	28,427	14,841	31,878
Income tax expenses	19	(3,010)	(317)	(3,010)	(317)
Profit for the period		11,016	28,110	11,831	31,561
Profit attributable to					
Equity holders of the Company		11,433	29,869	11,831	31,561
Non-controlling interests of the subsidiaries		(417)	(1,759)		
		11,016	28,110		
(Unit: Baht)					
Earnings per share					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.03	0.08	0.03	0.08

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	11,016	28,110	11,831	31,561
Other comprehensive income:				
Gain on changes in value of available-for-sale investments	-	2,775	-	2,775
Income tax effect	-	(555)	-	(555)
Other comprehensive income for the period	-	2,220	-	2,220
Total comprehensive income for the period	11,016	30,330	11,831	33,781
Total comprehensive income attributable to				
Equity holders of the Company	11,433	32,089	11,831	33,781
Non-controlling interests of subsidiaries	(417)	(1,759)		
Total comprehensive income for the period	11,016	30,330		

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



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(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

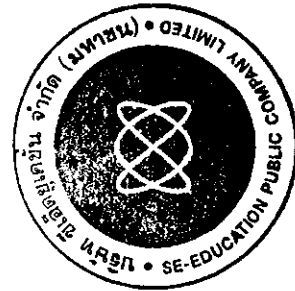
Statement of changes in shareholders' equity

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the parent's shareholders											
Other components of equity											
Other comprehensive income											
Surplus (deficit)											
on changes											
in value of											
available-for-sale											
investments											
Surplus on											
revaluation of											
assets											
Total other											
components of											
shareholders'											
equity											
Total											
shareholders'											
equity											
Issued and paid-up share capital	356,313	149,421	149,421	35,631	204,882	130,917	129,321	875,568	61,311	936,879	
Balance as at 1 January 2013						(1,596)					
Total comprehensive income for the period	-	-	-	-	29,869	-	2,220	32,089	(1,759)	30,330	
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	145	(145)	(145)	-	-	-	
Balance as at 31 March 2013	356,313	149,421	149,421	35,631	234,896	130,772	131,396	907,657	59,552	967,209	
Balance as at 1 January 2014	391,945	149,421	149,421	39,194	198,971	130,331	130,331	909,862	60,638	970,500	
Total comprehensive income for the period	-	-	-	-	11,433	-	-	11,433	(417)	11,016	
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	82	(82)	(82)	-	-	-	
Balance as at 31 March 2014	391,945	149,421	149,421	39,194	210,486	130,249	130,249	921,295	60,221	981,516	

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity (continued)

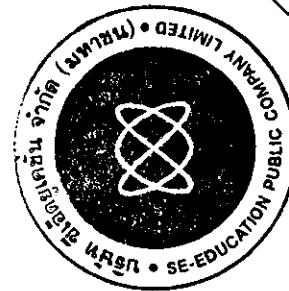
For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

Separate financial statements

	Other components of equity									
	Other comprehensive income									
	Surplus (deficit) on changes in value of available-for-sale investments		Surplus on revaluation of assets		Total other components of shareholders' equity		Total shareholders' equity			
Issued and paid-up share capital	Share premium	Retained earnings Appropriated	Unappropriated	Retained earnings Appropriated	Unappropriated	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity		
Balance as at 1 January 2013	356,313	149,421	35,631	191,041	35,631	191,041	(1,596)	124,184	122,588	854,994
Total comprehensive income for the period	-	-	-	31,561	-	31,561	2,220	-	2,220	33,781
Transferred surplus on revaluation of assets to retained earnings	-	-	-	66	-	66	-	(66)	(66)	-
Balance as at 31 March 2013	356,313	149,421	35,631	222,668	35,631	222,668	624	124,118	124,742	888,775
Balance as at 1 January 2014	391,945	149,421	39,194	185,908	39,194	185,908	-	123,918	123,918	890,386
Total comprehensive income for the period	-	-	-	11,831	-	11,831	-	-	-	11,831
Transferred surplus on revaluation of assets to retained earnings	-	-	-	82	-	82	-	(82)	(82)	-
Balance as at 31 March 2014	391,945	149,421	39,194	197,821	39,194	197,821	-	123,836	123,836	902,217

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



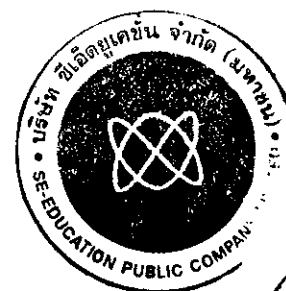
(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statement of cash flows****For the three-month period ended 31 March 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	14,026	28,427	14,841	31,878
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	30,253	30,598	25,797	26,295
Allowance for doubtful account and goods return (reversal)	(563)	1,357	(244)	1,538
Adjustment from reconciliation of accounts receivable	(94)	-	(94)	15
Expense from lost of goods	3,656	3,687	3,656	3,687
Allowance for lost of goods and stock obsolescence	6,835	11,102	6,835	11,102
Expense from donation of goods and equipment	1,098	2,833	1,098	2,633
Provision for long-term employee benefits (reversal)	(91)	526	(41)	203
Gain on sales of current investments	(188)	(2,086)	(188)	(2,086)
Loss on stock destruction	1,633	-	1,633	-
Loss on sales and written-off equipment	1,225	151	1,225	130
Amortised leasehold rights on land and buildings	2,900	2,900	2,818	2,818
Adjustment from un-utilized coupon payable	(1,280)	(1,032)	(1,280)	(1,032)
Interest expenses	3,292	1,489	1,611	189
Interest income	(44)	(1,099)	(44)	(1,437)
Dividend income	-	(404)	-	(404)
Profit from operating activities before changes in operating assets and liabilities	62,658	78,249	57,623	75,529
Operating assets (increase) decrease				
Trade and other receivables	(29,170)	(25,033)	(30,614)	(27,650)
Inventories	28,301	763	29,035	822
Other current assets	(1,669)	4,456	2,213	5,991
Prepaid book copyright and translation fee	1,374	(1,889)	1,374	(1,889)
Rental guarantee and deposit	(165)	(3,514)	(165)	(3,514)
Other non-current assets	104	579	103	579
Operating liabilities increase (decrease)				
Trade and other payables	(132,889)	(77,100)	(134,969)	(78,234)
Income received in advance	(4,197)	4,855	-	-
Provision for long-term employee benefits	(10,096)	(4,059)	(10,096)	(4,059)
Other current liabilities	2,799	12,901	1,588	12,752
Other non-current liabilities	(76)	(49)	(60)	(35)
Cash flows used in operating activities	(82,826)	(9,841)	(83,968)	(19,708)
Cash paid for interest expenses	(3,373)	(1,489)	(1,692)	(189)
Cash paid for income tax	(978)	(942)	(978)	(942)
Net cash flows used in operating activities	(87,177)	(12,272)	(86,638)	(20,839)

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease in current investments	22,188	55,775	22,188	55,775
Decrease in loan to subsidiary	-	-	-	1,000
Interest income	146	1,164	146	1,502
Dividends income	-	404	-	404
Acquisition of equipment	(54,207)	(168,307)	(56,596)	(167,193)
Proceeds from sales of equipment	40	141	40	136
Acquisition of intangible assets	(3)	(68)	(3)	(68)
Net cash flows used in investing activities	(31,836)	(110,891)	(34,225)	(108,444)
Cash flows from financing activities				
Cash receipt from short-term loans from financial institutions	110,000	-	110,000	-
Cash receipt from long-term loan from related person	8,800	200	-	-
Net cash flows from financing activities	118,800	200	110,000	-
Net decrease in cash and cash equivalents	(213)	(122,963)	(10,863)	(129,283)
Cash and cash equivalents at beginning of period	160,199	346,948	126,641	343,504
Cash and cash equivalents at end of period (Note 3)	159,986	223,985	115,778	214,221

Supplemental cash flows information

Non-cash transactions

Increase in revaluation surplus in investments	-	2,775	-	2,775
Purchase of property, plant and equipment for which cash has not been paid	8,397	1,353	8,397	1,285
Depreciation surplus on revaluation of asset under shareholders' equity	(161)	-	(82)	-

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2014

1. General information

1.1 Corporate information

SE-EDUCATION PUBLIC COMPANY LIMITED ("the Company") is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Thailand on 29 April 1993. The Company's registered office is located at No. 1858/87-90 TCIF Tower Building, 19th Floor, Bangna-Trad Road, Bangna Sub-District, Bangna District, Bangkok. 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, which 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, which operates a private school offering courses for students from pre-kindergarten to Matayom 6.
6. BaesLab Co., Ltd. (subsidiary), which operates in consulting, provision and distribution of software and hardware business.



1.2 Basis for preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2013, with there being no changes in the structure of shareholding in a subsidiary during the current period.

1.4 New accounting standards

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

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company or do not have a significant impact.



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

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company.

1.5 Significant accounting policies

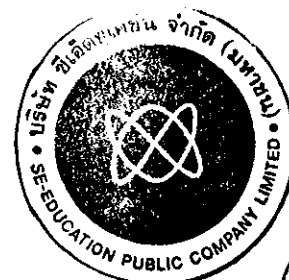
The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

2. Related party transactions

During the periods, 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)

	For the three-month periods ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	127	461	Market price
Interest income	-	-	7	337	MOR per annum
<u>Transactions with management and directors</u>					
Lease land	271	271	-	-	Mutually agreed agreement
Amortised land leasehold right	83	83	-	-	Mutually agreed agreement
Interest expenses	7	337	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchases of goods	126	6,744	126	6,744	Market price



(Unaudited but reviewed)

As at 31 March 2014 and 31 December 2013, the balances of the accounts between the Company and those related parties and companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	6,619	6,702	-	-
<u>Trade accounts receivable (Note 5)</u>				
Subsidiary	-	-	131	28
Related companies of shareholders	342	170	342	170
Total	342	170	473	198
<u>Trade accounts payable (Note 15)</u>				
Associate	1,636	1,692	1,636	1,692
Shareholders	1,794	2,389	1,794	2,389
Related companies of shareholders	846	3,604	846	3,604
Total	4,276	7,685	4,276	7,685

Directors and management's benefits

During the three-month periods ended 31 March 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial		Separate financial	
	statements	statements	statements	statements
	2014	2013	2014	2013
Short-term employee benefits	6.42	6.80	5.78	6.18
Post-employment benefits	0.07	0.31	0.05	0.28
Total	6.49	7.11	5.83	6.46



3. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
Cash	21,158	32,618	20,968	32,474
Bank deposits with maturity not over 3 months	138,828	127,581	94,810	94,167
Total	159,986	160,199	115,778	126,641

4. Current investments

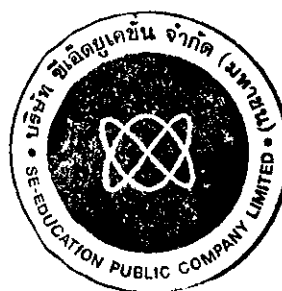
(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	31 March 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Debt securities	-	-	22,000	22,000
Total available-for-sale securities	-	-	22,000	22,000
Add: Unrealised gain (loss) on changes in values of investments	-	-	-	-
Current investments - net	-	-	22,000	22,000

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	342	170	473	198
Total trade accounts receivables - related parties	342	170	473	198



(Unaudited but reviewed)

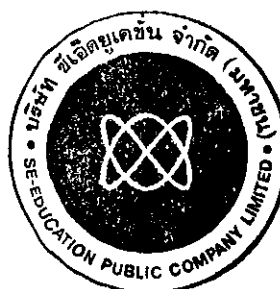
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	104,176	46,079	104,114	46,079
Past due				
Up to 6 months	21,262	53,255	20,483	51,029
6 - 12 months	726	1,669	502	1,252
Over 12 months	6,223	6,474	4,688	4,740
Total	132,387	107,477	129,787	103,100
Less: Allowance for doubtful debts	(10,136)	(12,741)	(8,525)	(10,810)
Allowance for goods return	(5,233)	(3,192)	(5,233)	(3,192)
Total trade accounts receivables - unrelated parties, net	117,018	91,544	116,029	89,098
<u>Other receivables</u>				
Advances	5,569	2,447	5,366	2,239
Insurance claim receivable	6,043	6,105	6,043	6,105
Others	3,004	1,883	2,071	1,391
Total other receivables	14,616	10,435	13,480	9,735
Trade and other receivables - net	131,976	102,149	129,982	99,031

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the three-month period ended 31 March 2014, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Allowance for doubtful debts	Allowance for goods return	Allowance for doubtful debts	Allowance for goods return
Balance as at 31 December 2013	12,741	3,192	10,810	3,192
Add: Allowance made during the period	202	2,041	202	2,041
Less: Allowance reversed during the period	(2,807)	-	(2,487)	-
Balance as at 31 March 2014	10,136	5,233	8,525	5,233



6. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Raw material	15,246	16,785	15,246	16,785
Work in process	11,137	9,056	8,094	6,800
Finished goods	489,431	524,662	488,340	523,518
Total	515,814	550,503	511,680	547,103
Less: Allowance for lost goods	(5,627)	(5,460)	(5,627)	(5,460)
Allowance for dilapidated and slow moving	(178,026)	(171,358)	(177,926)	(171,258)
Inventories, net	332,161	373,685	328,127	370,385

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the three-month period ended 31 March 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2013	176,818	176,718
Add: Allowance made during the period	10,168	10,168
Less: Allowance reversed during the period	(3,333)	(3,333)
Balance as at 31 March 2014	183,653	183,553

7. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		
	31 March 2014	31 December 2013	Interest rate (% p.a.)
Fixed deposits with 12 months maturity	9,272	9,272	2.35 - 2.50
Government bonds with 7 years maturity	5,310	5,310	3.625
Total	14,582	14,582	



The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 22.3.

8. Investments in subsidiaries

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

(Unit: Thousand Baht)

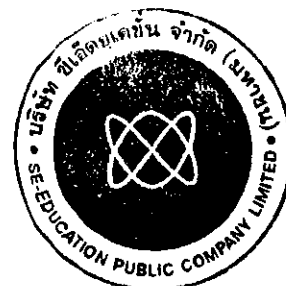
Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)						
SE-ED Book Center Co.,Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	-	-	1,000	1,000
BaesLab Co., Ltd.	250	250	60.00	60.00	150	150	-	-	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	84,150	(13,668)	(13,668)	70,482	70,482

9. Investments in an associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend recognised during the period	
		31	31	Carrying amounts based on equity method		Carrying amounts based on cost method		during the period	
		March	December	March	December	March	December	March	December
		2014	2013	2014	2013	2014	2013	2014	2013
		(%)	(%)						
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	25,684	25,684	100	100	-	2,000
				25,684	25,684	100	100	-	2,000

The Company has not recorded share of profit from investment in associated company in the consolidated financial statements for the three-month period ended 31 March 2014 because such associated company did not prepare the interim financial statements. However, the effect of these transactions to the consolidated financial statements of the current period is immaterial. (As at 31 March 2014, the investment in such associate company was equivalent to 0.99% of total assets in the consolidated financial statements).



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10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2013	1,612,839	1,379,322
Acquisitions during period - at cost	62,840	61,473
Disposals during period - net book value at disposal date	(7)	(7)
Write - off during period - net book value at write - off date	(1,259)	(1,259)
Depreciation for the period	(29,717)	(25,269)
Net book value as at 31 March 2014.	<u>1,644,696</u>	<u>1,414,260</u>

11. 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 rai 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 three-month period ended 31 March 2014, the subsidiary amortised leasehold right as expense totalling Baht 0.08 million (2013: Baht 0.08 million).

12. 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. During the three-month period ended 31 March 2014, the Company amortised leasehold right as expenses totalling Baht 2.82 million (2013: Baht 2.82 million).



13. Intangible assets

Movements of the intangible assets which are right for software usage fee during the three-month period ended 31 March 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2013	7,980	7,843
Acquisitions during period - at cost	3	3,523
Amortisation for the period	(536)	(527)
Balance as at 31 March 2014	<u>7,447</u>	<u>10,839</u>

14. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	31 March 2014	31 December 2013
Short-term loans from financial institutions	3.45 - 4.03	<u>210,000</u>	<u>100,000</u>

These balances are unsecured loans from two financial institutions and are due for repayment within 3 months from the loan agreement date.

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Trade accounts payable - related parties	6,556	7,685	6,556	7,685
Trade accounts payable - unrelated parties	1,007,702	1,132,436	1,006,411	1,131,730
Accrued expenses	62,563	70,857	55,977	66,002
Other payables for purchase of assets	12,937	4,303	12,519	4,122
Notes payable	10,456	10,936	10,456	10,936
Other payables	40,077	38,211	40,052	38,150
Total	<u>1,140,291</u>	<u>1,264,428</u>	<u>1,131,971</u>	<u>1,258,625</u>



16. Income received in advance / income from tuition fees

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March	31 December
	2014	2013
Income received in advance - not yet recognised	44,610	48,806
Less: Income received in advance recognisable within one year	(37,015)	(39,728)
Net	7,595	9,078

During the three-month period ended 31 March 2014, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	Education		
	Initial entrance fee	supporting fee	Total
Balance as at 31 December 2013	4,780	44,026	48,806
Add: Increase during the period	4,600	21,750	26,350
Less: Income recognition during the period	(65)	(29,916)	(29,981)
Less: Returned due to resignation of students	-	(565)	(565)
Balance as at 31 March 2014	9,315	35,295	44,610

17. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2014	2013	2014	2013
Coupon payable	24,270	24,369	24,270	24,369
Accrued withholding tax	2,904	3,442	2,535	3,174
Unearned income	6,663	7,780	5,384	7,490
Retention for construction	20,288	16,642	20,288	16,642
Others	4,992	5,366	4,291	4,785
Total	59,117	57,599	56,768	56,460



18. Long-term loans

As at 31 March 2014 and 31 December 2013, 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.

19. Income tax

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

Income tax expenses for the three-month period ended 31 March 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separated financial statement	
	2014	2013
Current income tax:		
Interim corporate income tax charge	2,614	8,632
Deferred tax:		
Relating to origination and reversal of temporary differences	396	(8,315)
Income tax expense reported in the statement of comprehensive income	3,010	317

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

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

	Consolidated financial statements					
	For the three-month period ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	11,433	29,869	391,945	391,945	0.03	0.08



	Separate financial statements					
	For the three-month period ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	11,831	31,561	391,945	391,945	0.03	0.08

21. Segment information

The Company and its subsidiaries are organised into business units based on the sales channels of products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following table present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month period ended 31 March 2014 and 2013, respectively.

(Unit: Thousand Baht)

	For the three-month period ended 31 March									
	Retail business		Other distribution channels		Institution of private education business		Elimination of inter-segment revenues		Consolidation	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Segment revenue	984,417	1,098,772	200,159	183,678	30,526	28,408	(127)	(461)	1,214,975	1,301,397
Segment profit (loss)	6,496	24,742	28,021	24,272	846	(3,734)	(271)	-	35,092	45,280
Unallocated income and expenses:										
Finance income (expenses)									(3,248)	(390)
Profit (loss) from investment									188	2,490
Other income (expenses)									(18,006)	(18,953)
Profit (loss) before income tax expenses									14,026	28,427
Income tax expenses									(3,010)	(317)
Profit for the period									11,016	28,110

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

22. Commitments and contingent liabilities

22.1 Capital commitments

As at 31 March 2014, the Company had capital commitments of approximately Baht 40 million, relating to the construction of warehouse and distribution center. (31 December 2013: Baht 54 million)



22.2 Operating lease commitments

- a) As 31 March 2014, the Company has entered into space rental agreements for use as branch offices, totaling 408 branches (31 December 2013: 429 branches). The lease periods ranged from 1 to 12 years and 9 months. During the three-month period ended 31 March 2014, the total rental and utility fees were approximately Baht 543.6 million per annum (2013: Baht 507.8 million per annum). Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company has entered into several lease agreements in respect of the lease of office building space, land, warehouses and vehicles. The terms of the agreements are generally between 1 and 30 years.

As at 31 March 2014, future minimum lease payments required under operating leases contracts were as follows.

	<u>Million Baht</u>
Outstanding commitments:	
Less than 1 year	26.2
1 to 5 years	50.9
More than 5 years	34.2

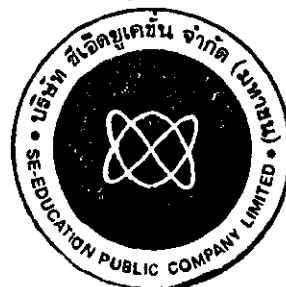
During the three-month period ended 31 March 2014, the Company recognised rental expenses of Baht 9.8 million (2013: Baht 9.0 million).

22.3 Guarantees

As at 31 March 2014, the Company has pledged the bank deposit of Baht 4.5 million (31 December 2013: Baht 4.5 million) to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 5 million (31 December 2013: Baht 5.3 million) were pledged to guarantee the electricity usage and rental of head office.

22.4 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. Upon expiration of the term, the Agreement shall be automatically renewed for successive one year unless either party notifies the other of its intention in writing to terminate the Agreement.



- b) The Company entered into three-year contracts allowing the use of copyrights with various authors which can be automatically renewed for successive three years, and agreed to pay remuneration at the percentage of the number of books published or sold.

23. Event after the reporting period

As at 24 April 2014, the Annual General Meeting of the Company's shareholders approved the Company 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 on 22 May 2014.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 May 2014.



A handwritten signature in black ink, appearing to be a stylized 'S' or 'C' followed by a flourish.