

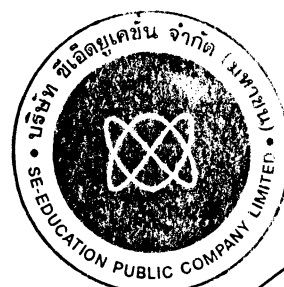
SE-EDUCATION PUBLIC COMPANY LIMITED  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and six-month periods ended  
30 June 2014

**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 30 June 2014, and the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2014, and the consolidated statements of changes in shareholders' equity and cash flows for the six-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 periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

**Scope of review**

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





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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 August 2014



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 30 June 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	129,883	160,199	78,303	126,641
Current investments	4	13,500	22,000	13,500	22,000
Trade and other receivables	2, 5	166,780	102,149	163,249	99,031
Inventories	6	327,122	373,685	326,113	370,385
Other current assets		42,079	40,088	36,926	41,022
<b>Total current assets</b>		<b>679,364</b>	<b>698,121</b>	<b>618,091</b>	<b>659,079</b>
<b>Non-current assets</b>					
Restricted bank deposits and other investments	7	13,310	14,582	13,310	14,582
Investments in subsidiaries	8	-	-	70,482	70,482
Investments in associate	9	25,937	25,684	100	100
Property, plant and equipment	10	1,655,530	1,612,839	1,426,304	1,379,322
Leasehold right on land	2, 11	6,535	6,702	-	-
Leasehold rights on buildings	12	80,880	87,409	80,880	87,409
Intangible assets	13	10,233	7,980	10,639	7,843
Prepaid book copyright and translation fee		21,382	23,153	21,382	23,153
Rental guarantee and deposit		108,917	108,176	108,917	108,176
Deferred tax assets		16,013	14,488	16,013	14,488
Other non-current assets		2,233	330	2,188	285
<b>Total non-current assets</b>		<b>1,940,970</b>	<b>1,901,343</b>	<b>1,750,215</b>	<b>1,705,840</b>
<b>Total assets</b>		<b>2,620,334</b>	<b>2,599,464</b>	<b>2,368,306</b>	<b>2,364,919</b>

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



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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

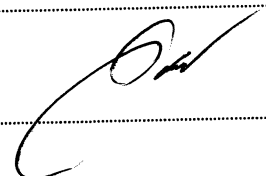
Statement of financial position (continued)

As at 30 June 2014

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	14	-	100,000	-	100,000
Trade and other payables	2, 15	1,159,736	1,264,428	1,153,783	1,258,625
Current portion of long-term loans	18	42,170	20,700	35,760	-
Income received in advance recognisable within one year	16	38,987	39,728	-	-
Income tax payable		12,485	7,097	12,440	7,097
Current portion of provision for long-term employee benefits		4,493	9,202	4,493	9,202
Other current liabilities	17	39,956	57,599	38,705	56,460
<b>Total current liabilities</b>		<b>1,297,827</b>	<b>1,498,754</b>	<b>1,245,181</b>	<b>1,431,384</b>
<b>Non-current liabilities</b>					
Income received in advance	16	6,510	9,078	-	-
Long-term loans from director		500	500	-	-
Long-term loans, net of current portion	18	312,610	75,280	214,240	-
Provision for long-term employee benefits, net of current portion		35,281	36,710	32,978	34,525
Other non-current liabilities		8,715	8,642	8,715	8,624
<b>Total non-current liabilities</b>		<b>363,616</b>	<b>130,210</b>	<b>255,933</b>	<b>43,149</b>
<b>Total liabilities</b>		<b>1,661,443</b>	<b>1,628,964</b>	<b>1,501,114</b>	<b>1,474,533</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
391,944,529 ordinary shares of Baht 1 each		391,945	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	391,945
Share premium		149,421	149,421	149,421	149,421
<b>Retained earnings</b>					
Appropriated - statutory reserve		39,194	39,194	39,194	39,194
Unappropriated		181,692	198,971	162,879	185,908
Other components of shareholders' equity		130,007	130,331	123,753	123,918
<b>Equity attributable to owners of the Company</b>		<b>892,259</b>	<b>909,862</b>	<b>867,192</b>	<b>890,386</b>
Non-controlling interests of the subsidiaries		66,632	60,638	-	-
<b>Total shareholders' equity</b>		<b>958,891</b>	<b>970,500</b>	<b>867,192</b>	<b>890,386</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,620,334</b>	<b>2,599,464</b>	<b>2,368,306</b>	<b>2,364,919</b>

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 comprehensive income

For the three-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Profit for the period</b>	<u>47,925</u>	<u>26,477</u>	<u>35,525</u>	<u>20,356</u>
<b>Other comprehensive income:</b>				
Loss on changes in value of				
available-for-sale investments	-	(780)	-	(780)
Income tax effect	-	157	-	157
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>(623)</u>	<u>-</u>	<u>(623)</u>
<b>Total comprehensive income for the period</b>	<u>47,925</u>	<u>25,854</u>	<u>35,525</u>	<u>19,733</u>
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	41,514	22,561	<u>35,525</u>	<u>19,733</u>
Non-controlling interests of subsidiaries	<u>6,411</u>	<u>3,293</u>		
<b>Total comprehensive income for the period</b>	<u>47,925</u>	<u>25,854</u>		

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



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of income

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Revenues</b>					
Revenues from sales		2,470,622	2,698,474	2,465,269	2,698,048
Tuition fees income	16	75,059	65,728	-	-
Interest and dividend income		699	2,939	2,631	5,421
Other income		26,215	24,133	20,434	21,034
<b>Total revenues</b>		<u>2,572,595</u>	<u>2,791,274</u>	<u>2,488,334</u>	<u>2,724,503</u>
<b>Expenses</b>					
Cost of sales		1,632,169	1,815,704	1,626,946	1,815,651
Cost of Tuition fees		52,172	49,084	-	-
Selling expenses		537,776	550,174	537,776	550,174
Administrative expenses		274,132	308,593	259,976	294,535
<b>Total expenses</b>		<u>2,496,249</u>	<u>2,723,555</u>	<u>2,424,698</u>	<u>2,660,360</u>
<b>Profit before share of profit from investments in associate, finance cost and income tax expenses</b>					
Share of profit from investments in associate	9	76,346	67,719	63,636	64,143
		<u>2,252</u>	<u>1,714</u>	<u>-</u>	<u>-</u>
<b>Profit before finance cost and income tax expenses</b>					
Finance cost		78,598	69,433	63,636	64,143
		<u>(7,065)</u>	<u>(2,811)</u>	<u>(3,734)</u>	<u>(191)</u>
<b>Profit before income tax expenses</b>					
Income tax expenses	19	71,533	66,622	59,902	63,952
		<u>(12,592)</u>	<u>(12,035)</u>	<u>(12,546)</u>	<u>(12,035)</u>
<b>Profit for the period</b>		<u>58,941</u>	<u>54,587</u>	<u>47,356</u>	<u>51,917</u>
<b>Profit attributable to</b>					
Equity holders of the Company		52,947	53,053	47,356	51,917
Non-controlling interests of the subsidiaries		5,994	1,534		
		<u>58,941</u>	<u>54,587</u>		
(Unit: Baht)					
<b>Earnings per share</b>	20				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.13</u>	<u>0.13</u>	<u>0.12</u>	<u>0.13</u>
Weighted average number of ordinary shares (thousand shares)		<u>391,945</u>	<u>391,945</u>	<u>391,945</u>	<u>391,945</u>

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 six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Profit for the period</b>	<u>58,941</u>	<u>54,587</u>	<u>47,356</u>	<u>51,917</u>
<b>Other comprehensive income:</b>				
Gain on changes in value of				
available-for-sale investments	-	1,995	-	1,995
Income tax effect	-	(398)	-	(398)
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>1,597</u>	<u>-</u>	<u>1,597</u>
<b>Total comprehensive income for the period</b>	<u><u>58,941</u></u>	<u><u>56,184</u></u>	<u><u>47,356</u></u>	<u><u>53,514</u></u>
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	52,947	54,650	<u>47,356</u>	<u>53,514</u>
Non-controlling interests of subsidiaries	<u>5,994</u>	<u>1,534</u>		
<b>Total comprehensive income for the period</b>	<u><u>58,941</u></u>	<u><u>56,184</u></u>		

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



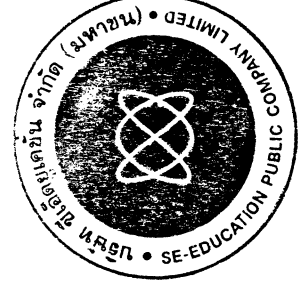
SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries  
Statement of changes in shareholders' equity  
For the six-month period ended 30 June 2014

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
	Other components of equity									
	Surplus (deficit)									
	on changes in value of available-for-sale investments									
Issued and paid-up share capital	Share premium	Retained earnings	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total			
	Appropriated	Unappropriated								
Balance as at 1 January 2013	35,631	204,882	(1,597)	130,917	129,320	875,567	61,311	936,878		
Increase in share capital from issuance of stock dividend (Note 21)	-	(35,632)	-	-	-	-	-	-	-	-
Dividend paid (Note 21)	-	(39,594)	-	-	-	(39,594)	-	(39,594)	-	-
Transferred to legal reserve	3,563	(3,563)	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	53,053	1,597	-	1,597	54,650	1,534	56,184		
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	-	-	-	-	-	-	-	-	100	100
Transferred surplus on revaluation of assets to retained earnings	-	324	-	(324)	(324)	-	-	-	-	-
Balance as at 30 June 2013	39,194	179,470	-	130,593	130,593	890,623	62,945	953,568		
Balance as at 1 January 2014	39,194	198,971	-	130,331	130,331	909,862	60,638	970,500		
Dividend paid (Note 21)	-	(70,550)	-	-	-	(70,550)	-	(70,550)		
Total comprehensive income for the period	-	52,947	-	-	-	52,947	5,994	58,941		
Transferred surplus on revaluation of assets to retained earnings	-	324	-	(324)	(324)	-	-	-	-	-
Balance as at 30 June 2014	39,194	181,692	-	130,007	130,007	892,259	66,632	958,891		

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



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## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

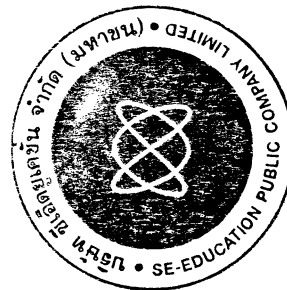
## Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 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								
Issued and paid-up share capital	Share premium	Retained earnings		Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity			
		Appropriated	Unappropriated						
Balance as at 1 January 2013	356,313	35,631	191,041	(1,597)	124,184	122,587	854,993		
Increase in share capital from issuance of stock dividend (Note 21)	35,632	-	(35,632)	-	-	-	-		
Dividend paid (Note 21)	-	-	(39,594)	-	-	-	(39,594)		
Transferred to legal reserve	-	3,563	(3,563)	-	-	-	-		
Total comprehensive income for the period	-	-	51,917	1,597	-	1,597	53,514		
Transferred surplus on revaluation of assets to retained earnings	-	-	165	-	(165)	(165)	-		
Balance as at 30 June 2013	391,945	39,194	164,334	-	124,019	124,019	868,913		
Balance as at 1 January 2014	391,945	39,194	185,908	-	123,918	123,918	890,386		
Dividend paid (Note 21)	-	-	(70,550)	-	-	-	(70,550)		
Total comprehensive income for the period	-	-	47,356	-	-	-	47,356		
Transferred surplus on revaluation of assets to retained earnings	-	-	165	-	(165)	(165)	-		
Balance as at 30 June 2014	391,945	39,194	162,879	-	123,753	123,753	867,192		

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



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

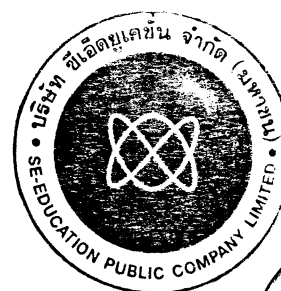
## Statement of cash flows

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit before tax	71,533	66,622	59,902	63,952
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	63,827	61,250	54,853	52,565
Allowance for doubtful account and goods return	8,197	7,561	8,271	7,553
Adjustment from reconciliation of accounts receivable	(89)	(1,523)	(89)	(1,523)
Expense from lost of goods	6,037	8,239	6,037	8,239
Allowance for lost of goods and allowance for dilapidated and slow moving	8,420	18,909	8,420	18,909
Expense from donation of goods and equipment	2,779	6,663	2,779	6,663
Provision for long-term employee benefits	3,959	574	3,841	366
Share of profit from investment in associate	(2,252)	(1,714)	-	-
Gain on sales of current investments	(369)	(3,654)	(369)	(3,654)
Expense from stock destruction	1,634	4,003	1,634	4,003
Loss on sales and write off of equipment	7,889	1,202	7,889	1,187
Amortised leasehold rights on land and buildings	6,696	5,833	6,529	5,667
Adjustment from un-utilized coupon payable	(1,498)	(3,999)	(1,498)	(3,999)
Interest expenses	7,065	2,811	3,734	191
Interest income	(698)	(2,535)	(631)	(3,018)
Dividend income	-	(404)	(2,000)	(2,404)
Profit from operating activities before changes in operating assets and liabilities	183,130	169,838	159,302	154,697
Operating assets (increase) decrease				
Trade and other receivables	(72,740)	(87,046)	(72,400)	(88,765)
Inventories	27,693	28,884	25,402	29,421
Other current assets	(2,093)	9,190	3,995	9,986
Prepaid book copyright and translation fee	1,771	(833)	1,771	(833)
Rental guarantee and deposit	(741)	(4,549)	(741)	(4,549)
Other non-current assets	(1,903)	1,535	(1,903)	1,535
Operating liabilities increase (decrease)				
Trade and other payables	(129,438)	(54,759)	(129,220)	(52,752)
Income received in advance	(3,309)	9,561	-	-
Provision for long-term employee benefits	(10,097)	(4,059)	(10,097)	(4,059)
Other current liabilities	(16,146)	11,179	(16,257)	10,322
Other non-current liabilities	74	(204)	91	(175)
Cash flows from (used in) operating activities	(23,799)	78,737	(40,057)	54,828
Cash paid for interest expenses	(7,146)	(2,811)	(3,815)	(191)
Cash paid for income tax	(8,728)	(17,977)	(8,728)	(17,977)
<b>Net cash flows from (used in) operating activities</b>	<b>(39,673)</b>	<b>57,949</b>	<b>(52,600)</b>	<b>36,660</b>

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



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of cash flows (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

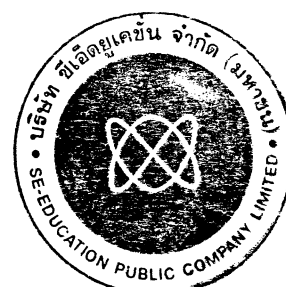
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
(Increase) decrease in restricted bank deposit and other investments	1,272	(260)	1,272	(260)
Decrease in current investments	8,869	174,040	8,869	174,040
Decrease in loan to subsidiary	-	-	-	15,000
Increase in investments in subsidiaries	-	-	-	(1,050)
Dividend received from associated company	2,000	2,000	-	-
Interest income	800	2,476	732	2,958
Dividend income	-	404	2,000	2,404
Acquisition of equipment	(88,567)	(267,924)	(84,258)	(264,187)
Proceeds from sales of equipment	40	242	40	237
Acquisition of intangible assets	(3,307)	(199)	(3,843)	(199)
<b>Net cash flows used in investing activities</b>	<b>(78,893)</b>	<b>(89,221)</b>	<b>(75,188)</b>	<b>(71,057)</b>
<b>Cash flows from financing activities</b>				
Repayment of short-term loan from financial institutions	(100,000)	-	(100,000)	-
Repayment of long-term loan from other person	(20,700)	-	-	-
Cash received from long-term loan	279,500	8,200	250,000	-
Increase in non-controlling interests	-	100	-	-
Dividend paid	(70,550)	(39,594)	(70,550)	(39,594)
<b>Net cash flows from (used in) financing activities</b>	<b>88,250</b>	<b>(31,294)</b>	<b>79,450</b>	<b>(39,594)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(30,316)</b>	<b>(62,566)</b>	<b>(48,338)</b>	<b>(73,991)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>160,199</b>	<b>346,948</b>	<b>126,641</b>	<b>343,504</b>
<b>Cash and cash equivalents at end of period (Note 3)</b>	<b>129,883</b>	<b>284,382</b>	<b>78,303</b>	<b>269,513</b>

## Supplemental cash flows information

## Non-cash transactions

Recognised in revaluation surplus in available for sale investments	-	1,995	-	1,995
Purchase of property, plant and equipment for which cash has not been paid	24,826	1,970	24,459	2,370
Depreciation surplus on revaluation of asset under shareholders' equity	(324)	(324)	(165)	(165)
Issuance of stock dividend	-	35,631	-	35,631

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



## **SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**

### **Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2014**

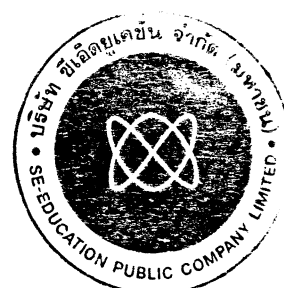
#### **1. General information**

##### **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 is an education center that provides services and activities aiming to develop potentials and aptitudes of Thai children such as supplementary math and English course.
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

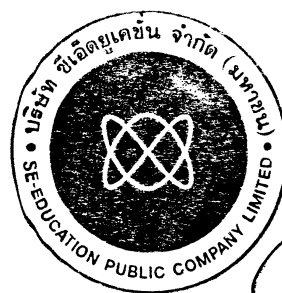
These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2013, with there being no changes in the structure of shareholding in a subsidiary during the current period.

## 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 and its subsidiaries 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 and its subsidiaries.

**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 period ended 30 June				
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	Transfer pricing policy
<b><u>Transactions with subsidiary</u></b>					
(being eliminated in the consolidated financial statements)					
Purchase of goods	-	-	568	-	Mutually agreed agreement
Purchase of intangible assets	3,304	-	3,840	-	Mutually agreed agreement
Sales of goods	-	-	239	1,301	Market price
Interest income	-	-	-	183	MOR per annum
<b><u>Transactions with shareholders and director of subsidiary</u></b>					
Lease land expenses	274	274	-	-	Mutually agreed agreement
Amortised land leasehold right	83	83	-	-	Mutually agreed agreement
Interest expenses	7	183	-	-	5% - 6% per annum
<b><u>Transactions with related companies</u></b>					
Purchase of goods	53	4,941	53	4,941	Market price





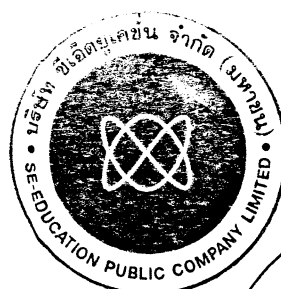
(Unit: Thousand Baht)

	For the six-month period ended 30 June				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
<b><u>Transactions with subsidiary companies</u></b>					
(being eliminated in the consolidated financial statements)					
Purchase of goods	-	-	568	-	Mutually agreed agreement
Purchase of intangible assets	3,304	-	3,840	-	Mutually agreed agreement
Sales of goods	-	-	366	1,762	Market price
Interest income	-	-	7	520	MOR per annum
<b><u>Transactions with shareholders and director of subsidiary</u></b>					
Lease land expenses	546	546	-	-	Mutually agreed agreement
Amortised land leasehold right	166	166	-	-	Mutually agreed agreement
Interest expenses	14	520	-	-	5% - 6% per annum
<b><u>Transactions with related companies</u></b>					
Purchase of goods	179	8,756	179	8,756	Market price

As at 30 June 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 financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
<b><u>Leasehold right on land</u></b>				
Shareholders/director of subsidiary	6,535	6,702	-	-
<b><u>Trade accounts receivable (Note 5)</u></b>				
Subsidiary	-	-	15	28
Related companies of shareholders	1,297	170	1,297	170
Total	1,297	170	1,312	198
<b><u>Trade accounts payable (Note 15)</u></b>				
Associate	1,604	1,692	1,604	1,692
Shareholders	1,518	2,389	1,518	2,389
Related companies of shareholders	17	17	17	17
Total	3,139	4,098	3,139	4,098



Directors and management's benefits

During the six-month periods ended 30 June 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

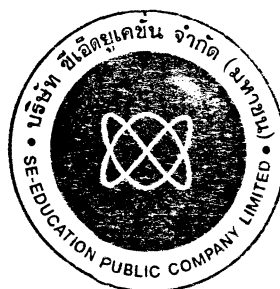
	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	14.42	15.40	12.86	13.90
Post-employment benefits	0.49	0.70	0.42	0.60
Total	<u>14.91</u>	<u>16.10</u>	<u>13.28</u>	<u>14.50</u>

**3. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Cash	17,244	32,618	17,060	32,474
Bank deposits with maturity not over 3 months	65,447	127,581	61,243	94,167
Government bond with maturity not over 3 months	47,192	-	-	-
Total	<u>129,883</u>	<u>160,199</u>	<u>78,303</u>	<u>126,641</u>

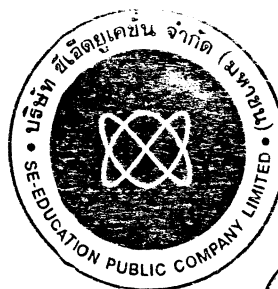
**4. Current investments**

	(Unit: Thousand Baht)			
	Consolidated / Separate financial statements			
	30 June 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sale securities</b>				
Debt securities	13,500	13,500	22,000	22,000
Total available-for-sale securities	13,500	13,500	22,000	22,000
Add: Unrealised gain (loss) on changes in values of investments	-	-	-	-
Current investments - net	<u>13,500</u>	<u>13,500</u>	<u>22,000</u>	<u>22,000</u>



## 5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,289	170	1,297	198
Past due				
Up to 6 months	8	-	15	-
Total trade accounts receivable - related parties	1,297	170	1,312	198
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	86,116	46,079	83,721	46,079
Past due				
Up to 6 months	88,397	53,255	88,397	51,029
6 - 12 months	1,295	1,669	883	1,252
Over 12 months	5,585	6,474	3,889	4,740
Total trade accounts receivable	181,393	107,477	176,890	103,100
Less: Allowance for doubtful debts	(14,836)	(12,741)	(12,979)	(10,810)
Allowance for goods return	(9,294)	(3,192)	(9,294)	(3,192)
Total trade accounts receivable - unrelated parties, net	157,263	91,544	154,617	89,098
<u>Other receivables</u>				
Advances	2,516	2,447	2,056	2,239
Insurance claim receivable	2,996	6,105	2,996	6,105
Others	2,708	1,883	2,268	1,391
Total other receivables	8,220	10,435	7,320	9,735
Trade and other receivables - net	166,780	102,149	163,249	99,031



The movements in transactions of allowance for doubtful accounts and allowance for goods return during the six-month period ended 30 June 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	2,822	6,102	2,577	6,102
Less: Allowance reversed during the period	(727)	-	(408)	-
Balance as at 30 June 2014	14,836	9,294	12,979	9,294

## 6. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Raw material	16,668	16,785	16,668	16,785
Work in process	5,513	9,056	5,513	6,800
Finished goods	490,179	524,662	489,070	523,518
Total	512,360	550,503	511,251	547,103
Less: Allowance for lost goods	(5,958)	(5,460)	(5,958)	(5,460)
Allowance for dilapidated and slow moving	(179,280)	(171,358)	(179,180)	(171,258)
Inventories, net	327,122	373,685	326,113	370,385

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the six-month period ended 30 June 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	11,551	11,551
Less: Allowance reversed during the period	(3,131)	(3,131)
Balance as at 30 June 2014	185,238	185,138



## 7. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		Interest rate (% p.a.)
	30	31	
	June	December	
	2014	2013	
Fixed deposits with 12 months maturity	8,000	9,272	2.35 - 2.50
Government bonds with 7 years maturity	5,310	5,310	3.625
Total	13,310	14,582	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 23.3.

## 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	
	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	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 associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend recognised during the period	
		30	31	Carrying amounts based on equity method		Carrying amounts based on cost method		30	31
		June	December	June	December	June	December	June	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	25,937	25,684	100	100	2,000	2,000
				25,937	25,684	100	100	2,000	2,000



The Company has not recorded share of profit from investment in associated company in the consolidated financial statements for the six-month period ended 30 June 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 30 June 2014, the investment in such associate company was equivalent to 0.99% of total assets in the consolidated financial statements).

#### 10. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 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	113,393	108,717
Disposals during period - net book value at disposal date	(7)	(7)
Write - off during period - net book value at write - off date	(7,922)	(7,922)
Depreciation for the period	(62,773)	(53,806)
Net book value as at 30 June 2014	1,655,530	1,426,304

#### 11. Leasehold right on land

The whole amount of the leasehold right 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 six-month period ended 30 June 2014, the subsidiary amortised leasehold right as expense totalling Baht 0.16 million (2013: Baht 0.16 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 six-month period ended 30 June 2014, the Company amortised leasehold right as expenses totalling Baht 6.53 million (2013: Baht 5.67 million).

**13. Intangible assets**

Movements of the intangible assets which are right for software usage fee during the six-month period ended 30 June 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	3,307	3,843
Amortisation for the period	(1,054)	(1,047)
Net book value as at 30 June 2014	10,233	10,639

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

(Unit: Thousand Baht)

	Interest rate (% per annum)	30 June 2014	31 December 2013
Short-term loans from financial institutions	3.45 - 4.03	-	100,000



**15. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Trade accounts payable - related parties	3,139	4,098	3,139	4,098
Trade accounts payable - unrelated parties	1,007,476	1,132,436	1,006,208	1,131,730
Accrued expenses	67,152	70,857	63,036	66,002
Other payables for purchase of assets	29,130	4,303	28,581	4,122
Notes payable	7,640	10,936	7,640	10,936
Other payables	45,199	41,798	45,179	41,737
Total	<u>1,159,736</u>	<u>1,264,428</u>	<u>1,153,783</u>	<u>1,258,625</u>

**16. Income received in advance / income from tuition fees**

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2014	31 December 2013
Income received in advance - not yet recognised	45,497	48,806
Less: Income received in advance recognisable within one year	(38,987)	(39,728)
Net	<u>6,510</u>	<u>9,078</u>

During the six-month period ended 30 June 2014, movements of income received in advance are as follows:

	(Unit: Thousand Baht)		
	Initial	Education	Total
	entrance fee	supporting fee	
Balance as at 31 December 2013	4,780	44,026	48,806
Add: Increase during the period	6,053	66,997	73,050
Less: Income recognition during the period	(10,713)	(64,346)	(75,059)
Less: Returned due to resignation of students	(120)	(1,180)	(1,300)
Balance as at 30 June 2014	<u>-</u>	<u>45,497</u>	<u>45,497</u>





**17. Other current liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Coupon payable	24,684	24,369	24,684	24,369
Accrued withholding tax	2,352	3,442	2,030	3,174
Unearned income	4,211	7,780	3,851	7,490
Retention for construction	6,442	16,642	6,442	16,642
Others	2,267	5,366	1,698	4,785
Total	39,956	57,599	38,705	56,460

**18. Long-term loans**

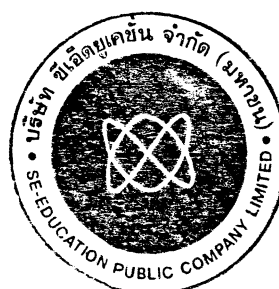
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Long-term loans	354,780	95,980	250,000	-
Less: Current portion	(42,170)	(20,700)	(35,760)	-
Long-term loans - net of current portion	312,610	75,280	214,240	-

Movements in the long-term loans account during the six-month period ended 30 June 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2013	95,980	-
Add: Additions	279,500	250,000
Less: Repayments	(20,700)	-
Balance as at 30 June 2014	354,780	250,000



These balances are summarised below.

- a) Long-term loans from financial institution of the Company to purchase land and construct warehouse and distribution center carry interest at THBFIX rate plus 1.74% per annum (30 June 2014: 5.15% per annum) and are due for repayment on monthly installment basis with the first installment to be repaid in July 2014. It is secured by a negative pledge of assets of the Company and the loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain gearing and debt service coverage ratios according to the agreements.

As at 30 June 2014, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 250 million.

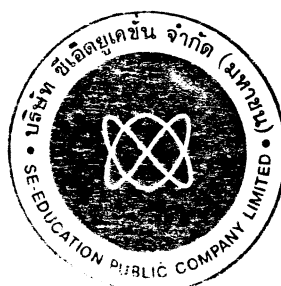
- b) Long-term loans from the parents of students under educational loans project of Plearn Pattana Co., Ltd. (a subsidiary) with the interest rates of 6.00% - 7.50% per annum.

## 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 and six-month periods ended 30 June 2014 and 2013 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the three-month period		For the three-month period	
	ended 30 June		ended 30 June	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	11,503	9,478	11,457	9,478
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	(1,921)	2,240	(1,921)	2,240
<b>Income tax expense reported in the</b>				
<b>statements of comprehensive</b>				
<b>income</b>	<u>9,582</u>	<u>11,718</u>	<u>9,536</u>	<u>11,718</u>



(Unit: Thousand Baht)

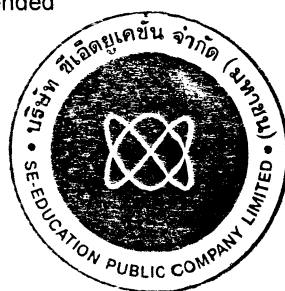
	Consolidated financial statements		Separate financial statements	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	14,117	18,109	14,071	18,109
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,525)	(6,074)	(1,525)	(6,074)
<b>Income tax expense reported in the statements of comprehensive income</b>	<u>12,592</u>	<u>12,035</u>	<u>12,546</u>	<u>12,035</u>

## 20. Earnings per share

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

## 21. Dividends / stock dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Stock dividend from the operating results of the year 2012	Annual General Meeting of the shareholders on 25 April 2013	35.63	0.10
Dividend from the operating results of the year 2012	Annual General Meeting of the shareholders on 25 April 2013	39.60	0.11
Total dividend paid and stock dividend for the six-month period ended 30 June 2013		<u>75.23</u>	<u>0.21</u>
Dividend from the operating results of the year 2013	Annual General Meeting of the shareholders on 24 April 2014	70.55	0.18
Total dividend paid for the six-month period ended 30 June 2014		<u>70.55</u>	<u>0.18</u>



## 22. 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 and six-month periods ended 30 June 2014 and 2013, respectively.

(Unit: Thousand Baht)

For the three-month period ended 30 June

	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	1,017,359	1,159,345	268,011	256,253	46,679	39,508	(1,343)	(1,301)	1,330,706	1,453,805
Segment profit (loss)	1,396	30,963	78,420	33,277	13,726	6,715	(5,019)	(520)	88,523	70,435
Unallocated income and expenses:										
Finance income (expenses)									(3,118)	(114)
Profit (loss) from investment									181	1,164
Other income (expenses)									(28,079)	(33,290)
<b>Profit (loss) before income tax expenses</b>									57,507	38,195
Income tax expenses									(9,582)	(11,718)
<b>Profit for the period</b>									47,925	26,477

(Unit: Thousand Baht)

For the six-month period ended 30 June

	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	2,001,776	2,258,117	468,170	439,931	77,205	67,916	(1,470)	(1,762)	2,545,681	2,764,202
Segment profit (loss)	7,892	55,705	106,441	57,549	14,572	2,981	(5,290)	(520)	123,615	115,715
Unallocated income and expenses:										
Finance income (expenses)									(6,366)	275
Profit (loss) from investment									369	3,654
Other income (expenses)									(46,085)	(53,022)
<b>Profit (loss) before income tax expenses</b>									71,533	66,622
Income tax expenses									(12,592)	(12,035)
<b>Profit for the period</b>									58,941	54,587

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



## 23. Commitments and contingent liabilities

### 23.1 Capital commitments

As at 30 June 2014, there is no capital commitments, relating to the construction of warehouse and distribution center. (31 December 2013: Baht 54 million)

### 23.2 Operating lease commitments

- a) As 30 June 2014, the Company has entered into space rental agreements for use as branch offices, totaling 404 branches (31 December 2013: 429 branches). The lease periods ranged from 1 to 12 years and 9 months. During the six-month period ended 30 June 2014, the total rental and utility fees were approximately Baht 540.9 million per annum (2013: Baht 510.4 million per annum). Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company 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.

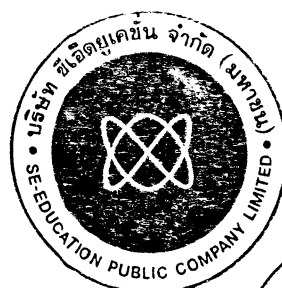
As at 30 June 2014, future minimum lease payments required under operating leases contracts were as follows.

	<u>Million Baht</u>
Outstanding commitments:	
Less than 1 year	25.6
1 to 5 years	44.2
More than 5 years	33.8

During the six-month period ended 30 June 2014, the Company recognised rental expenses of Baht 18.7 million (2013: Baht 18.1 million).

### 23.3 Guarantees

As at 30 June 2014, the Company has pledged the bank deposit of Baht 4.6 million (31 December 2013: Baht 4.5 million) to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 5.0 million (31 December 2013: Baht 5.3 million) were pledged to guarantee the electricity usage and rental of head office.



#### **23.4 Long-term service commitments**

- a) The Company entered into agent appointment agreement with a foreign company for the contractual period of 3 year commencing from 1 January 2013 to 31 December 2015. 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.

#### **24. Approval of interim financial statements**

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

