

SE-EDUCATION PUBLIC COMPANY LIMITED

and its subsidiaries

Review report and interim financial statements

For the three-month and nine-month periods ended
30 September 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 September 2014, and the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2014, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-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.

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: 10 November 2014

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

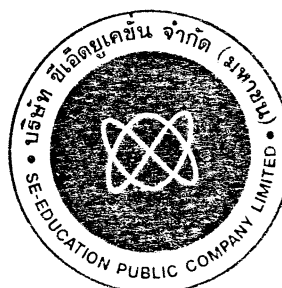
Statement of financial position

As at 30 September 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	85,461	160,199	79,465	126,641
Current investments	4	65,945	22,000	40,525	22,000
Trade and other receivables	2, 5	118,271	102,149	116,569	99,031
Inventories	6	302,777	373,685	301,715	370,385
Other current assets		34,277	40,088	33,175	41,022
Total current assets		606,731	698,121	571,449	659,079
Non-current assets					
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	1,629,176	1,612,839	1,403,663	1,379,322
Leasehold right on land	2, 11	6,451	6,702	-	-
Leasehold rights on buildings	12	77,738	87,409	77,738	87,409
Intangible assets	13	9,668	7,980	10,082	7,843
Prepaid book copyright and translation fee		21,461	23,153	21,461	23,153
Rental guarantee and deposit		102,094	108,176	102,094	108,176
Deferred tax assets		17,733	14,488	17,733	14,488
Other non-current assets		1,921	330	1,876	285
Total non-current assets		1,905,489	1,901,343	1,718,539	1,705,840
Total assets		2,512,220	2,599,464	2,289,988	2,364,919

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

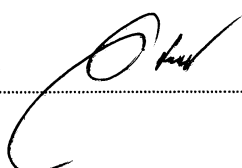
Statement of financial position (continued)

As at 30 September 2014

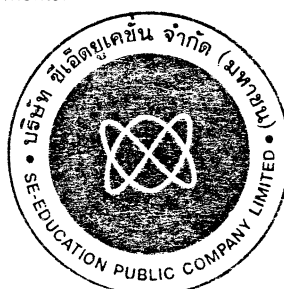
(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	-	100,000	-	100,000
Trade and other payables	2, 15	1,091,689	1,264,428	1,083,361	1,258,625
Current portion of long-term loans	18	43,220	20,700	35,760	-
Income received in advance recognisable within one year	16	10,799	39,728	-	-
Income tax payable		3,260	7,097	3,223	7,097
Current portion of provision for long-term employee benefits		1,775	9,202	1,775	9,202
Other current liabilities	17	39,752	57,599	38,602	56,460
Total current liabilities		1,190,495	1,498,754	1,162,721	1,431,384
Non-current liabilities					
Income received in advance	16	5,410	9,078	-	-
Long-term loans, net of current portion	18	303,120	75,780	205,300	-
Provision for long-term employee benefits, net of current portion		38,625	36,710	35,263	34,525
Other non-current liabilities		8,735	8,642	8,735	8,624
Total non-current liabilities		355,890	130,210	249,298	43,149
Total liabilities		1,546,385	1,628,964	1,412,019	1,474,533
Shareholders' equity					
Share capital					
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
Retained earnings					
Appropriated - statutory reserve		39,194	39,194	39,194	39,194
Unappropriated		190,177	198,971	173,720	185,908
Other components of shareholders' equity		129,983	130,331	123,689	123,918
Equity attributable to owners of the Company		900,720	909,862	877,969	890,386
Non-controlling interests of the subsidiaries		65,115	60,638	-	-
Total shareholders' equity		965,835	970,500	877,969	890,386
Total liabilities and shareholders' equity		2,512,220	2,599,464	2,289,988	2,364,919

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



Directors



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

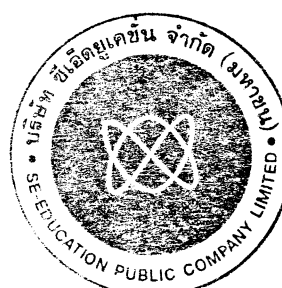
Statement of income

For the three-month period ended 30 September 2014

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Revenues					
Revenues from sales		1,185,812	1,263,411	1,185,251	1,263,377
Income for tuition fees	16	34,234	30,513	-	-
Interest and dividend income		91	716	91	729
Other income		11,274	7,459	9,487	5,908
Total revenues		1,231,411	1,302,099	1,194,829	1,270,014
Expenses					
Cost of sales		783,603	842,942	782,471	843,654
Cost of tuition fees		30,592	26,886	-	-
Selling expenses		245,269	264,123	245,269	264,123
Administrative expenses		157,844	153,992	150,566	146,911
Total expenses		1,217,308	1,287,943	1,178,306	1,254,688
Profit before share of profit from investment in associate, finance cost and income tax expenses					
Finance cost		(4,888)	(1,621)	(3,220)	(16)
Profit before income tax expenses		9,215	12,535	13,303	15,310
Income tax expenses	19	(2,538)	(2,181)	(2,546)	(2,181)
Profit for the period		6,677	10,354	10,757	13,129
Profit attributable to					
Equity holders of the Company		8,320	11,768	10,757	13,129
Non-controlling interests of the subsidiaries		(1,643)	(1,414)		
		6,677	10,354		
(Unit: Baht)					
Earnings per share	20				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.02	0.03	0.03	0.03

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 three-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	<u>6,677</u>	<u>10,354</u>	<u>10,757</u>	<u>13,129</u>
Other comprehensive income:				
Gain (loss) on changes in value of				
available-for-sale investments	272	(1)	25	(1)
Income tax effect	(5)	-	(5)	-
Other comprehensive income for the period	<u>267</u>	<u>(1)</u>	<u>20</u>	<u>(1)</u>
Total comprehensive income for the period	<u><u>6,944</u></u>	<u><u>10,353</u></u>	<u><u>10,777</u></u>	<u><u>13,128</u></u>
Total comprehensive income attributable to				
Equity holders of the Company	8,461	11,767	<u>10,777</u>	<u>13,128</u>
Non-controlling interests of subsidiaries	(1,517)	(1,414)		
Total comprehensive income for the period	<u><u>6,944</u></u>	<u><u>10,353</u></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 nine-month period ended 30 September 2014

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Revenues					
Revenues from sales		3,653,130	3,961,885	3,650,520	3,961,425
Income from tuition fees	16	109,293	96,241	-	-
Interest and dividend income		790	3,655	2,722	6,150
Other income		37,489	27,186	29,921	22,537
Total revenues		3,800,702	4,088,967	3,683,163	3,990,112
Expenses					
Cost of sales		2,412,468	2,658,646	2,409,417	2,659,305
Cost of tuition fees		82,764	75,970	-	-
Selling expenses		783,045	814,297	783,045	814,297
Administrative expenses		431,976	458,179	410,542	437,041
Total expenses		3,710,253	4,007,092	3,603,004	3,910,643
Profit before share of profit from investment in associate, finance cost and income tax expenses					
		90,449	81,875	80,159	79,469
Share of profit from investments in associate	9	2,252	1,714	-	-
Profit before finance cost and income tax expenses					
		92,701	83,589	80,159	79,469
Finance cost		(11,953)	(4,432)	(6,954)	(207)
Profit before income tax expenses		80,748	79,157	73,205	79,262
Income tax expenses	19	(15,130)	(14,216)	(15,092)	(14,216)
Profit for the period		65,618	64,941	58,113	65,046
Profit attributable to					
Equity holders of the Company		61,267	64,821	58,113	65,046
Non-controlling interests of the subsidiaries		4,351	120		
		65,618	64,941		

(Unit: Baht)

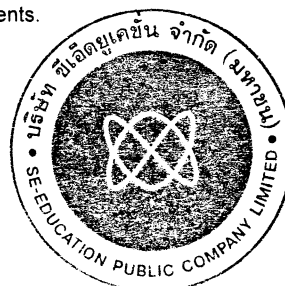
Earnings per share

20

Basic earnings per share

Profit attributable to equity holders of the Company	0.16	0.17	0.15	0.17
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The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

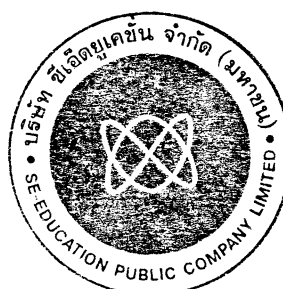
Statement of comprehensive income

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	65,618	64,941	58,113	65,046
Other comprehensive income:				
Gain on changes in value of				
available-for-sale investments	272	1,994	25	1,994
Income tax effect	(5)	(398)	(5)	(398)
Other comprehensive income for the period	267	1,596	20	1,596
Total comprehensive income for the period	65,885	66,537	58,133	66,642
Total comprehensive income attributable to				
Equity holders of the Company	61,408	66,417	58,133	66,642
Non-controlling interests of subsidiaries	4,477	120		
Total comprehensive income for the period	65,885	66,537		

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



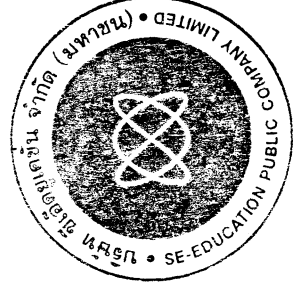
SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2014

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements										
	Equity attributable to the parent's shareholders									
	Other components of equity									
	Other comprehensive income									
	Surplus (deficit)									

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

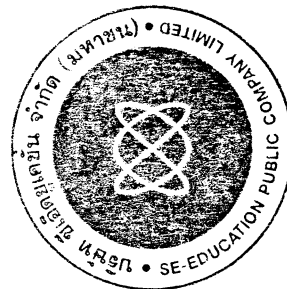
Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 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		Total shareholders' equity
		Appropriated	Unappropriated	available-for-sale investments	assets	equity	equity	equity	equity	equity
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	-	-	65,046	1,596	-	1,596	1,596	1,596	1,596	66,642
Transferred surplus on revaluation of assets to retained earnings	-	-	249	(249)	(249)	(249)	(249)	(249)	(249)	-
Balance as at 30 September 2013	391,945	39,194	177,547	(1)	123,935	123,934				882,041
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	-	-	58,113	20	-	20	20	20	20	58,133
Transferred surplus on revaluation of assets to retained earnings	-	-	249	(249)	(249)	(249)	(249)	(249)	(249)	-
Balance as at 30 September 2014	391,945	39,194	173,720	20	123,669	123,689				877,969

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

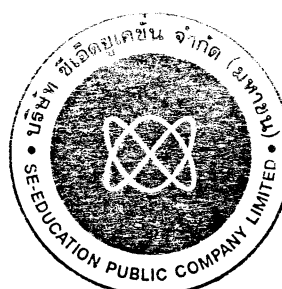
Statement of cash flows

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	80,748	79,157	73,205	79,262
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	97,116	91,960	83,552	78,819
Allowance for doubtful account and goods return	1,932	3,372	2,133	3,399
Adjustment from reconciliation of accounts receivable	(89)	(1,270)	(89)	(1,270)
Expense from lost of goods	10,244	10,775	10,244	10,775
Allowance for lost of goods and stock obsolescence	19,990	32,646	19,990	32,646
Expense from donation of goods and equipment	4,124	6,676	4,124	6,672
Provision for long-term employee benefits	7,302	889	6,125	527
Share of profit from investment in associate	(2,252)	(1,714)	-	-
Gain on sales of current investments	(1,021)	(3,792)	(848)	(3,792)
Expense from stock destruction	3,954	6,255	3,954	6,255
Loss on sales and write off of equipment	10,456	1,113	10,519	1,081
Amortised leasehold rights on land and buildings	9,922	8,797	9,671	8,547
Adjustment from un-utilized coupon payable	(2,742)	(4,507)	(2,742)	(4,507)
Interest expenses	11,931	4,432	6,954	207
Interest income	(790)	(3,251)	(722)	(3,746)
Dividend income	-	(404)	(2,000)	(2,404)
Profit from operating activities before changes in operating assets and liabilities	250,825	231,134	224,070	212,471
Operating assets (increase) decrease				
Trade and other receivables	(17,966)	(1,508)	(19,583)	(5,143)
Inventories	32,595	1,892	30,357	3,294
Other current assets	5,708	15,425	7,745	15,689
Prepaid book copyright and translation fee	1,692	23	1,692	23
Rental guarantee and deposit	6,083	(5,718)	6,083	(5,718)
Other non-current assets	(1,591)	5,602	(1,591)	5,762
Operating liabilities increase (decrease)				
Trade and other payables	(183,958)	(212,142)	(186,498)	(209,992)
Income received in advance	(32,597)	(14,440)	-	-
Cash paid for long-term employee benefits	(12,814)	(4,059)	(12,814)	(4,059)
Other current liabilities	(15,105)	15,558	(15,116)	15,580
Other non-current liabilities	93	(180)	111	(135)
Cash flows from operating activities	32,965	31,587	34,456	27,772
Cash paid for interest expenses	(12,012)	(4,432)	(7,035)	(207)
Cash paid for income tax	(22,216)	(35,985)	(22,216)	(35,985)
Net cash flows from (used in) operating activities	(1,263)	(8,830)	5,205	(8,420)

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
(Increase) decrease in restricted bank deposit and other investments	1,272	(5,070)	1,272	(5,070)
(Increase) decrease in current investments	(42,652)	70,178	(17,652)	70,178
Decrease in loan to subsidiary	-	-	-	10,044
Increase in investment in subsidiaries	-	-	-	(1,050)
Dividend received from associated company	2,000	2,000	-	-
Interest received	892	3,291	824	3,786
Dividends income	-	404	2,000	2,404
Cash paid for construction of building and acquisition of equipment	(111,213)	(379,290)	(105,652)	(375,554)
Proceeds from sales of equipment	223	352	160	345
Acquisition of intangible assets	(3,307)	(2,919)	(3,843)	(2,919)
Net cash flows used in investing activities	(152,785)	(311,054)	(122,891)	(297,836)
Cash flows from financing activities				
Repayment of short-term loan from financial institutions	(100,000)	-	(100,000)	-
Cash receipt from short-term loan from financial institutions	-	80,000	-	80,000
Cash receipt from long-term loan	279,500	21,770	250,000	-
Repayment of long-term loan	(29,640)	-	(8,940)	-
Increase in non-controlling interests	-	100	-	-
Dividend paid	(70,550)	(39,594)	(70,550)	(39,594)
Net cash flows from financing activities	79,310	62,276	70,510	40,406
Net decrease in cash and cash equivalents	(74,738)	(257,608)	(47,176)	(265,850)
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)	85,461	89,340	79,465	77,654

Supplemental cash flows information

Non-cash transactions

Recognized in revaluation surplus in available for sale

investments 272 1,994 25 1,994

Purchase of property, plant and equipment for which cash

has not been paid 11,300 2,359 11,315 2,226

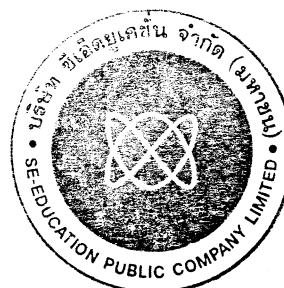
Depreciation surplus on revaluation of asset

under shareholder's equity (489) (489) (249) (249)

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 nine-month periods ended 30 September 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

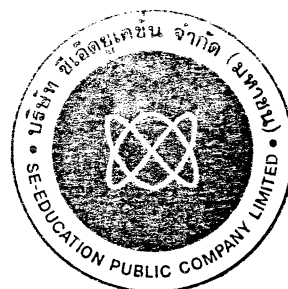
These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2013, with there being no changes in the structure of shareholding in a subsidiary during the current period.

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

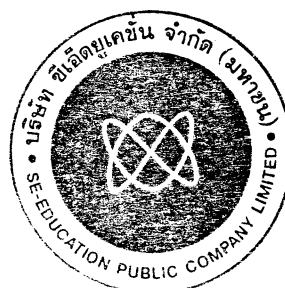
The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

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 September				
	Consolidated financial statements		Separate financial statements		Transfer
	2014	2013	2014	2013	pricing policy
<u>Transactions with subsidiary</u>					
(being eliminated in the consolidate financial statements)					
Purchase of goods	-	-	850	-	Mutually agreed agreement
Sales of goods	-	-	121	773	Market price
Interest income	-	-	-	8	MOR per annum
<u>Transactions with shareholders and directors of subsidiaries</u>					
Lease land expenses	277	277	-	-	Mutually agreed agreement
Amortised land leasehold right	84	84	-	-	Mutually agreed agreement
Interest expenses	8	8	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchase of goods	259	842	259	842	Market price



(Unit: Thousand Baht)

For the nine-month period ended 30 September					
Consolidated financial statements		Separate financial statements		Transfer pricing policy	
2014	2013	2014	2013		
<u>Transactions with subsidiary</u>					
(being eliminated in the consolidate financial statements)					
Purchase of goods	-	-	1,418	-	Mutually agreed agreement
Purchase of intangible assets	3,304	-	3,840	-	Mutually agreed agreement
Sales of goods	-	-	487	2,535	Market price
Interest income	-	-	7	528	MOR per annum
<u>Transactions with associate</u>					
Dividend income	-	-	2,000	2,000	As declared
<u>Transactions with shareholders and directors of subsidiaries</u>					
Lease land expenses	823	823	-	-	Mutually agreed agreement
Amortised land leasehold right	250	250	-	-	Mutually agreed agreement
Interest expenses	22	528	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchase of goods	438	9,599	438	9,599	Market price

As at 30 September 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	31	30	31
	September	December	September	December
	2014	2013	2014	2013
<u>Trade accounts receivable (Note 5)</u>				
Subsidiary	-	-	-	28
Related companies of shareholders	785	170	785	170
Total	785	170	785	198
<u>Leasehold right on land</u>				
Shareholders/director of subsidiary	6,451	6,702	-	-
<u>Trade accounts payable (Note 15)</u>				
Associate	1,628	1,692	1,628	1,692
Shareholders	1,701	2,389	1,701	2,389
Related companies of shareholders	17	17	17	17
Total	3,346	4,098	3,346	4,098



Directors and management's benefits

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

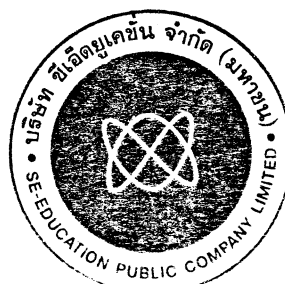
	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	21.87	23.71	19.64	21.62
Post-employment benefits	1.27	0.95	0.79	0.84
Total	23.14	24.66	20.43	22.46

3. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Cash	20,756	32,618	20,552	32,474
Bank deposits with maturity not over 3 months	64,705	127,581	58,913	94,167
Total	85,461	160,199	79,465	126,641

4. Current investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	30 September 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	65,673	65,945	22,000	22,000
Add: Unrealised gain from revaluation of investments	272	-	-	-
Total available-for-sale securities	65,945	65,945	22,000	22,000
Current investments - net	65,945	65,945	22,000	22,000



(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	40,500	40,525	22,000	22,000
Add: Unrealised gain from revaluation of investments	25	-	-	-
Total available-for-sale securities	40,525	40,525	22,000	22,000
Current investments - net	40,525	40,525	22,000	22,000

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	785	170	785	198
Total trade accounts receivable - related parties	785	170	785	198
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	64,542	46,079	64,501	46,079
Past due				
Up to 6 months	52,132	53,255	51,225	51,029
6 - 12 months	1,184	1,669	963	1,252
Over 12 months	7,087	6,474	5,447	4,740
Total trade accounts receivable	124,945	107,477	122,136	103,100
Less: Allowance for doubtful debts	(13,551)	(12,741)	(11,821)	(10,810)
Allowance for goods return	(4,314)	(3,192)	(4,314)	(3,192)
Total trade accounts receivable - unrelated parties, net	107,080	91,544	106,001	89,098
<u>Other receivables</u>				
Advances	1,460	2,447	1,405	2,239
Insurance claim receivable	6,248	6,105	6,248	6,105
Others	2,698	1,883	2,130	1,391
Total other receivables	10,406	10,435	9,783	9,735
Trade and other receivables - net	118,271	102,149	116,569	99,031



(Unaudited but reviewed)

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the nine-month period ended 30 September 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	1,740	1,122	1,495	1,122
Less: Allowance reversed during the period	(930)	-	(484)	-
Balance as at 30 September 2014	13,551	4,314	11,821	4,314

6. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Raw material	13,504	16,785	13,504	16,785
Work in process	5,970	9,056	5,956	6,800
Finished goods	480,111	524,662	478,963	523,518
Total	499,585	550,503	498,423	547,103
Less: Allowance for lost goods	(4,927)	(5,460)	(4,927)	(5,460)
Allowance for dilapidated and slow moving	(191,881)	(171,358)	(191,781)	(171,258)
Inventories, net	302,777	373,685	301,715	370,385

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the nine-month period ended 30 September 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	23,293	23,293
Less: Allowance reversed during the period	(3,303)	(3,303)
Balance as at 30 September 2014	196,808	196,708



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7. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		Interest rate (% p.a.)
	30	31	
	September 2014	December 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:

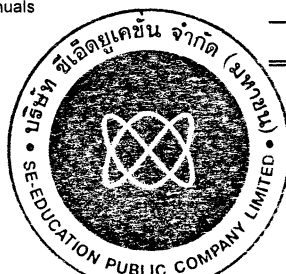
(Unit: Thousand Baht)

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
	September 2014	December 2013	September 2014	December 2013	September 2014	December 2013	September 2014	December 2013	September 2014	December 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		during the period	
		September 2014	December 2013	September 2014	December 2013	September 2014	December 2013	September 2014	December 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 nine-month period ended 30 September 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 September 2014, the investment in such associate company was equivalent to 1.03% of total assets in the consolidated financial statements).

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	122,512	116,967
Disposals during period - net book value at disposal date	(86)	(86)
Write - off during period - net book value at write - off date	(10,592)	(10,592)
Depreciation for the period	(95,497)	(81,948)
Net book value as at 30 September 2014	1,629,176	1,403,663

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 nine-month period ended 30 September 2014, the subsidiary amortised leasehold right as expense totalling Baht 0.25 million (2013: Baht 0.25 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 nine-month period ended 30 September 2014, the Company amortised leasehold right as expenses totalling Baht 9.67 million (2013: Baht 8.55 million).

13. Intangible assets

Movements of the intangible assets which are right for software usage fee during the nine-month period ended 30 September 2014 are summarised below.

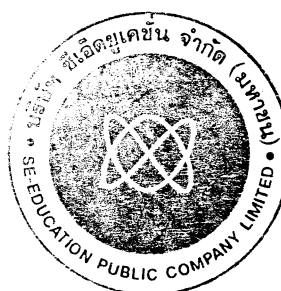
(Unit: Thousand Baht)

	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	(1,619)	(1,604)
Net book value as at 30 September 2014	9,668	10,082

14. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	30 September 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	31	30	31
	September	December	September	December
	2014	2013	2014	2013
Trade accounts payable - related parties	3,346	4,098	3,346	4,098
Trade accounts payable - unrelated parties	945,942	1,132,436	944,566	1,131,730
Accrued expenses	77,205	70,857	70,426	66,002
Other payables for purchase of assets	15,603	4,303	15,437	4,122
Notes payable	6,344	10,936	6,344	10,936
Other payables	43,249	41,798	43,242	41,737
Total	1,091,689	1,264,428	1,083,361	1,258,625

16. Income received in advance / income from tuition fees

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September	31 December
	2014	2013
Income received in advance - not yet recognised	16,209	48,806
Less: Income received in advance recognisable within one year	(10,799)	(39,728)
Net	5,410	9,078

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

	(Unit: Thousand Baht)		
	Education		
	Initial	supporting	Total
	entrance fee	fee	
Balance as at 31 December 2013	4,780	44,026	48,806
Add: Increase during the period	6,261	71,744	78,005
Less: Income recognition during the period	(10,791)	(98,502)	(109,293)
Less: Returned due to resignation of students	(120)	(1,189)	(1,309)
Balance as at 30 september 2014	130	16,079	16,209



17. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2014	2013	2014	2013
Coupon payable	24,414	24,369	24,414	24,369
Accrued withholding tax	2,378	3,442	2,051	3,174
Unearned income	3,933	7,780	3,681	7,490
Retention for construction	6,442	16,642	6,442	16,642
Others	2,585	5,366	2,014	4,785
Total	39,752	57,599	38,602	56,460

18. Long-term loans

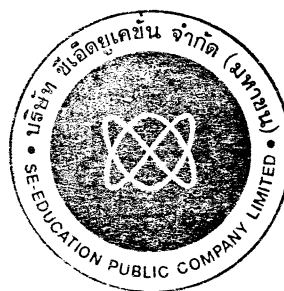
(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Long-term loans	346,340	96,480	241,060	-
Less: Current portion	(43,220)	(20,700)	(35,760)	-
Long-term loans - net of current portion	303,120	75,780	205,300	-

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

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2013	96,480	-
Add: Additions	279,500	250,000
Less: Repayments	(29,640)	(8,940)
Balance as at 30 September 2014	346,340	241,060



These balances are summarised below.

- a) Long-term loans of the Company from a financial institution of Baht 500 million to purchase land and construct a warehouse and distribution center, divided into 2 tranches. The first tranche of Baht 250 million carries interest at THBFIX rate plus 1.74% per annum (30 September 2014: 5.16% per annum) and to be repaid in monthly installments, with the first installment due in July 2014.

The second tranche of Baht 250 million, which has not yet been drawn down as at 30 September 2014, carries interest at the MLR minus 1.50% per annum and to be repaid in monthly installments. The Company drew down the second tranche on 30 October 2014.

The loan is secured by a negative pledge of assets of the Company and the loan agreement contains covenants that, among other things, require the Company to maintain certain gearing and debt service coverage ratios specified in the agreements.

- 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 nine-month periods ended 30 September 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month period		For the three-month period	
	ended 30 September		ended 30 September	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	4,263	4,082	4,271	4,082
Deferred tax:				
Relating to origination and reversal				
of temporary differences	(1,725)	(1,901)	(1,725)	(1,901)
Income tax expense reported in the				
statements of comprehensive				
income	2,538	2,181	2,546	2,181



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(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	18,380	22,191	18,342	22,191
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,250)	(7,975)	(3,250)	(7,975)
Income tax expense reported in the statements of comprehensive income	<u>15,130</u>	<u>14,216</u>	<u>15,092</u>	<u>14,216</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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 nine-month periods ended 30 September 2014 and 2013, respectively.

(Unit: Thousand Baht)

For the three-month period ended 30 September										
	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	979,724	1,067,364	206,377	191,859	34,804	36,006	(859)	(1,305)	1,220,046	1,293,924
Segment profit (loss)	8,844	6,750	34,525	36,255	(6,112)	(2,715)	(9)	(15)	37,248	40,275
Unallocated income and expenses:										
Finance income (expenses)									(4,776)	(905)
Profit (loss) from investment									652	138
Other income (expenses)									(23,909)	(26,973)
Profit before income tax expenses									9,215	12,535
Income tax expenses									(2,538)	(2,181)
Profit for the period									6,677	10,354

(Unit: Thousand Baht)

For the nine-month period ended 30 September										
	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	2,981,500	3,328,688	674,547	628,583	112,009	103,922	(5,633)	(3,067)	3,762,423	4,058,126
Segment profit (loss)	16,736	24,557	139,923	128,048	8,460	266	(4,256)	(535)	160,863	152,336
Unallocated income and expenses:										
Finance income (expenses)									(11,142)	(1,181)
Profit (loss) from investment									1,021	3,792
Other income (expenses)									(69,994)	(75,790)
Profit before income tax expenses									80,748	79,157
Income tax expenses									(15,130)	(14,216)
Profit for the period									65,618	64,941

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

23.2 Operating lease commitments

- a) As at 30 September 2014, the Company has entered into space rental agreements for use as branch offices, totaling 402 branches (31 December 2013: 429 branches). The lease periods ranged from 1 to 12 years and 9 months. During the nine-month period ended 30 September 2014, the total rental and utility fees were approximately Baht 515.7 million per annum (2013: Baht 504.5 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.

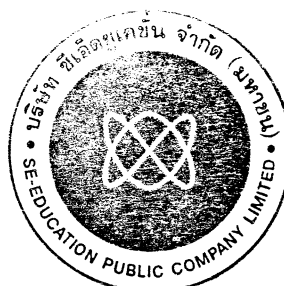
As at 30 September 2014, future minimum lease payments required under operating leases contracts were as follows.

	<u>Million Baht</u>
Outstanding commitments:	
Less than 1 year	27.4
1 to 5 years	38.7
More than 5 years	32.2

During the nine-month period ended 30 September 2014, the Company recognised rental expenses of Baht 18.0 million (2013: Baht 28.2 million).

23.3 Guarantees

As at 30 September 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 1.9 million (31 December 2013: Baht 2.4 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 years 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 10 November 2014.

