

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month period ended
31 March 2015

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

I have reviewed the accompanying consolidated statement of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 31 March 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of SE-EDUCATION PUBLIC COMPANY LIMITED for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

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: 11 May 2015

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 March 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	80,377	102,630	74,047	98,480
Current investments	4	283,126	326,173	234,122	265,472
Trade and other receivables	2, 5	132,895	85,400	131,259	81,658
Inventories	6	331,561	377,172	330,574	376,208
Other current assets		39,892	34,919	36,058	34,590
Total current assets		867,851	926,294	806,060	856,408
Non-current assets					
Restricted bank deposits and other investments	7	13,310	13,310	13,310	13,310
Investments in subsidiaries	8	-	-	70,317	70,317
Investments in associate	9	25,937	25,937	100	100
Property, plant and equipment	10	1,582,589	1,606,148	1,364,823	1,384,494
Leasehold right on land	2, 11	6,284	6,367	-	-
Leasehold rights on buildings	12	71,633	74,596	71,633	74,596
Intangible assets	13	8,611	9,141	9,001	9,537
Prepaid book copyright and translation fee		18,954	18,295	18,954	18,295
Rental guarantee and deposit		99,977	101,308	99,977	101,308
Deferred tax assets		18,772	18,312	20,076	19,612
Other non-current assets		1,982	2,067	1,916	2,022
Total non-current assets		1,848,049	1,875,481	1,670,107	1,693,591
Total assets		2,715,900	2,801,775	2,476,167	2,549,999

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 March 2015

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	2, 14	1,002,136	1,089,275	991,012
Current portion of long-term loans	17	81,770	81,430	71,520
Income received in advance recognisable within one year	15	32,945	42,627	-
Income tax payable		19,458	10,333	19,374
Current portion of provision for long-term employee benefits		3,630	4,354	3,630
Other current liabilities	16	32,215	36,111	30,681
Total current liabilities		1,172,154	1,264,130	1,116,217
Non-current liabilities				
Income received in advance	15	3,106	4,155	-
Long-term loans, net of current portion	17	475,530	499,810	386,760
Provision for long-term employee benefits, net of current portion		35,571	39,253	32,686
Other non-current liabilities		8,215	8,525	8,215
Total non-current liabilities		522,422	551,743	427,661
Total liabilities		1,694,576	1,815,873	1,543,878
Shareholders' equity				
Share capital				
Registered				
391,944,529 ordinary shares of Baht 1 each		391,945	391,945	391,945
Issued and paid-up				
391,944,418 ordinary shares of Baht 1 each		391,944	391,944	391,944
Share premium		149,421	149,421	149,421
Retained earnings				
Appropriated - statutory reserve		39,194	39,194	39,194
Unappropriated		245,280	210,281	227,088
Other components of shareholders' equity		129,680	129,485	124,642
Equity attributable to owners of the Company		955,519	920,325	932,289
Non-controlling interests of the subsidiaries		65,805	65,577	-
Total shareholders' equity		1,021,324	985,902	899,021
Total liabilities and shareholders' equity		2,715,900	2,801,775	2,476,167

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

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Directors



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit for the period	35,052	11,016	32,988	11,831
Other comprehensive income:				
Gain on changes in value of				
available-for-sale investments	462	-	350	-
Income tax effect	(92)	-	(70)	-
Other comprehensive income for the period	370	-	280	-
Total comprehensive income for the period	35,422	11,016	33,268	11,831
Total comprehensive income attributable to				
Equity holders of the Company	35,194	11,433	33,268	11,831
Non-controlling interests of subsidiaries	228	(417)		
Total comprehensive income for the period	35,422	11,016		

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statement of changes in shareholders' equity
For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
Other components of equity										
Other comprehensive income										
Surplus (deficit)										
Issued and paid-up share capital	Share premium	Retained earnings		Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	shareholders' equity	Total
		Appropriated	Unappropriated							
Balance as at 1 January 2014	391,944	149,421	39,194	198,971	130,331	909,861	60,639	970,500		
Change during the period										
Profit for the period	-	-	-	11,433	-	11,433	(417)	11,016		
Total comprehensive income for the period	-	-	-	11,433	-	11,433	(417)	11,016		
Transferred surplus on revaluation of assets to retained earnings	-	-	-	82	(82)	-	-	-		
Balance as at 31 March 2014	391,944	149,421	39,194	210,486	130,249	921,294	60,222	981,516		
Balance as at 1 January 2015	391,944	149,421	39,194	210,281	129,485	920,325	65,577	985,902		
Change during the period										
Profit for the period	-	-	-	34,870	-	34,870	182	35,052		
Other comprehensive income for the period	-	-	-	-	324	324	46	370		
Total comprehensive income for the period	-	-	-	34,870	324	35,194	228	35,422		
Transferred surplus on revaluation of assets to retained earnings	-	-	-	129	(129)	-	-	-		
Balance as at 31 March 2015	391,944	149,421	39,194	245,280	129,680	955,519	65,805	1,021,324		

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

Separate financial statements									
	Other components of equity								
	Other comprehensive income								
	Surplus (deficit)								
						Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Retained earnings		in value of available-for-sale investments				
			Appropriated	Unappropriated					
Balance as at 1 January 2014	391,944	149,421	39,194	185,908	-	123,918	123,918	890,385	
Change during the period									
Profit for the period	-	-	-	11,831	-	-	-	11,831	
Total comprehensive income for the period	-	-	-	11,831	-	-	-	11,831	
Transferred surplus on revaluation of assets to retained earnings	-	-	-	82	-	(82)	(82)	-	
Balance as at 31 March 2014	391,944	149,421	39,194	197,821	-	123,836	123,836	902,216	
Balance as at 1 January 2015	391,944	149,421	39,194	194,034	777	123,651	124,428	899,021	
Change during the period									
Profit for the period	-	-	-	32,988	-	-	-	32,988	
Other comprehensive income for the period	-	-	-	-	280	-	280	280	
Total comprehensive income for the period	-	-	-	32,988	280	-	280	33,268	
Transferred surplus on revaluation of assets to retained earnings	-	-	-	66	-	(66)	(66)	-	
Balance as at 31 March 2015	391,944	149,421	39,194	227,088	1,057	123,585	124,642	932,289	

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 three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	44,596	14,026	42,465	14,841
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	31,044	30,253	26,612	25,797
Allowance for doubtful accounts and estimated goods return (reversal)	3,263	(563)	3,393	(244)
Adjustment from clearing accounts receivable	(164)	(94)	(164)	(94)
Reversed allowance for impairment of assets	(2,413)	-	(2,413)	-
Expense from lost of goods (reversal)	(321)	3,656	(321)	3,656
Allowance for dilapidated slow moving and lost of inventories	6,743	6,835	6,743	6,835
Expense for donation of goods and equipment	1,032	1,098	1,032	1,098
Provision for long-term employee benefits (reversal)	209	(91)	82	(41)
Gain on sales of current investments	(1,189)	(188)	(997)	(188)
Loss from stock destruction	-	1,633	-	1,633
Loss on sales and written-off equipment	1,903	1,225	1,903	1,225
Amortised leasehold rights on land and buildings	3,046	2,900	2,963	2,818
Adjustment from clearing coupon payable	(3,978)	(1,280)	(3,978)	(1,280)
Interest expenses	7,679	3,292	6,134	1,611
Interest income	(87)	(44)	(87)	(44)
Profit from operating activities before changes in operating assets and liabilities	91,363	62,658	83,367	57,623
Operating assets (increase) decrease				
Trade and other receivables	(50,594)	(29,170)	(52,830)	(30,614)
Inventories	38,156	28,301	38,180	29,035
Other current assets	(4,973)	(1,669)	(1,468)	2,213
Prepaid book copyright and translation fee	(659)	1,374	(659)	1,374
Rental guarantee and deposit	1,331	(165)	1,331	(165)
Other non-current assets	85	104	106	103
Operating liabilities increase (decrease)				
Trade and other payables	(80,798)	(132,689)	(82,962)	(134,969)
Income received in advance	(10,731)	(4,197)	-	-
Cash paid for long-term employee benefits	(4,615)	(10,096)	(4,309)	(10,096)
Other current liabilities	82	2,799	(394)	1,588
Other non-current liabilities	(310)	(76)	(310)	(60)
Cash flows used in operating activities	(21,663)	(82,826)	(19,948)	(83,968)
Cash paid for interest expenses	(7,750)	(3,373)	(6,205)	(1,692)
Cash paid for income tax	(970)	(978)	(970)	(978)
Net cash flows used in operating activities	(30,383)	(87,177)	(27,123)	(86,638)

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Decrease in current investments	44,698	22,188	32,697	22,188
Interest income	87	146	87	146
Acquisition of equipment	(12,731)	(54,207)	(12,230)	(56,596)
Proceeds from sales of equipment	24	40	24	40
Acquisition of intangible assets	(8)	(3)	(8)	(3)
Net cash flows from (used in) investing activities	32,070	(31,836)	20,570	(34,225)
Cash flows from financing activities				
Cash receipt from short-term loans from financial institutions	-	110,000	-	110,000
Cash receipt from long-term loan	-	8,800	-	-
Repayment of long-term loans	(23,940)	-	(17,880)	-
Net cash flows from (used in) financing activities	(23,940)	118,800	(17,880)	110,000
Net decrease in cash and cash equivalents	(22,253)	(213)	(24,433)	(10,863)
Cash and cash equivalents at beginning of period	102,630	160,199	98,480	126,641
Cash and cash equivalents at end of period (Note 3)	80,377	159,986	74,047	115,778
Supplemental cash flows information				
Non-cash transactions				
Increase in revaluation surplus on changes in value of available-for-sale investment	462	-	350	-
Purchase of property, plant and equipment for which cash has not been paid	6,270	8,397	6,318	8,397

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2015

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 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.

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 2014) *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 2014, with there being no changes in the structure of shareholding in a subsidiary during the current period.

1.4 New accounting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.



The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiary's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements of the Company and its subsidiary.



TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiary's financial statements.

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 2014.

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 31 March					
	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiary</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	379	127	Market price
Service expense	-	-	850	-	Mutually agreed agreement
Interest income	-	-	-	7	MOR per annum
<u>Transactions with shareholder and directors</u>					
Lease land	271	271	-	-	Mutually agreed agreement
Amortised land leasehold right	83	83	-	-	Mutually agreed agreement
Interest expenses	7	7	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchases of goods	462	126	462	126	Market price



(Unaudited but reviewed)

As at 31 March 2015 and 31 December 2014, the balances of the accounts between the Company and those related parties and companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	6,284	6,367	-	-
<u>Trade accounts receivable (Note 5)</u>				
Subsidiary	-	-	378	66
Related companies of shareholders	90	787	90	787
Total	90	787	468	853
<u>Trade accounts payable (Note 14)</u>				
Associate	1,660	1,710	1,660	1,710
Shareholders	-	1,725	-	1,725
Related companies of shareholders	1,566	16	1,566	16
Total	3,226	3,451	3,226	3,451

Directors and management's benefits

During the three-month periods ended 31 March 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Short-term employee benefits	7.23	6.42	6.56	5.78
Post-employment benefits	0.15	0.07	0.06	0.05
Total	7.38	6.49	6.62	5.83



3. Cash and cash equivalents

		(Unit: Thousand Baht)	
Consolidated financial statements		Separate financial statements	
31 March 2015	31 December 2014	31 March 2015	31 December 2014
Cash	21,325	21,143	27,903
Bank deposits with maturity not over 3 months	59,052	52,904	70,577
Total	80,377	74,047	98,480

4. Current investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	31 March 2015		31 December 2014	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	281,224	283,126	324,733	326,173
Add: Unrealised gain from revaluation of investments	1,902	-	1,440	-
Total available-for-sale securities	283,126	283,126	326,173	326,173
Current investments - net	283,126	283,126	326,173	326,173

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 March 2015		31 December 2014	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	232,800	234,122	264,500	265,472
Add: Unrealised gain from revaluation of investments	1,322	-	972	-
Total available-for-sale securities	234,122	234,122	265,472	265,472
Current investments - net	234,122	234,122	265,472	265,472



5. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
<u>Trade accounts receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	90	787	468	822
Past due				
Up to 6 months	-	-	-	31
Total trade accounts receivables - related parties, net	90	787	468	853
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	121,772	47,599	121,613	47,547
Past due				
Up to 6 months	10,105	34,953	9,119	32,119
6 - 12 months	919	1,657	683	1,289
Over 12 months	5,289	5,215	4,773	4,611
Total	138,085	89,424	136,188	85,566
Less: Allowance for doubtful debts	(6,677)	(8,484)	(6,043)	(7,720)
Allowance for goods return	(10,045)	(4,975)	(10,045)	(4,975)
Total trade accounts receivables - unrelated parties, net	121,363	75,965	120,100	72,871
<u>Other receivables</u>				
Advances	3,857	1,073	3,795	979
Insurance claim receivable	4,950	3,108	4,950	3,108
Others	2,635	4,467	1,946	3,847
Total other receivables	11,442	8,648	10,691	7,934
Trade and other receivables - net	132,895	85,400	131,259	81,658

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the three-month period ended 31 March 2015, are as follows:



(Unaudited but reviewed)

(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 2014	8,484	4,975	7,720	4,975
Add: Allowance made during the period	-	5,070	-	5,070
Less: Allowance reversed during the period	(1,807)	-	(1,677)	-
Balance as at 31 March 2015	6,677	10,045	6,043	10,045

6. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Raw material	13,616	11,662	13,616	11,662
Work in process	5,492	9,015	5,492	9,015
Finished goods	522,250	559,549	521,163	558,485
Total	541,358	580,226	540,271	579,162
Less: Allowance for lost goods	(5,931)	(5,021)	(5,931)	(5,021)
Allowance for dilapidated and slow moving	(203,866)	(198,033)	(203,766)	(197,933)
Inventories, net	331,561	377,172	330,574	376,208

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2014	203,054	202,954
Add: Allowance made during the period	13,089	13,089
Less: Allowance reversed during the period	(6,346)	(6,346)
Balance as at 31 March 2015	209,797	209,697



7. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate (% p.a.)
	31 March 2015	31 December 2014	
Fixed deposits with 12 months maturity	8,000	8,000	1.1 - 3.5
Government bonds with 7 years maturity	5,310	5,310	3.625
Total	13,310	13,310	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 21.2.

8. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
			(%)	(%)						
SE-ED Book Center Co., Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	(165)	(165)	835	835
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	(13,833)	(13,833)	70,317	70,317

9. Investments in an associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend recognised during the period	
		31 March 2015	31 December 2014	Carrying amounts based on equity method		Carrying amounts based on cost method		during the period	
		(%)	(%)	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	25,937	25,937	100	100	-	2,000
				25,937	25,937	100	100	-	2,000



10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2014	1,606,148	1,384,494
Acquisitions during period - at cost	6,461	5,911
Write - off during period - net book value at write - off date	(1,927)	(1,927)
Depreciation for the period	(30,506)	(26,068)
Reversal impairment for the period	2,413	2,413
Net book value as at 31 March 2015	1,582,589	1,364,823

11. Leasehold right on land

The whole amount of the leasehold rights consisted of two land lease agreements which the subsidiary entered into with its shareholders totalling Baht 10 million. It is related to the lease of land area of approximately 20 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 three-month period ended 31 March 2015, the subsidiary amortised leasehold right as expense totalling Baht 0.08 million (2014: Baht 0.08 million).

12. Leasehold right on buildings

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers in order to open SE-ED Book Center. The terms of these leaseholds range between 10 to 30 years. During the three-month period ended 31 March 2015, the Company amortised leasehold right as expenses totalling Baht 2.96 million (2014: Baht 2.82 million).



13. Intangible assets

Movements of the intangible assets which are right for software usage fee during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2014	9,141	9,537
Acquisitions during period - at cost	8	8
Amortisation for the period	(538)	(544)
Balance as at 31 March 2015	8,611	9,001

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Trade accounts payable - related parties	3,226	3,451	3,226	3,451
Trade accounts payable - unrelated parties	883,059	943,379	881,688	942,792
Accrued expenses	60,867	78,973	51,348	70,837
Other payables for purchase of assets	5,203	11,472	4,978	11,296
Notes payable	9,459	6,442	9,459	6,442
Other payables	40,322	45,558	40,313	45,545
Total	1,002,136	1,089,275	991,012	1,080,363

15. Income received in advance / income from tuition fees

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2015	31 December 2014
Income received in advance - not yet recognised	36,051	46,782
Less: Income received in advance recognisable within one year	(32,945)	(42,627)
Net	3,106	4,155



(Unaudited but reviewed)

During the three-month period ended 31 March 2015, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Education supporting		Total
	Initial entrance fee	fee	
Balance as at 31 December 2014	4,753	42,029	46,782
Add: Increase during the period	2,895	20,521	23,416
Less: Income recognition during the period	-	(34,011)	(34,011)
Less: Returned due to resignation of students	-	(136)	(136)
Balance as at 31 March 2015	7,648	28,403	36,051

16. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Coupon payable	19,331	21,627	19,331	21,627
Accrued withholding tax	2,346	2,603	2,050	2,270
Unearned income	2,185	2,693	1,506	2,481
Retention for construction	6,750	6,442	6,750	6,442
Others	1,603	2,746	1,044	2,234
Total	32,215	36,111	30,681	35,054

17. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			31 March	31 December	31 March	31 December
			2015	2014	2015	2014
1	THBFIX + 1.74%	Monthly installment as from 31 July 2014 with the last installment in 30 June 2021	223,180	232,120	223,180	232,120
2	MLR-1.5%	Monthly installment as from 30 November 2014 with the last installment in 31 October 2021	235,100	244,040	235,100	244,040



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(Unaudited but reviewed)

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			31 March 2015	31 December 2014	31 March 2015	31 December 2014
3	6.00 - 7.50	Settlement at maturity date of the contracts	99,020	105,080	-	-
Total			557,300	581,240	458,280	476,160
Less: Current portion			(81,770)	(81,430)	(71,520)	(71,520)
Long-term loans, net of current portion			475,530	499,810	386,760	404,640

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.

18. Income tax

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

Income tax expenses for the three-month period ended 31 March 2015 and 2014 are made up as follows:

	Consolidated financial		(Unit: Thousand Baht)	
	statements		Separate financial	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	10,058	2,614	10,011	2,614
Deferred tax:				
Relating to origination and reversal of temporary differences	(514)	396	(534)	396
Income tax expense reported in the statement of comprehensive income	9,544	3,010	9,477	3,010



19. Earnings per share

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

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

Consolidated financial statements						
For the three-month period ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2015	2014	2015	2014	2015	2014	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
34,870	11,433	391,944	391,944	0.09	0.03	
Separate financial statements						
For the three-month period ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2015	2014	2015	2014	2015	2014	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
32,988	11,831	391,944	391,944	0.08	0.03	

20. 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.



(Unaudited but reviewed)

The following table present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month period ended 31 March 2015 and 2014, respectively.

(Unit: Thousand Baht)

For the year ended 31 March 2015						
	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	904,364	215,420	34,634	1,154,418	-	1,154,418
Inter-segment revenue	-	1,229	-	1,229	(1,229)	-
Depreciation and amortisation	(19,623)	(6,989)	(4,432)	(31,044)	-	(31,044)
Loss on written-off assets	(1,903)	-	-	(1,903)	-	(1,903)
Segment profit from operations	9,763	40,448	1,985	52,196	-	52,196
Interest and dividend revenues						87
Interest expenses						(7,687)
Profit before income tax expenses						44,596
Income tax expenses						(9,544)
Profit for the year						35,052

(Unit: Thousand Baht)

For the year ended 31 March 2014						
	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	984,939	199,510	30,526	1,214,975	-	1,214,975
Inter-segment revenue	-	127	-	127	(127)	-
Depreciation and amortization	(21,451)	(4,265)	(4,537)	(30,253)	-	(30,253)
Loss on written-off assets	(1,225)	-	-	(1,225)	-	(1,225)
Segment profit from operations	868	15,560	846	17,274	-	17,274
Interest and dividend revenues						44
Interest expenses						(3,292)
Profit before income tax expenses						14,026
Income tax expenses						(3,010)
Profit for the year						11,016

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



21. Commitments and contingent liabilities

21.1 Operating lease commitments

- a) As 31 March 2015, the Company has entered into space rental agreements for use as branch offices, totaling 391 branches (31 December 2014: 397 branches). The lease periods ranged from 1 to 12 years and 9 months. During the three-month period ended 31 March 2015, the total rental and utility fees were approximately Baht 431.1 million per annum (2014: Baht 543.6 million per annum). Some of rental fees were calculated from the percentage of sales amounts of that branch, while others were fixed rate.
- b) The Company has entered into several lease agreements in respect of the lease of office building space, land, warehouses and vehicles. The terms of the agreements are generally between 1 and 30 years.

As at 31 March 2015, future minimum lease payments required under operating leases contracts were as follows.

	<u>Million Baht</u>
Outstanding commitments:	
Less than 1 year	23.1
1 to 5 years	29.1
More than 5 years	30.1

During the three-month period ended 31 March 2015, the Company recognised rental expenses of Baht 4.0 million (2014: Baht 9.8 million).

21.2 Guarantees

As at 31 March 2015, the Company has pledged the bank deposit of Baht 4.6 million (31 December 2014: Baht 4.9 million) to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 1.9 million (31 December 2014: Baht 1.9 million) were pledged to guarantee the electricity usage and rental of head office.

21.3 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.

22. Fair value of financial instruments

The Company and its subsidiary use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiary endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 31 March 2015, the Company and its subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Investment units	283,126	-	-	283,126



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Investment units	234,122	-	-	234,122

23. Event after the reporting period

As at 23 April 2015, the Annual General Meeting of the Company's shareholders approved the Company to pay dividends to the Company's shareholders from the operations for the year 2014. The Company will pay a cash dividend at Baht 0.18 per share, or equivalent to amount of not exceed Baht 70.55 million. Dividend will be paid on 21 May 2015.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2015.

