



บริษัท สำนักงาน เอ เอ็ม ซี จำกัด

SAM NAK-NGAN A.M.C. Co., Ltd.



**AUDITOR'S REPORT**

To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED

I have audited the balance sheets of SE-EDUCATION PUBLIC COMPANY LIMITED as of December 31, 2006 and 2005, the related statements of income, changes in shareholders' equity and cash flow for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness in the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of an associated company as mentioned in the notes to the financial statements no.8.3, which were used for recording investment by the equity method, have been reviewed by another auditor. I have received the report of that auditor. My report presented regarding the amounts of transactions of the said associated company, which included in these financial statements, is based on the report of the auditor of associated company. As of December 31, 2006 and 2005, the investment in the said associated company amounted to Baht 69.33 million and Baht 33.14 million or equivalent to 4.69% and 2.37% of the total assets in the balance sheets respectively, and the participating loss in the associated company included in the income statement for the years then ended amounted to Baht 8.81 million and Baht 1.70 million or equivalent to 4.21% and 0.90% of the net profits respectively.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit and the report of another auditor as stated in the first paragraph provide a reasonable basis for my opinion.

Based on my audit and the other auditor's report, in my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of SE-EDUCATION PUBLIC COMPANY LIMITED as of December 31, 2006 and 2005, the results of its operations, and cash flow for the years then ended, in conformity with generally accepted accounting principles.



SAM NAK- NGAN A.M.C. CO., LTD.

*S. Suteeprasert*

( Miss Sukanya Suteeprasert )

Certified Public Accountant (Thailand) No. 5063

Bangkok,  
February 23, 2007

A member of  
Moore's Rowland International  
an association of independent  
accounting firms throughout the world

ชั้นที่ 19 ยูนิต 4 อาคารสีลมคอมเพล็กซ์ 191 ถนนสีลม แขวงสีลม เขตบางรัก กรุงเทพฯ 10500  
4<sup>th</sup> Unit, 19<sup>th</sup> Floor, Silom Complex Building, 191 Silom Road, Silom, Bangrak, Bangkok 10500  
Tel. 66 (0) 2231-3980-7 Fax : 66 (0) 2231-3988 E-mail : amc@amc.mri.com www.amc-mri.com

## SE-EDUCATION PUBLIC COMPANY LIMITED

## BALANCE SHEETS

As of December 31, 2006 and 2005

(Unit : Baht)

		2006	2005
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalent items		290,689,217.41	269,775,620.75
Short-term investment-net (net from allowance for diminution of value in year 2006 and 2005 in amount of Baht (5,571) thousand and Baht (5,757) thousand respectively)	(Note 5)	194,793,102.79	182,718,703.86
Trade accounts and notes receivable-net	(Note 6)	89,195,274.27	83,939,509.94
Loan due from an associated company	(Note 4)	-	9,000,000.00
Inventories-net	(Note 7)	231,005,077.40	226,026,870.27
Copyright and Translation advance		17,734,720.17	16,736,620.26
Other current assets		22,461,109.33	18,930,035.86
TOTAL CURRENT ASSETS		845,878,501.37	807,127,360.94
NON-CURRENT ASSETS			
Investments in subsidiary and associated companies	(Note 8)	89,330,755.22	50,650,667.54
Property, plant and equipment-net	(Note 9)	264,066,451.12	255,282,034.74
Leasehold on buildings-net	(Note 10)	154,294,160.54	166,861,601.31
Assets pending for sales-net	(Note 11)	19,200,000.00	21,000,000.00
Land not used for operation-net	(Note 12)	33,784,131.58	32,367,498.94
Guarantee for rental and deposit		49,665,582.72	47,143,501.55
Other non-current assets		21,277,290.81	15,533,507.16
TOTAL NON-CURRENT ASSETS		631,618,371.99	588,838,811.24
TOTAL ASSETS		1,477,496,873.36	1,395,966,172.18

Notes to financial statements are an integral part of the above statements.



## SE-EDUCATION PUBLIC COMPANY LIMITED

## BALANCE SHEETS

As of December 31, 2006 and 2005

	(Unit : Baht)	
	2006	2005
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
<b>CURRENT LIABILITIES</b>		
Bank overdrafts	2,013,109.27	12,031,531.38
Trade accounts and notes payable	649,799,499.39	648,570,955.69
Accrued expenses	72,021,831.24	43,106,780.01
Accrued corporate income tax	46,088,159.76	40,137,019.48
Other current liabilities	37,012,935.99	33,783,716.73
<b>TOTAL CURRENT LIABILITIES</b>	<b>806,935,535.65</b>	<b>777,630,003.29</b>
<b>NON-CURRENT LIABILITIES</b>		
Other-non current liabilities	5,550,838.20	5,035,838.20
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,550,838.20</b>	<b>5,035,838.20</b>
<b>TOTAL LIABILITIES</b>	<b>812,486,373.85</b>	<b>782,665,841.49</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	(Note 13)	
Authorized share capital		
348,128,690 ordinary shares @ Baht 1.00 each	348,128,690.00	348,128,690.00
Issued and paid-up share capital		
332,894,970 ordinary shares @ Baht 1.00 each	332,894,970.00	-
322,135,910 ordinary shares @ Baht 1.00 each	-	322,135,910.00
Premiums on share capital	149,420,557.75	147,776,311.25
Capital surplus from assets revaluation	(Note 9)	31,047,357.62
Unrealized loss - securities available for sale	(5,571,050.24)	(5,756,671.03)
Retained earnings		
Appropriated		
Legal reserve	(Note 14)	35,626,916.56
Treasury stock reserve	(Note 15)	122,641,095.00
Unappropriated		121,591,747.82
<u>Less</u> Treasury stock 19,783,600 shares @ Baht 6.20 each	(Note 15)	(122,641,095.00)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>665,010,499.51</b>	<b>613,300,330.69</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,477,496,873.36</b>	<b>1,395,966,172.18</b>

Notes to financial statements are an integral part of the above statements.



## SE-EDUCATION PUBLIC COMPANY LIMITED

## INCOME STATEMENTS

For the Years ended on December 31, 2006 and 2005

		(Unit : Baht)	
		2006	2005
REVENUES FROM OPERATION			
Sales		3,680,703,524.70	3,365,001,439.53
Other income		45,041,857.65	24,615,294.59
Participating gain in the associated companies		-	1,513,434.33
TOTAL REVENUES		3,725,745,382.35	3,391,130,168.45
EXPENSES FROM OPERATION			
Cost of sales		2,520,717,612.27	2,332,844,882.37
Selling and administrative expenses		901,600,262.40	790,283,851.17
Directors' remuneration	(Note 16)	4,522,000.00	3,593,677.42
Participating loss in the associated companies		5,319,912.32	-
TOTAL EXPENSES		3,432,159,786.99	3,126,722,410.96
PROFIT BEFORE INTEREST EXPENSES			
AND CORPORATE INCOME TAX		293,585,595.36	264,407,757.49
INTEREST EXPENSES		(196,742.16)	(156,776.18)
CORPORATE INCOME TAX	(Note 17)	(84,197,551.85)	(76,337,032.94)
NET PROFIT		209,191,301.35	187,913,948.37
BASIC EARNINGS PER SHARE			
	(Note 18)	0.67	0.63
DILUTED EARNINGS PER SHARE			
	(Note 18)	0.65	0.59

Notes to financial statements are an integral part of the above statements.



SE-EDUCATION PUBLIC COMPANY LIMITED  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
For the Years ended on December 31, 2006 and 2005

		Issued and paid-up share capital	Premiums on share capital	Capital surplus from assets revaluation	Unrealized gain(loss) on securities available for sale	Retained earnings		Treasury Stock	(Unit : Baht)
						Appropriated	Unappropriated		
Balance as of January 1, 2005		314,152,170.00	144,388,836.25	19,483,961.72	(5,558,140.99)	154,726,911.62	10,523,781.09	(122,641,095.00)	515,076,424.69
Depreciation-Capital surplus from assets revaluation		-	-	(2,139,735.63)	-	-	-	-	(2,139,735.63)
Unrealized loss-securities available for sale		-	-	-	(198,530.04)	-	-	-	(198,530.04)
Unrealized transaction in the income statements		314,152,170.00	144,388,836.25	17,344,226.09	(5,756,671.03)	154,726,911.62	10,523,781.09	(122,641,095.00)	512,738,159.02
Shares purchase by exercising warrants of shareholders, directors and employees	(Note 13)	7,983,740.00	3,387,475.00	-	-	-	-	-	11,371,215.00
Appropriation for legal reserve in the period	(Note 14)	-	-	-	-	3,541,099.94	(3,541,099.94)	-	-
Dividend payment	(Note 14)	-	-	-	-	-	(98,722,991.70)	-	(98,722,991.70)
Net profit for the year		-	-	-	-	-	187,913,948.37	-	187,913,948.37
Balance as of December 31, 2005		322,135,910.00	147,776,311.25	17,344,226.09	(5,756,671.03)	158,268,011.56	96,173,637.82	(122,641,095.00)	613,300,330.69
Increased capital surplus from assets revaluation in the period	(Note 9)	-	-	13,941,648.00	-	-	-	-	13,941,648.00
Depreciation-capital surplus from assets revaluation		-	-	(238,516.47)	-	-	-	-	(238,516.47)
Unrealized gain-securities available for sale		-	-	-	185,620.79	-	-	-	185,620.79
Unrealized transaction in the income statements		322,135,910.00	147,776,311.25	31,047,357.62	(5,571,050.24)	158,268,011.56	96,173,637.82	(122,641,095.00)	627,189,083.01
Shares purchase by exercising warrants of shareholders, directors and employees	(Note 13)	10,759,060.00	1,644,246.50	-	-	-	-	-	12,403,306.50
Dividend payment	(Note 14)	-	-	-	-	-	(183,773,191.35)	-	(183,773,191.35)
Net profit for the year		-	-	-	-	-	209,191,301.35	-	209,191,301.35
Balance as of December 31, 2006		332,894,970.00	149,420,557.75	31,047,357.62	(5,571,050.24)	158,268,011.56	121,591,747.82	(122,641,095.00)	665,010,499.51

Notes to financial statements are an integral part of the above statements.



*[Handwritten signature]*

**SE-EDUCATION PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOW**  
**For the Years ended on December 31, 2006 and 2005**

	(Unit : Baht)	
	2006	2005
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit	209,191,301.35	187,913,948.37
Adjustment to net profit for cash receipts (payments) from operation		
Realized (gain) loss on disposal of securities available for sale	3,111,221.86	(978,314.31)
Doubtful debts and bad debt	1,435,883.44	403,066.56
Loss from estimation of returned goods (reversal)	2,080,669.95	(113,277.96)
Loss from lost goods	49,377,678.30	32,662,042.59
Loss from dilapidated and slow moving goods	536,616.88	9,967,118.27
Loss from destruction goods	392,110.96	-
Goods donation	4,428,979.28	-
Loss from goods destroyed	3,472,799.33	-
Depreciation - assets for operation	77,559,164.46	76,106,617.29
Depreciation - assets not used for operation	65,998.32	65,817.99
Leasehold written-off	12,567,440.77	12,237,274.74
Reversal of loss from revaluation of asset not used for operation	(1,482,630.96)	-
Adjustment for clearing of trade accounts receivable	(288,779.99)	621,263.98
Adjustment for clearing of trade accounts payable	-	8,557,192.81
Participating (gain) loss from investment in associated companies	5,319,912.32	(1,513,434.33)
(Gain) loss from advance copyright written-off	602,500.03	-
Asset donation	7,199.67	520,910.95
Loss from amortized assets	2,056,340.00	506,035.16
Gain on disposal of assets	-	(514,015.68)
Loss from assets revaluation	1,800,000.00	-
Profit from operating before change in operating assets and liabilities	372,234,405.97	326,442,246.43
(Increase)Decrease in trade accounts and notes receivable	(8,483,537.73)	(1,109,628.35)
(Increase)Decrease in inventories	(63,186,391.88)	(115,622,981.51)
(Increase)Decrease in copyright and translation advance	(1,600,599.94)	(5,123,667.24)
(Increase)Decrease in other current assets	(3,531,073.47)	(3,127,470.04)
(Increase)Decrease in guarantee for rental and deposit	(2,522,081.17)	20,985,779.19
(Increase)Decrease in other non-current assets	(5,743,783.65)	(42,703,563.83)
Increase(Decrease) in trade accounts and notes payable	1,228,543.70	207,271,629.50
Increase(Decrease) in accrued expenses	28,915,051.23	4,842,401.90
Increase(Decrease) in accrued corporate income tax	5,951,140.28	17,510,536.08
Increase(Decrease) in other current liabilities	3,229,219.26	(2,066,267.21)
Increase(Decrease) in other non-current liabilities	515,000.00	2,367,221.74
Net cash received (used in) from operating activities	327,005,892.60	409,666,236.66

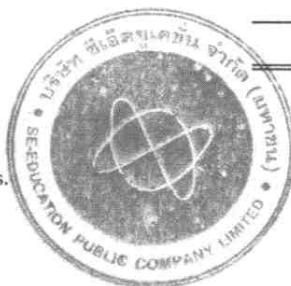


Notes to financial statements are an integral part of the above statements.

**SE-EDUCATION PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOW**  
**For the Years ended on December 31, 2006 and 2005**

	(Unit : Baht)	
	2006	2005
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of securities available for sale	(35,000,000.00)	(20,000,000.00)
Cash receipt from disposal of securities available for sales	20,000,000.00	-
(Increase) Decrease in loan due from an associated company	9,000,000.00	(9,000,000.00)
Additional investment in associated company	(45,000,000.00)	(15,000,000.00)
Dividend receipt from investment in associated company	1,000,000.00	700,000.00
Purchase of assets	(74,703,988.98)	(92,157,013.60)
Cash receipt from disposal of assets	-	514,018.68
Purchase of leasehold	-	(11,873,528.97)
Net cash received from (used in) investing activities	(124,703,988.98)	(146,816,523.89)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase(Decrease) in bank overdrafts	(10,018,422.11)	(48,547,876.84)
Cash receipt from additional warrants exercised to purchase shares	12,403,306.50	11,371,215.00
Dividend payment	(183,773,191.35)	(98,722,991.70)
Net cash received from (used in) financing activities	(181,388,306.96)	(135,899,653.54)
Cash and cash equivalent items increase(decrease) - net	20,913,596.66	126,950,059.23
Cash and cash equivalent items at the beginning of the period	269,775,620.75	142,825,561.52
Cash and cash equivalent items at the end of the period	290,689,217.41	269,775,620.75
<b>Supplementary disclosures to the cash flow statements</b>		
1 Cash paid during the period:		
Interest paid	196,742.16	156,776.18
Corporate income tax	78,246,061.75	58,826,496.86
2 Items do not affect cash flow		
2.1 For the years ended on December 31, 2006 and 2005, the Company adjusted unrealizable gain(loss) on revaluation of securities available for sale with the shareholders' equity amounting to Baht 0.19 million and Baht (0.20) million respectively.		
2.2 For the year ended on December 31, 2005, the Company transferred the guarantee for leasehold on building amounting to Baht 30.22 million to leasehold on building since the leasehold right have been transferred during the first quarter of 2005.		
3 Cash and cash equivalent items consist of;		
Cash	17,109,879.78	14,934,637.33
Cash at bank (not exceeding 3-months)	97,579,337.63	140,840,983.42
Government bond (maturity period not exceeding 3 months)	176,000,000.00	114,000,000.00
	290,689,217.41	269,775,620.75

Notes to financial statements are an integral part of the above statements.



## SE-EDUCATION PUBLIC COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

1. General information

The Company was registered for establishment as a limited company on July 29, 1974 and was converted to a public company limited on April 29, 1993, registration number 0107536000285. The Company is situated at 46/87-90 Nation Tower Building, 19th Floor, Bangna-Trad Road, Bangna, Bangkok 10260.

## - Major areas of business:

1. Sell books and magazines on a retail basis through their own SE-ED book centers and Book Variety.
2. Publish and distribute their own technical books and magazines, as well as distribute books from other publishers and organizations to nationwide bookshops.
3. Advertising services magazines published by SE-ED.
4. Publishing engagement and sell electronic parts and equipments.

## - Employee information

	For the Year ended on December 31,	
	2006	2005
Average number of employees (person)	2,033	1,970
Employee expenses (Million Baht)	325.80	292.76

2. Basis of financial statement preparation

- 2.1 The financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543 which include the accounting standards determined by the Federation of Accounting Professions, set up in accordance with the Accounting Professions Act. B.E.2547, and have been announced to be effective, and in accordance with the regulation of the Office of the Securities and Exchange Committee on the subject of preparation and presentation of the financial reports.
- 2.2 Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure. The actual results may differ from those estimates.



- 2.3 The Company did not prepare the consolidated financial statements between the Company and the SE-ED Book Center Co., Ltd., which is a subsidiary company since the investment value in such subsidiary is not material to the Company financial statements.
- 2.4 The Company prepares its statutory financial statements in the Thai version in conformity with generally accepted accounting principles in Thailand. The accounting principles used may be different from generally accepted accounting principles in other countries. For the convenience of the readers, the financial statements in English version have been prepared by translating from the statutory financial statements in Thai version in order to meet the requirement of domestic reporting.
- 2.5 The financial statements for the year ended on December 31, 2005 have been reclassified to facilitate the comparison with the financial statements for the year ended on December 31, 2006 for Bank overdrafts to Cash and cash equivalents at Baht 46.30 million.
- 2.6 According to the announcement of the Federation of Accounting Professions NO.26/2006 dated October 11, 2006 on the practice according to the accounting procedures relating to the Accounting Standard No.44 on the consolidated financial statements and accounting procedures for the investment in subsidiary which have changed the accounting policy on investment in subsidiary from equity method to cost method in the presentation of the company only financial statements for the financial year 2006 onward or starting from January 1, 2007 onward in which companies have to chose to practise according to the said announcement by the year 2007 onward.

### 3. Summary of significant accounting policies

The significant accounting policies can be summarized as follows:-

- 3.1 - Sales are recognized when goods have already been delivered to customers except goods on consignment whose sales are recognized when such goods are checked at the consignees place at the end of agreed period.
- Revenue from advertising are recognized once the advertisement is released.
- 3.2 Cash and cash equivalent items includes bank deposit in the types of saving, current and not exceeding three-month fixed deposit and government bond with maturity not exceeding three-month period with no guarantee obligation.
- 3.3 The short term investments are investments in personal funds, mutual funds and opened-ended mutual funds units, which are regarded as securities available for sales and valued at fair value. The Company recognizes the change of value as separate caption in the shareholders' equity and accounted in the income statement when such investment is sold.
- 3.4 Allowance for doubtful debts is made by estimating each of the uncollectible accounts receivable.



3.5 The Company has the policy to set up the allowance for returned goods at the percentage rate of the average returned goods for the year of the upcountry sales.

### 3.6 Inventories

- Paper-raw materials are valued at cost under simple average method or net realizable value, whichever is lower. Work in process are valued at actual cost.
- Finished goods produced by the Company holds accounting policies as follows:
  - Finished goods at head office and consignment on hand are valued at cost price under simple average method or net realizable value, whichever is lower.
  - Finished goods purchased for sale are valued at cost price under simple average method or net realizable value, whichever is lower.
  - Returned periodicals are not valued.
  - Allowance for diminution in value of inventories is based on obsolete, out of date, dilapidated goods.
  - Allowance for lost inventories; the Company holds the policy of allowance for lost inventories in year 2006 and 2005 at the rate of 1.20 percent and 1.11 percent of sales at respective branch respectively, which the Company revises such allowance after the inventory taking at the respective branch.

### 3.7 Property, plant and equipment

3.7.1 Land and building are valued at fair value which are appraised by an independent appraiser. The Company holds policy that an independent professional appraiser appraises the value of assets every 5 years. During this period if there are any other factors which materially affect the value of assets, the Company will arrange for new appraisal by an independent professional appraiser in that year. Any increase of new appraised price is regarded as surplus from assets appraisal in the caption of shareholders' equity. Any increase of newly appraised building, the depreciation is calculated for that increased part on a straight-line method over the estimated useful life of 10 years and any decrease of new appraised value from cost is regarded as loss from decrease in assets appraisal in the income statement.

3.7.2 Decoration, office equipment, air-conditioners and vehicles are recorded at cost less accumulated depreciation.

3.7.3 The depreciation are calculated on a straight-line method over the estimated useful life are as follow:

- Building	20 years
- Furniture and office equipment	5 years
- Air-conditioners	5 years
- Vehicles	5 years



*[Handwritten signature]*

The Company records depreciation as expense in the period. The Company takes depreciation of increase in appraised price out of the surplus from assets appraisal in the caption of shareholders' equity.

- 3.8 Accrued foreign copyright expenses are calculated by the rate specified in the agreement on an accrual basis.
- 3.9 Investments in associated company are recorded by equity method and investment in the subsidiary company is recorded by cost method since the investment value in subsidiary company is not material to the Company financial statements.
- 3.10 Items denominated in foreign currencies are recorded in Baht at the exchange rate ruling on the day that transaction occurs, while the remaining balances of assets and liabilities denominated in foreign currencies at the year-end are translated into Baht at the prevailing exchange rate on that date, and the gain or loss arising from such translated is included in the related statement of income.
- 3.11 Earnings per share
- Basic earnings per share are calculated by dividing net profit with the weighted average number of issued and paid-up shares during the period.
  - Diluted earnings per share is calculated by dividing net profit with the sum of weighted average number of issued shares and the weighted average number of diluted ordinary share equivalents that needed to cover the warrants converted to ordinary stock.
- 3.12 Financial assets and liabilities as presented in balance sheets are consisted of cash and cash at bank, short-term investment, trade accounts receivable and notes receivable, overdrafts and trade accounts payable and notes payable. The particular accounting policy for each transaction is respectively disclosed in each related caption.

#### 4. Inter - company transactions

The Company constitutes accounting transactions incurred with related entities, comprising the same group of shareholders or common directors. The materially remaining balances and inter-transactions between the Company and related entities are as follows:

##### 4.1 Inter-asset and liabilities

		(Unit : Thousand Baht)	
		<u>As of December 31,</u>	
	Type of relation	2006	2005
<u>Loan due from associated company</u>			
Plearn Patt Co., Ltd.	Associated company		
Beginning balance		9,000	-
Increased in the period		-	9,000
Received in the period		(9,000)	-
Ending balance		-	9,000



		(Unit : Thousand Baht)	
		<u>As of December 31,</u>	
	<u>Type of relation</u>	<u>2006</u>	<u>2005</u>
<u>Accrued interest receivable</u>			
Plearn Patt Co.,Ltd.	Associated company	-	174
<u>Trade accounts payable</u>			
M AND E Co., Ltd.	Associated company	1,780	2,088
Bliss Publishing Co., Ltd.	Company related with shareholder	2,537	1,708

As of December 31, 2005, the whole amount of loan due from an associated company that operate in the business of private educational institution was in the form of promissory note with a maturity period of 1 year. The interest rate is the rate of credit interest of a commercial bank at MLR+1. The objective of the loan is for the associated company to use for construction and working capital for the school.

#### 4.2 Inter-revenues and expenses

		(Unit : Thousand Baht)		
		For the year ended on December 31,		
	<u>Type of relation</u>	<u>2006</u>	<u>2005</u>	<u>Policy of Inter-price setting</u>
<u>Interest receivable values</u>				
Plearn Patt Co., Ltd.	Associated company	107	505	MLR+1%
<u>Purchase goods values</u>				
M AND E Co.,Ltd.	Associated company	1,678	2,903	Market price
GMM Grammy Public Co., Ltd.	Shareholders	231	8	Market price
Bliss Publishing Co., Ltd.	Company related with shareholder	12,655	6,381	Market price

#### 5. Short - term investment-net

Consisted of: -

		( Unit : Baht )	
		<u>As of December 31,</u>	
		<u>2006</u>	<u>2005</u>
Securities available for sales: -			
- Investment in personal funds		116,284,222.79	117,957,803.86
- Investment in mutual fund		43,508,880.00	44,760,900.00
- Government bond (exceeding 3-month maturity period)		35,000,000.00	20,000,000.00
Total		194,793,102.79	182,718,703.86



6. Trade accounts and notes receivable-net

Trade accounts receivable are classified by aging overdue as follows:-

	(Unit : Baht)	
	<u>As of December 31,</u>	
	<u>2006</u>	<u>2005</u>
Trade accounts receivable		
Within credit term	25,344,626.17	42,391,364.09
Over credit term less than 6 months	49,683,833.68	39,751,685.68
Over credit term more than 6 months to 12 months	12,794,827.32	3,913,220.88
Over credit term more than 12 months	24,550,306.73	21,723,659.00
Total	112,373,593.90	107,779,929.65
Notes receivable	7,832,594.45	3,653,940.98
<u>Less</u> Allowance for doubtful debts	(25,441,146.48)	(24,005,263.04)
Allowance for returned goods	(5,569,767.60)	(3,489,097.65)
Net	89,195,274.27	83,939,509.94

As of December 31, 2006 and 2005, for the trade accounts receivable that were over credit term for more than 12 months, the majority of them already have allowance set up since the year 1998 and the Company has already filed lawsuits against them and until of February 5, 2007, the Central Bankruptcy Court ordered for the Company to receive a repayment of Baht 32.93 million (including interest from overdue repayment) from the asset pool of this debtor. At present, the Company has not received any first payment from the pool of assets, thus there still no need to reverse the already made allowance for doubtful debt.

7. Inventories-net

Consisted of: -

	(Unit: Baht)	
	<u>As of December 31,</u>	
	<u>2006</u>	<u>2005</u>
Paper and package	17,911,451.35	12,220,922.45
Work-in-process	9,805,055.64	9,691,570.12
Finished goods	278,724,492.44	271,630,424.93
Total	306,440,999.43	293,542,917.50
<u>Less</u> Allowance for lost goods	(27,488,352.94)	(20,105,095.02)
Allowance for dilapidated and slow moving goods	(47,947,569.09)	(47,410,952.21)
Net	231,005,077.40	226,026,870.27



8. Investments in subsidiary and associated companies

Consisted of: -

(Unit: Baht)

					As of December 31, 2006		
	Nature of business	Paid-up	Percentage	Cost	Investments		Dividend
		share capital	of share holdings	Cost Method	Equity Method		
Subsidiary company							
SE-ED Book Center Co., Ltd.	Business consulting firm	100,000.00	99.93%	99,930.00	99,930.00	-	-
Associated companies							
M AND E Co., Ltd.	Printing office company, produces technical magazines and engineering manuals	400,000.00	25.00%	100,000.00	-	19,898,733.71	1,000,000.00
Plearn Patt Co., Ltd.	Institute of private education - Plearn Pattana School	169,350,000.00	48.82%	83,000,000.00	-	69,332,091.51	-
				83,199,930.00	99,930.00	89,230,825.22	1,000,000.00

		As of December 31, 2005					
	<u>Nature of business</u>	<u>Paid-up</u>	<u>Percentage</u>	<u>Cost</u>	<u>Investments</u>		<u>Dividend</u>
		<u>share capital</u>	<u>of share</u>		<u>Cost Method</u>	<u>Equity Method</u>	
			<u>holdings</u>				
Subsidiary company	.						
SE-ED Book Center Co., Ltd.	Business consulting firm	100,000.00	99.93%	99,930.00	99,930.00	-	-
Associated companies							
M AND E Co., Ltd.	Printing office company, produces technical magazines and engineering manuals	400,000.00	25.00%	100,000.00	-	17,410,634.35	700,000.00
Plearn Patt Co., Ltd.	Institute of private education – Plearn Pattana School	124,350,000.00	26.00%	38,000,000.00	-	33,140,103.19	-
				38,199,930.00	99,930.00	50,550,737.54	700,000.00



- 8.1 Investments in the SE-ED Book Center Co., Ltd., which is a subsidiary company, the Company recorded investment by cost method since the investment's value in the subsidiary company did not materially effect the Company's financial statements.
- 8.2 For the year ended on December 31, 2006, the Company did not recognize participating from operations in M AND E CO., LTD., since the associated company did not prepare the quarterly financial statements and year end closing. However, the Company received the financial statements for the year ended on December 31, 2005 of M AND E CO., LTD., which were audited by another auditor. The Company consequently recorded participating from operations in such associated company in the income statement for the year ended on December 31, 2006 amounted to Baht 3.49 million was equivalent to 1.67% of net profit and as of December 31, 2006 and 2005, investment in the said associated company amounted to Baht 19.90 million and Baht 17.41 million was equivalent 1.35% and 1.25% of total assets respectively.
- 8.3 The financial statements for the years ended on December 31, 2006 and 2005 of Plearn Patt Co., Ltd. which is an associated company, were used to account for investment by equity method and these financial statements have been reviewed by another auditor. As of December 31, 2006 and 2005 the investment in associated company amounted to Baht 69.33 million and Baht 33.14 million equivalent to 4.69% and 2.37% of total assets in the balance sheet respectively, and participating loss from operation in that associated company as presented in the statement of income for the years ended on the same date for the amount of Baht 8.81 million and Baht 1.70 million equivalent to 4.21% and 0.90% of net profit respectively.
- 8.4 For the first quarter in 2006, the Company additionally invested in the increased shares capital of Plearn Patt Co., Ltd., which is an associated company, at Baht 33 million thus increased its shareholding ratio from formerly 26.00% to 45.12% of the authorized share capital and for the second quarter in 2006, invested in the increased shares capital at Baht 12 million thus increased its shareholding ratio from formerly 45.12% to 48.82% of the authorized share capital.



## 9. Property, plant and equipment-net

Consisted of: -

							(Unit : Baht)
Descriptions	Land	Building	Building decoration	Office equipments and air conditioners	Vehicles	Work in progress	Total
<b>Cost</b>							
As of December 31, 2005	4,714,125.00	2,353,700.00	214,078,607.26	329,273,497.45	27,564,163.51	6,292,107.21	584,276,200.43
Purchase	-	-	8,052,299.79	37,063,835.07	32,218.50	29,555,635.62	74,703,988.98
Transfer in/transfer out	-	-	18,649,289.94	15,992,266.64	-	(34,641,556.58)	-
Sale	-	-	(2,564,028.71)	(2,472,594.25)	-	-	(5,036,622.96)
As of December 31, 2006	4,714,125.00	2,353,700.00	238,216,168.28	379,857,004.91	27,596,382.01	1,206,186.25	653,943,566.45
<b>Accumulated depreciation</b>							
As of December 31, 2005	-	(2,353,699.00)	(135,827,689.89)	(187,982,954.52)	(20,174,048.28)	-	(346,338,391.69)
Depreciation for year	-	-	(29,773,844.78)	(44,541,636.62)	(3,243,683.06)	-	(77,559,164.46)
Sale/transfer out	-	-	1,043,142.55	1,929,940.74	-	-	2,973,083.29
As of December 31, 2006	-	(2,353,699.00)	(164,558,392.12)	(230,594,650.40)	(23,417,731.34)	-	(420,924,472.86)
<b>Capital surplus from assets revaluation</b>							
As of December 31, 2005	17,344,225.00	7,392,092.32	-	-	-	-	24,736,317.32
Increase in capital surplus from asset revaluation	4,041,322.00	9,900,326.00	-	-	-	-	13,941,648.00
As of December 31, 2006	21,385,547.00	17,292,418.32	-	-	-	-	38,677,965.32
<b>Accumulated depreciation-capital surplus</b>							
As of December 31, 2005	-	(7,392,091.32)	-	-	-	-	(7,392,091.32)
Depreciation for the year	-	(238,516.47)	-	-	-	-	(238,516.47)
As of December 31, 2006	-	(7,630,607.79)	-	-	-	-	(7,630,607.79)
<b>Net Book Value</b>							
As of December 31, 2005	22,058,350.00	2.00	78,250,917.37	141,290,542.93	7,390,115.23	6,292,107.21	255,282,034.74
As of December 31, 2006	26,099,672.00	9,661,811.53	73,657,776.16	149,262,354.51	4,178,650.67	1,206,186.25	264,066,451.12
<b>Depreciation in the income statement for the years</b>							
ended on December 31, 2005							76,106,617.29
ended on December 31, 2006							77,559,164.46

As of December 31, 2005, the Company amortized the decoration cost of renovated branches at the net book value of Baht 0.51 million (cost value of Baht 35.74 million).

As of December 31, 2006 and 2005, the Company has fixed asset which were fully depreciated at the cost value of Baht 232.00 million and Baht 147.98 million respectively, which some of these asset were still in used.

On November 14, 2002, the Company assigned an independent professional appraiser to appraise land and building values which had book values of Baht 4.71 million and Baht 0.25 million respectively, and the appraised values were arrived at Baht 22.06 million and 7.64 million respectively, The Company accounted this capital surplus from land and building price appraisal in the shareholders' equity caption in amount of Baht 17.35 million and Baht 7.39 million respectively and this capital surplus was amortized fully for depreciation in year 2005.



On October 2, 2006, the Company assigned an independent professional appraiser to appraise land and building values. Their values are as follows:

	<u>Book value</u>	<u>Appraised value</u> <u>(Market price method)</u>	<u>Appraise of value higher</u> <u>(lower) than book value</u>
Land	22,058,350.00	26,099,672.00	4,041,322.00
Building	2.00	9,900,328.00	9,900,326.00
Total	22,058,352.00	36,000,000.00	13,941,648.00

The Company accounted capital surplus from land and building price appraisal in the shareholders' equity caption in the balance sheet in amount of Baht 13.94 million.

#### 10. Leasehold on buildings-net

The whole amount of the leasehold on buildings was for areas in leading shopping centers in order to open 13 branches of SE-ED Book Center. Most of these leaseholds were for the period of approximately 15-30 years. For the years ended on December 31, 2006 and 2005, these leasehold rights were amortized to expenses by the amount of Baht 12.57 million and Baht 12.24 million respectively.

#### 11. Assets pending for sales - net

Consisted of: -

	<u>(Unit : Baht)</u>	
	<u>As of December 31,</u>	
	<u>2006</u>	<u>2005</u>
Cost	38,912,859.15	38,912,859.15
<u>Less</u> Allowance for impairment of assets	(19,712,859.15)	(17,912,859.15)
Net	19,200,000.00	21,000,000.00

On November 14, 2002, the Company assigned an independent professional appraiser to appraise land and building pending for sales of which book value and newly appraised value were Baht 38.91 million and Baht 21.00 million respectively.

On October 2, 2006, the Company assigned an independent professional appraiser to appraise building pending for sales of which book value and newly appraised value were Baht 21.00 million and Baht 19.20 million respectively. The Company recognized loss from impairment of land for amount of Baht 1.80 million in the income statement.



12. Land not used for operation-net

Consisted of:-

	(Unit : Baht)		
	<u>Land not used for operation</u>	<u>Land improvement not used for operation</u>	<u>Total</u>
<b>Cost</b>			
As of December 31, 2005	49,495,608.93	658,413.00	50,154,021.93
As of December 31, 2006	49,495,608.93	658,413.00	50,154,021.93
<b>Accumulated depreciation</b>			
As of December 31, 2005	-	(290,914.06)	(290,914.06)
Depreciation for the year	-	(65,998.32)	(65,998.32)
As of December 31, 2006	-	(356,912.38)	(356,912.38)
<b>Allowance for impairment</b>			
As of December 31, 2005	(17,495,608.93)	-	(17,495,608.93)
Increase in assets appraised price during the period	1,482,630.96	-	1,482,630.96
As of December 31, 2006	(16,012,977.97)	-	(16,012,977.97)
<b>Net Book Value</b>			
As of December 31, 2005	32,000,000.00	367,498.94	32,367,498.94
As of December 31, 2006	33,482,630.96	301,500.62	33,784,131.58
<b>Depreciation in the income statement for the years</b>			
ended on December 31, 2005			65,817.99
ended on December 31, 2006			65,998.32

On November 14, 2002, the Company assigned an independent professional appraiser to appraise prices of land not used for operation of which book value and newly appraised value were Baht 49.50 million and Baht 32.00 million respectively.

On October 3, 2006, the Company assigned an independent professional appraiser to appraise prices of land not used for operation of which book value and newly appraised value were Baht 49.50 million and Baht 33.48 million respectively. The Company adjusted the decrease from land price appraisal to provide for loss from impairment of asset in the income statement for amount of Baht 1.48 million.



### 13. Share capital

In accordance with the resolution of the annual general shareholders' meeting No. 1/2001 held on April 30, 2001, it was resolved to issued warrants as follows: -

- 13.1 Warrants to purchase ordinary shares for the existing shareholders at the ratio of 1 warrant to 1 ordinary share. The right to exercise warrants for existing shareholders is at the price of Baht 1.65 per unit with the maturity period of 5 years commencing from the date of warrant issuance. The warrants' right can be exercise every 3 month and the last date to exercise the right is December 15, 2006.
- 13.2 Warrants to purchase ordinary shares for the directors, employees and sub-agents at the price of Baht 1.00 per unit. It divided into 5 versions. The period of exercising each version of right is 1 year apart. The warrants' right can be exercised every 3 month and the last date to exercise the right is January 14, 2008. The right of each version can be exercised to purchase ordinary shares in the proportion of 10%, 10%, 10%, 30% and 40% of the entire number of rights received respectively.

For the year ended on December 31, 2006, directors and employees had exercised their rights to purchase ordinary shares in number of 8,229,450 units and existing shareholders had exercised their rights to purchase ordinary shares in number of 2,529,610 units. Thus the Company had increased the issued and paid-up share capital and the premiums on share capital by the total of Baht 10.76 million and Baht 1.64 million respectively. The Company registered the change in paid-up share capital on December 27, 2006. The remaining balance of exercisable warrants but not yet exercises are 296,880 units for existing shareholders (these warrants forfeited their exercisable rights on December 15, 2006) and 111,580 units for directors and employees. The remaining warrant not yet exercisable for the directors and employees as in the said terms is 14,825,130 units.

### 14. Dividend payment and legal reserve

Consist of:

				<u>Year 2006 operating result</u>		<u>Legal reserve</u>	
	<u>Resolutions of the Company's Board meeting</u>	<u>Meeting date</u>	<u>Dividends payment date</u>	<u>Dividends</u>	<u>Dividend Paid</u>	<u>% of Net profit</u>	<u>Amount (Million Baht)</u>
				<u>Per share (Baht)</u>	<u>Totaling (Million Baht)</u>		
Quarter 1	2/2006	10/05/2006	09/06/2006	0.10	31.13	-	-
Quarter 2	3/2006	11/08/2006	11/09/2006	0.10	31.16	-	-
Quarter 3	4/2006	10/11/2006	08/12/2006	0.10	31.19	-	-
Total				0.30	93.48	-	-



<u>Year 2005 operating result</u>							
	<u>Resolutions of the</u>		<u>Dividends</u>	<u>Dividends</u>	<u>Dividend Paid</u>	<u>Legal reserve</u>	
	<u>Company's Board/</u>	<u>Meeting date</u>	<u>Dividends</u>	<u>Per share</u>	<u>Totaling</u>	<u>% of</u>	<u>Amount</u>
	<u>Shareholder meeting</u>		<u>payment date</u>	<u>(Baht)</u>	<u>(Million Baht)</u>	<u>Net profit</u>	<u>(Million Baht)</u>
Quarter 1	2/2005	12/05/2005	10/06/2005	0.10	30.02	5%	1.71
Quarter 2	4/2005	11/08/2005	09/09/2005	0.10	30.14	-	-
Quarter 3	5/2005	14/11/2005	09/12/2005	0.10	30.16	-	-
Quarter 4	1/2006	26/04/2006	23/05/2006	0.29	90.29	-	-
Total				0.59	180.61		1.71

<u>Year 2004 operating result</u>							
	<u>Resolutions of the</u>		<u>Dividends</u>	<u>Dividends</u>	<u>Dividend Paid</u>	<u>Legal reserve</u>	
	<u>Company's Board/</u>	<u>Meeting date</u>	<u>Dividends</u>	<u>Per share</u>	<u>Totaling</u>	<u>% of</u>	<u>Amount</u>
	<u>Shareholder meeting</u>		<u>payment date</u>	<u>(Baht)</u>	<u>(Million Baht)</u>	<u>Net profit</u>	<u>(Million Baht)</u>
Quarter 1	2/2004	14/05/2004	14/06/2004	0.10	27.74	5%	1.47
Quarter 2	3/2004	11/08/2004	08/09/2004	0.10	29.31	5%	1.56
Quarter 3	5/2004	12/11/2004	09/12/2004	0.06	17.62	5%	0.98
Quarter 4	1/2005	27/04/2005	25/05/2005	0.028	8.40	5%	1.83
Total				0.288	83.07		5.84

#### 15. Treasury stock

In accordance to the resolutions of the Board of directors' meeting No. 1/2004 held on February 24, 2004, it was resolved to buy back treasury shares with the objective for financial management as the Company had excess liquidity. The Company, therefore, set up a project to buy back 25.78 million shares with the limiting amount of not exceeding Baht 160 million. The buy back treasury shares was determined to be proceeded from March 11, 2004 to September 11, 2004. From April 2, 2004 to September 8, 2004 the total treasury shares bought back under the said project amounting to 19.78 million shares with the total value of Baht 122.64 million. The Company set a policy to sale buy back treasury shares to less than 3 years after the six-month of buy back period.

According to the Federation of Accounting Professions' announcement no. Sor. Sor. Vor. Bor. Chor. 016/2548 dated February 4, 2005, required public limited companies that buy back treasury shares should have retained earnings not less than the amount of the buy back treasury shares remain in the account. In the event the retained earning is used to pay dividends, the retained earning after the dividend payment should not be less than the buy back treasury shares. This is to be in accordance with the announcement of the Judicial Council, which deliberated the issue of treasury share schemes under Section 66/1(2) of the Public Limited Companies Act B.E. 2535.



As at December 31, 2006, the Company had buy back treasury shares of 19.78 million shares equal to 5.94 % of the total shares sold. The total of the buy back treasury shares is Baht 122.64 million and the Company has appropriated the retained earning as the treasury stock reserve for the whole amount.

#### 16. Directors' remuneration

Director's remuneration is the contribution paid to Company's directors in accordance with Section 90 of the Public Companies Act., exclusive of salaries and related fringe benefits payable to executive directors.

#### 17. Corporate income tax

For the year ended of December 31, 2006 and 2005, the Company calculated income tax at 25% of net book profit before recognition of participating gain (loss) from investments in associated company plus prohibited expenses under the Revenue Code over which taxable rate is the new rate attributable to Royal Decree No. 387 (B.E. 2544).

#### 18. Basic and diluted earnings per share

For the three-month periods ended on December 31,						
	Net profit		Weighted average number of ordinary shares		Earnings per share	
	2006	2005	2006	2005	2006	2005
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net profit	67,432,277.99	65,741,030.13	311,903,990	302,115,254	0.22	0.22
Effect of diluted equivalent ordinary shares						
The balance of warrants able to be exercised						
15,233,590 units (Year 2005 : 25,992,650 units)	-	-	13,178,989	20,886,252	-	-
Diluted earnings per share						
Net profit of ordinary shareholders						
assuming the conversion into ordinary shares	67,432,277.99	65,741,030.13	325,082,979	323,001,506	0.21	0.20

For the years ended on December 31,						
	Net profit		Weighted average number of ordinary share		Earnings per share	
	2006	2005	2006	2005	2006	2005
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net profit	209,191,301.35	187,913,948.37	310,715,708	300,105,205	0.67	0.63
Effect of diluted equivalent ordinary shares						
The balance of warrants able to be exercised						
15,233,590 units (Year 2005 : 25,992,650 units)	-	-	13,166,379	20,539,342	-	-
Diluted earnings per share						
Net profit of ordinary shareholders						
assuming the conversion into ordinary shares	209,191,301.35	187,913,948.37	323,882,087	320,644,547	0.65	0.59



For the years ended on December 31, 2006 and 2005, the diluted earnings per share was calculated by including the number of the ordinary shares that the Company may have to issue even when the determined condition or event has not occurred yet, with consideration of the effect of the exercisable warrants but not yet been exercised.

19. Disclosure of sectoral business operations

The Company operates in one principal business sector, namely business of production and sale of books and confines its operation only in one geographical area i.e. in Thailand. Thus all income, profit and assets shown in the financial statements were related to the said business sector and geographical area.

20. The income statements for the three-month periods ended on December 31, 2006 and 2005

The income statements for the three-month periods ended on December 31, 2006 and 2005, were reviewed in accordance with the auditing standard issued by the Federation of Accounting Professions as follows:

		Unaudited Limited Review Only	
		(Unit : Thousand Baht)	
		For the three-month periods ended on December 31,	
		2006	2005
REVENUES FROM OPERATION			
Sales		910,321	919,019
Other income		13,057	6,521
Total Revenues		923,378	925,540
EXPENSES FROM OPERATION			
Cost of sales		596,920	622,518
Selling and administrative expenses		235,167	211,508
Participating loss in associated company		1,992	366
Directors' remuneration	(Note 16)	683	164
Total Expenses		834,762	834,556
PROFIT BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX			
		88,616	90,984
INTEREST EXPENSES		(18)	(8)
CORPORATE INCOME TAX	(Note 17)	(21,166)	(25,235)
NET PROFIT		67,432	65,741
BASIC EARNINGS PER SHARE (BAHT)			
	(Note 18)	0.22	0.22
DILUTED EARNINGS PER SHARE (BAHT)			
	(Note 18)	0.21	0.20



## 21. The provident fund

The Company has established provident fund in accordance with the Provident Fund Act B.E. 2530. Employees who are members contribute for each month and the company respectively contributes equally the other portion to the provident fund which one domestic finance institution is appointed as the fund manager.

## 22. Subsequent events

As of January 15, 2007, directors and employees had exercised their rights to purchase ordinary shares in number of 9,639,920 units resulted in the issued and paid-up share capital of the Company increased by Baht 9.64 million. The Company registered the change in paid-up share capital on January 26, 2007.

## 23. Financial instruments

The Company obtains non-material risk with respect to the change of interest rates and exchange rates. Due to the business's expansion, the Company's investment is utilized by current cash flow; however long term liabilities which incurred interest obligation do not exist. The nature of the Company's operation related to foreign currency has non-material proportion so the Company did not use financial instruments to hedge against the risk. Moreover, when the nature of the Company's operation related to foreign currencies shows an increased proportion, when the Company, as a result, would consider the adoption of appropriate financial instruments to hedge against such risk. Nevertheless, the Company holds no policy to adopt any with financial instrument off the balance sheets which are derivative instruments for speculative or for trade purpose.

### 23.1 Risk on credit provision

The Company obtains risk from provision in relation to trade debtors. Nevertheless, the Company constitutes the careful policy in granting credit. Hence, the Company does not anticipate any material indemnity from debt collection.

### 23.2 Risk on interest rates

Risk on interest rate is derived from the change of interest rates in the future which affects upon the Company operating result and cash flow. Due to the short term investment which generates interest receivable and dividend fluctuated to the market rates (Floating interest rate), the Company, therefore, does not adopt any financial instrument to hedge against such risk.

### 23.3 Fair value

Since the financial assets and liabilities are mainly classified under short-term type, such book values of financial asset and liabilities are presented in the value, which are not materially different from their fair values. Regarding the short-term investment, the Company has adjusted investment value to its fair value.



## 24. Obligations and contingent liabilities

24.1 As of December 31, 2006 and 2005, the Company also holds obligations and contingent liabilities as follows :-

(Unit : Thousand Baht)

	<u>As of December 31,</u>					
	<u>2006</u>			<u>2005</u>		
	<u>Total</u>	<u>Facility</u>	<u>Available</u>	<u>Total</u>	<u>Facility</u>	<u>Available</u>
	<u>facility</u>	<u>utilized</u>	<u>facility</u>	<u>facility</u>	<u>utilized</u>	<u>facility</u>
Letters of guarantee	46,000	5,588	40,412	41,000	3,517	37,483
Letters of credit	4,000	-	4,000	4,000	-	4,000
Overdrafts	30,000	-	30,000	30,000	-	30,000

As of December 31, 2006, a part of letter of guarantee for the amount of Baht 2.29 million, which fixed deposit accounts has been pledged as collaterals.

24.2 The Company has entered into agreements of building lease and agreements of service with outside company and party so as to use as head office and the distribution center of merchandise. The Company has also entered into area rental agreements so as to use as branch offices totaling 216 branches. The leased period ranged from 1 to 10 years. The total rental fee and public utility service fee that the Company has to pay are approximately Baht 290.54 million per year.

The Company has entered into two lease agreements for leasing a warehouse (Kingkaew Road) with the lease period of 3 years commencing from January 1, 2006 to June 14, 2009 with the contractual value of Baht 46.37 million.

## 25. Approval of financial statements

These financial statements been approved by the Company's board of directors on February 23, 2007.

