

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of SE-EDUCATION PUBLIC COMPANY LIMITED

I have reviewed the accompanying balance sheet, in which the equity method is applied to investment, as of June 30, 2009, the related income statements, in which the equity method is applied to investment, for the three-month and six-month periods ended June 30, 2009 and 2008, and the related statements of changes in shareholders' equity and cash flows, in which the equity method is applied to investment, for the six-month periods ended the same dates of SE-EDUCATION PUBLIC COMPANY LIMITED. I have also reviewed the accompanying separate balance sheet, in which the cost method is applied to investment, as of June 30, 2009, the separate income statements, in which the cost method is applied to investment, for the three-month and six-month periods ended June 30, 2009 and 2008, and the related statements of changes in shareholders' equity and cash flows, in which the cost method is applied to investment, for the six-month periods ended the same dates of SE-EDUCATION PUBLIC COMPANY LIMITED. These financial statements are the responsibility of the Company's management as to their correctness and completeness in the presentation. My responsibility is to report on these financial statements based on my review. The financial statements of one associated company as mentioned in the notes to the financial statements No. 7.3, from which investments were recorded under the equity method, have been reviewed by another auditor and I have already received the report of that auditor. My report in part related to the amounts of transactions of the said associated company, which were included in these financial statements, in which the equity method is applied to investment, is based on the report of the said auditor. As of June 30, 2009, the investment in the said associated company, which was included in the financial statements and shown by equity method, was in amount of Baht 51.11 million, equivalent to 2.81% of the total assets in the balance sheet, in which the equity method is applied to investment, and the participating profit (loss) in the associated company was shown and included in the income statements, in which the equity method is applied to investment, for the three-month and six-month periods ended June 30, 2009 at Baht 1.70 million and Baht 0.12 million respectively, equivalent to 2.97% and 0.11% of the net profit respectively, and for the three-month and six-month periods ended June 30, 2008 at Baht 0.03 million and Baht (3.08) million respectively, equivalent to 0.06% and 2.81% of the net profit respectively.

I conducted my review in accordance with the auditing standards applicable to review engagements. Those standards require that I plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards and, accordingly, I do not express an opinion on the reviewed financial statements. Together with the report of the another auditor as mentioned in the first paragraph provided summary that is a reasonable basis for my review report.

Based on my review and another auditor's report, nothing has come to my attention that causes me to believe that the financial statements, in which the equity method is applied to investment, and the separate financial statements, in which the cost method is applied to investment, are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I used to audit the financial statements in which the equity method is applied to investment and the separate financial statements in which the cost method is applied to investment for the year ended December 31, 2008 of SE-EDUCATION PUBLIC COMPANY LIMITED in accordance with generally accepted auditing standards and expressed an unqualified opinion, but gave an observation to the adjustment of the already publicly-issued financial statements for the compliance to the discount tax rate exercised under the Royal Decree No. 475, which the Company adjusted the financial statements for the year 2008 to be re-issued to the public as reported thereon dated February 27, 2009. The balance sheet in which the equity method is applied to investment and the separate balance sheet in which the cost method is applied to investment as of December 31, 2008, shown herein for comparison purpose, are an integral part of the said financial statements audited and reported thereon. I have not used any other auditing procedure subsequent to the date in the report.

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

(Miss Sansanee Poolsawat)

Certified Public Accountant (Thailand) Registration No. 6977

Bangkok,

August 14, 2009

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2009 and December 31, 2008

(Unit : Thousand Baht)

	Notes	Financial statements in which the equity method is applied to investment		Separate financial statements in which the cost method is applied to investment	
		2009	2008	2009	2008
		Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalent items		393,006	336,679	393,006	336,679
Short-term investments-net	4	175,565	167,931	175,565	167,931
Trade accounts and notes receivable-net	5	119,144	81,116	119,144	81,116
Loan due from associated company	3.1	-	11,000	-	11,000
Inventories-net	6	409,251	498,625	409,251	498,625
Prepaid expenses		29,504	23,709	29,504	23,709
Other current assets		14,016	14,434	14,016	14,434
TOTAL CURRENT ASSETS		1,140,486	1,133,494	1,140,486	1,133,494
NON-CURRENT ASSETS					
Investments in subsidiary and associated companies-net	7	77,285	75,595	69,532	69,532
Property, plant and equipment-net	8	335,795	345,221	335,795	345,221
Leasehold on buildings-net	9	122,893	129,125	122,893	129,125
Land and improvements for land not used for operation-net	10	33,620	33,652	33,620	33,652
Intangible assets-net	11	8,479	8,214	8,479	8,214
Copyright and translation advance		23,257	21,711	23,257	21,711
Guarantee for rental and deposit		65,516	63,681	65,516	63,681
Other non-current assets	12	14,573	15,796	14,573	15,796
TOTAL NON-CURRENT ASSETS		681,418	692,995	673,665	686,932
TOTAL ASSETS		1,821,904	1,826,489	1,814,151	1,820,426

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

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2009 and December 31, 2008

(Unit : Thousand Baht)

	Notes	Financial statements in which the equity method is applied to investment		Separate financial statements in which the cost method is applied to investment	
		2009	2008	2009	2008
		Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Trade accounts and notes payable		979,172	972,108	979,172	972,108
Accrued expenses		89,674	97,448	89,674	97,448
Accrued corporate income tax		37,992	22,096	37,992	22,096
Other accounts and notes payable		24,837	36,669	24,837	36,669
Other current liabilities		39,089	35,838	39,089	35,838
TOTAL CURRENT LIABILITIES		1,170,764	1,164,159	1,170,764	1,164,159
NON-CURRENT LIABILITIES					
Other non-current liabilities		8,541	8,381	8,541	8,381
TOTAL NON-CURRENT LIABILITIES		8,541	8,381	8,541	8,381
TOTAL LIABILITIES		1,179,305	1,172,540	1,179,305	1,172,540
SHAREHOLDERS' EQUITY					
Share capital	13				
Authorized share capital					
328,345,090 ordinary shares @ Baht 1.00 each		328,345	328,345	328,345	328,345
Issued and paid-up share capital					
323,921,130 ordinary shares @ Baht 1.00 each		323,921	323,921	323,921	323,921
Premiums on share capital		149,421	149,421	149,421	149,421
Unrealized loss on securities available for sale	4	(13,917)	(21,556)	(13,917)	(21,556)
Capital surplus from assets revaluation	8	28,575	29,065	28,575	29,065
Discount on capital resulting from change in shareholding ratio in associated company		(6,764)	(6,764)	-	-
Retained earnings	14				
Appropriated					
Legal reserve		35,627	35,627	35,627	35,627
Unappropriated		125,736	144,235	111,219	131,408
TOTAL SHAREHOLDERS' EQUITY		642,599	653,949	634,846	647,886
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,821,904	1,826,489	1,814,151	1,820,426

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

SE-EDUCATION PUBLIC COMPANY LIMITE

INCOME STATEMENTS

For the three-month periods ended June 30, 2009 and 2008

(Unit : Thousand Baht)

	Notes	Financial statements in which the equity method is applied to investment		Separate financial statements in which the cost method is applied to investment	
		2009	2008	2009	2008
Revenues from sales		1,213,829	1,094,547	1,213,829	1,094,547
Cost of sales		(833,130)	(751,864)	(833,130)	(751,864)
Gross profit		380,699	342,683	380,699	342,683
Other income		7,077	5,946	7,077	5,946
Interest and dividend income		1,768	4,076	3,268	5,576
Profit before expenses		389,544	352,705	391,044	354,205
Selling expenses		(111,894)	(94,400)	(111,894)	(94,400)
Administrative expenses		(195,016)	(188,645)	(195,016)	(188,645)
Management's and directors' remunerations	17	(6,512)	(6,217)	(6,512)	(6,217)
Total expenses		(313,422)	(289,262)	(313,422)	(289,262)
Participating profit from investment in associated companies		4,772	3,246	-	-
Profit before financial cost and corporate income tax		80,894	66,689	77,622	64,943
Financial cost		(8)	(8)	(8)	(8)
Net profit before corporate income tax		80,886	66,681	77,614	64,935
Corporate income tax	18	(23,721)	(9,839)	(23,721)	(9,839)
Net profit		57,165	56,842	53,893	55,096
Earnings per share (Unit : Baht)		0.18	0.18	0.17	0.17
Number of ordinary shares (Unit : Thousand shares)		323,921	323,921	323,921	323,921

Unaudited

Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITE

INCOME STATEMENTS

For the six-month periods ended June 30, 2009 and 2008

(Unit : Thousand Baht)

	Notes	Financial statements in which the equity method is applied to investment		Separate financial statements in which the cost method is applied to investment	
		2009	2008	2009	2008
Revenues from sales		2,289,532	2,139,253	2,289,532	2,139,253
Cost of sales		(1,564,667)	(1,464,645)	(1,564,667)	(1,464,645)
Gross profit		724,865	674,608	724,865	674,608
Other income		15,389	12,907	15,389	12,907
Interest and dividend income		5,161	8,187	6,661	9,687
Profit before expenses		745,415	695,702	746,915	697,202
Selling expenses		(216,362)	(186,496)	(216,362)	(186,496)
Administrative expenses		(363,119)	(348,577)	(363,119)	(348,577)
Management's and directors' remunerations	17	(19,171)	(21,027)	(19,171)	(21,027)
Total expenses		(598,652)	(556,100)	(598,652)	(556,100)
Participating profit from investment in associated companies		3,190	131	-	-
Profit before financial cost and corporate income tax		149,953	139,733	148,263	141,102
Financial cost		(146)	(123)	(146)	(123)
Net profit before corporate income tax		149,807	139,610	148,117	140,979
Corporate income tax	18	(41,977)	(29,783)	(41,977)	(29,783)
Net profit		107,830	109,827	106,140	111,196
Earnings per share (Unit : Baht)		0.33	0.34	0.33	0.34
Number of ordinary shares (Unit : Thousand shares)		323,921	323,921	323,921	323,921

Unaudited

Limited Review Only

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 six-month periods ended June 30, 2009 and 2008

Financial statements in which the equity method is applied to investment

(Unit : Thousand Baht)

	Notes	Issued and	Premiums on	Unrealized gain	Capital surplus	Discount on capital resulting	Retained earnings		Total
		paid-up	share capital	(loss) on securities	from assets	from change in shareholding	Appropriated	Unappropriated	
		share capital		available for sale	revaluation	ratio in associated company	Legal reserve		
Balance as of January 1, 2009		323,921	149,421	(21,556)	29,065	(6,764)	35,627	144,235	653,949
Depreciation-capital surplus from assets revaluation		-	-	-	(490)	-	-	-	(490)
Unrealized gain on securities available for sale		-	-	7,639	-	-	-	-	7,639
Total recognised income (expenses) in									
shareholders' equity		-	-	7,639	(490)	-	-	-	7,149
Net profit for the period		-	-	-	-	-	-	107,830	107,830
Total income (expenses) recognised for the period		-	-	7,639	(490)	-	-	107,830	114,979
Dividend payment	14	-	-	-	-	-	-	(126,329)	(126,329)
Balance as of June 30, 2009		323,921	149,421	(13,917)	28,575	(6,764)	35,627	125,736	642,599
Balance as of January 1, 2008		323,765	149,421	(2,757)	30,057	(6,764)	35,627	130,999	660,348
Depreciation-capital surplus from assets revaluation		-	-	-	(493)	-	-	-	(493)
Unrealized loss on securities available for sale		-	-	(2,124)	-	-	-	-	(2,124)
Total recognised income (expenses) in									
shareholders' equity		-	-	(2,124)	(493)	-	-	-	(2,617)
Net profit for the period		-	-	-	-	-	-	109,827	109,827
Total income (expenses) recognised for the period		-	-	(2,124)	(493)	-	-	109,827	107,210
Dividend payment	14	-	-	-	-	-	-	(116,612)	(116,612)
Shares purchased by exercising warrants									
of employees	13	156	-	-	-	-	-	-	156
Balance as of June 30, 2008		323,921	149,421	(4,881)	29,564	(6,764)	35,627	124,214	651,102

Unaudited

Limited Review Only

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 six-month periods ended June 30, 2009 and 2008

Separate financial statements in which the cost method is applied to investment

(Unit : Thousand Baht)

	Notes	Issued and paid-up share capital	Premiums on share capital	Unrealized gain (loss) on securities available for sale	Capital surplus from assets revaluation	Retained earnings		Total
						Appropriated Legal reserve	Unappropriated	
Balance as of January 1, 2005		323,921	149,421	(21,556)	29,065	35,627	131,408	647,886
Depreciation-capital surplus from assets revaluati		-	-	-	(490)	-	-	(490)
Unrealized gain on securities available for sa		-	-	7,639	-	-	-	7,639
Total recognised income (expenses) i								
shareholders' equity		-	-	7,639	(490)	-	-	7,149
Net profit for the perio		-	-	-	-	-	106,140	106,140
Total income (expenses) recognised for the perio		-	-	7,639	(490)	-	106,140	113,289
Dividend payment	14	-	-	-	-	-	(126,329)	(126,329)
Balance as of June 30, 2005		323,921	149,421	(13,917)	28,575	35,627	111,219	634,846
Balance as of January 1, 2008		323,765	149,421	(2,757)	30,057	35,627	115,247	651,360
Depreciation-capital surplus from assets revaluati		-	-	-	(493)	-	-	(493)
Unrealized loss on securities available for sa		-	-	(2,124)	-	-	-	(2,124)
Total recognised income (expenses) i								
shareholders' equity		-	-	(2,124)	(493)	-	-	(2,617)
Net profit for the perio		-	-	-	-	-	111,196	111,196
Total income (expenses) recognised for the perio		-	-	(2,124)	(493)	-	111,196	108,579
Dividend payment	14	-	-	-	-	-	(116,612)	(116,612)
Shares purchased by exercising warrant								
of employees	13	156	-	-	-	-	-	156
Balance as of June 30, 2008		323,921	149,421	(4,881)	29,564	35,627	109,831	643,483

Unaudited

Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED
CASH FLOW STATEMENTS
For the six-month periods ended June 30, 2009 and 2008

(Unit : Thousand Baht)

	Financial statements in which the equity method is applied to investment		Separate financial statements in which the cost method is applied to investment	
	2009	2008	2009	2008
	CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before corporate income tax	149,807	139,610	148,117	140,979
Adjustment to net profit for cash-received (payments) from operatio				
Doubtful debts and bad debts (return of bad debts)	(162)	(1,238)	(162)	(1,238)
Adjustment for account receivable reconciliatio	(77)	(315)	(77)	(315)
Loss from returned goods estimation (reversal	1,191	(4,761)	1,191	(4,761)
Loss from lost goods	11,137	16,514	11,137	16,514
Loss from allowance for lost, dilapidated and slow-moving goods (reversal	7,400	(4,508)	7,400	(4,508)
Loss from donated goods	276	8,094	276	8,094
Loss from goods destroyed	2,784	4,365	2,784	4,365
Participating profit from investment in associated companie	(3,190)	(131)	-	-
Depreciation-fixed assets for operation	47,699	41,950	47,699	41,950
Depreciation-fixed assets not used for operatio	32	33	32	33
Loss from sale and written-off fixed assets	486	974	486	974
Amortized leasehold	6,232	6,267	6,232	6,267
Amortized intangible assets	1,624	1,918	1,624	1,918
Adjustment for account payable reconciliatio	(1,953)	-	(1,953)	-
Interest expenses	146	123	146	123
Interest income	(2,354)	(4,540)	(2,354)	(4,540)
Dividend income	(2,807)	(3,647)	(4,307)	(5,147)
Unrealized loss on exchange rate	-	2,552	-	2,552
Gain from sale of short-term investment	-	(472)	-	(472)
Profit from operation before change in operating assets and liabilitie	218,271	202,788	218,271	202,788

Unaudited
Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED
CASH FLOW STATEMENTS
For the six-month periods ended June 30, 2009 and 2008

(Unit : Thousand Baht)

	Financial statements in which the equity method is applied to investment		Separate financial statements in which the cost method is applied to investment	
	2009	2008	2009	2008
	CASH FLOW FROM OPERATING ACTIVITIES (Continued)			
Operating assets (increase) decrease				
Trade accounts and notes receivable	(38,980)	(24,920)	(38,980)	(24,920)
Inventories	67,777	(44,668)	67,777	(44,668)
Prepaid expenses	(5,795)	(3,120)	(5,795)	(3,120)
Other current assets	1,508	8,904	1,508	8,904
Copyright and translation advance	(1,546)	2,658	(1,546)	2,658
Guarantee for rental and deposits	(1,835)	(5,894)	(1,835)	(5,894)
Other non-current assets	1,223	(2,967)	1,223	(2,967)
Operating liabilities increase (decrease)				
Trade accounts and notes payable	9,017	69,894	9,017	69,894
Accrued expenses	(7,774)	(13,764)	(7,774)	(13,764)
Other accounts and notes payable	(11,832)	(5,743)	(11,832)	(5,743)
Other current liabilities:	3,431	13,383	3,431	13,383
Other non-current liabilities:	160	340	160	340
Net cash received in operating activities:	233,625	196,891	233,625	196,891
Paid interest	(146)	(123)	(146)	(123)
Paid corporate income tax	(26,081)	(52,855)	(26,081)	(52,855)
Net cash received from operating activities:	207,398	143,913	207,398	143,913
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from sale of short-term investment	5	56,420	5	56,420
Cash paid to purchase short-term investments	-	(35,329)	-	(35,329)
Cash received from loan repayment by associated company	14,000	-	14,000	-
Cash paid for loan given to associated company	(3,000)	(5,000)	(3,000)	(5,000)
Interest received	2,764	4,510	2,764	4,510
Dividends received	2,807	4,278	2,807	4,278
Purchase of equipment	(37,317)	(65,587)	(37,317)	(65,587)
Purchase of intangible assets	(1,889)	(403)	(1,889)	(403)
Cash received from sales of equipment	4	25	4	25
Cash received from sales of assets pending for sale	-	20,000	-	20,000
Net cash used in investing activities:	(22,626)	(21,086)	(22,626)	(21,086)

Unaudited
Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED
CASH FLOW STATEMENTS
For the six-month periods ended June 30, 2009 and 2008

(Unit : Thousand Baht)

	Financial statements in which the equity method is applied to investment		Separate financial statements in which the cost method is applied to investment	
	2009	2008	2009	2008
	CASH FLOW FROM FINANCING ACTIVITIES			
Cash paid for accounts payable-assets	(2,116)	-	(2,116)	-
Cash received from additional warrants exercised to purchase ordinary share	-	156	-	156
Dividend paid	(126,329)	(116,612)	(126,329)	(116,612)
Net cash used in financing activities:	<u>(128,445)</u>	<u>(116,456)</u>	<u>(128,445)</u>	<u>(116,456)</u>
Cash and cash equivalent items increase (decrease)-net	56,327	6,371	56,327	6,371
Cash and cash equivalent items at the beginning of the period	336,679	298,784	336,679	298,784
Cash and cash equivalent items at the end of the period	<u>393,006</u>	<u>305,155</u>	<u>393,006</u>	<u>305,155</u>
Supplemental disclosures to the cash flow statement				
1. Cash and cash equivalent items consist of				
Cash	17,948	14,233	17,948	14,233
Cash at bank (maturity period not exceeding 3 months)	164,380	175,934	164,380	175,934
Government bond (maturity period not exceeding 3 months)	210,678	114,988	210,678	114,988
Total	<u>393,006</u>	<u>305,155</u>	<u>393,006</u>	<u>305,155</u>
2. Items not effecting cash flow				
2.1 Recorded unrealized gain (loss) on revaluation of securities available for sale to shareholders' equity	7,639	(2,124)	7,639	(2,124)
2.2 Purchase of fixed assets which had not yet been paid	1,936	-	1,936	-
2.3 Amortized capital surplus from assets revaluation	490	493	490	493

Unaudited
Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008 (Unaudited/Limited Review Only)
and December 31, 2008 (Audited)

1. General information

SE-EDUCATION PUBLIC COMPANY LIMITED (the Company) was registered for establishment as a limited company on July 29, 1974 and was converted to a limited public company on April 29, 1993 with the company registration number 0107536000285. The Company's headquarters is situated at 1858/87-90 Nation Tower Building, 19th Floor, Bangna-Trad Road, Bangna, Bangkok 10260 and its distribution center is situated at 99 Moo 1, Kingkaew Road, Rajatewa, Bangplee, Samutprakarn 10540.

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 equipment, etc.

2. Basis of financial statements preparation and accounting policies

2.1 These interim financial statements are prepared in accordance with the generally accepted accounting principles in Thailand. The Company selected to present the interim financial statements in the condensed format as determined in the Thai Accounting Standards No. 41 (revised 2007) on "Interim Financial Reporting" and has presented the balance sheets, the statements of income, changes in shareholders' equity and cash flows in the same format as that used in the annual financial statements according to Thai Accounting Standards No. 35 (revised 2007) on "Presentation of Financial Statements" and disclose information in accordance with the pronouncement of Securities and Exchange Commission and also regulation of the Stock Exchange of Thailand.

These financial statements were prepared by using original cost basis except those disclosed otherwise in the accounting policies.

2.2 These interim financial statements have been prepared to provide additional information from the latest presented annual financial statements; therefore, the interim financial statements emphasized on providing the information on the new activities, events and situations so the information presented is not redundant with the information already presented. These interim financial statements should be read in conjunction with the latest annual financial statements.

2.3 The significant accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2008.

2.4 Announcements for the application of the new accounting standards

The Federation of Accounting Professions has issued the Federation of Accounting Professions announcements on accounting standards withdrawing some existing accounting framework and accounting standards in order to replace them and also announcements for accounting framework, accounting standards, financial reporting standards and guidelines for implementing new accounting standards as follows :-

<u>FAP's</u> <u>Announcement No.</u>	<u>Dated</u>	<u>Withdrawn Accounting Framework/ Accounting Standards No.</u>	<u>Accounting Framework/Accounting Standards/ Financial Reporting Standards newly issued or replaced the withdrawn one*</u>	<u>Effective on or after 1 January of the year</u>
86/2551	12/11/2008	- No. 36 on Impairment of Assets - No. 54 on Discontinued Operation	- Accounting Standard No. 36 (Revised 2007) on Impairment of Assets (Formerly No. 36) - Financial Reporting Standard No. 5 (Revised 2007) on Non-Current Assets Held for Sale and Discontinued Operations (Formerly No. 54)	2009 2009
16/2552	21/5/2009	- Accounting Framework - No. 47 on Information Disclosure of Related Person and Business	- Accounting Framework (Revised 2007) - Accounting Standard No. 24 (Revised 2007) on Related Party Disclosures - Accounting Standard No. 20 on Accounting for Government Grants and Disclosure of Government Assistance - Accounting Standard No. 40 on Investment Property - Accounting Guideline on Accounting for Leasing Right - Accounting Guideline on Business Combinations of Entities under Common Control	- 2011 2012 2011 Immediately 2009

* Note : Coding numbers of accounting standards have been corrected pursuant to FAP's announcement No. 12/2552 dated May 15, 2009 on Arrangement for Coding numbers of Thai Accounting Standards to be consistent with the International Accounting Standards.

The management of the Company has evaluated and thought the said Accounting Framework, Thai Accounting Standards, Financial Reporting Standards and Accounting Guidelines to be effective in 2009 would not have significant effects on the financial statements for the year that the said standards and guidelines are effective.

2.5 The transactions and formats in the statements of income for the three-month and six-month periods ended June 30, 2008 and changes in shareholders' equity for the six-month period then ended have been reclassified to be consistent with the transactions in the financial statements for the three-month and six-month periods ended June 30, 2009 in compliance with Notification of the Department of Business Development dated January 30, 2009 on Specification of Condensed Items to be shown on Financial Statements B.E. 2552.

2.6 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.

3. Inter transactions with related entities

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

3.1 Inter-assets and liabilities

(Unit : Thousand Baht)

	<u>Type of relation</u>	<u>As of</u>	
		<u>June 30, 2009</u>	<u>December 31, 2008</u>
<u>Loan due from associated company</u>			
Plearn Patt Co., Ltd.	Associated company		
Beginning balance		11,000	-
Increased in the period		3,000	16,000
Received in the period		(14,000)	(5,000)
Ending balance		<u>-</u>	<u>11,000</u>
<u>Accrued interest income</u>			
Plearn Patt Co., Ltd.	Associated company	-	211
Total		<u>-</u>	<u>211</u>
<u>Trade accounts payable</u>			
M AND E Co., Ltd.	Associated company	2,235	2,023
GMM Grammy Public Co., Ltd.	Shareholders	5,293	8,870
Bliss Publishing Co., Ltd.	Related company with shareholders	3,718	5,231
Total		<u>11,246</u>	<u>16,124</u>

As of December 31, 2008, the whole amount of loan due from an associated company 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 MOR per annum. The objective of the loan is for the associated company to use for construction and working capital for the school. In the first quarter of 2009, the Company received the payment for outstanding loan in full.

3.2 Inter-revenues and expenses

(Unit : Thousand Baht)

		<u>Financial statements in which the equity method is applied to investment/</u>		
		<u>Separate financial statements in which the cost method is applied to investment</u>		
<u>Type of relation</u>		<u>For the six-month periods</u>		<u>Policy of</u>
		<u>ended June 30,</u>		<u>inter-price setting</u>
		<u>2009</u>	<u>2008</u>	
<u>Purchased goods values</u>				
M AND E Co., Ltd.	Associated company	39	607	Market price
GMM Grammy Public Co., Ltd.	Shareholders	5,130	4,337	Market price
Bliss Publishing Co., Ltd.	Related company with shareholders	7,152	10,613	Market price
<u>Interest income</u>				
Plearn Patt Co., Ltd.	Associated company	114	95	Interest rate of MOR per annum

4. Short-term investments-net

Consisted of :-

(Unit : Thousand Baht)

		<u>Financial statements in which the</u>			
		<u>equity method is applied to investment/</u>			
		<u>Separate financial statements in which the</u>			
		<u>cost method is applied to investment</u>			
		<u>As of</u>			
		<u>June 30, 2009</u>		<u>December 31, 2008</u>	
		<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Securities available for sale :-					
<u>Equity Instruments</u>					
Unit trusts					
One Fas Prosperity Fund		30,000	21,298	30,000	16,822
Bangkok Commercial Property Fund		19,101	15,854	19,101	14,325
Vayupak Fund 1		30,000	29,370	30,000	27,900
<u>Debt Instruments</u>					
Asset Plus Fixed Income Dividend Fund 2		110,381	109,043	110,386	108,884
Total		189,482	175,565	189,487	167,931
<u>Less</u> Unrealized loss on securities available for sale		(13,917)	-	(21,556)	-
Net		175,565	175,565	167,931	167,931

For the six-month period ended June 30, 2009 and for the year ended December 31, 2008, the Company received return from the above investments in amounts of Baht 2.81 million and Baht 10.35 million respectively.

5. Trade accounts and notes receivable-net

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

(Unit : Thousand Baht)

	<u>Financial statements in which the equity method is applied to investment/ Separate financial statements in which the cost method is applied to investment</u>	
	<u>As of</u>	
	<u>June 30, 2009</u>	<u>December 31, 2008</u>
Trade accounts receivable		
Within credit term	52,831	39,616
Over credit term less than 6 months	56,689	38,438
Over credit term more than 6 months to 12 months	6,460	2,048
Over credit term more than 12 months	20,454	21,058
Total trade accounts receivable	136,434	101,160
Notes receivable	10,089	7,528
Total trade accounts and notes receivable	146,523	108,688
<u>Less</u> Allowance for doubtful debts	(21,410)	(22,794)
Allowance for returned goods	(5,969)	(4,778)
Net	119,144	81,116

As of June 30, 2009 and December 31, 2008, included in the trade accounts receivable that were over due for more than 12 months of Baht 20.45 million and Baht 21.06 million respectively, a part amount of Baht 18.15 million for the both periods represented a receivable that has already been provided with full allowance since the year 1998. The Company has already filed lawsuit against this debtor and until February 5, 2007 the Central Bankruptcy Court gave order for the Company to receive repayment from the asset pool of the debtor. On June 30, 2009, the receiver informed that all assets of the said debtor had been already auctioned off with cash value of approximately Baht 2.00 million and the money received could not be adequately payable by average to creditors at present and, furthermore, there are still requests from a number of other creditors to be considered. The Company, therefore, anticipates that there would not be any full repayment.

6. Inventories-net

Consisted of:-

(Unit : Thousand Baht)

	<u>Financial statements in which the equity method is applied to investment/</u>	
	<u>Separate financial statements in which the cost method is applied to investment</u>	
	<u>As of</u>	
	<u>June 30, 2009</u>	<u>December 31, 2008</u>
Raw materials	33,363	38,709
Work in process	6,988	10,572
Finished goods	464,399	537,443
Total	504,750	586,724
<u>Less</u> Allowance for lost goods	(21,161)	(19,908)
Allowance for dilapidated and slow-moving goods	(74,338)	(68,191)
Net	409,251	498,625

7. Investments in subsidiary and associated companies-net

Consisted of:-

(Unit : Thousand Baht)

	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Paid-up share capital</u>	<u>Percentage of shareholdings</u>	<u>As of June 30, 2009</u>		<u>Dividend</u>
					<u>Investments</u>	<u>Equity method</u>	
<u>Subsidiary company</u>							
SE-ED Book Center Co., Ltd.	Business consulting firm	Thailand	100	99.93	100	100	-
<u>Associated companies</u>							
M AND E Co., Ltd.	Printing office company, produces technical magazines and engineering manuals	Thailand	400	25.00	26,077	100	1,500
Pleam Patt Co., Ltd.	Institute of private education-Pleam Pattana School	Thailand	169,350	49.01	51,108	83,000	-
Total investment					77,285	83,200	1,500
<u>Less</u> Allowance for revaluation of investments-Pleam Patt Co., Ltd.					-	(13,668)	-
Net					77,285	69,532	1,500

(Unit : Thousand Baht)

	Nature of business	Country of incorporation	Paid-up share capital	Percentage of shareholdings	As of June 30, 2008		Dividend
					Investments		
					Equity method	Cost method	
<u>Subsidiary company</u>							
SE-ED Book Center Co., Ltd.	Business consulting firm	Thailand	100	99.93	100	100	-
<u>Associated companies</u>							
M AND E Co., Ltd.	Printing office company, produces technical magazines and engineering manuals	Thailand	400	25.00	24,502	100	1,500
Pleam Patt Co., Ltd.	Institute of private education-Pleam Pattana School	Thailand	169,350	49.01	50,993	83,000	-
	Total investment				75,595	83,200	1,500
<u>Less</u>	Allowance for revaluation of investments-Pleam Patt Co., Ltd.				-	(13,668)	-
	Net				75,595	69,532	1,500

Summarized financial information of the associated companies

M AND E Co., Ltd. (Accounting period : December 31)

(Unit : Thousand Baht)

	As of December 31,		For the year ended December 31,	
	2008	2007	2008	2007
	Total assets	114,219	108,045	
Total liabilities	3,910	4,034		
Total revenue			39,750	41,199
Net profit			12,298	12,851

Pleam Patt Co., Ltd. (Accounting period : March 31)

(Unit : Thousand Baht)

	As of		For the three-month periods		For the six-month periods	
	June 30, 2009	December 31, 2008	ended June 30,		ended June 30,	
			2009	2008	2009	2008
Total assets	227,585	187,413				
Total liabilities	123,304	83,367				
Total revenue			26,370	24,091	47,818	41,097
Net profit (loss)			3,463	67	235	(6,305)

7.1 For the investments in SE-ED Book Center Co., Ltd., which is a subsidiary company, the Company did not prepare consolidated financial statements, since the financial statements of the subsidiary company did not materially affect the Company's financial statements.

7.2 For the investments in M AND E Co., Ltd., which is an associated company, the Company recognized participating result from operation of that associated company in the financial statements, in which the equity method is applied to investment, as follows:-

- 1) For the three-month and six-month periods ended June 30, 2009 and 2008, the Company recognized participating result from operation for the year ended December 31, 2008 and 2007 of the associated company, of which financial statements were audited by another auditor. The Company consequently recorded participating profit from investment in such associated company in the income statements, in which the equity method is applied to investment, for the three-month and six-month periods ended June 30, 2009 for the same amount of Baht 3.07 million in both periods equivalent to 5.38% and 2.85% of net profit shown in the financial statements, in which the equity method is applied to investment respectively, and for the three-month and six-month periods ended June 30, 2008 for the same amount of Baht 3.21 million in both periods equivalent to 5.65% and 2.93% of net profit shown in the financial statements, in which the equity method is applied to investment respectively, and as of June 30, 2009, the Company had investment in that associated company for the amount of Baht 26.08 million equivalent to 1.43% of total assets in the financial statements, in which the equity method is applied to investment.

However, the Company did not recognized the equity participation from the result of operation of M AND E Co., Ltd., for the three-month and six-month periods ended June 30, 2009 and 2008 because the said associated company did not prepare the quarterly financial statements and the result of operation of the said associated company has no material effect to the financial statements of the Company.

- 2) For the year ended December 31, 2008, the Company recognized participating result from operation for the year ended December 31, 2007 of the associated company, of which financial statements were audited by another auditor. The Company consequently recorded participating profit from investment in such associated company in the income statement, in which the equity method is applied to investment, for the year ended December 31, 2008 (recorded in the second quarter of year 2008) for the amount of Baht 3.21 million equivalent to 1.65% of net profit shown in the financial statements, in which the equity method is applied to investment, and as of December 31, 2008, the Company had investment in that associated company for the amount of Baht 24.50 million equivalent to 1.34% of total assets in the financial statements, in which the equity method is applied to investment.

7.3 For the investments in Plearn Patt Co., Ltd., which is an associated company, the Company made recognition participating result from operation in the financial statements, in which the equity method is applied to investment, as follows:-

- 1) For the three-month and six-month periods ended June 30, 2009, the Company recognized participation profit from operation in that associated company as presented in the income statements, in which the equity method is applied to investment, for the amount of Baht 1.70 million and Baht 0.12 million respectively equivalent to 2.97% and 0.11% of net profit shown in the financial statements, in which the equity method is applied to investment, respectively, and for the three-month and six-month periods ended June 30, 2008, the Company recognized participation in profit (loss) from operation in that associated company as presented in the income statements, in which the equity method is applied to investment, for the amount of Baht 0.03 million and Baht (3.08) million respectively equivalent to 0.06% and 2.81% of net profit shown in the financial statements, in which the equity method is applied to investment, respectively, from the financial statements for the years ended March 31, 2009 and 2008 (This recognition was especially made for the operation of the three-month periods ended March 31, 2009 and 2008.) and the financial statements for the three-month periods ended June 30, 2009 and 2008, which were audited and reviewed by other auditors respectively, and as of June 30, 2009, the Company had investment in that associated company for the amount of Baht 51.11 million equivalent to 2.81% of total assets in the financial statements, in which the equity method is applied to investment.
- 2) For the year ended December 31, 2008, the Company recognized participation loss from investment in that associated company as presented in the income statement, in which the equity method is applied to investment for the amount of Baht 4.63 million equivalent to 2.38% of net profit shown in the financial statements, in which the equity method is applied to investment from the financial statements for the year ended March 31, 2008 and the financial statements for the nine-month period ended December 31, 2008, which were audited and reviewed by other auditors respectively. As of December 31, 2008, the Company had investment in that associated company for the amount of Baht 50.99 million equivalent to 2.79% of total assets in the financial statements, in which the equity method is applied to investment.

8. Property, plant and equipment-net

For the six-month period ended June 30, 2009, the movements are as follows :-

	(Unit : Thousand Baht)
	<u>Financial statements in which the equity method is applied to investment/</u>
	<u>Separate financial statements in which the cost method is applied to investment</u>
Net book value at the beginning of the period	345,221
Purchases	39,253
Transfer in	37,970
Sales/Written-off	(3,131)
Transfer out	(37,970)
Depreciation-shown in the income statement	(47,699)
Depreciation-capital surplus from assets revaluation (Presented under shareholders' equity item)	(490)
Accumulated depreciation of sales/written-off assets	2,641
Net book value at the end of the period	<u><u>335,795</u></u>

As of June 30, 2009 and December 31, 2008, building decoration built on lease and leasehold right contracts of the Company with book value in amount of Baht 99.87 million and Baht 97.74 million respectively. Once the lease contracts expire, most of these assets would automatically be owned by the lessor or dismantle the decoration to return the property at its original state according to the condition stipulated in the contracts as mentioned in the notes to financial statements No. 20.2.

As of June 30, 2009 and December 31, 2008, the Company has fixed assets which were fully depreciated at the cost value of Baht 344.69 million and Baht 318.51 million respectively, which some of these assets were still in use.

As the Company chose to apply the cost method for accounting and when there is an increase in asset revaluation, only net value of increased book value will be recorded to related assets account along side with capital surplus from assets revaluation account. For the three-month and six-month periods ended June 30, 2009, the depreciation of capital surplus being charged to capital surplus from assets revaluation account appeared under the shareholders' equity for the amounts of Baht 0.25 million and Baht 0.49 million respectively. If the Company chooses to account for depreciation on capital surplus through the income statement, the net profit for the three-month and six-month periods ended June 30, 2009, will be shown at amounts less by of Baht 0.25 million

and Baht 0.49 million respectively, and for the three-month and six-month periods ended June 30, 2008, the depreciation of capital surplus being charged to capital surplus from assets revaluation account appeared under the shareholders' equity for the amounts of Baht 0.25 million and Baht 0.49 million respectively. If the Company chooses to account for depreciation on capital surplus through the income statement, the net profit for the three-month and six-month periods ended June 30, 2008, will be shown at amounts less by of Baht 0.25 million and Baht 0.49 million respectively, but has no effect significantly on earnings per share.

9. Leasehold on buildings-net

The whole amount of the leasehold on buildings represented leased 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 three-month and six-month periods ended June 30, 2009, these leasehold rights were amortized to expenses by the amounts of Baht 3.13 million and Baht 6.23 million respectively, and for the three-month and six-month periods ended June 30, 2008, these leasehold rights were amortized to expenses by the amounts of Baht 3.13 million and Baht 6.27 million respectively.

10. Land and improvements for land not used for operation-net

For the six-month period ended June 30, 2009 the movements are as follows :-

	(Unit : Thousand Baht)
	<u>Financial statements in which the equity method is applied to investment/</u>
	<u>Separate financial statements in which the cost method is applied to investment</u>
Net book value at the beginning of the period	33,652
Depreciation in the period	(32)
Net book value at the end of the period	<u><u>33,620</u></u>

11. Intangible assets-net

Intangible assets represented computer softwares and for the six-month period ended June 30, 2009 there were movements as follows :-

	(Unit : Thousand Baht)
	<u>Financial statements in which the equity method is applied to investment/</u>
	<u>Separate financial statements in which the cost method is applied to investment</u>
Net book value at the beginning of the period	8,214
Purchases in the period	1,889
Amortization in the period	(1,624)
Net book value at the end of the period	<u>8,479</u>

12. Other non-current assets

Other non-current assets have included the investment with guarantee obligation for electricity usage, area lease and book agents as follow: -

- As of June 30, 2009 and December 31, 2008, fixed deposit with 12-month maturity period bearing the interest rate of 2.375% per annum in amounting to Baht 8.67 million and Baht 8.47 million respectively, has been pledged as collateral in amount of Baht 4.66 million and Baht 4.63 million respectively.
- As of June 30, 2009 and December 31, 2008, savings bond with 7-years maturity period bearing the interest rate of 5.10% per annum in amount of Baht 2.00 million for both periods has been pledged as collateral in amount of Baht 2.00 million and Baht 1.70 million respectively.

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 issue warrants to purchase ordinary shares for the directors, employees and sub-agents in number of 31,648,000 units at the price of Baht 1.00 per unit, dividing into 5 versions. The period of exercising for 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.

The exercise of warrants' right for the six-month period ended June 30, 2008. Directors and employees had exercised their rights to purchase ordinary shares in number of 155,800 units. Thus, the Company had increased the issued and paid-up share capital by the total of Baht 0.16 million. The Company registered the change in paid-up share capital and the registration was on January 22, 2008. These warrants forfeited their exercisable rights on January 14, 2008.

14. Retained earnings

Dividend payment and legal reserve

Consisted of:

		<u>Year 2009 operating result</u>					
	<u>Resolutions of the</u>	<u>Meeting</u>	<u>Dividends</u>	<u>Dividends</u>	<u>Dividend paid</u>	<u>Legal reserve</u>	
	<u>Company's Board</u>	<u>date</u>	<u>payment date</u>	<u>per share</u>	<u>totaling</u>	<u>% of</u>	<u>Amount</u>
	<u>meeting</u>			<u>(Baht)</u>	<u>(Million Baht)</u>	<u>Net profit</u>	<u>(Million Baht)</u>
Quarter 1	3/2009	11/05/2009	09/06/2009	0.10	32.39	-	-
	Total			0.10	32.39		-

		<u>Year 2008 operating result</u>					
	<u>Resolutions of the</u>	<u>Meeting</u>	<u>Dividends</u>	<u>Dividends</u>	<u>Dividend paid</u>	<u>Legal reserve</u>	
	<u>Company's Board/</u>	<u>date</u>	<u>payment date</u>	<u>per share</u>	<u>totaling</u>	<u>% of</u>	<u>Amount</u>
	<u>Shareholder meeting</u>			<u>(Baht)</u>	<u>(Million Baht)</u>	<u>Net profit</u>	<u>(Million Baht)</u>
Quarter 1	2/2008	12/05/2008	06/06/2008	0.10	32.39	-	-
Quarter 2	3/2008	08/08/2008	05/09/2008	0.10	32.39	-	-
Quarter 3	4/2008	12/11/2008	11/12/2008	0.10	32.39	-	-
Quarter 4	1/2009	29/04/2009	28/05/2009	0.29	93.94	-	-
	Total			0.59	191.11		-

		<u>Year 2007 operating result</u>					
	<u>Resolutions of the</u>	<u>Meeting</u>	<u>Dividends</u>	<u>Dividends</u>	<u>Dividend paid</u>	<u>Legal reserve</u>	
	<u>Company's Board/</u>	<u>date</u>	<u>payment date</u>	<u>per share</u>	<u>totaling</u>	<u>% of</u>	<u>Amount</u>
	<u>Shareholder meeting</u>			<u>(Baht)</u>	<u>(Million Baht)</u>	<u>Net profit</u>	<u>(Million Baht)</u>
Quarter 1	2/2007	10/05/2007	08/06/2007	0.10	32.36	-	-
Quarter 2	3/2007	09/08/2007	06/09/2007	0.10	32.37	-	-
Quarter 3	5/2007	13/11/2007	11/12/2007	0.10	32.38	-	-
Quarter 4	1/2008	29/04/2008	28/05/2008	0.26	84.22	-	-
	Total			0.56	181.33		-

15. Capital management

The primary objectives of the Company and its associated companies' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

16. Nature of expenses

Consisted of: -

(Unit : Thousand Baht)

	<u>Financial statements in which the equity</u>			
	<u>method is applied to investment/ Separate financial</u>			
	<u>statements in which the cost method is applied to investment</u>			
	<u>For the three-month periods</u>	<u>For the six-month periods</u>		
	<u>ended June 30,</u>	<u>ended June 30,</u>		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Employees' salaries, wages and other benefits	110,141	103,759	210,798	200,643
Management's and directors' remunerations	6,512	6,217	19,171	21,027
Depreciation and amortization	28,083	25,352	55,587	50,168
Operational expenses	110,947	114,288	220,081	211,980
Accounting estimates expenses	10,195	279	6,178	(4,382)
Variable cost depending on sale volume	59,222	51,970	109,362	100,253
Other expenses	40,043	20,524	68,690	43,430
Purchase of goods	732,014	743,068	1,396,824	1,414,094
Movement in finished goods and work in process	49,395	(24,331)	76,628	(16,468)
Interest expenses	8	8	146	123
Total	1,146,560	1,041,134	2,163,465	2,020,868

17. Management's and directors' remunerations

17.1 Management's and directors' remunerations included a portion paid to the Company's directors as benefits paid to directors under Section 90 of the Limited Public Company Act which excluded salaries and related fringe benefits paid to directors who are executives of the Company as follows :-

(Unit : Million Baht)

	<u>Financial statements in which the equity</u>	
	<u>method is applied to investment/ Separate financial</u>	
	<u>statements in which the cost method is applied to investment</u>	
	<u>2009</u>	<u>2008</u>
For the three-month periods ended June 30,	1.00	1.00
For the six-month periods ended June 30,	2.00	5.42

17.2 In accordance to the minutes of the Board of directors' meeting No. 1/2008 held on February 22, 2008, it unanimously agreed to authorize remunerations (rewards) to board of directors, audit committee members for the year 2007 in the amount not more than Baht 3.42 million and for the year 2008 not more than Baht 4.00 million. This proposal was approved by the annual general shareholders' meeting No. 1/2008 held on April 29, 2008. This resulted in the financial statements for the six-month period ended June 30, 2008 recognized remuneration (rewards) to directors, which a part of the compensation paid to the directors as mentioned in No. 17.1, as follow :-

- Remuneration (rewards) to directors out of operating result of year 2007 in amount of Baht 3.42 million.
- Remuneration (rewards) to directors out of operating result for year 2008 recorded as accrued remuneration in amount of Baht 1.00 million.

18. Corporate income tax

For the three-month and six-month periods ended June 30, 2009, the Company calculated their corporate income tax at 25% and for the three-month and six-month periods ended June 30, 2008, the Company calculated their corporate income tax at 30% of the net book profit after adding back the adjustment allowed by the Revenue Code. The Company calculated the corporate income tax at 30% in the first to the third quarter of the year 2008. Afterwards, in accordance to the Royal Decree No. 475 dated August 6, 2008 issued under the Revenue Code to reduce corporate income tax rate from 30% to 25% of net profit for the listed companies under the law on securities and securities market for the portion not exceeding Baht 300 million for the 3 consecutive accounting periods commencing from the first accounting period which commences on or after January 1, 2008; therefore, the Company exercised the right to use the discount tax rate under the said Royal Decree for the fourth quarter of the year 2008 and the financial statements for the year 2008.

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. Obligations and contingent liabilities

20.1 As of June 30, 2009 and December 31, 2008, the Company also holds contingent liabilities as follows :-

(Unit : Thousand Baht)

	<u>As of June 30, 2009</u>			<u>As of December 31, 2008</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	49,000	4,875	44,125	49,000	4,847	44,153
Letters of credit	4,000	-	4,000	4,000	-	4,000
Overdrafts	30,000	-	30,000	30,000	-	30,000
Short-term loan	50,000	-	50,000	50,000	-	50,000

As of June 30, 2009 and December 31, 2008, a part of letter of guarantee for the amount of Baht 4.66 million and Baht 4.63 million respectively are guaranteed by the 12-month fixed deposit accounts as mentioned in the notes to financial statements No. 12.

20.2 As of June 30, 2009 and December 31, 2008, the Company has entered into agreements of building lease and agreements of service with the company and an outside 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 293 branches and 283 branches respectively. The leased period ranged from 1 to 10 years. For the year 2009 and 2008, the total rental fee and public utility service fee that the Company has to pay are approximately Baht 415.07 million and Baht 374.66 million per annum respectively, most of which are calculated from percentage of sales amount.

As of June 30, 2009 and December 31, 2008, the Company entered into three agreements for leasing warehouses (Kingkaew Road) with a company as follows :-

- Lease agreement of land and warehouse for the period of 3 years, commencing from January 1, 2009 to December 31, 2011 and will leasing fees of between Baht 12.00 million and Baht 12.83 million per annum.
- Lease agreement of office building area nearby the warehouse for the period of 3 years, commencing from June 15, 2006 to June 14, 2009. At present, the agreement has been extended for another 2 years and 6 months commencing from June 15, 2009 to December 31, 2011 with leasing fees of between Baht 4.17 million and Baht 4.47 million per annum.

- Lease agreement of a new warehouse for the period of 12 years and 9 months, commencing from December 1, 2008 to August 31, 2021, with leasing fees of between Baht 1.78 million and Baht 2.64 million per annum. The Company paid a deposit of Baht 1.60 million, which will be returned by the lessor once the leasing term expires.

The three leasing agreements stipulated that leasing fees must be paid in advance annually must be paid in advance.

20.3 The Company entered into agent appointment agreement with a foreign company for the contractual period of 3 years commencing from January 1, 2007 to December 31, 2009. The Company has to provide support for promoting sales and marketing of the sale agent at 2.50% of the total book purchased and the Company shall arrange for the office area and services to support the marketing activities. The actual cost incurred can be deducted as expense for supporting the sale agent.

20.4 Copyright contracts

The Company entered contracts allowing the use of copyrights with the owners of various successful works for the contractual period of 3 years with option to extend for another 3 years automatically, and payment of consideration at the percentage of number of books published or sold.

20.5 The Company entered into contracts to rent printing machines with a company for the period of one year. When the term of the contracts ended, not any party informed to cancel it in writing; thus, the contracts are regarded as binding for another year. The rate for printing service is calculated by printing volume. For the year 2009 and 2008, the payment of service is approximately per annum Baht 3.88 million and Baht 3.36 million respectively and once the rent contract expired the lessor has the right to repossess the printing machines from the lessee immediately.

21. Financial instruments

As of June 30, 2009, management policies on financial risk, interest rate risk, exchange rate, credit risk and fair value are in the same nature as in the financial statements for the year ended December 31, 2008.

22. Subsequent event

In July 2009, a SE-ED Book Center was effected by near by fire causing damage of assets net of accumulated depreciation and goods at the total value of Baht 13.60 million which was fully covered by insurance policy.

23. Approval of financial statements

These financial statements have been approved for issuance by SE-EDUCATION PUBLIC COMPANY LIMITED's board of directors on August 14, 2009.
