

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

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

I have reviewed the accompanying consolidated and separate balance sheets as at March 31, 2010, the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2010 of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiary and also of SE-EDUCATION PUBLIC COMPANY LIMITED only. I have also reviewed the statements of income, changes in shareholders' equity and cash flows, in which the equity method is applied to investment and the separate statements of income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2009, also of SE-EDUCATION PUBLIC COMPANY LIMITED only. 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. 9, from which investments were recorded under the equity method, have been audited by another auditor and expressed an unqualified opinion and I have already received the report of that another auditor. My report in part related to the amounts of transactions of the said associated company were included in these financial statements as of March 31, 2010. The investment in the said associated company, which was included in the consolidated financial statements, was in amount of Baht 26.08 million, equivalent to 1.22% of the total assets in the consolidated balance sheet, and the participating loss from investments associated company was shown and included in the statements, of income which the equity method is applied to investment, for the three-month period ended March 31, 2009 at Baht 1.58 million, equivalent to 3.12% of the profit for the period.

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. 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, nothing has come to my attention that causes me to believe that the financial statements related to above, are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I used to audit the consolidated and separate financial statements for the year ended December 31, 2009 of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiary and also the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED only in accordance with generally accepted auditing standards and expressed an unqualified opinion as reported thereon dated February 24, 2010. The consolidated and separate balance sheets as of December 31, 2009, are an integral part of the said financial statements. 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,

May 12, 2010

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

As of March 31, 2010 and December 31, 2009

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
		Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalent items		588,840	544,808	558,328	506,609
Temporary investments-net	5	201,183	188,945	201,183	188,945
Trade accounts receivable-net	6	99,961	98,693	98,755	96,799
Inventories-net	7	428,347	441,346	425,842	438,836
Prepaid expenses		22,445	25,362	21,114	25,362
Damage compensation receivable	8	-	17,793	-	17,793
Other current assets		22,936	22,798	19,641	18,051
TOTAL CURRENT ASSETS		1,363,712	1,339,745	1,324,863	1,292,395
NON-CURRENT ASSETS					
Investments in subsidiary and associated companies-net	9	26,177	26,177	69,532	69,532
Property, plant and equipment-net	10	483,646	485,683	314,030	318,868
Leasehold right on land-net	11	7,959	8,045	-	-
Leasehold right on buildings-net	12	113,459	116,557	113,459	116,557
Land and land improvement not used for operation-net	13	33,570	33,586	33,570	33,586
Intangible assets-net	14	6,762	7,417	6,465	7,107
Copyright and translation paid in advance		24,115	24,054	24,115	24,054
Guarantee for rental and deposit		70,609	69,324	70,609	69,324
Other non-current assets	15	14,192	14,803	14,007	14,708
TOTAL NON-CURRENT ASSETS		780,489	785,646	645,787	653,736
TOTAL ASSETS		2,144,201	2,125,391	1,970,650	1,946,131

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

As of March 31, 2010 and December 31, 2009

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
		Unaudited	Audited	Unaudited	Audited
		Limited Review Only		Limited Review Only	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		1,048,300	1,031,765	1,047,843	1,031,356
Short-term loans from related person	4.1	270	210	-	-
Short-term loans from other person		1,000	1,000	-	-
Income received in advance recognisable within one year	16	28,583	34,656	-	-
Accrued expenses		87,808	106,294	83,131	106,294
Accrued income tax		40,432	31,596	40,432	31,596
Other accounts payable		24,927	46,466	24,927	46,466
Other current liabilities		38,650	44,116	37,934	40,387
TOTAL CURRENT LIABILITIES		1,269,970	1,296,103	1,234,267	1,256,099
NON-CURRENT LIABILITIES					
Income received in advance waiting for transfer-net	16	13,784	16,981	-	-
Long-term loans from related person	4.1	1,400	1,400	-	-
Long-term loans	17	58,000	58,000	-	-
Other non-current liabilities		7,518	9,095	7,316	8,871
TOTAL NON-CURRENT LIABILITIES		80,702	85,476	7,316	8,871
TOTAL LIABILITIES		1,350,672	1,381,579	1,241,583	1,264,970
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
328,345,090 ordinary shares @ Baht 1.00 par value each		328,345	328,345	328,345	328,345
Issued and paid-up share capital					
323,921,130 ordinary shares @ Baht 1.00 par value 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	5	(8,635)	(10,537)	(8,635)	(10,537)
Capital surplus from assets revaluation	10	27,832	28,076	27,832	28,076
Discount on capital resulting from change in shareholding ratio					
in subsidiary	9.2	(6,643)	(6,643)	-	-
Retained earnings	18				
Appropriated					
Legal reserve		35,627	35,627	35,627	35,627
Unappropriated		216,825	169,693	200,901	154,653
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY		738,348	689,558	729,067	681,161
Minority's interest		55,181	54,254	-	-
TOTAL SHAREHOLDERS' EQUITY		793,529	743,812	729,067	681,161
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,144,201	2,125,391	1,970,650	1,946,131

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

For the three-month periods ended March 31, 2010 and 2009

(Unit : Thousand Baht)

	Notes	Consolidated	Financial statements in which	Separate	
		financial statements	the equity method is applied	financial statements	financial statements
		2010	to investment	2010	2009
			2009		
Revenues from sales		1,152,602	1,075,613	1,152,514	1,075,613
Income from educational fee and services		26,086	-	-	-
Total revenues		1,178,688	1,075,613	1,152,514	1,075,613
Cost of sales		(801,727)	(731,537)	(801,709)	(731,537)
Cost of services		(17,877)	-	-	-
Total cost of sales and services		(819,604)	(731,537)	(801,709)	(731,537)
Gross profit		359,084	344,076	350,805	344,076
Interest and dividend income		5,161	3,393	5,161	3,393
Other income		11,704	9,429	11,385	9,429
Profit before expenses		375,949	356,898	367,351	356,898
Selling expenses		(203,072)	(186,021)	(203,072)	(186,021)
Administrative expenses		(104,794)	(92,279)	(99,807)	(92,279)
Executives' and directors' remunerations	21	(9,202)	(7,957)	(8,431)	(7,957)
Total expenses		(317,068)	(286,257)	(311,310)	(286,257)
Participating loss from investments in associated company		-	(1,582)	-	-
Profit before financial cost and income tax		58,881	69,059	56,041	70,641
Financial cost		(1,095)	(138)	(66)	(138)
Profit before income tax		57,786	68,921	55,975	70,503
Income tax	22	(9,727)	(18,256)	(9,727)	(18,256)
Profit for the period		48,059	50,665	46,248	52,247
Appropriation of profit					
Belonging to shareholders' equity of parent company		47,132	50,665	46,248	52,247
Belonging to minority shareholders' equity		927	-	-	-
		48,059	50,665	46,248	52,247
Earnings per share of shareholders' equity of parent company (Unit : Baht)		0.15	0.16	0.14	0.16
Number of ordinary shares (Unit : Thousand Share)		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 AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month periods ended March 31, 2010

Consolidated financial statements

(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	Discount on capital resulting from change in shareholding ratio in subsidiary	Retained earnings		Total shareholders' equity of parent company	Minority's interest	Total
							Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2010		323,921	149,421	(10,537)	28,076	(6,643)	35,627	169,693	689,558	54,254	743,812
Unrealized gain on securities available for sale	5	-	-	1,902	-	-	-	-	1,902	-	1,902
Depreciation-capital surplus from assets revaluation	10	-	-	-	(244)	-	-	-	(244)	-	(244)
Total recognised income (expenses) in shareholders' equity		-	-	1,902	(244)	-	-	-	1,658	-	1,658
Profit for the period		-	-	-	-	-	-	47,132	47,132	927	48,059
Total income (expenses) recognised for the period		-	-	1,902	(244)	-	-	47,132	48,790	927	49,717
Balance as of March 31, 2010		323,921	149,421	(8,635)	27,832	(6,643)	35,627	216,825	738,348	55,181	793,529

Unaudited

Limited Review Only

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month periods ended March 31, 2009

Financial statements in which the equity method is applied to investment

(Unit : Thousand Baht)

		Issued and paid-up share capital	Premiums on share capital	Unrealized gain (loss) on securities available for sale	Capital surplus from assets revaluation	Discount on capital resulting from change in shareholding ratio in associated	Retained earnings		Total
	Notes						Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2009		323,921	149,421	(21,556)	29,065	(6,764)	35,627	144,235	653,949
Unrealized gain on securities available for sale	5	-	-	712	-	-	-	-	712
Depreciation-capital surplus from assets revaluation	10	-	-	-	(244)	-	-	-	(244)
Total recognised income (expenses) in shareholders' equity		-	-	712	(244)	-	-	-	468
Profit for the period		-	-	-	-	-	-	50,665	50,665
Total income (expenses) recognised for the period		-	-	712	(244)	-	-	50,665	51,133
Balance as of March 31, 2009		323,921	149,421	(20,844)	28,821	(6,764)	35,627	194,900	705,082

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month periods ended March 31, 2010

Separate financial statements

(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, 2010		323,921	149,421	(10,537)	28,076	35,627	154,653	681,161
Unrealized gain on securities available for sale	5	-	-	1,902	-	-	-	1,902
Depreciation-capital surplus from assets revaluation	10	-	-	-	(244)	-	-	(244)
Total recognised income (expenses) in shareholders' equity		-	-	1,902	(244)	-	-	1,658
Profit for the period		-	-	-	-	-	46,248	46,248
Total income (expenses) recognised for the period		-	-	1,902	(244)	-	46,248	47,906
Balance as of March 31, 2010		323,921	149,421	(8,635)	27,832	35,627	200,901	729,067
Balance as of January 1, 2009		323,921	149,421	(21,556)	29,065	35,627	131,408	647,886
Unrealized gain on securities available for sale	5	-	-	712	-	-	-	712
Depreciation-capital surplus from assets revaluation	10	-	-	-	(244)	-	-	(244)
Total recognised income (expenses) in shareholders' equity		-	-	712	(244)	-	-	468
Profit for the period		-	-	-	-	-	52,247	52,247
Total income (expenses) recognised for the period		-	-	712	(244)	-	52,247	52,715
Balance as of March 31, 2009		323,921	149,421	(20,844)	28,821	35,627	183,655	700,601

Unaudited

Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENTS

For the three-month periods ended March 31, 2010 and 2009

(Unit : Thousand Baht)

	Consolidated financial statements in which the equity method is applied		Separate financial statements	
	2010	2009	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax	57,786	68,921	55,975	70,503
Adjustment to profit for the period for cash-received (payments) from operation				
Doubtful debts and bad debts (return of bad debts)	(215)	1,028	(215)	1,028
Adjustment for accounts receivable reconciliation	(109)	-	(109)	-
Expense from returned goods estimation (reversal)	(137)	133	(137)	133
Expense from lost goods	4,389	6,465	4,389	6,465
Expense from allowance for lost, dilapidated and slow-moving goods (reversal)	(12,024)	(2,796)	(12,024)	(2,796)
Expense from donated goods	6,315	276	6,315	276
Expense from goods destroyed	-	2,784	-	2,784
Participating loss from investment in associated companies	-	1,582	-	-
Depreciation-fixed assets for operation	26,403	23,620	22,876	23,620
Depreciation-fixed assets not used for operation	16	16	16	16
Loss from sale and written-off fixed assets	-	26	-	26
Amortized leasehold right on land and buildings	3,184	3,099	3,098	3,099
Amortized intangible assets	678	769	665	769
Adjustment for accounts payable reconciliation	-	(1,908)	-	(1,908)
Interest expenses	1,095	138	66	138
Interest income	(1,320)	(1,742)	(1,320)	(1,742)
Dividend income	(3,841)	(1,651)	(3,841)	(1,651)
Profit from operation before change in operating assets and liabilities	82,220	100,760	75,754	100,760

Unaudited

Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENTS

For the three-month periods ended March 31, 2010 and 2009

(Unit : Thousand Baht)

	Consolidated financial statements in which the equity method is applied		Separate financial statements	
	2010	2009	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES (Continued)				
Operating assets (increase) decrease				
Trade accounts receivable	(807)	(11,855)	(1,495)	(11,855)
Inventories	14,319	23,082	14,314	23,082
Prepaid expenses	2,917	(7,239)	4,248	(7,239)
Damage compensation receivable	17,793	-	17,793	-
Other current assets	1,097	(4,403)	(355)	(4,403)
Copyright and translation paid in advance	(61)	(1,338)	(61)	(1,338)
Guarantee for rental and deposit	(1,285)	(987)	(1,285)	(987)
Other non-current assets	611	774	701	774
Operating liabilities increase (decrease)				
Trade accounts payable	16,535	15,538	16,487	15,538
Income received in advance waiting transfer	(9,270)	-	-	-
Accrued expenses	(18,486)	(25,315)	(23,163)	(25,315)
Other accounts payable	(21,539)	(18,579)	(21,539)	(18,579)
Other current liabilities	(6,360)	1,007	(3,347)	1,007
Other non-current liabilities	(1,577)	160	(1,555)	160
Net cash received from operating activities	76,107	71,605	76,497	71,605
Interest paid	(1,095)	(138)	(66)	(138)
Income tax paid	(891)	(816)	(891)	(816)
Net cash provided by operating activities	74,121	70,651	75,540	70,651
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from sale of temporary investments	-	2	-	2
Cash paid to purchase temporary investments	(10,336)	-	(10,336)	-
Cash received from loan repayment by associated company	-	11,000	-	11,000
Interest received	1,247	1,801	1,247	1,801
Dividends received	2,679	1,651	2,679	1,651
Purchase of equipment	(22,455)	(18,157)	(16,127)	(18,157)
Purchase of intangible assets	(23)	(1,889)	(23)	(1,889)
Net cash used in investing activities	(28,888)	(5,592)	(22,560)	(5,592)

Unaudited
Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENTS

For the three-month periods ended March 31, 2010 and 2009

(Unit : Thousand Baht)

	Consolidated	Financial statements in which	Separate	
	financial statements	the equity method is applied	financial statements	
	2010	to investment	2010	2009
		2009		
CASH FLOW FROM FINANCING ACTIVITIES				
Cash received from short- term loan from related person	60	-	-	-
Cash paid for assets payable	(1,261)	(2,116)	(1,261)	(2,116)
Net cash used in financing activities	(1,201)	(2,116)	(1,261)	(2,116)
Cash and cash equivalent items increase (decrease) - net	44,032	62,943	51,719	62,943
Cash and cash equivalent items at the beginning of the period	544,808	336,679	506,609	336,679
Cash and cash equivalent items at the end of the period	588,840	399,622	558,328	399,622
Supplemental disclosures to the cash flow statements				
1. Cash and cash equivalent items consist of :				
Cash	18,014	20,231	17,925	20,231
Cash at bank (maturity period not exceeding 3 months)	161,554	193,838	146,103	193,838
Government bond (maturity period not exceeding 3 months)	409,272	185,553	394,300	185,553
Total	588,840	399,622	558,328	399,622
2. Items not effecting cash flow :				
2.1 Recording of unrealized gain on revaluation of securities available				
for sale to shareholders' equity	1,902	712	1,902	712
2.2 Purchase of fixed assets which had not yet been paid				
	2,155	4,177	2,155	4,177
2.3 Recording of depreciation-capital surplus from assets revaluation				
in shareholders' equity	244	244	244	244

Unaudited

Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**NOTES TO FINANCIAL STATEMENTS****March 31, 2010 and 2009 (Unaudited / Limited Review Only)****and December 31, 2009 (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 public company limited on April 29, 1993, with the company registration number 0107536000285. The Company's headquarter is situated at 1858/87-90, Nation Tower Building, 19th Floor, Bangna-Trad Road, Bangna Sub-District, Bangna District, Bangkok, 10260 and its distribution center is situated at 99 Moo 1, Kingkaew Road, Tambon Rajatewa, Bangplee District, Samutprakarn Province, 10540.

Nature of the Company's business operation :

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

2. Basis of financial statement preparation and accounting policies.

- 2.1 The interim financial statements were prepared under the generally accepted accounting principles in Thailand and reflected by the condensed form as determined in the Thai accounting standard No. 34 (Revised 2007) on "Interim Financial Reporting" and items shown in the balance sheets and statements of income, changes in shareholders' equity and cash flows were in line with those in the annual financial statements under the Thai accounting standard No. 1 (Revised 2007) on "Presentation of Financial Statements" and disclose information in accordance with the pronouncement of the Office of Securities and Exchange Commission and 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 These interim financial statements present the money currency in Baht and are rounded to reflect the thousands Baht, unless specified otherwise.
- 2.4 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, 2009.
- 2.5 The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.
3. Basis for preparation of the interim consolidated financial statements

In preparation for these interim consolidated financial statements, the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED (“the parent company”) and Plearn Patt Co., Ltd. (“the subsidiary”) are consolidated. The significant accounting policies and basis of consolidation of the financial statements for the year ended December 31, 2009 is applied for the financial statement preparation currently and there is no change in the structure of the group company during the period.

The Company consolidated the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and those of Plearn Patt Co., Ltd., in the preparation of the consolidated financial statements for the 4th quarter of 2009, because the Company’s top executive has the controlling power in directing the financial policies and operation of Plearn Patt Co., Ltd. The said company is, therefore, treated as a subsidiary in compliance with the Thai Accounting Standard No. 27 (Revised 2007) on “Consolidated and Separate Financial Statements”. The Company commenced to consolidate the financial statements of Plearn Patt Co., Ltd. since October 1, 2009 onwards.

4. Transactions with related parties

The Company constitutes accounting transactions incurred with related parties such transaction between the Company and subsidiary, associated company, the company's shareholder of the Company and entities which related to the said company. The materially remaining inter-balances and transactions between the Company and related parties are as follows:

4.1 Inter-asset and liabilities

(Unit : Thousand Baht)

	<u>Type of relationship</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>As of March 31,</u>	<u>As of December 31,</u>	<u>As of March 31,</u>	<u>As of December 31,</u>
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Loans to</u>					
Pleam Patt Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	11,000
Increased loan in the period		-	-	-	3,000
Received repayment in the period		-	-	-	(14,000)
Ending balance		-	-	-	-
<u>Trade accounts receivable</u>					
Pleam Patt Co., Ltd.	Subsidiary	-	-	-	44
<u>Leasehold right on land</u>					
Shareholder/directors of subsidiary	Related person	7,959	8,045	-	-
<u>Trade accounts payable</u>					
M AND E Co., Ltd.	Associated company	2,213	2,314	2,213	2,314
GMM Grammy Public Co., Ltd.	Shareholder	4,168	4,711	4,168	4,711
Bliss Publishing Co., Ltd.	Company related to shareholders	5,085	4,860	5,085	4,860
Post Publishing Public Co., Ltd.	Company related to shareholders	5,703	5,709	5,703	5,709
Total		17,169	17,594	17,169	17,594
<u>Short-term loans from</u>					
Shareholder of subsidiary	Related person				
Beginning balance		210	150	-	-
Increased loan in the period		60	60	-	-
Repayment in the period		-	-	-	-
Ending balance		270	210	-	-
<u>Long-term loans from</u>					
Shareholder of subsidiary	Related person				
Beginning balance		500	500	-	-
Increased loan in the period		-	-	-	-
Repayment in the period		-	-	-	-
Ending balance		500	500	-	-

(Unit : Thousand Baht)

	<u>Type of relationship</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>As of March 31,</u>	<u>As of December 31,</u>	<u>As of March 31,</u>	<u>As of December 31,</u>
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Director of subsidiary	Related person				
Beginning balance		900	900	-	-
Increased loan in the period		-	-	-	-
Repayment in the period		-	-	-	-
Ending balance		900	900	-	-
Total		1,400	1,400	-	-

In the years 2009, loan to a subsidiary 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. On February 10, 2009, the Company has already received the full payment for the outstanding amount.

In the year 2010 and 2009, short-term loan is a loan from shareholder of subsidiary with objective to use it as working capital in that subsidiary. Interest is chargeable deposit at the average rate of those charged by the first 5 big commercial banks plus 3.00% per annum but there has been no agreement made between them.

In the year 2010 and 2009, long-term loans are loans from shareholder and director of subsidiary with the objective to use it as working capital in that subsidiary in the form of promissory notes with the term of three years and interest is chargeable at 6.00% per annum.

4.2 Inter-revenues and expenses

(Unit : Thousand Baht)

	<u>Type of relationship</u>	<u>Financial statements in which the equity method is applied to</u>			<u>Policy of inter-price setting</u>
		<u>Consolidated financial statements</u>	<u>Separate financial statements</u>	<u>investment/ Separate financial statements</u>	
		<u>For the three-month periods ended March 31,</u>		<u>For the three-month periods ended March 31,</u>	
<u>Sales of goods values</u>		<u>2010</u>	<u>2010</u>	<u>2009</u>	
Pleam Patt Co., Ltd.	Subsidiary	-	142	-	Market price
<u>Purchase of goods values</u>					
M AND E Co., Ltd.	Associated company	1,220	1,220	13	Market price
GMM Grammy Public Co., Ltd.	Shareholder	1,957	1,957	3,789	Market price
Bliss Publishing Co., Ltd.	Company related to shareholders	1,045	1,045	1,203	Market price
Post Publishing Public Co., Ltd.	Company related to shareholders	11,149	11,149	6,422	Market price
		15,371	15,371	11,427	
<u>Interest income</u>					
Pleam Patt Co., Ltd.	Subsidiary	-	-	114	Interest rate at MOR per annum

(Unit : Thousand Baht)

	<u>Type of relationship</u>	<u>Financial statements in which the equity method is applied to</u>			<u>Policy of inter-price setting</u>
		<u>Consolidated financial statements</u>	<u>Separate financial statements</u>	<u>investment/ Separate financial statements</u>	
		<u>For the three-month periods 2010</u>	<u>2010</u>	<u>For the three-month periods 2009</u>	
<u>Land rented</u>					
Shareholder/director of subsidiary	Related person	247	-	-	Mutually agreed agreement
<u>Amortized land leasehold right</u>					
Shareholder/director of subsidiary	Related person	86	-	-	Mutually agreed agreement
<u>Interest expenses</u>					
Shareholder/director of subsidiary	Related person	12	-	-	5-6% per annum

5. Temporary investments-net

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated /Separate financial statements</u>							
	<u>As of March 31, 2010</u>				<u>As of December 31, 2009</u>			
	<u>Cost</u>	<u>Fair value</u>	<u>Dividends</u>		<u>Cost</u>	<u>Fair value</u>	<u>Dividends</u>	
<u>for the three month period</u>			<u>Accumulated dividends received</u>	<u>for the year</u>			<u>Accumulated dividends received</u>	
Securities available for sale :-								
<u>Equity instruments</u>								
Unit trusts								
One Fas Prosperity Fund	30,000	23,990	1,162	4,142	30,000	22,108	2,979	2,980
Bangkok Commercial Property Fund	19,101	17,000	344	6,795	19,101	17,191	1,337	6,451
Vayupak Fund 1	30,000	30,450	1,050	11,100	30,000	30,450	1,350	10,050
<u>Debt instruments</u>								
Asset Plus Fixed Income Dividend Fund 2	110,381	109,407	1,285	10,071	110,381	109,196	2,978	8,786
Total	189,482	180,847	3,841	32,108	189,482	178,945	8,644	28,267
<u>Less</u> Unrealized loss on securities available for sale	(8,635)	-	-	-	(10,537)	-	-	-
Net	180,847	180,847	3,841	32,108	178,945	178,945	8,644	28,267
Fixed deposit with 7 months maturity	10,000	10,000	-	-	10,000	10,000	-	-
Government bond	10,336	10,336	-	-	-	-	-	-
Total temporary investments-net	201,183	201,183	3,841	32,108	188,945	188,945	8,644	28,267

6. Trade accounts receivable-net

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

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As of March 31,</u>	<u>As of December 31,</u>	<u>As of March 31,</u>	<u>As of December 31,</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Trade accounts receivable				
Within credit term	67,533	51,289	67,512	51,284
Over credit term less than 6 months	33,552	48,003	32,944	46,874
Over credit term more than 6 months to 12 months	2,475	2,310	2,128	1,892
Over credit term more than 12 months	24,933	25,975	24,033	24,963
Total trade accounts receivable	128,493	127,577	126,617	125,013
<u>Less</u> Allowance for doubtful debts	(23,435)	(23,650)	(22,765)	(22,980)
Allowance for returned goods	(5,097)	(5,234)	(5,097)	(5,234)
Net	99,961	98,693	98,755	96,799

As of March 31, 2010 and December 31, 2009, included in the trade accounts receivable that were over due for more than 12 months in the consolidated and separate financial statements, a part amount of Baht 18.15 million, equal 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 payment from the asset pool of the debtor. 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.

Normally, the Company and its subsidiary give credit terms to their customer for the period of 30-90 days.

In the period has movement in transactions of allowance for doubtful accounts as follows: -

(Unit : Thousand Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Balance as of January 1, 2010	(23,650)	(22,980)
<u>Add</u> Allowance for doubtful accounts	(1,078)	(1,078)
<u>Less</u> Reversal of allowance for doubtful accounts	1,293	1,293
Balance as of March 31, 2010	(23,435)	(22,765)

7. Inventories-net

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As of March 31,</u>	<u>As of December 31,</u>	<u>As of March 31,</u>	<u>As of December 31,</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Raw materials	25,952	25,836	25,952	25,836
Work in process	5,724	4,856	5,724	4,856
Finished goods	480,564	506,571	478,059	504,061
Total	512,240	537,263	509,735	534,753
<u>Less</u> Allowance for lost goods	(12,688)	(18,316)	(12,688)	(18,316)
Allowance for dilapidated and slow-moving goods	(71,205)	(77,601)	(71,205)	(77,601)
Net	428,347	441,346	425,842	438,836

In the first quarter of 2010, the Company change a policy for estimating allowance for lost goods from a former rate at 1.00% of each branch sales to a rate of 0.55% of each branch sales, resulting in a decrease of allowance for goods loss in 1st quarter of 2010 by Baht 4.42 million. This arrangement is made to suit the current situation.

8. Damage compensation receivable

As of December 31, 2009, the whole amount represented damage compensation receivable because of fire raging in the vicinity of a branch of SE-ED Book Center in July 2009 and event of temporary warehouse flood to cause the damage in part of goods and fixed assets. The Company has already received the damage compensation from amount the insurance company in full in February 2010.

9. Investments in subsidiary and associated companies-net

Consisted of: -

(Unit : Thousand Baht)

	<u>Nature of business</u>	<u>Country of</u>	<u>Paid-up</u>	<u>Percentage of</u>	<u>Consolidated and separate financial statements</u>					
					<u>Incorporation</u>	<u>share capital</u>	<u>shareholdings</u>	<u>As of March 31, 2010</u>		<u>Dividend</u>
								<u>Investments</u>	<u>Equity Method</u>	
<u>Subsidiaries</u>										
SE-ED Book Center Co., Ltd.	Business consulting	Thailand	100	99.93	100	100	-			
Plearn Patt Co., Ltd.	Institute of private education-Plearn Pattana School	Thailand	170,000	48.82	-	83,000	-			
<u>Associated company</u>										
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	Thailand	400	25.00	26,077	100	-			
Total investments					26,177	83,200	-			
<u>Less</u> Allowance for revaluation of investment - Plearn Patt Co., Ltd.					-	(13,668)	-			
Net					26,177	69,532	-			

(Unit : Thousand Baht)

<u>Consolidated and separate financial statements</u>							
<u>As of December 31, 2009</u>							
<u>Nature of business</u>	<u>Country of</u>	<u>Paid-up</u>	<u>Percentage of</u>	<u>Investments</u>		<u>Dividend</u>	
				<u>Incorporation</u>	<u>share capital</u>		
<u>Subsidiaries</u>							
SE-ED Book Center Co., Ltd.	Business consulting	Thailand	100	99.93	100	100	-
Pleam Patt Co., Ltd.	Institute of private education-Pleam Pattana School	Thailand	170,000	48.82	-	83,000	-
<u>Associated company</u>							
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	Thailand	400	25.00	26,077	100	1,500
Total investments					26,177	83,200	1,500
<u>Less</u> Allowance for revaluation of investment - Pleam Patt Co., Ltd.					-	(13,668)	-
Net					26,177	69,532	1,500

Summarized financial information of the associated companies

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

(Unit : Thousand Baht)

	<u>As of December 31, 2008</u>	<u>For the year ended December 31, 2008</u>
Total assets	114,219	
Total liabilities	3,910	
Total revenue		39,750
Profit for the period		12,298

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

(Unit : Thousand Baht)

	<u>For the three-month</u>			
	<u>As of</u>		<u>periods ended March 31,</u>	
	<u>March 31, 2010</u>	<u>December 31, 2009</u>	<u>2010</u>	<u>2009</u>
Total assets	216,906	222,072		
Total liabilities	109,090	116,652		
Total revenue			26,634	21,448
Profit (loss) for the period			1,811	(3,228)

9.1 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 consolidated and in which the equity method is applied to investment financial statements as follows:-

- 1) For the three-month periods ended March 31, 2010 and 2009, the Company did not recognize participating profit or loss from result operation of the associated company, since the associated company did not prepare the quarterly financial statements. As of March 31, 2010, the Company had investment in the said associated company amounting to Baht 26.08 million equivalent 1.22% of total assets shown in the consolidated financial statements. However, the participating profit or loss from result operation was not significant to the financial statements of the Company.
- 2) For the year ended December 31, 2009, the Company recognized participating profit or loss from result operation for the year ended December 31, 2008, of the associated company, whose financial statements were audited by another auditor. The Company consequently recorded participating profit from investment in such associated company in the consolidated statement of income, for the year ended December 31, 2009, (recorded in the second quarter of year 2009) for the amount of Baht 3.07 million equivalent to 1.41% of profit for the year shown in the consolidated financial statements, and as of December 31, 2009, the Company had investment in that associated company for the amount of Baht 26.08 million equivalent to 1.23% of total assets in the consolidated financial statements.

9.2 For the investment in Plearn Patt Co., Ltd.

As of March 31, 2010 and December 31, 2009, the Company consolidated the financial statements of Plearn Patt Co., Ltd. as specified in notes to financial statements No. 3.

In the year 2009, the Company recognized participating result from operation in the consolidated financial statements as follows :-

- 1) In the year 2009, the Company recognized participation in loss from investment in associated company as presented in the related consolidated statement of income for the amount of Baht 0.26 million or equivalent to 0.12% of profit for the year shown in the consolidated financial statements, from the financial statements for the year ended March 31, 2009 (This recognition was especially made for the operation of the three-month period ended March 31, 2009.) and the financial statements for the six-month period ended September 30, 2009 of the associated company, which were audited and reviewed by another auditors respectively.
- 2) As of December 31, 2009, the Company adjusted the discount on capital incurred from the decreased change in the shareholding ratio in associated company at Baht 0.12 million; therefore, resulted in the increase in the investment and there was the discount from the decreased change in the shareholding ratio in subsidiary in the shareholders' equity by the same amount. Consequently, the shareholding proportion subsidiary decreased by 0.19%.

9.3 The Company has not presented the consolidated financial statements of the Company and SE-ED Book Center Co., Ltd., which is a subsidiary, since the value of investment in the subsidiary does not materially affect the Company's financial statements.

10. Property, plant and equipment-net

For the three-month period ended March 31, 2010 the movements are as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Net book value at the beginning of the period	485,683	318,868
Purchases	24,610	18,282
Transfer in	13,849	7,334
Written-off	(660)	(660)
Transfer out	(13,849)	(7,334)
Depreciation-shown in the statement of income	(26,403)	(22,876)
Depreciation-capital surplus from assets revaluation (Presented under shareholders' equity item)	(244)	(244)
Accumulated depreciation of written-off assets	660	660
Net book value at the end of the period	483,646	314,030

As of March 31, 2010 and December 31, 2009, building decoration built on lease and leasehold right contracts, in the consolidated and separate financial statements, with book value in amount of Baht 96.56 million and Baht 95.37 million respectively. Most of these assets would automatically be owned by the lessor once the lease contracts expire 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. 24.2.

As of March 31, 2010 and December 31, 2009, assets which were fully depreciated in the consolidated financial statements, had cost value of Baht 405.36 million and Baht 391.24 million respectively and the separate financial statements such assets had cost values of Baht 395.64 million and Baht 381.68 million respectively. Part of these assets are still in use.

As the Company chose 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 periods ended March 31, 2010 and 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 0.24 million for both periods. If the Company chooses to account for depreciation on capital surplus through the statement of income, the profit for the three-month periods ended March 31, 2010 and 2009, will be shown at amounts less by of Baht 0.24 million for both periods, but has no significant effect on the earnings per share.

On October 5, 2006, the Company arranged for independent appraiser to appraise value of land and construction using cost approach which means estimation of current cost in replacement of construction with new one, less by depreciation over the useful life and plus with market value of land. Which were appraised by increased amount of Baht 36.00 million and the Company has accounted this capital surplus in the caption of shareholders' equity.

11. Leasehold rights on land-net

The leasehold rights on land for the whole amount is the fee for obtaining the benefit from the land by constructing building on the land belonged to the subsidiary which made two lease contracts with the lessors who are shareholder of the subsidiary in amount of Baht 10.00 million for the period of 30 years on the land area of approximately 20 rais to be used for educational business place. The contracts stipulate that, during the contractual period, the lessor promises not to sell the leased land to anyone without consent from the subsidiary and, if the lessor has the most need without finding other alternative, the lessor promises that he or she will give a priority to offer to sell to the subsidiary first at arm-length price and if the subsidiary does not respond to the offer within 60 days since the offer date, the lessor is entitled to sell the leased land to outsider who will be obliged to bind himself or herself to conditions in these lease contracts.

In the consolidated financial statements for the three-month period ended March 31, 2010, leasehold right was amortized as expense in amount of Baht 0.09 million.

12. Leasehold rights on buildings-net

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers of the Company in order to open 13 branches of SE-ED Book Center. Most of these leasehold rights were for the periods of approximately 15-30 years. For the three-month periods ended March 31, 2010 and 2009, these leasehold rights were amortized as expenses by the amounts of Baht 3.10 million for both periods.

13. Land and land improvement not used for operation-net

For the three-month period ended March 31, 2010 the movements are as follows :-

	(Unit : Thousand Baht)
	<u>Consolidated and separate financial statements</u>
Net book value at the beginning of the period	33,586
Depreciation in the period	(16)
Net book value at the end of the period	<u>33,570</u>

On October 3, 2006, the Company arranged for independent appraiser to appraise value of land not used for operation using market comparison approach which means that the land value will be determined significantly according to current market condition. The newly appraised value was Baht 33.80 million.

14. Intangible assets-net

Intangible assets represented computer software and for the three-month period ended March 31, 2010 there were movements as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Net book value at the beginning of the period	7,417	7,107
Purchases in the period	23	23
Amortization in the period	(678)	(665)
Net book value at the end of the period	<u>6,762</u>	<u>6,465</u>

15. Other non-current assets

Other non-current assets of the Company included the investments with guarantee obligations for electricity usage, area lease and book agents as follows: -

- As of March 31, 2010 and December 31, 2009, part of fixed deposits, with 12-month maturity period bearing the interest rates of 1.00%-1.50% per annum in amounts of Baht 8.67 million for the both periods were pledged as collaterals for the amounts of Baht 4.69 million and Baht 4.56 million respectively.
- As of March 31, 2010 and December 31, 2009, part of savings bonds with 7 year maturity period bearing the interest rates of 4.25%-5.10% per annum in amounts of Baht 3.00 million were pledged as collaterals for the amounts of Baht 2.10 million for the both periods.

16. Income received in advance waiting for transfer-net

The subsidiary's income received in advance is that incurred from collecting initial entrance fee and education supporting fees from guardians in advance, which can be classified as follows: -

- 16.1 The initial entrance fee income is that income is collected from students first time when making enrolment.
- 16.2 Educational supporting fee is that mostly received under education supporting fee payment in advance project, which makes arrangement for interested person to acknowledge in writing to join the project for the period of 3-6 years so that to obtain discounts of 7% per year as specified in the project. According to terms of the project, if such person does not continue his or her education further until completing agreed level, it is held that such privilege of special discount is foregone and educational supporting fee at normal rate becomes chargeable pursuant to actual occurred time and the subsidiary will return the remaining fee.

Consisted of:-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As of</u>	
	<u>March 31, 2010</u>	<u>December 31, 2009</u>
Income received in advance waiting transfer	42,367	51,637
<u>Less</u> Income received in advance recognisable within one year	(28,583)	(34,656)
Net	13,784	16,981
	13,784	16,981

And its movements for the three month period ended March 31, 2010 as follows: -

	(Unit : Thousand Baht)		
	<u>The initial</u>	<u>Education</u>	<u>Total</u>
	<u>entrance fee</u>	<u>supporting fee</u>	
Income received in advance waiting transfer-net at the beginning of the period	9,937	41,700	51,637
<u>Plus</u> Increase during the period	1,675	14,055	15,730
<u>Less</u> Income recognition during the period	(3,305)	(21,695)	(25,000)
Income received in advance waiting transfer-net at the end of the period	8,307	34,060	42,367
	8,307	34,060	42,367

17. Long-term loans

As of March 31, 2010 and December 31, 2009, long-term loans are loans of the subsidiary obtained from the guardians of students under educational loans project of Plearn Patt Co., Ltd. (a subsidiary) to be used as building construction and working capital within the said subsidiary with proper loan agreements made among them for the periods of 3-7 years at interest rates of 5.80-7.50% per annum.

18. Retained earningsDividends payment and legal reserve

Consisted of:

	<u>Year 2009's operating result</u>						
	<u>Resolutions of the</u>	<u>Meeting date</u>	<u>Dividends</u>	<u>Dividends</u>	<u>Total</u>	<u>Legal reserve</u>	
	<u>Company's Board</u>		<u>payment date</u>	<u>per share</u>	<u>dividends paid</u>	<u>% of</u>	<u>Amount</u>
	<u>of Directors' meeting no.</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	-	-
Quarter 2	4/2009	14/08/2009	11/09/2009	0.10	32.39	-	-
Quarter 3	6/2009	12/11/2009	11/12/2009	0.10	32.39	-	-
	Total			0.30	97.17		-

	<u>Year 2008's operating result</u>						
	<u>Resolutions of the</u>	<u>Meeting</u>	<u>Dividends</u>	<u>Dividends</u>	<u>Total</u>	<u>Legal reserve</u>	
	<u>Company's Board's/</u>	<u>date</u>	<u>payment date</u>	<u>per share</u>	<u>dividends paid</u>	<u>% of</u>	<u>Amount</u>
	<u>Shareholders' meeting no.</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		-

19. Capital management

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

20. Nature of expenses

The nature of expenses consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated</u> <u>financial statements</u>	<u>Separate</u> <u>financial statements</u>	<u>Financial statements in which the equity method is</u> <u>applied to investment/ Separate financial statements</u>
	<u>For the three-month period</u> <u>ended March 31,</u>	<u>For the three-month period</u> <u>ended March 31,</u>	<u>For the three-month period</u> <u>ended March 31,</u>
	<u>2010</u>	<u>2010</u>	<u>2009</u>
Employees' salaries, wages and other benefits	125,000	122,056	111,733
Executives' and directors' remunerations	9,202	8,431	7,957
Depreciation and amortization	30,549	26,655	27,504
Rent, service fee and utility expenses	110,572	110,185	103,646
Operational expenses	37,666	36,024	29,029
Accounting estimated expenses	(551)	(551)	4,624
Variable cost depending on sale volume	28,867	18,439	12,611
Production expenses	23,174	19,604	28,647
Purchase of goods and raw material used	747,054	747,042	664,810
Movement in finished goods and work-in-process	25,139	25,134	27,233
Interest expenses	1,095	66	138
Total	1,137,767	1,113,085	1,017,932

21. Executives' and directors' remunerations

In the consolidated and separate financial statements for the three-month periods ended March 31, 2010 and 2009, part of the Executives' and directors' remunerations at Baht 1.00 million for both periods are 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.

22. Income tax

For the three-month periods ended March 31, 2010 and 2009, the Company calculated the Income tax at 25% on accounting profit for the period after adding back adjusting items under the Revenue Code. The reduced rate is 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.

The subsidiary was exempted from paying Income tax by a Royal Decree issued under the Revenue Code to cover income tax exemption No. 284 B.E. 2538 dated June 30, 1995. By this authority income tax exemption is applicable to net profit derived from private school business or private higher education established under legislation covering private higher education establishments.

23. Disclosure of sectoral business operations

Details of the sectoral business operations in the consolidated and separate financial statements for the periods ended March 31, 2010 and 2009 as follows:-

	(Unit : Thousand Baht)							
	Book publishing and distributing business		Institute of private education		Eliminated inter-transactions		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues from operation	1,152,514	1,075,613	26,086	-	(142)	-	1,178,688	1,075,613
Profit before financial cost and income tax	56,926	69,059	2,839	-	(884)	-	58,881	69,059
Financial cost	(66)	(138)	(1,029)	-	-	-	(1,095)	(138)
Profit before income tax	56,860	68,921	1,810	-	(884)	-	57,786	68,921
Income tax	(9,727)	(18,256)	-	-	-	-	(9,727)	(18,256)
Profit for the period	47,133	50,665	1,810	-	(884)	-	48,059	50,665
Appropriation of profit								
Belonging to shareholders' equity of parent company							47,132	50,665
Belonging to minority shareholders' equity							927	-
							<u>48,059</u>	<u>50,665</u>
<u>As of March 31,</u>								
Trade accounts receivable-net	98,755	91,810	1,206	-	-	-	99,961	91,810
Inventories-net	425,842	468,814	2,505	-	-	-	428,347	468,814
Property, plant and equipment-net	314,030	343,665	169,616	-	-	-	483,646	343,665
Other assets	1,141,304	963,737	43,579	-	(52,636)	-	1,132,247	963,737
Total assets	1,979,931	1,868,026	216,906	-	(52,636)	-	2,144,201	1,868,026

24. Obligations and contingent liabilities

24.1 As of March 31, 2010 and December 31, 2009, the Company and its subsidiary held obligations and contingent liabilities as follows :-

(Unit : Thousand Baht)

	<u>Consolidated and separate financial statements</u>					
	<u>As of March 31, 2010</u>			<u>As of December 31, 2009</u>		
	<u>Total facility</u>	<u>Facility utilized</u>	<u>Available facility</u>	<u>Total facility</u>	<u>Facility utilized</u>	<u>Available facility</u>
Letters of guarantee	49,000	4,909	44,091	49,000	4,779	44,221
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 March 31, 2010 and December 31, 2009, a part of letters of guarantee for the amounts of Baht 4.69 million and Baht 4.56 million respectively were guaranteed by the 12-month fixed deposit accounts as mentioned in the notes to financial statements No. 15.

24.2 As of March 31, 2010 and 2009, the Company has entered into agreements of building lease and services with a company and 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 308 branches and 304 branches respectively. The leasing periods ranged from 1 to 10 years. For the years 2010 and 2009, the total rental fee and public utility service fee that the Company has to pay are approximately Baht 435.39 million and Baht 421.17 million per annum respectively, most of which are calculated from percentage of sales amount.

As of March 31, 2010 and December 31, 2009, the Company has 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 with 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.

24.3 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 value of total books purchased and the Company has to 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. However, the Company is proceeding for agreement extension with the said company.

24.4 Copyright contracts

The Company entered into 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.

24.5 The Company entered into contract to rent printing machines with a company for the period of one year. When the term of the contract ends, not any party informs to cancel it in writing; thus, the contract is regarded as binding for another year. The rate for printing service is calculated by printing volume. For the years 2010 and 2009, the payment of service is approximately Baht 3.94 million and Baht 3.90 million per annum respectively and, once the rent contract expires, the lessor has the right to repossess the printing machines from the lessee immediately.

24.6 The subsidiary entered into land leasing agreement for the period of 30 years commencing January 1, 2003 to December 31, 2033 to be used as location of educational institute. The leasing fee amounts to Baht 827,000.00 per year and it will be raised at 10.00% for every three years.

25. Financial instruments

As of March 31, 2010, 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, 2009.

26. Subsequent events

In accordance to the minutes of the Board of Directors' Meeting No.1/2010 dated February 2, 2010, and the minutes of the annual general shareholders' meeting No. 1/2010 held on April 29, 2010, it was resolved to approve the dividend payment for the operating performance of the year 2009 at the rate of Baht 0.66 per share, for the total amount of 323,921,130 shares from profit for the year portion which is not exempt from income tax. However, the Company already paid some interim dividend for three quarters at Baht 0.10 per share in each quarters totaling Baht 0.30 per share. Thus, the additional dividend of this period will be Baht 0.36 per share, for the total amount of 323,921,130 shares aggregating to Baht 116.61 million. The remaining dividends are scheduled to be paid on May 27, 2010.

27. Approval of financial statements

These financial statements have been approved for issuance by SE-EDUCATION PUBLIC COMPANY LIMITED's board of directors on May 12, 2010.
