

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month periods ended
31 March 2012 and 2011

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

I have reviewed the accompanying consolidated statement of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 31 March 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of SE-EDUCATION PUBLIC COMPANY LIMITED for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

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

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Statement of financial position as at 31 December 2011 for comparative purposes

I have previously audited the consolidated financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries and the separate financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED for the year ended 31 December 2011 in accordance with auditing standards, and expressed an unqualified opinion on those statements under my report dated 22 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Pimjai Manitkajohnkit
Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited
Bangkok: 10 May 2012

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of financial position

As at 31 March 2012 and 31 December 2011

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|---|-------------------------------|---|-------------------------------|
| | | 31 March 2012 (Unaudited but reviewed) | 31 December 2011 (Audited) | 31 March 2012 (Unaudited but reviewed) | 31 December 2011 (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 4 | 581,404 | 570,314 | 552,160 | 540,048 |
| Current investments | 5 | 183,239 | 178,856 | 183,239 | 178,856 |
| Trade and other receivables | 6 | 109,957 | 132,414 | 105,052 | 116,604 |
| Short-term loan to subsidiaries | 3 | - | - | 15,024 | 15,024 |
| Inventories | 7 | 390,602 | 396,082 | 388,965 | 394,433 |
| Other current assets | | 68,174 | 39,925 | 64,922 | 37,644 |
| Total current assets | | 1,333,376 | 1,317,591 | 1,309,362 | 1,282,609 |
| Non-current assets | | | | | |
| Restricted bank deposits and other investments | 8 | 12,390 | 12,390 | 12,390 | 12,390 |
| Investments in subsidiaries | 9 | - | - | 69,432 | 69,432 |
| Investments in associate | 10 | 27,044 | 27,044 | 100 | 100 |
| Property, plant and equipment | 11 | 869,473 | 844,502 | 672,318 | 656,326 |
| Leasehold right on land | 3 | 7,288 | 7,372 | - | - |
| Leasehold rights on buildings | 12 | 107,446 | 110,295 | 107,446 | 110,295 |
| Intangible assets | 13 | 4,793 | 5,343 | 4,573 | 5,110 |
| Prepaid book copyright and translation fee | | 21,021 | 27,179 | 21,021 | 27,179 |
| Rental guarantee and deposit | | 93,951 | 92,243 | 93,951 | 92,243 |
| Other non-current assets | | 12,421 | 15,031 | 12,296 | 14,806 |
| Total non-current assets | | 1,155,827 | 1,141,399 | 993,527 | 987,881 |
| Total assets | | 2,489,203 | 2,458,990 | 2,302,889 | 2,270,490 |

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of financial position (continued)

As at 31 March 2012 and 31 December 2011

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|-------|---|-------------------------------|---|-------------------------------|
| | | 31 March 2012 (Unaudited but reviewed) | 31 December 2011 (Audited) | 31 March 2012 (Unaudited but reviewed) | 31 December 2011 (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 3, 14 | 1,462,802 | 1,500,207 | 1,455,193 | 1,494,765 |
| Short-term loans from other person | | - | 3,400 | - | - |
| Income received in advance recognisable within one year | 15 | 24,662 | 28,949 | - | - |
| Income tax payable | | 46,566 | 34,178 | 46,566 | 34,178 |
| Current portion of provision for long-term employee benefits | | 6,550 | 6,122 | 6,550 | 6,122 |
| Other current liabilities | 16 | 40,988 | 37,958 | 39,762 | 36,903 |
| Total current liabilities | | 1,581,568 | 1,610,814 | 1,548,071 | 1,571,968 |
| Non-current liabilities | | | | | |
| Income received in advance | 15 | 4,370 | 5,303 | - | - |
| Long-term loans | | 70,860 | 64,600 | - | - |
| Provision for long-term employee benefits, net of current portion | | 37,632 | 39,620 | 36,096 | 38,185 |
| Other non-current liabilities | | 8,646 | 8,510 | 8,495 | 8,465 |
| Total non-current liabilities | | 121,508 | 118,033 | 44,591 | 46,650 |
| Total liabilities | | 1,703,076 | 1,728,847 | 1,592,662 | 1,618,618 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 323,921,130 ordinary shares of Baht 1 each | | 323,921 | 323,921 | 323,921 | 323,921 |
| Issued and paid-up | | | | | |
| 323,921,130 ordinary shares of Baht 1 each | | 323,921 | 323,921 | 323,921 | 323,921 |
| Share premium | | 149,421 | 149,421 | 149,421 | 149,421 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | | 35,627 | 35,627 | 35,627 | 35,627 |
| Unappropriated | | 196,649 | 143,795 | 181,650 | 127,431 |
| Other components of shareholders' equity | | 19,608 | 15,472 | 19,608 | 15,472 |
| Equity attributable to owners of the Company | | 725,226 | 668,236 | 710,227 | 651,872 |
| Non-controlling interests of the subsidiaries | | 60,901 | 61,907 | - | - |
| Total shareholders' equity | | 786,127 | 730,143 | 710,227 | 651,872 |
| Total liabilities and shareholders' equity | | 2,489,203 | 2,458,990 | 2,302,889 | 2,270,490 |
| | | - | - | - | - |

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

Directors

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of income****For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| Revenues | | | | | |
| Revenues from sales | 3 | 1,329,181 | 1,270,752 | 1,327,429 | 1,268,989 |
| Tuition fees income | 15 | 25,960 | 23,875 | - | - |
| Interest and dividend income | | 4,015 | 5,946 | 4,305 | 5,946 |
| Other income | | 16,676 | 8,685 | 15,476 | 7,625 |
| Total revenues | | 1,375,832 | 1,309,258 | 1,347,210 | 1,282,560 |
| Expenses | | | | | |
| Cost of sales | | 914,070 | 880,023 | 913,784 | 879,862 |
| Cost of tuition fees | | 22,163 | 19,882 | - | - |
| Selling expenses | | 247,080 | 217,095 | 247,080 | 217,095 |
| Administrative expenses | | 126,227 | 132,596 | 118,826 | 125,742 |
| Total expenses | | 1,309,540 | 1,249,596 | 1,279,690 | 1,222,699 |
| Profit before finance cost and corporate income tax | | | | | |
| income tax | | 66,292 | 59,662 | 67,520 | 59,861 |
| Finance cost | | (1,151) | (1,126) | (8) | (103) |
| Profit before corporate income tax | | 65,141 | 58,536 | 67,512 | 59,758 |
| Corporate income tax | | (13,293) | (18,539) | (13,293) | (18,539) |
| Profit for the period | | 51,848 | 39,997 | 54,219 | 41,219 |
| Profit attributable to | | | | | |
| Equity holders of the Company | | 52,854 | 40,622 | 54,219 | 41,219 |
| Non-controlling interests of the subsidiaries | | (1,006) | (625) | | |
| | | 51,848 | 39,997 | | |
| (Unit: Baht) | | | | | |
| Earnings per share | | | | | |
| | 17 | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 0.16 | 0.13 | 0.17 | 0.13 |

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

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--------------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| Profit for the period | 51,848 | 39,997 | 54,219 | 41,219 |
| Other comprehensive income: | | | | |
| Gain (loss) on changes in value of available-for-sale investments | 4,383 | (2,334) | 4,383 | (2,334) |
| Depreciation - surplus on revaluation of asset | (247) | (244) | (247) | (244) |
| Other comprehensive income for the period | 4,136 | (2,578) | 4,136 | (2,578) |
| Total comprehensive income for the period | 55,984 | 37,419 | 58,355 | 38,641 |
| Total comprehensive income attributable to | | | | |
| Equity holders of the Company | 56,990 | 38,044 | 58,355 | 38,641 |
| Non-controlling interests of subsidiaries | (1,006) | (625) | | |
| | 55,984 | 37,419 | | |

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

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of cash flows****For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------|-------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| Cash flows from operating activities | | | | |
| Profit before tax | 65,141 | 58,536 | 67,512 | 59,758 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities | | | | |
| Depreciation and amortisation | 27,955 | 26,593 | 25,238 | 23,867 |
| Allowance for doubtful account and goods return (reversal) | (176) | (317) | 179 | (230) |
| Adjustment from reconciliation of accounts receivable | - | (25) | - | (25) |
| Expense from lost of goods | 6,244 | 4,186 | 6,244 | 4,186 |
| Reversal of allowance for lost of goods and stock obsolescence | (5,239) | (1,594) | (5,163) | (1,594) |
| Expense from donation of goods | 4,374 | 6,312 | 4,374 | 6,312 |
| Provision for long-term employee benefits | 2,432 | 1,600 | 2,331 | 1,589 |
| Expense from stock destruction | 2,326 | - | 2,326 | - |
| Loss (gain) on sales of equipment | 5 | (309) | 5 | (309) |
| Amortised leasehold rights on land and buildings | 2,933 | 3,430 | 2,849 | 3,347 |
| Interest expenses | 1,151 | 1,126 | 8 | 103 |
| Interest income | (3,102) | (2,836) | (3,392) | (2,836) |
| Dividend income | (913) | (3,110) | (913) | (3,110) |
| Profit from operating activities before changes in operating assets and liabilities | 103,131 | 93,592 | 101,598 | 91,058 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 2,819 | 4,868 | (8,440) | 4,054 |
| Inventories | (1,965) | 9,692 | (2,048) | 9,685 |
| Prepaid expenses | (28,224) | (15,674) | (27,296) | (14,735) |
| Compensation receivable from the insurance claim | 19,814 | - | 19,814 | - |
| Other current assets | (889) | (5,371) | (854) | (5,511) |
| Prepaid book copyright and translation fee | 6,158 | (1,793) | 6,158 | (1,793) |
| Rental guarantee and deposit | (1,708) | (1,842) | (1,708) | (1,842) |
| Other non-current assets | 2,610 | (10,792) | 2,510 | (10,795) |
| Operating liabilities increase (decrease) | | | | |
| Trade accounts payable | (23,230) | 72,670 | (19,670) | 72,586 |
| Income received in advance | (5,220) | (5,698) | - | - |
| Accrued expenses | (37,184) | (25,685) | (38,548) | (27,148) |
| Provision for long-term employee benefits | (3,991) | (2,920) | (3,991) | (2,920) |
| Other payables | 22,831 | 6,569 | 18,551 | 6,569 |
| Other current liabilities | 3,030 | (2,113) | 2,859 | (1,806) |
| Other non-current liabilities | 136 | 483 | 30 | 500 |
| Cash flows from operating activities | 58,118 | 115,986 | 48,965 | 117,902 |
| Cash paid for interest expenses | (1,151) | (1,126) | (8) | (103) |
| Net cash flows from operating activities | 56,967 | 114,860 | 48,957 | 117,799 |

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

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of cash flows (continued)

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------------|-------------------------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 |
| Cash flows from investing activities | | | | |
| Increase in current investments | - | (7) | - | (7) |
| Interest income | 3,065 | 2,816 | 3,355 | 2,816 |
| Dividends income | 913 | 3,110 | 913 | 3,110 |
| Acquisition of intangible assets | (52,756) | (27,517) | (41,154) | (26,203) |
| Proceeds from sales of equipment | 98 | 392 | 98 | 392 |
| Acquisition of intangible assets | (57) | (304) | (57) | (304) |
| Net cash flows used in investing activities | (48,737) | (21,510) | (36,845) | (20,196) |
| Cash flows from financing activities | | | | |
| Decrease in restricted bank deposit and other investment | - | 175 | - | 175 |
| Repayment of short-term loan from other person | (3,400) | (1,000) | - | - |
| Cash receipt from short-term loan from related person | 6,260 | - | - | - |
| Net cash flows from (used in) financing activities | 2,860 | (825) | - | 175 |
| Net increase in cash and cash equivalents | 11,090 | 92,525 | 12,112 | 97,778 |
| Cash and cash equivalents at beginning of period | 570,314 | 720,045 | 540,048 | 681,847 |
| Cash and cash equivalents at end of period (Note 4) | 581,404 | 812,570 | 552,160 | 779,625 |
| Supplemental cash flows information | | | | |
| Non-cash transactions | | | | |
| Increase (decrease) in revaluation surplus in investments | 4,383 | (2,334) | 4,383 | (2,334) |
| Purchase of property, plant and equipment for which cash has not been paid | 4,459 | 3,330 | 4,378 | 3,330 |
| Depreciation surplus on revaluation of asset under shareholder's equity | (247) | (244) | (247) | (244) |

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

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | | | | |
|--|----------------|-------------------|----------------|--------------------|----------------|---------------|---------------|---------------|------------------|---------------|----------------|
| Equity attributable to the parent's shareholders | | | | | | | | | | | |
| Other components of equity | | | | | | | | | | | |
| Other comprehensive income | | | | | | | | | | | |
| Surplus (deficit) | | | | | | | | | | | |
| on changes | | | | | | | | | | | |
| in value of | | | | | | | | | | | |
| Surplus on | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Total other | | | | | | | | | | | |
| components of | | | | | | | | | | | |
| Total equity | | | | | | | | | | | |
| attributable to | | | | | | | | | | | |
| to non-controlling | | | | | | | | | | | |
| Equity attributable | | | | | | | | | | | |
| interests of | | | | | | | | | | | |
| Total | | | | | | | | | | | |
| shareholders' | | | | | | | | | | | |
| equity | | | | | | | | | | | |
| Issued and | Share premium | Retained earnings | | available-for-sale | revaluation of | by the owners | shareholders' | the Company | the subsidiaries | shareholders' | |
| fully paid-up | | Appropriated | Unappropriated | investments | assets | changes | equity | | | equity | |
| share capital | | | | | | | | | | | |
| Balance as at 1 January 2011 | 323,921 | 149,421 | 35,627 | 161,686 | (2,991) | 27,086 | (6,643) | 17,452 | 688,107 | 59,103 | 747,210 |
| Total comprehensive income for the period | - | - | - | 40,622 | (2,334) | (244) | - | (2,578) | 38,044 | (625) | 37,419 |
| Discount on capital resulting from change in shareholding ratio in subsidiary transferred to retained earnings | - | - | - | (6,643) | - | - | 6,643 | 6,643 | - | - | - |
| Balance as at 31 March 2011 | 323,921 | 149,421 | 35,627 | 195,665 | (5,325) | 26,842 | - | 21,517 | 726,151 | 58,478 | 784,629 |
| Balance as at 1 January 2012 | 323,921 | 149,421 | 35,627 | 143,795 | (10,625) | 26,097 | - | 15,472 | 668,236 | 61,907 | 730,143 |
| Total comprehensive income for the period | - | - | - | 52,854 | 4,383 | (247) | - | 4,136 | 56,990 | (1,006) | 55,984 |
| Balance as at 31 March 2012 | 323,921 | 149,421 | 35,627 | 196,649 | (6,242) | 25,850 | - | 19,608 | 725,226 | 60,901 | 786,127 |

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

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statements of changes in shareholders' equity
For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

| | | Separate financial statements | | | | | | |
|---|--|--------------------------------------|-------------------|----------------|----------------|---------------|----------------------------|----------------|
| | | | | | | | Other components of equity | |
| | | | | | | | Other comprehensive income | |
| | | | | | | | Surplus (deficit) | |
| | | | | | | | on changes | |
| | | | | | | | in value of | |
| | | | | | | | available-for-sale | |
| | | | | | | | investments | |
| | | | | | | | Surplus on | |
| | | | | | | | revaluation of | |
| | | | | | | | assets | |
| | | | | | | | Total other | |
| | | | | | | | components of | |
| | | | | | | | shareholders' | |
| | | | | | | | equity | |
| | | | | | | | Total | |
| | | | | | | | shareholders' | |
| | | | | | | | equity | |
| Balance as at 1 January 2011 | Issued and fully paid-up share capital | Share premium | Retained earnings | | | | | |
| | | | Appropriated | Unappropriated | | | | |
| | 323,921 | 149,421 | 35,627 | 141,058 | (2,991) | 27,086 | 24,095 | 674,122 |
| Total comprehensive income for the period | - | - | - | 41,219 | (2,334) | (244) | (2,578) | 38,641 |
| Balance as at 31 March 2011 | <u>323,921</u> | <u>149,421</u> | <u>35,627</u> | <u>182,277</u> | <u>(5,325)</u> | <u>26,842</u> | <u>21,517</u> | <u>712,763</u> |
| Balance as at 1 January 2012 | 323,921 | 149,421 | 35,627 | 127,431 | (10,625) | 26,097 | 15,472 | 651,872 |
| Total comprehensive income for the period | - | - | - | 54,219 | 4,383 | (247) | 4,136 | 58,355 |
| Balance as at 31 March 2012 | <u>323,921</u> | <u>149,421</u> | <u>35,627</u> | <u>181,650</u> | <u>(6,242)</u> | <u>25,850</u> | <u>19,608</u> | <u>710,227</u> |

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to interim financial statements

For the three-month periods ended 31 March 2012 and 2011

1. General information

1.1 Corporate information

SE-EDUCATION PUBLIC COMPANY LIMITED (“the Company”) is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Thailand on 29 April 1993. The Company’s registered office is located at No. 1858/87-90 Nation Tower Building, 19th Floor, Bangna-Trad Road, Bangna Sub-District, Bangna District, Bangkok, and its distribution center is situated at 99 Moo 1, Kingkaew Road, Tambon Rajatewa, Bangplee District, Samutprakarn.

The Company and its subsidiaries operate its business in Thailand and engage in the following businesses:

1. Operate SE-ED Book Center and network stores which consist of various university bookstores in Bangkok and other provinces as well as the network and sales area in various forms.
2. Distribute both books published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
3. Publish book as well as academic and educational journals, provide services for display advertisements to be published in the Company’s monthly magazine and provide the printing service for other parties.
4. SE-ED Learning Center organises the youth camp known as "SE-ED Kiddy Camp, learning activities for the youth and training courses and seminars for the public.
5. Pleampattana School, a private school offering courses for students from pre-kindergarten to Matayom 6.

1.2 Basis for preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2011, with there being no changes in the structure of shareholding in a subsidiaries during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011.

2. New accounting standards issued during the period not yet effective

During the current period, the Federation of accounting Professions issued the Thai Financial Reporting Standard No. 8 "Operating Segments", which is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with their related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | | Transfer pricing policy |
|--|--|-------|-------------------------------|-------|---------------------------|
| | Consolidated financial statements | | Separate financial statements | | |
| | 2012 | 2011 | 2012 | 2011 | |
| <u>Transactions with subsidiary</u> | | | | | |
| Sales of goods | - | - | 29 | 1 | Market price |
| Interest income | - | - | 290 | - | MOR per annum |
| <u>Transactions with associate</u> | | | | | |
| Purchase of goods | 726 | 1,135 | 726 | 1,135 | Market price |
| <u>Transactions with management and directors</u> | | | | | |
| Lease land expenses | 262 | 247 | - | - | Mutually agreed agreement |
| Amortised land leasehold right | 83 | 83 | - | - | Mutually agreed agreement |
| Interest expenses | - | 8 | - | - | 5% - 6% per annum |
| <u>Transactions with related companies</u> | | | | | |
| Purchase of goods | 6,352 | 9,912 | 6,352 | 9,912 | Market price |

As at 31 March 2012 and 31 December 2011, the balances of the accounts between the Company, its subsidiaries and its related parties and persons are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------|---|------------------|-------------------------------|------------------|
| | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 |
| | <u>Short-term loan to subsidiaries</u> | | | |
| Subsidiaries | - | - | 15,024 | 15,024 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 |
| <u>Leasehold right on land</u> | | | | |
| Shareholder/director of subsidiary | 7,288 | 7,372 | - | - |
| <u>Trade accounts payable (Note 14)</u> | | | | |
| Associate | 2,266 | 2,296 | 2,266 | 2,296 |
| Shareholders | 4,239 | 3,913 | 4,239 | 3,913 |
| Related companies of shareholders | 10,167 | 13,601 | 10,167 | 13,601 |
| Total | 16,672 | 19,810 | 16,672 | 19,810 |

Short-term loan to subsidiary is promissory notes from which is payable at call. The subsidiary obtained such loan for the purpose of funding the school building construction and its working capital. Interest is charged at MOR of a commercial bank per annum.

Directors and management's remuneration

For the three-month periods ended 31 March 2012 and 2011, the Company and its subsidiaries had benefits expense payable to their directors and management

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------|-----------------------------------|------|-------------------------------|------|
| | 2012 | 2011 | 2012 | 2011 |
| Short-term employee benefits | 8.0 | 7.3 | 7.1 | 6.4 |
| Post-employment benefits | 1.0 | 2.0 | 1.0 | 2.0 |
| Total | 9.0 | 9.3 | 8.1 | 8.4 |

4. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 |
| Cash | 24,653 | 26,651 | 24,421 | 26,390 |
| Bank deposits with maturity not over 3 months | 190,911 | 180,009 | 161,899 | 150,004 |
| Highly liquid investments with an original maturity not over 3 months | 365,840 | 363,654 | 365,840 | 363,654 |
| Total | 581,404 | 570,314 | 552,160 | 540,048 |

(Unaudited but reviewed)

5. Current investments

(Unit: Thousand Baht)

| | Consolidated / Separate financial statements | | | |
|--|--|------------|------------------|------------|
| | 31 March 2012 | | 31 December 2011 | |
| | Cost | Fair value | Cost | Fair value |
| Available-for-sale securities | | | | |
| Equity securities | 79,101 | 73,768 | 79,101 | 69,628 |
| Debt securities | 110,375 | 109,471 | 110,380 | 109,228 |
| Total available-for-sale securities | 189,476 | 183,239 | 189,481 | 178,856 |
| Less: Unrealised loss on changes in values of investments | (6,237) | - | (10,625) | - |
| Current investments - net | 183,239 | 183,239 | 178,856 | 178,856 |

6. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 62,699 | 40,582 | 62,669 | 40,582 |
| Past due | | | | |
| Up to 6 months | 34,617 | 57,775 | 31,843 | 43,834 |
| 6 - 12 months | 1,909 | 3,764 | 1,305 | 2,669 |
| Over 12 months | 33,517 | 32,860 | 31,947 | 31,195 |
| Total | 132,742 | 134,981 | 127,764 | 118,280 |
| Less: Allowance for doubtful debts | (28,409) | (28,620) | (26,599) | (26,455) |
| Allowance for goods return | (3,182) | (3,147) | (3,182) | (3,147) |
| Total trade receivables - unrelated parties, net | 101,151 | 103,214 | 97,983 | 88,678 |
| <u>Other receivables</u> | | | | |
| Advances | 6,923 | 2,705 | 6,517 | 2,691 |
| Insurance claim receivable | 6 | 19,820 | 6 | 19,820 |
| Others | 1,877 | 6,675 | 546 | 5,415 |
| Total other receivables | 8,806 | 29,200 | 7,069 | 27,926 |
| Trade and other receivables, net | 109,957 | 132,414 | 105,052 | 116,604 |

(Unaudited but reviewed)

As at 31 March 2012 and 31 December 2011, trade accounts receivable overdue for more than 12 months, for which the Company set up an allowance for doubtful debts in 1998, amounted to Baht 18.15 million in the consolidated and separate financial statements. The Company has filed a lawsuit against the said debtor and an official receiver is currently investigating the case further by checking with its other creditors. The official receiver must finish inquiring of all creditors before the debtor's asset allocation list can be made.

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the three-month period ended 31 March 2012, are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Allowance for doubtful debts | Allowance for goods return | Allowance for doubtful debts | Allowance for goods return |
| Balance as at 31 December 2011 | 28,620 | 3,147 | 26,455 | 3,147 |
| Add: Allowance made during the period | 3,071 | 35 | 3,071 | 35 |
| Less: Allowance reversed during the period | (3,282) | - | (2,927) | - |
| Balance as at 31 March 2012 | <u>28,409</u> | <u>3,182</u> | <u>26,599</u> | <u>3,182</u> |

7. Inventories

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 |
| Raw material | 21,577 | 23,385 | 21,577 | 23,385 |
| Work in process | 6,411 | 9,074 | 6,411 | 9,074 |
| Finished goods | 467,871 | 474,119 | 466,134 | 472,294 |
| Total | 495,859 | 506,578 | 494,122 | 504,753 |
| Less: Allowance for lost goods | (6,428) | (8,199) | (6,428) | (8,199) |
| Allowance for dilapidated and slow moving | (98,829) | (102,297) | (98,729) | (102,121) |
| Inventories, net | <u>390,602</u> | <u>396,082</u> | <u>388,965</u> | <u>394,433</u> |

(Unaudited but reviewed)

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--|---|-------------------------------------|
| Balance as at 31 December 2011 | 110,496 | 110,320 |
| Add: Allowance made during the period | 9,150 | 9,150 |
| Less: Allowance reversed during the period | (14,389) | (14,313) |
| Balance as at 31 March 2012 | <u>105,257</u> | <u>105,157</u> |

8. Restricted bank deposits and other investments

(Unit: Thousand Baht)

| | Consolidated/Separate financial statements | | Interest rates (% p.a.) |
|--|---|---------------------|----------------------------|
| | 31 March 2012 | 31 December 2011 | |
| | Fixed deposits with 12 months | 8,824 | |
| Government bonds with 7 years maturity | 3,566 | 3,566 | 4.00 |
| Total | <u>12,390</u> | <u>12,390</u> | |

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 19.3.

9. Investments in subsidiaries

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

(Unit: Thousand Baht)

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | | Allowance for impairment of investment | | Carrying amounts based on cost method – net | |
|----------------------------|---------------------|------------------------|-------------------------|------------------------|---------------------|------------------------|--|------------------------|---|------------------------|
| | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 |
| | | | | (%) | (%) | | | | | |
| SE-ED Book Center Co.,Ltd. | 100 | 100 | 99.93 | 99.93 | 100 | 100 | - | - | 100 | 100 |
| Pleam Patt Co.,Ltd. | 170,000 | 170,000 | 48.82 | 48.82 | <u>83,000</u> | <u>83,000</u> | <u>(13,668)</u> | <u>(13,668)</u> | <u>69,332</u> | <u>69,332</u> |
| | | | | | <u>83,100</u> | <u>83,100</u> | <u>(13,668)</u> | <u>(13,668)</u> | <u>69,432</u> | <u>69,432</u> |

10. Investments in an associate

(Unit: Thousand Baht)

| Company's name | Nature of business | Shareholding percentage | | Consolidated financial statements | | Separate financial statements | |
|-------------------|--|-------------------------|------------------|---|------------------|---------------------------------------|------------------|
| | | | | Carrying amounts based on equity method | | Carrying amounts based on cost method | |
| | | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 | 31 March 2012 | 31 December 2011 |
| | | (%) | (%) | | | | |
| M AND E Co., Ltd. | Printing office, production of technical magazines and engineering manuals | 25 | 25 | 27,044 | 27,044 | 100 | 100 |
| | | | | <u>27,044</u> | <u>27,044</u> | <u>100</u> | <u>100</u> |

The Company has not recorded investment in the above associate company in the consolidated financial statements for the three-month period ended 31 March 2012 using the equity method because such associate company did not prepare the interim financial statements. However, the effect of these transactions to the consolidated financial statements of the current period is immaterial. (As at 31 March 2012, the investment in such associate company was equivalent to 1.07% of total assets in the consolidated financial statements).

11. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--|-----------------------------------|-------------------------------|
| Net book value as at 31 December 2011 | 844,502 | 656,326 |
| Acquisitions during period - at cost | 52,934 | 41,251 |
| Disposals during period - net book value at disposal date | (103) | (103) |
| Write - off during period - net book value at write - off date | (265) | (265) |
| Depreciation for the period | (27,595) | (24,891) |
| Net book value as at 31 March 2012 | <u>869,473</u> | <u>672,318</u> |

As the Company chose revaluation method for land and building, when there is an increase in value of assets because of revaluation, only net value of increased book value will be recorded to related assets account alongside revaluation surplus. For the three-month period ended 31 March 2012, depreciation calculated from such surplus was recorded as surplus in revaluation assets in shareholders' equity totalling Baht 0.24 million (2011: Baht 0.24 million). If the Company opted to record such depreciation and written off on surplus in revaluation assets through the statements of income, the profit of the Company for the three-month period ended 31 March 2012 would decreased by Baht 0.24 million (2011: Baht 0.24 million), but no significantly effect on earnings per shares.

12. Leasehold rights on buildings

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers. The terms of these leaseholds range between 10 to 30 years. For the three-month period ended 31 March 2012, the Company amortised leasehold rights as expenses totalling Baht 2.85 million (2011: Baht 3.35 million).

13. Intangible assets

Movements of the intangible assets which are right for software usage fee during the three-month period ended 31 march 2012 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---------------------------------------|--------------------------------------|----------------------------------|
| Net book value as at 31 December 2011 | 5,343 | 5,110 |
| Acquisitions during period - at cost | 57 | 57 |
| Amortisation for the period | (607) | (594) |
| Balance as at 31 March 2012 | <u>4,793</u> | <u>4,573</u> |

(Unaudited but reviewed)

14. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|-----------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 31 | 31 | 31 | 31 |
| | March | December | March | December |
| | 2012 | 2011 | 2012 | 2011 |
| Trade accounts payable - related parties (Note 3) | 16,672 | 19,810 | 16,672 | 19,810 |
| Trade accounts payable - unrelated parties | 1,278,521 | 1,294,332 | 1,276,794 | 1,293,326 |
| Accrued expenses | 114,378 | 151,562 | 108,577 | 147,126 |
| Other payables for purchase of machineries | 4,459 | 4,281 | 4,378 | 4,281 |
| Notes payable | 48,772 | 30,222 | 48,772 | 30,222 |
| Total | 1,462,802 | 1,500,207 | 1,455,193 | 1,494,765 |

15. Income received in advance

(Unit: Thousand Baht)

| | Consolidated | |
|--|----------------------|-------------|
| | financial statements | |
| | 31 March | 31 December |
| | 2012 | 2011 |
| Income received in advance - not yet recognised | 29,032 | 34,252 |
| Less: Income received in advance recognisable within one year | (24,662) | (28,949) |
| Net | 4,370 | 5,303 |

During the three-month period ended 31 March 2012, movements of income received in advance are as follows:

(Unit: Thousand Baht)

| | The initial | Education | |
|---|--------------|----------------|----------|
| | entrance fee | supporting fee | Total |
| Balance as at 31 December 2011 | - | 34,252 | 34,252 |
| Plus: Increase during the period | 7,385 | 13,689 | 21,074 |
| Less: Income recognition during the period | - | (25,960) | (25,960) |
| Less: Returned due to resignation of students | - | (334) | (334) |
| Balance as at 31 March 2012 | 7,385 | 21,647 | 29,032 |

(Unaudited but reviewed)

16. Other current liabilities

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|-------------------------|----------------------|----------|----------------------|----------|
| | financial statements | | financial statements | |
| | 31 | 31 | 31 | 31 |
| | March | December | March | December |
| | 2012 | 2011 | 2012 | 2011 |
| Coupon payable | 24,493 | 20,872 | 24,493 | 20,872 |
| Accrued withholding tax | 3,174 | 5,168 | 2,762 | 4,675 |
| Unearned income | 8,343 | 7,668 | 8,343 | 7,668 |
| Others | 4,978 | 4,250 | 4,164 | 3,688 |
| Total | 40,988 | 37,958 | 39,762 | 36,903 |

17. Earnings per share

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

18. Segment information

The Company and its subsidiaries' business operations involve two principal segments: (1) book publishing and distributing business and (2) institution of private education. These operations are mainly carried on in Thailand. Below is the consolidated financial information of the Company and its subsidiaries by segment.

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | | | | | |
|----------------------------------|--|-----------|----------------------------------|---------|---------------------------------------|-------|---------------|-----------|
| | Book publishing and distribution | | Institution of private education | | Elimination of inter-segment revenues | | Consolidation | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenue from external customers | 1,327,429 | 1,268,989 | 27,741 | 25,639 | (29) | (1) | 1,355,141 | 1,294,627 |
| Segment income | 47,739 | 46,290 | (2,013) | (1,129) | (125) | (130) | 45,601 | 45,031 |
| Unallocated income and expenses: | | | | | | | | |
| Interest and dividend income | | | | | | | 4,015 | 5,946 |
| Other income | | | | | | | 16,676 | 8,685 |
| Financial cost | | | | | | | (1,151) | (1,126) |
| Corporate income tax | | | | | | | (13,293) | (18,539) |
| Profit for the period | | | | | | | 51,848 | 39,997 |

19. Commitments and contingent liabilities

19.1 Capital commitments

As at 31 March 2012, a subsidiary had capital commitments of approximately Baht 22.4 million, relating to the construction of education buildings.

19.2 Operating lease commitments

- a) As 31 March 2012, the Company entered into building lease and services agreements for use as the head office and merchandise distribution center. The Company has also entered into space rental agreements for use as branch offices, totaling 403 branches. The lease periods ranged from 1 to 12 years. For the period ended 31 March 2012, the total rental and utility fees were approximately Baht 459.5 million per annum. Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, land, warehouses and vehicles. The terms of the agreements are generally between 1 and 30 years.

As at 31 March 2012, future minimum lease payments required under operating leases contracts were as follows.

| | <u>Million Baht</u> |
|--------------------------|---------------------|
| Outstanding commitments: | |
| Less than 1 year | 9.7 |
| 1 to 5 years | 47.6 |
| More than 5 years | 43.2 |

For the three-month period ended 31 March 2012, the Company recognised rental expenses of Baht 8.6 million.

19.3 Guarantees

As at 31 March 2012 and 31 December 2011, the Company has pledged the bank deposit of Baht 4.4 million to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 2.3 million were pledged to guarantee the electricity usage and rental of head office.

19.4 Long-term service commitments

- a) The Company entered into agent appointment agreement with a foreign company for the contractual period of 1 year commencing from 1 January 2011 to 31 December 2011. When the agreement is expired, if no party inform the cancellation of the agreement in written, the agreement will be automatically extend for more one year, with the same as exist conditions.
- b) The Company entered into three-year contracts allowing the use of copyrights with various authors which can be automatically extended for another three years and agreed to pay, remuneration at the percentage of the number of books published or sold.

20. Event after the reporting period

20.1 Resolution of the Annual General Meeting no. 1/2012

On 26 April 2012, the Annual General Meeting of the Company's shareholders passed the various resolutions, including the following matters:

- a) Dividend payment
 - To pay a cash dividend at Baht 0.41112 per share, or equivalent to amount of not exceed Baht 133.18 million. The Company had paid interim dividend for 3 quarters at the rate of Baht 0.10 per share per quarter, totaling Baht 0.30 per share. Interim dividend paid is equivalent to Baht 97.18 million. The Company therefore has to pay more cash dividend for this period at a rate of Baht 0.11112 per share, or equivalent to amount of not exceed Baht 36.00 million.
 - To pay as stock dividend in the number of 32,392,113 ordinary shares, with par value of Baht 1 each, at a ratio of 10 existing ordinary shares to receive stock dividend of 1 share, with a total amount of not exceed Baht 32,392,113, or equivalent to the dividend of Baht 0.10 per share. In the case of any shareholder with a fraction of the shares after the stock dividend distribution, will be entitled to receive cash dividend at the rate of Baht 0.10 per share.

Additional dividend payments in the form of stock dividends and cash in this period are totaling of Baht 0.21112 per share. Total annual dividend payment equal to Baht 0.51112 per share, equivalent to Baht 165.57 million. The dividend will be paid within 24 May 2012.

b) Increase of registered capital

To approve the increase of the registered capital of the Company from Baht 323,921,130 to Baht 356,313,243 by issuing an additional 32,392,113 ordinary shares with a par value of Baht 1 each to support the payment of a stock dividend. The Company registered the increase in share capital with the Ministry of Commerce on 8 May 2012.

20.2 Resolution of Board of Meeting no. 3/2012

The meeting of the Company's Board of Director held on 10 May 2012 approved a resolution to pay an interim dividend of Baht 0.10 per share to the Company's shareholders from the operating results of the first quarter of 2012, or equivalent to an amount not exceed Baht 35.64 million.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2012.