

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 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 statements of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 30 June 2012, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2012 and 2011, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 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: 7 August 2012

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of financial position

As at 30 June 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2012 (Unaudited but reviewed)	31 December 2011 (Audited)	30 June 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Assets					
Current assets					
Cash and cash equivalents	4	593,134	570,314	574,549	540,048
Current investments	5	181,209	178,856	181,209	178,856
Trade and other receivables	6	165,232	132,414	161,792	116,604
Short-term loan to subsidiaries	3	-	-	15,024	15,024
Inventories	7	355,776	396,082	354,520	394,433
Other current assets		59,874	39,925	57,977	37,644
Total current assets		1,355,225	1,317,591	1,345,071	1,282,609
Non-current assets					
Restricted bank deposits and other investments	8	12,578	12,390	12,578	12,390
Investments in subsidiaries	9	-	-	69,432	69,432
Investments in associate	10	26,795	27,044	100	100
Property, plant and equipment	11	909,274	844,502	689,014	656,326
Leasehold right on land	3	7,205	7,372	-	-
Leasehold rights on buildings	12	104,597	110,295	104,597	110,295
Intangible assets	13	4,332	5,343	4,124	5,110
Prepaid book copyright and translation fee		23,945	27,179	23,945	27,179
Rental guarantee and deposit		96,670	92,243	96,670	92,243
Other non-current assets		10,784	15,031	10,661	14,806
Total non-current assets		1,196,180	1,141,399	1,011,121	987,881
Total assets		2,551,405	2,458,990	2,356,192	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 30 June 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2012 (Unaudited but reviewed)	31 December 2011 (Audited)	30 June 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 14	1,536,067	1,500,207	1,531,584	1,494,765
Short-term loans from other person		-	3,400	-	-
Income received in advance recognisable within one year	15	30,698	28,949	-	-
Income tax payable		32,074	34,178	32,074	34,178
Current portion of provision for long-term employee benefits		6,551	6,122	6,551	6,122
Other current liabilities	16	38,488	37,958	36,394	36,903
Total current liabilities		1,643,878	1,610,814	1,606,603	1,571,968
Non-current liabilities					
Income received in advance	15	3,812	5,303	-	-
Long-term loans		71,010	64,600	-	-
Provision for long-term employee benefits, net of current portion		33,717	39,620	32,168	38,185
Other non-current liabilities		8,980	8,510	8,865	8,465
Total non-current liabilities		117,519	118,033	41,033	46,650
Total liabilities		1,761,397	1,728,847	1,647,636	1,618,618
Shareholders' equity					
Share capital	17				
Registered					
356,313,243 ordinary shares of Baht 1 each (31 December 2011: 323,921,130 ordinary shares of Baht 1 each)		356,313	323,921	356,313	323,921
Issued and paid-up					
356,313,209 ordinary shares of Baht 1 each (31 December 2011: 323,921,130 ordinary shares of Baht 1 each)		356,313	323,921	356,313	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		165,748	143,795	148,044	127,431
Other components of shareholders' equity		19,151	15,472	19,151	15,472
Equity attributable to owners of the Company		726,260	668,236	708,556	651,872
Non-controlling interests of the subsidiaries		63,748	61,907	-	-
Total shareholders' equity		790,008	730,143	708,556	651,872
Total liabilities and shareholders' equity		2,551,405	2,458,990	2,356,192	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 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Revenues from sales	3	1,501,257	1,432,152	1,499,833	1,430,121
Income from tuition fees		37,719	34,584	-	-
Interest and dividend income		6,845	5,919	9,030	7,819
Other income		5,311	10,047	4,770	9,215
Total revenues		1,551,132	1,482,702	1,513,633	1,447,155
Expenses					
Cost of sales	3	1,012,062	960,575	1,011,060	959,611
Cost of services		23,576	19,976	-	-
Selling expenses		267,424	238,485	267,424	238,485
Administrative expenses	3	151,532	143,691	144,070	137,226
Total expenses		1,454,594	1,362,727	1,422,554	1,335,322
Profit before share of profit from investment in associate, finance cost and corporate income tax					
Share of profit from investments in associate	10	1,750	2,007	-	-
Profit before finance cost and corporate income tax					
Finance cost	3	(1,132)	(1,031)	-	(4)
Profit before corporate income tax		97,156	120,951	91,079	111,829
Corporate income tax		(20,668)	(31,892)	(20,668)	(31,892)
Profit for the period		76,488	89,059	70,411	79,937
Profit attributable to					
Equity holders of the Company		73,111	84,393	70,411	79,937
Non-controlling interests of the subsidiaries		3,377	4,666		
		76,488	89,059		
Earnings per share					
Basic earnings per share	18				(Unit: Baht)
Profit attributable to equity holders of the Company		0.21	0.24	0.20	0.22

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 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the period	<u>76,488</u>	<u>89,059</u>	<u>70,411</u>	<u>79,937</u>
Other comprehensive income:				
Gain (loss) on changes in value of				
available-for-sale investments	(211)	(1,543)	(211)	(1,543)
Depreciation - surplus on revaluation of asset	(246)	(247)	(246)	(247)
Other comprehensive income for the period	<u>(457)</u>	<u>(1,790)</u>	<u>(457)</u>	<u>(1,790)</u>
Total comprehensive income for the period	<u><u>76,031</u></u>	<u><u>87,269</u></u>	<u><u>69,954</u></u>	<u><u>78,147</u></u>
Total comprehensive income attributable to				
Equity holders of the Company	72,654	82,603	<u>69,954</u>	<u>78,147</u>
Non-controlling interests of subsidiaries	<u>3,377</u>	<u>4,666</u>		
	<u><u>76,031</u></u>	<u><u>87,269</u></u>		

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

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of income****For the six-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Revenues from sales	3	2,830,438	2,702,904	2,827,262	2,699,110
Income from tuition fees	15	63,679	58,459	-	-
Interest and dividend income		10,860	11,865	13,335	13,765
Other income		21,987	18,732	20,246	16,840
Total revenues		2,926,964	2,791,960	2,860,843	2,729,715
Expenses					
Cost of sales	3	1,926,132	1,840,598	1,924,844	1,839,473
Cost of services		45,739	39,858	-	-
Selling expenses		514,504	455,580	514,504	455,580
Administrative expenses	3	277,634	276,287	262,896	262,968
Total expenses		2,764,009	2,612,323	2,702,244	2,558,021
Profit before share of profit from investment in associate, finance cost and corporate income tax					
Share of profit from investments in associate	10	1,750	2,007	-	-
Profit before finance cost and corporate income tax		164,705	181,644	158,599	171,694
Finance cost	3	(2,283)	(2,157)	(8)	(107)
Profit before corporate income tax		162,422	179,487	158,591	171,587
Corporate income tax		(33,961)	(50,431)	(33,961)	(50,431)
Profit for the period		128,461	129,056	124,630	121,156
Profit attributable to					
Equity holders of the Company		125,970	125,015	124,630	121,156
Non-controlling interests of the subsidiaries		2,491	4,041		
		128,461	129,056		
Earnings per share	18				(Unit: Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company		0.35	0.35	0.35	0.34

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 six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the period	<u>128,461</u>	<u>129,056</u>	<u>124,630</u>	<u>121,156</u>
Other comprehensive income:				
Gain (loss) on changes in value of				
available-for-sale investments	4,172	(3,877)	4,172	(3,877)
Depreciation - surplus on revaluation of asset	(493)	(491)	(493)	(491)
Other comprehensive income for the period	<u>3,679</u>	<u>(4,368)</u>	<u>3,679</u>	<u>(4,368)</u>
Total comprehensive income for the period	<u><u>132,140</u></u>	<u><u>124,688</u></u>	<u><u>128,309</u></u>	<u><u>116,788</u></u>
Total comprehensive income attributable to				
Equity holders of the Company	129,649	120,647	<u>128,309</u>	<u>116,788</u>
Non-controlling interests of subsidiaries	<u>2,491</u>	<u>4,041</u>		
	<u><u>132,140</u></u>	<u><u>124,688</u></u>		

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 six-month periods ended 30 June 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											
Issued and	Retained earnings			in value of	Surplus on	Other	Total other	Total equity	Equity attributable	Total	
fully paid-up	Share premium	Appropriated	Unappropriated	available-for-sale	revaluation of	changes	components of	attributable to	to non-controlling	shareholders'	
share capital				investments	assets	by the owners	shareholders'	the Company	interests of	the subsidiaries	equity
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
Dividend paid (Note 19)	-	-	-	(171,678)	-	-	-	-	(171,678)	-	(171,678)
Total comprehensive income for the period	-	-	-	125,015	(3,877)	(491)	-	(4,368)	120,647	4,041	124,688
Discount on capital resulting from change in shareholding ratio in subsidiary transferred to retained earnings	-	-	-	(6,643)	-	-	6,643	6,643	-	-	-
Balance as at 30 June 2011	323,921	149,421	35,627	108,380	(6,868)	26,595	-	19,727	637,076	63,144	700,220
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
Increase in share capital from issuance of stock dividend (Notes 17, 19)	32,392	-	-	(32,392)	-	-	-	-	-	-	-
Dividend paid (Note 19)	-	-	-	(71,625)	-	-	-	-	(71,625)	-	(71,625)
Total comprehensive income for the period	-	-	-	125,970	4,172	(493)	-	3,679	129,649	2,491	132,140
Resulting from change in shareholding ratio of equity attributable to non-controlling interests of the subsidiaries due to the decrease in the subsidiary's share capital	-	-	-	-	-	-	-	-	-	(650)	(650)
Balance as at 30 June 2012	356,313	149,421	35,627	165,748	(6,453)	25,604	-	19,151	726,260	63,748	790,008

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of cash flows****For the six-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	162,422	179,487	158,591	171,587
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	56,302	53,998	50,818	48,594
Allowance for doubtful accounts and goods return (reversal)	2,464	(1,028)	2,768	(979)
Adjustment of accounts receivable	-	(105)	-	(105)
Expense from lost goods	9,551	6,802	9,551	6,802
Allowance for stock obsolescence (reversal)	(1,240)	5,210	(1,163)	5,210
Share of profit from investments in associate	(1,750)	(2,007)	-	-
Expense from donated goods	8,804	13,358	8,804	13,358
Provision for long-term employee benefits	812	3,400	698	3,198
Expense from stock destruction	4,579	-	4,579	-
Loss (gain) on sales and write-off equipment	667	(1,218)	664	(1,219)
Amortised leasehold right on land and buildings	5,865	6,897	5,698	6,731
Interest expenses	2,283	2,157	8	107
Interest income	(7,351)	(6,303)	(7,826)	(6,203)
Dividend income	(3,509)	(5,562)	(5,509)	(7,562)
Profit from operating activities before changes in operating assets and liabilities	239,899	255,086	227,681	239,519
Operating assets (increase) decrease				
Trade and other receivables	(55,102)	(31,166)	(67,776)	(29,407)
Inventories	18,612	12,261	18,142	11,904
Prepaid expenses	(18,080)	(23,435)	(17,530)	(22,903)
Compensation receivable from the insurance claim	19,820	-	19,820	-
Other current assets	(4,153)	(204)	(4,436)	(257)
Prepaid book copyright and translation fee	3,234	(308)	3,234	(308)
Rental guarantee and deposit	(4,427)	(3,352)	(4,427)	(3,352)
Other non-current assets	4,247	(14,427)	4,145	(14,425)
Operating liabilities increase (decrease)				
Trade accounts payable	50,651	137,689	50,262	137,199
Income received in advance	258	(4,658)	-	-
Accrued expenses	(27,748)	(16,496)	(26,141)	(14,820)
Provision for long-term employee benefits	(6,286)	-	(6,286)	-
Other payables	14,728	6,229	14,728	6,229
Other current liabilities	530	(1,379)	(509)	(1,166)
Other non-current liabilities	470	502	400	535
Cash flows from operating activities	236,653	316,342	211,307	308,748
Cash paid for interest expenses	(2,283)	(2,157)	(8)	(107)
Cash paid for corporate income tax	(34,178)	(42,249)	(34,178)	(42,249)
Net cash flows from operating activities	200,192	271,936	177,121	266,392

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

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of cash flows (continued)****For the six-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease (increase) in current investments	1,819	(416)	1,819	(416)
Interest income	7,097	6,376	7,572	6,275
Dividends income	5,509	7,562	5,509	7,562
Acquisition of land and equipment	(122,959)	(321,128)	(85,648)	(312,301)
Proceeds from sales of equipment	163	1,453	139	1,453
Acquisition of intangible assets	(198)	(330)	(198)	(323)
Net cash flows used in investing activities	(108,569)	(306,483)	(70,807)	(297,750)
Cash flows from financing activities				
Increase in restricted bank deposit and other investment	(188)	(4,451)	(188)	(4,451)
Repayment of short-term loan from other person	(3,400)	(1,000)	-	-
Repayment of long-term loan from related person	-	(100)	-	-
Cash receipt from long-term loan	6,410	-	-	-
Dividend paid	(71,625)	(171,678)	(71,625)	(171,678)
Net cash flows used in financing activities	(68,803)	(177,229)	(71,813)	(176,129)
Net increase (decrease) in cash and cash equivalents	22,820	(211,776)	34,501	(207,487)
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)	593,134	508,269	574,549	474,360

Supplemental cash flows information

Non-cash transactions

Increase (decrease) in revaluation surplus on changes in value of available-for-sale investments	4,172	(3,877)	4,172	(3,877)
Purchase of property, plant and equipment for which cash has not been paid	2,510	13,153	2,251	12,934
Depreciation surplus on revaluation of asset under shareholder's equity	(493)	(491)	(493)	(491)
Issuance of stock dividend	32,392	-	32,392	-

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 and six-month periods ended 30 June 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. Plearnpattana 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 30 June				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2012	2011	2012	2011	
<u>Transactions with subsidiary</u>					
Sales of goods	-	-	284	187	Market price
Interest income	-	-	287	-	MOR per annum
<u>Transactions with associate</u>					
Purchase of goods	682	713	682	713	Market price
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land expenses	266	249	-	-	Mutually agreed agreement
Amortised land leasehold right	83	83	-	-	Mutually agreed agreement
Interest expenses	-	10	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchase of goods	19,520	12,631	19,520	12,631	Market price
Sales of goods	2,414	-	2,414	-	Mutually agreed price

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2012	2011	2012	2011	
<u>Transactions with subsidiary</u>					
Sales of goods	-	-	313	188	Market price
Interest income	-	-	577	-	MOR per annum
<u>Transactions with associate</u>					
Purchase of goods	1,408	1,848	1,408	1,848	Market price
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land expenses	528	496	-	-	Mutually agreed agreement
Amortised land leasehold right	166	166	-	-	Mutually agreed agreement
Interest expenses	-	18	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchase of goods	25,872	18,238	25,872	18,238	Market price
Sales of goods	2,966	-	2,966	-	Mutually agreed price

(Unaudited but reviewed)

As at 30 June 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	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
<u>Short-term loan to subsidiaries</u>				
Subsidiaries	-	-	15,024	15,024
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	7,205	7,372	-	-
<u>Trade accounts payable (Note 14)</u>				
Associate	2,252	2,296	2,252	2,296
Shareholders	4,817	3,913	4,817	3,913
Related companies of shareholders	14,757	13,601	14,757	13,601
Total	21,826	19,810	21,826	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 six-month periods ended 30 June 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	18.3	14.8	16.3	12.9
Post-employment benefits	1.0	1.0	1.1	0.9
Total	19.3	15.8	17.4	13.8

(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
Cash	28,039	26,651	27,856	26,390
Bank deposits with maturity not over 3 months	130,700	180,009	112,298	150,004
Highly liquid investments with an original maturity not over 3 months	434,395	363,654	434,395	363,654
Total	593,134	570,314	574,549	540,048

5. Current investments

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	30 June 2012		31 December 2011	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Equity securities	77,276	71,664	79,101	69,628
Debt securities	110,380	109,545	110,380	109,228
Total available-for-sale securities	187,656	181,209	189,481	178,856
Less: Unrealised loss on changes in values of investments	(6,447)	-	(10,625)	-
Current investments - net	181,209	181,209	178,856	178,856

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	89,002	40,582	88,960	40,582
Past due				
Up to 6 months	77,460	57,775	75,494	43,834
6 - 12 months	1,976	3,764	1,376	2,669
Over 12 months	22,683	32,860	20,999	31,195
Total	191,121	134,981	186,829	118,280
Less: Allowance for doubtful debts	(29,336)	(28,620)	(27,475)	(26,455)
Allowance for goods return	(4,895)	(3,147)	(4,895)	(3,147)
Total trade receivables - unrelated parties - net	156,890	103,214	154,459	88,678

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
<u>Other receivables</u>				
Advances	3,415	2,705	3,233	2,691
Insurance claim receivable	-	19,820	-	19,820
Others	4,927	6,675	4,100	5,415
Total other receivables	8,342	29,200	7,333	27,926
Trade and other receivables - net	165,232	132,414	161,792	116,604

As at 30 June 2012 and 31 December 2011, trade accounts receivable overdue for more than 12 months as presented in the consolidated and separate financial statements, amounting to Baht 18.15 million, are receivables for which the Company set aside allowance for doubtful debts in 1998. The Company has filed a lawsuit against the debtor and the official receiver has ordered preparation of accounts presenting receipts and payments, in order to proceed with the first distribution of assets to other creditors, who have preferential rights over the Company.

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the six-month period ended 30 June 2012, are as follows:

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		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	3,229	1,748	3,229	1,748
Less: Allowance reversed during the period	(2,513)	-	(2,209)	-
Balance as at 30 June 2012	29,336	4,895	27,475	4,895

(Unaudited but reviewed)

7. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Raw material	22,538	23,385	22,538	23,385
Work in process	10,941	9,074	10,941	9,074
Finished goods	431,553	474,119	430,198	472,294
Total	465,032	506,578	463,677	504,753
Less: Allowance for lost goods	(6,025)	(8,199)	(6,025)	(8,199)
Allowance for dilapidated and slow moving	(103,231)	(102,297)	(103,132)	(102,121)
Inventories - net	355,776	396,082	354,520	394,433

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the six-month period ended 30 June 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	14,096	14,096
Less: Allowance reversed during the period	(15,336)	(15,259)
Balance as at 30 June 2012	109,256	109,157

8. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		Interest rates (% p.a.)
	30 June 2012	31 December 2011	
Fixed deposits with 12 months	9,012	8,824	0.75 - 2.15
Government bonds with 7 years maturity	3,566	3,566	4.00
Total	12,578	12,390	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 21.3.

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	
	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	December
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
			(%)	(%)						
SE-ED Book Center Co.,Ltd.	100	100	99.93	99.93	100	100	-	-	100	100
Plearn Patt Co.,Ltd.	169,476	170,000	48.97	48.82	83,000	83,000	(13,668)	(13,668)	69,332	69,332
					<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 associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend received during the period	
		30	31	Carrying amounts based on equity method		Carrying amounts based on cost method		Dividend received during the period	
		June	December	June	December	June	December	June	December
		2012	2011	2012	2011	2012	2011	2012	2011
		(%)	(%)						
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	26,795	27,044	100	100	2,000	2,000
				<u>26,795</u>	<u>27,044</u>	<u>100</u>	<u>100</u>	<u>2,000</u>	<u>2,000</u>

- For the three-month and six-month periods ended 30 June 2012 and 2011, the Company recognised participating profit or loss from result operation for the year ended 31 December 2011 and 2010 of the associated company, whose financial statements were audited by another auditor. The Company consequently recorded share of profit from investment in associate in the statement of income, in which the equity method is applied to the investment, for the three-month and six-month periods ended 30 June 2012 at the same amount of Baht 1.75 million, both periods, equivalent 2.28% and 1.36% of the profit for the periods in the consolidated statements of income, respectively and for the three-month and six-month periods ended 30 June 2011 at the same amount of Baht 2.01 million, both periods, equivalent 2.25% and 1.55% of the profit for the periods in the consolidated statements of income, in which the equity method is applied to the investments respectively. As of 30 June 2012, the Company had investments in associate of Baht 26.8 million, equivalent to 1.05% of total assets, in the consolidated financial statements.

(Unaudited but reviewed)

- 2) For the year ended 31 December 2011, the Company recognised participating profit or loss from result operation for the year ended 31 December 2010, of the associated company, whose financial statements were audited by another auditor. The Company consequently recorded share of profit from investments in associate in the consolidated statements of income, for the year ended 31 December 2011, (recorded in the second quarter of year 2011) for the amount of Baht 2.01 million equivalent to 0.88% of profit for the year shown in the consolidated financial statements. As at 31 December 2011, the Company had investments in associate of Baht 27.04 million, equivalent to 1.10% of total assets, in the consolidated financial statements.

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 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	121,188	83,618
Disposals during period - net book value at disposal date	(251)	(224)
Write - off during period - net book value at write - off date	(579)	(579)
Depreciation for the period	(55,586)	(50,127)
Net book value as at 30 June 2012	<u>909,274</u>	<u>689,014</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 six-month period ended 30 June 2012, depreciation calculated from such surplus was recorded as surplus in revaluation assets in shareholders' equity totalling Baht 0.49 million (2011: Baht 0.49 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 six-month period ended 30 June 2012 would decreased by Baht 0.49 million (2011: Baht 0.49 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 six-month period ended 30 June 2012, the Company amortised leasehold rights as expenses totalling Baht 5.70 million (2011: Baht 6.73 million).

13. Intangible assets

Movements of the intangible assets which are right for software usage fee during the six-month period ended 30 June 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	198	198
Amortisation for the period	(1,209)	(1,184)
Balance as at 30 June 2012	<u>4,332</u>	<u>4,124</u>

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade accounts payable - related parties (Note 3)	21,826	19,810	21,826	19,810
Trade accounts payable - unrelated parties	1,342,967	1,294,332	1,341,572	1,293,326
Accrued expenses	123,814	151,562	120,985	147,126
Other payables for purchase of machineries	2,510	4,281	2,251	4,281
Notes payable	44,950	30,222	44,950	30,222
Total	<u>1,536,067</u>	<u>1,500,207</u>	<u>1,531,584</u>	<u>1,494,765</u>

(Unaudited but reviewed)

15. Income received in advance

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2012	31 December 2011
Income received in advance - not yet recognised	34,510	34,252
Less: Income received in advance recognisable within one year	(30,698)	(28,949)
Net	<u>3,812</u>	<u>5,303</u>

During the six-month period ended 30 June 2012, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	The initial entrance fee	Education supporting fee	Total
Balance as at 31 December 2011	-	34,252	34,252
Plus: Increase during the period	9,615	54,933	64,548
Less: Income recognition during the period	(9,615)	(54,064)	(63,679)
Less: Returned due to resignation of students	-	(611)	(611)
Balance as at 30 June 2012	<u>-</u>	<u>34,510</u>	<u>34,510</u>

16. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Coupon payable	23,017	20,872	23,017	20,872
Accrued withholding tax	5,385	5,168	4,875	4,675
Unearned income	6,749	7,668	6,749	7,668
Others	3,337	4,250	1,753	3,688
Total	<u>38,488</u>	<u>37,958</u>	<u>36,394</u>	<u>36,903</u>

17. Share capital / stock dividend

On 26 April 2012, the Annual General Meeting of the Company's shareholders passed a resolution to approve the increase in the Company's registered capital from Baht 323,921,130 to Baht 356,313,243 by issuing 32,392,113 additional ordinary shares with a par value of Baht 1 each to support the issuance of a stock dividend, as discussed in Note 19. The Company registered the increase in registered share capital with the Ministry of Commerce on 8 May 2012. The paid-up share capital remains the same as the formal registered capital.

Subsequently, on 24 May 2012, the Company reported the allocation of stock dividend to the Stock Exchange of Thailand and registered the change in its paid-up share capital from Baht 323,921,130 to Bath 356,313,209. The Company registered the change in its paid-up share capital with the Ministry of Commerce on 27 June 2012.

18. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividends of 32.39 million shares on 27 June 2012, as discussed in Note 17, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

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

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
		(Restated)		(Restated)
Profit for the period (Thousand Baht)	73,111	84,393	70,411	79,937
Weighted average number of ordinary shares (Thousand shares)	356,313	356,313	356,313	356,313
Earnings per share (Baht/share)	0.21	0.24	0.20	0.22

(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	(Restated)		(Restated)	
Profit for the period (Thousand Baht)	125,970	125,015	124,630	121,156
Weighted average number of ordinary shares (Thousand shares)	356,313	356,313	356,313	356,313
Earnings per share (Baht/share)	0.35	0.35	0.35	0.34

19. Dividends / stock dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividend on the fourth quarter of 2010	Annual General Meeting of the shareholders on 28 April 2011	139.29	0.43
Dividend on the first quarter of 2011	Board of Directors' meeting on 13 May 2011	32.39	0.10
Total dividend paid for the six-month period ended 30 June 2011		171.68	0.53
Stock dividend on the fourth quarter of 2011	Annual General Meeting of the shareholders on 26 April 2012	32.39	0.10
Dividend on the fourth quarter of 2011	Annual General Meeting of the shareholders on 26 April 2012	35.99	0.11
Dividend on the first quarter of 2012	Board of Directors' meeting on 10 May 2012	35.63	0.10
Total dividend paid and stock dividend for the six-month period ended 30 June 2012		104.01	0.31

20. 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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June							
	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	<u>1,499,833</u>	<u>1,430,121</u>	<u>39,427</u>	<u>36,803</u>	<u>(284)</u>	<u>(188)</u>	<u>1,538,976</u>	<u>1,466,736</u>
Segment income	77,279	94,799	7,096	9,209	7	1	84,382	104,009
Unallocated income and expenses:								
Interest and dividend income							6,845	5,919
Other income							5,311	10,047
Share of profit from investments in associate							1,750	2,007
Financial cost							(1,132)	(1,031)
Corporate income tax							<u>(20,668)</u>	<u>(31,892)</u>
Profit for the period							<u>76,488</u>	<u>89,059</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June							
	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	<u>2,827,262</u>	<u>2,699,110</u>	<u>67,168</u>	<u>62,441</u>	<u>(313)</u>	<u>(188)</u>	<u>2,894,117</u>	<u>2,761,363</u>
Segment income	125,018	141,089	5,083	8,080	7	(129)	130,108	149,040
Unallocated income and expenses:								
Interest and dividend income							10,860	11,865
Other income							21,987	18,732
Share of profit from investments in associate							1,750	2,007
Financial cost							(2,283)	(2,157)
Corporate income tax							<u>(33,961)</u>	<u>(50,431)</u>
Profit for the period							<u>128,461</u>	<u>129,056</u>

21. Commitments and contingent liabilities

21.1 Capital commitments

As at 30 June 2012, the Company and a subsidiary had capital commitments of approximately Baht 33.7 million, relating to the construction of a new warehouse and distribution center and the school's education buildings and office.

21.2 Operating lease commitments

- a) As 30 June 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 415 branches. The lease periods ranged from 1 to 12 years. For the period ended 30 June 2012, the total rental and utility fees were approximately Baht 453.1 million per annum. Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company and its subsidiary 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 30 June 2012, future minimum lease payments required under operating leases contracts were as follows.

	<u>Million Baht</u>
Outstanding commitments:	
In up to 1 year	19.6
In over 1 and up to 5 years	42.4
In over 5 years	46.7

For the six-month period ended 30 June 2012, the Company recognised rental expenses of Baht 19.7 million.

21.3 Guarantees

As at 30 June 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.

21.4 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.

22. Event after the reporting period

- 22.1 On August 7 2012, the meeting of the Company's Board of Directors no. 4/2012 approved to increase the statutory reserve by Baht 4,404.34 so that the reserve equals 10 percent of the registered capital and to pay an interim dividend of Baht 0.10 per share to the Company's shareholders from the operating results of the second quarter of 2012, or equivalent to an amount not exceed Baht 35.63 million.
- 22.2 On 7 August 2012, the Company entered into a construction service agreement to build a warehouse and a distribution center of Baht 270 million (excluding value added tax).

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 August 2012.