

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Report and consolidated financial statements
31 December 2012

Independent Auditor's Report

To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED for the same year.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries and of SE-EDUCATION PUBLIC COMPANY LIMITED as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

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Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 20 February 2013

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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	346,948,078	570,313,730	343,504,045	540,048,337
Current investments	8	168,391,421	178,856,222	168,391,421	178,856,222
Trade and other receivables	6, 9	104,223,811	132,413,781	100,829,110	116,604,185
Short-term loan to subsidiaries	6	-	-	15,044,000	15,024,000
Inventories	10	401,338,157	396,081,981	400,166,573	394,433,224
Other current assets	11	66,716,498	39,923,577	65,320,393	37,642,802
Total current assets		1,087,617,965	1,317,589,291	1,093,255,542	1,282,608,770
Non-current assets					
Restricted bank deposits and other investments	12	12,578,094	12,389,767	12,578,094	12,389,767
Investments in subsidiaries	13	-	-	69,432,021	69,432,021
Investments in associate	14	26,794,526	27,044,395	100,000	100,000
Property, plant and equipment	15	1,251,681,263	844,502,319	1,006,732,809	656,326,364
Leasehold right on land	6, 16	7,036,247	7,372,005	-	-
Leasehold right on buildings	17	98,836,186	110,294,800	98,836,186	110,294,800
Intangible assets	18	7,893,855	5,342,770	7,711,163	5,109,940
Prepaid book copyright and translation fee		22,510,401	27,178,920	22,510,401	27,178,920
Rental guarantee and deposit		104,758,729	92,243,456	104,758,729	92,243,456
Other non-current assets	19	6,264,790	15,030,957	6,234,404	14,806,002
Total non-current assets		1,538,354,091	1,141,399,389	1,328,893,807	987,881,270
Total assets		2,625,972,056	2,458,988,680	2,422,149,349	2,270,490,040

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 21	1,459,103,361	1,500,207,097	1,452,020,058	1,494,765,388
Short-term loans from other person		-	3,400,000	-	-
Income received in advance recognisable					
within one year		33,800,547	28,948,104	-	-
Income tax payable	20	16,613,628	34,177,556	16,613,628	34,177,556
Current portion of provision for					
long-term employee benefits	31	8,770,150	6,121,974	8,770,150	6,121,974
Other current liabilities	22	46,909,751	37,957,936	45,778,988	36,903,209
Total current liabilities		1,565,197,437	1,610,812,667	1,523,182,824	1,571,968,127
Non-current liabilities					
Income received in advance	20	2,695,456	5,303,446	-	-
Long-term loans	23	74,710,000	64,600,000	-	-
Provision for long-term employee benefits	31	39,695,419	39,620,219	38,077,685	38,185,058
Other non-current liabilities		9,065,959	8,509,919	8,990,332	8,465,002
Total non-current liabilities		126,166,834	118,033,584	47,068,017	46,650,060
Total liabilities		1,691,364,271	1,728,846,251	1,570,250,841	1,618,618,187

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Shareholders' equity					
Share capital					
Registered	24				
356,313,243 ordinary shares of Baht 1 each					
(2011: 323,921,130 ordinary shares of Baht 1 each)		356,313,243	323,921,130	356,313,243	323,921,130
Issued and paid-up					
356,313,209 ordinary shares of Baht 1 each		356,313,209	323,921,130	356,313,209	323,921,130
(2011: 323,921,130 ordinary shares of Baht 1 each)					
Share premium		149,420,558	149,420,558	149,420,558	149,420,558
Retained earnings					
Appropriated - statutory reserve	26	35,631,321	35,626,917	35,631,321	35,626,917
Unappropriated		171,963,381	143,794,698	157,298,199	127,431,065
Other components of shareholders' equity		159,968,315	15,472,183	153,235,221	15,472,183
Equity attributable to owners of the Company		873,296,784	668,235,486	851,898,508	651,871,853
Non-controlling interests of the subsidiaries		61,311,001	61,906,943	-	-
Total shareholders' equity		934,607,785	730,142,429	851,898,508	651,871,853
Total liabilities and shareholders' equity		2,625,972,056	2,458,988,680	2,422,149,349	2,270,490,040

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

Director



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

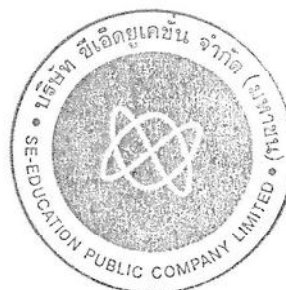
Statement of income

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Revenues from sales	6	5,522,183,620	5,370,058,520	5,518,650,807	5,363,875,980
Income from tuition fees	20	119,709,940	111,344,731	-	-
Interest and dividend income		22,054,538	23,950,280	25,532,215	26,076,031
Other income		62,261,376	54,409,048	56,428,933	51,301,798
Total revenues		5,726,209,474	5,559,762,579	5,600,611,955	5,441,253,809
Expenses					
Cost of sales	6	3,750,892,792	3,676,139,842	3,749,490,625	3,674,692,649
Cost of services		94,520,660	82,002,618	-	-
Selling expenses		1,042,067,389	924,719,886	1,042,067,389	924,719,886
Administrative expenses	6	579,659,047	558,889,023	551,290,305	531,131,867
Total expenses		5,467,139,888	5,241,751,369	5,342,848,319	5,130,544,402
Profit before share of profit from investments in associate, finance cost and income tax expenses		259,069,586	318,011,210	257,763,636	310,709,407
Share of profit from investments in associate	14	1,750,131	2,007,297	-	-
Profit before finance cost and income tax expenses		260,819,717	320,018,507	257,763,636	310,709,407
Finance cost	6	(4,718,502)	(4,453,859)	(17,647)	(328,482)
Profit before income tax expenses		256,101,215	315,564,648	257,745,989	310,380,925
Income tax expenses	28	(52,594,260)	(87,545,934)	(52,594,260)	(87,545,934)
Profit for the year		203,506,955	228,018,714	205,151,729	222,834,991
Profit attributable to					
Equity holders of the Company		203,453,278	225,215,377	205,151,729	222,834,991
Non-controlling interests of the subsidiaries		53,677	2,803,337		
		203,506,955	228,018,714		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.57	0.63	0.58	0.63

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the year	203,506,955	228,018,714	205,151,729	222,834,991
Other comprehensive income:				
Gain (loss) on changes in value of available-for-sale investments	8,629,630	(7,633,376)	8,629,630	(7,633,376)
Gain on revaluation of land and buildings 25	136,609,297	-	129,876,203	-
Depreciation - surplus on revaluation of asset 25	(742,795)	(989,490)	(742,795)	(989,490)
Other comprehensive income for the year	144,496,132	(8,622,866)	137,763,038	(8,622,866)
Total comprehensive income for the year	348,003,087	219,395,848	342,914,767	214,212,125
Total comprehensive income attributable to				
Equity holders of the Company	347,949,410	216,592,511	342,914,767	214,212,125
Non-controlling interests of subsidiaries	53,677	2,803,337		
Total comprehensive income for the year	348,003,087	219,395,848		

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to the parent's shareholders									
	Other components of equity									
	Other comprehensive income									
	Surplus (deficit)									
	Issued and fully paid-up share capital	Share premium	Retained earnings		Surplus on revaluation of assets	Other changes by the owners	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated	Unappropriated						
Balance as at 1 January 2011	323,921,130	149,420,558	35,626,917	161,685,242	(2,991,463)	(6,643,496)	17,451,553	688,105,400	59,103,606	747,209,006
Dividend paid (Note 32)	-	-	-	(236,462,425)	-	-	-	(236,462,425)	-	(236,462,425)
Total comprehensive income for the year	-	-	-	225,215,377	(7,633,376)	(989,490)	(8,622,866)	216,592,511	2,803,337	219,395,848
Discount on capital resulting from change in shareholding ratio in subsidiary transferred to retained earnings (Note 13.2)	-	-	-	(6,643,496)	-	6,643,496	6,643,496	-	-	-
Balance as at 31 December 2011	323,921,130	149,420,558	35,626,917	143,794,698	(10,624,339)	-	15,472,183	668,235,486	61,906,943	730,142,429
Balance as at 1 January 2012	323,921,130	149,420,558	35,626,917	143,794,698	(10,624,339)	-	15,472,183	668,235,486	61,906,943	730,142,429
Increase in share capital from issuance of stock dividend (Notes 24, 32)	32,392,079	-	-	(32,392,079)	-	-	-	-	-	-
Dividend paid (Note 32)	-	-	-	(142,888,112)	-	-	-	(142,888,112)	-	(142,888,112)
Total comprehensive income for the year	-	-	-	203,453,278	8,629,630	135,866,502	144,496,132	347,949,410	53,677	348,003,087
Unappropriated retained earnings transferred to statutory reserve (Note 26)	-	-	4,404	(4,404)	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	(649,619)	(649,619)
Balance as at 31 December 2012	356,313,209	149,420,558	35,631,321	171,963,381	(1,995,209)	-	159,968,315	873,296,784	61,311,001	934,607,785

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



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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

Separate financial statements

	Other components of equity									
	Other comprehensive income					Total other components of				
	Surplus (deficit)					shareholders' equity				
Issued and fully paid-up share capital	Share premium	Retained earnings		available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity			
		Appropriated	Unappropriated							
Balance as at 1 January 2011	323,921,130	149,420,558	35,626,917	141,058,499	(2,991,463)	27,086,512	24,095,049	674,122,153		
Dividend paid (Note 32)	-	-	-	(236,462,425)	-	-	-	(236,462,425)		
Total comprehensive income for the year	-	-	-	222,834,991	(7,633,376)	(989,490)	(8,622,866)	214,212,125		
Balance as at 31 December 2011	323,921,130	149,420,558	35,626,917	127,431,065	(10,624,839)	26,097,022	15,472,183	651,871,853		
Balance as at 1 January 2012	323,921,130	149,420,558	35,626,917	127,431,065	(10,624,839)	26,097,022	15,472,183	651,871,853		
Increase in share capital from issuance of stock dividend (Notes 24, 32)	32,392,079	-	-	(32,392,079)	-	-	-	-		
Dividend paid (Note 32)	-	-	-	(142,888,112)	-	-	-	(142,888,112)		
Total comprehensive income for the year	-	-	-	205,151,729	8,629,630	129,133,408	137,763,038	342,914,767		
Unappropriated retained earnings transferred to statutory reserve (Note 26)	-	-	4,404	(4,404)	-	-	-	-		
Balance as at 31 December 2012	356,313,209	149,420,558	35,631,321	157,298,199	(1,995,209)	155,230,430	153,235,221	851,898,508		

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



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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	256,101,215	315,564,648	257,745,989	310,380,925
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	116,693,037	110,161,365	103,966,351	99,340,641
Allowance for doubtful accounts and estimated goods return (reversal)	(18,798,205)	2,227,974	(18,320,346)	1,113,430
Reversal allowance for impairment loss	(17,718,411)	-	(16,012,978)	-
Adjustment from clearing accounts receivable	(417,957)	448,094	(417,957)	448,094
Expense from lost of inventories	15,782,648	12,496,225	15,782,648	12,496,225
Allowance for dilapidated slow moving and lost of inventories	14,951,458	3,834,011	15,028,044	3,834,011
Share of profit from investment in associate	(1,750,131)	(2,007,297)	-	-
Write-off goods and equipment damaged by flood incident	-	19,950,313	-	19,814,287
Expense from donation of goods	17,152,266	20,360,538	17,152,266	20,360,538
Expense from stock destruction	11,495,083	5,804,035	11,495,083	5,804,035
Expense from donation of equipment	7,186	2,195,224	7,186	1,861
Provision for long-term employee benefits	9,009,766	7,101,990	8,827,193	6,674,865
Loss (gain) on sales and written-off equipment	1,411,998	(1,386,561)	1,068,115	(919,500)
Amortisation of leasehold right on land and buildings	11,794,372	13,431,207	11,458,614	13,096,366
Adjustment from clearing accounts payable and coupon payable	(9,042,413)	(6,156,048)	(9,042,413)	(6,156,048)
Interest expenses	4,718,502	4,453,859	17,647	328,482
Interest income	(13,386,222)	(13,229,115)	(14,862,854)	(13,154,025)
Dividend income	(8,669,361)	(10,721,165)	(10,669,361)	(12,922,007)
Profit from operating activities before changes in operating assets and liabilities	389,334,831	484,529,297	373,223,227	460,542,180
Operating assets (increase) decrease				
Trade and other receivables	27,585,928	5,704,109	14,693,174	15,129,286
Inventories	(64,637,631)	(76,834,092)	(65,191,391)	(78,514,169)
Prepaid expenses	(21,770,613)	(7,272,647)	(21,645,520)	(7,125,025)
Compensation receivable from the insurance claim	19,820,204	(19,814,287)	19,820,204	(19,814,287)
Other current assets	(5,955,792)	(5,375,977)	(6,315,935)	(2,009,120)
Prepaid book copyright and translation fee	4,668,519	(4,797,113)	4,668,519	(4,797,113)
Rental guarantee and deposit	(12,515,273)	(12,670,837)	(12,515,273)	(12,670,837)
Other non-current assets	8,766,167	(12,410,543)	8,571,600	(12,318,515)

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Operating liabilities increase (decrease)				
Trade accounts payable	(39,060,267)	201,263,313	(38,987,913)	208,936,870
Income received in advance	2,244,453	(8,130,871)	-	-
Accrued expenses	(23,756,207)	19,763,772	(25,106,054)	19,214,256
Notes payables	21,444,918	3,750,068	21,444,918	3,750,068
Other payables	5,247,762	5,324,913	5,247,762	6,411,903
Other current liabilities	12,126,244	6,659,237	12,050,208	270,506
Cash paid for long-term employee benefits	(6,286,390)	(634,120)	(6,286,390)	(634,120)
Other non-current liabilities	556,040	256,580	525,330	323,963
Cash flows from operating activities	317,812,893	579,310,802	284,196,466	576,695,846
Cash paid for interest expenses	(4,718,502)	(4,453,859)	(17,647)	(328,482)
Cash paid for corporate income tax	(70,158,187)	(94,596,461)	(70,158,187)	(94,596,461)
Net cash flows from operating activities	242,936,204	480,260,482	214,020,632	481,770,903
Cash flows from investing activities				
Decrease (increase) in current investments	19,094,431	(5,524)	19,094,430	(5,524)
Interest income	13,670,088	13,230,046	15,146,720	13,154,956
Dividends income	10,669,361	12,721,165	10,669,361	12,922,007
Acquisition of land and equipment	(368,870,945)	(427,801,960)	(307,840,662)	(398,920,483)
Proceeds from sales of equipment	442,915	1,719,100	402,933	1,713,220
Acquisition of intangible assets	(4,941,267)	(926,852)	(4,941,267)	(906,757)
Cash paid for short-term loans to subsidiary	-	-	(20,000)	(15,000,000)
Net cash flows used in investing activities	(329,935,417)	(401,064,025)	(267,488,485)	(387,042,581)
Cash flows from financing activities				
Decrease in restricted bank deposit and other investment	(188,327)	(65,033)	(188,327)	(65,033)
Repayment of short-term loans from other person	(3,400,000)	-	-	-
Cash receipt from short-term loans	-	9,000,000	-	-
Repayment of long-term loans from related parties	-	(1,400,000)	-	-
Cash receipt from long-term loans	10,110,000	-	-	-
Dividend paid	(142,888,112)	(236,462,425)	(142,888,112)	(236,462,425)
Net cash flows used in financing activities	(136,366,439)	(228,927,458)	(143,076,439)	(236,527,458)
Net decrease in cash and cash equivalents	(223,365,652)	(149,731,001)	(196,544,292)	(141,799,136)
Cash and cash equivalents at beginning of year	570,313,730	720,044,731	540,048,337	681,847,473
Cash and cash equivalents at end of year (Note 7)	346,948,078	570,313,730	343,504,045	540,048,337

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Supplemental cash flows information				
Non-cash transactions				
Increase (decrease) in revaluation surplus on changes in value of available-for-sale investments	8,629,630	(7,633,376)	8,629,630	(7,633,376)
Purchase of fixed assets for which cash has not been paid	5,169,062	4,281,021	4,804,962	4,281,021
Depreciation surplus on revaluation of asset under shareholder's equity	(742,795)	(989,490)	(742,795)	(989,490)
Surplus on revaluation of assets	136,609,297	-	129,876,203	-
Issuance of stock dividend	32,392,079	-	32,392,079	-

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to financial statements

For the year ended 31 December 2012

1. General 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 TCIF 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 are authorized to engage in the following:

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 and provide services for display advertisements to be published in the Company's monthly magazine.
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.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.



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

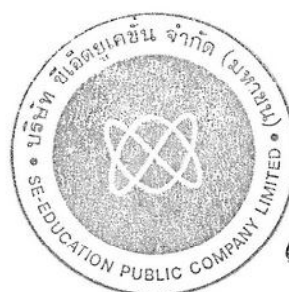
The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2012</u>	<u>2011</u>
			(%)	(%)
SE-ED Book Center Co., Ltd.	Business consultant	Thailand	99.93	99.93
Plearn Patt Co., Ltd.	Private school	Thailand	48.97	48.82

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.



3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TRFS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset and liability in the accounting records and its tax base, and to recognize deferred tax assets or liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect to the Company's brought-forward retained earnings and other components of shareholders' equity of the year 2013 by increasing the Company's shareholders' equity of approximately Baht 7.8 million.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.



		<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
Accounting Standard Interpretation:		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenues recognition

- a) Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances, except for consignment where the revenue from consignment is recognized when the event of either the sales report is received or the payment is received first.
- b) Service revenue is recognised when services have been rendered taking into account the stage of completion.
- c) Entrance fees are recognised as income at the time of acceptance of the pupil by the subsidiary.
- d) Education supporting fees are recognised as income of the school term to which they relate.
- e) Interest income is recognised on an accrual basis based on the effective interest rate.
- f) Dividends are recognised when the right to receive the dividends is established.



4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade and other receivables/Allowance for doubtful accounts and returned goods

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Allowance for returned goods is based on the percentage of the average returned goods for the year of provincial accounts receivable at the end of the period.

4.4 Inventories/Allowance for dilapidated, slow moving and lost of inventories

Finished goods are valued at the lower of cost (weighted average) and net realisable value. Cost includes all production costs and attributable factory overheads.

Work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Allowance for dilapidated and slow moving is based on the percentage of the inventory turnover in conjunction with the consideration of the book editor.

Allowance for lost goods are charged at rates of 0.30% for each sales branch. The reversal of such allowance incurred when the inventory taking and inventories lost actually at the branch.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in associate are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.



The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

4.6 Property, plant and equipment/Depreciation

Land and building and improvement are stated at revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made every 5 year to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Equipments are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.



Depreciation of building and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives:

Land improvement	10 - 20 years
Buildings and building improvement	20 - 24 years
Building decorations	5 - 6 years
Office equipment and air conditioners	3 - 5 years
Motor vehicles	5 years

The depreciation is dealt with in the financial statements as follows:

- Depreciation attributed to the original cost portion is included in determining income.
- Depreciation attributed to the surplus portion is deducted against revaluation surplus in shareholders' equity.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.



A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years
Book copyright and translation fee	Amortised per number of book sold

4.9 Leasehold right on land and building/Amortisation

Leasehold right on land and building are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation of leasehold right on land and building calculate base on the straight-line basis over the lease term.

The amortisation expense are included in determining income.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.



4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.



Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by the director of human resource and organisation development of the Company, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

The defined benefits liability and other long-term benefit liabilities comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:



Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Provision for diminution in value of inventories

In determining of provision for diminution in value of inventories (allowance for dilapidated, slow moving and lost goods), the management needs to make judgement and estimates based upon, among other things, past goods returned history, inventory turnover, the consideration of the book edition and past good lost history.

Provision for impairment of investments in securities

The Company and its subsidiaries treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the cost approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.



A handwritten signature in black ink, appearing to be "C. Chai".

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with 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)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiary</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	472	250	Market price
Interest income	-	-	1,630	301	MOR per annum
<u>Transactions with associate</u>					
Purchase of goods	2,113	2,658	2,113	2,658	Market price
<u>Transactions with management and directors</u>					
Lease land	1,001	1,001	-	-	Mutually agreed agreement
Amortised land leasehold right	335	335	-	-	Mutually agreed agreement
Interest expenses	-	29	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchases of goods	152,141	130,494	152,141	130,494	Market price
Returns of goods	(154,179)	(99,873)	(154,179)	(99,873)	Market price
Sales of goods	6,686	6,620	6,686	6,620	Mutually agreed agreement



As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties and companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Short-term loans to subsidiary</u>				
Subsidiaries	-	-	15,044	15,024
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	7,036	7,372	-	-
<u>Trade accounts receivable</u> (Note 9)				
Subsidiary	-	-	18	-
<u>Trade accounts payable</u> (Note 21)				
Associate	2,319	2,296	2,319	2,296
Shareholders	4,474	14,085	4,474	14,085
Related companies of shareholders	8,726	13,601	8,726	13,601
Total	15,519	29,982	15,519	29,982

Short-term loan to subsidiaries

As at 31 December 2012 and 2011, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loans to related parties	Related by	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
SE-ED Book Center Co., Ltd.	Subsidiary	24	20	-	44
Plearn Patt Co., Ltd.	Subsidiary	15,000	27,000	(27,000)	15,000
Total		15,024	27,020	(27,000)	15,044

Short-term loan to Plearn Patt Co., Ltd. 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 per annum rate of a commercial bank.



Directors and management's benefits

During the years ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

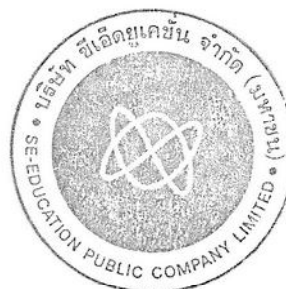
	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	36.00	32.93	32.55	29.25
Post-employment benefits	1.22	1.09	1.19	1.06
Total	37.22	34.02	33.74	30.31

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash	28,235	26,651	28,069	26,390
Bank deposits with maturity not over 3 months	157,847	180,009	154,569	150,004
Highly liquid investments with an original maturity not over 3 months	160,866	363,654	160,866	363,654
Total	346,948	570,314	343,504	540,048

As at 31 December 2012, bank deposit in saving accounts, fixed deposits and bills of exchange carried interest between 0.10% and 2.75% per annum (2011: between 0.25% and 3.20% per annum).



8. Current investments

(Unit: Thousand Baht)

Consolidated / Separate financial statements				
As at 31 December 2012				
	Cost	Fair value	Dividend received	Accumulated dividend received
Available-for-sale securities				
Equity securities	60,000	58,500	5,242	43,711
Debt securities	110,386	109,891	3,427	18,165
Total available-for-sale securities	170,386	168,391	8,669	61,876
Less: Unrealised loss on changes in values of investments	(1,995)	-	-	-
Current investments - net	168,391	168,391	8,669	61,876

(Unit: Thousand Baht)

Consolidated / Separate financial statements				
As at 31 December 2011				
	Cost	Fair value	Dividend received	Accumulated dividend received
Available-for-sale securities				
Equity securities	79,101	69,628	8,473	38,469
Debt securities	110,380	109,228	2,449	14,738
Total available-for-sale securities	189,481	178,856	10,922	53,207
Less: Unrealised loss on changes in values of investments	(10,625)	-	-	-
Current investments - net	178,856	178,856	10,922	53,207



9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade accounts receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	18	-
Total	-	-	18	-
Less: Allowance for doubtful debts	-	-	-	-
Total trade accounts receivables - related parties, net	-	-	18	-
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	25,313	40,582	25,313	40,582
Past due				
Up to 6 months	69,054	57,775	66,981	43,834
6 - 12 months	1,937	3,764	1,387	2,669
Over 12 months	13,256	32,860	11,604	31,195
Total	109,560	134,981	105,285	118,280
Less: Allowance for doubtful debts	(10,839)	(28,620)	(9,151)	(26,455)
Allowance for goods return	(2,131)	(3,147)	(2,131)	(3,147)
Total trade accounts receivables - unrelated parties, net	96,590	103,214	94,003	88,678
<u>Other receivables</u>				
Advances	2,153	2,705	2,068	2,691
Insurance claim receivable	-	19,820	-	19,820
Others	5,481	6,675	4,740	5,415
Total other receivables	7,634	29,200	6,808	27,926
Trade and other receivables - net	104,224	132,414	100,829	116,604

The Company has trade accounts receivable overdue for more than 12 months amounting to Baht 18.15 million, are receivables for which the Company set aside allowance for doubtful debts in 1998. The Company therefore sued such debtor; and Court ordered to declare the debtor bankrupt. Subsequently, in April 2012, the official receiver ordered preparation of accounts presenting cash receipts and cash disbursement, in order to proceed with the first distribution of assets to other creditors who have preferential rights over the Company. In September 2012, such receivable was written-off to bad debt in compliance with the Revenue Code.



10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Raw materials	22,160	23,385	-	-	22,160	23,385
Work in process	11,084	9,074	(986)	(2,463)	10,098	6,611
Finished goods	493,543	474,119	(124,463)	(108,033)	369,080	366,086
Total	<u>526,787</u>	<u>506,578</u>	<u>(125,449)</u>	<u>(110,496)</u>	<u>401,338</u>	<u>396,082</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Raw materials	22,160	23,385	-	-	22,160	23,385
Work in process	11,084	9,074	(986)	(2,463)	10,098	6,611
Finished goods	492,272	472,294	(124,363)	(107,857)	367,909	364,437
Total	<u>525,516</u>	<u>504,753</u>	<u>(125,349)</u>	<u>(110,320)</u>	<u>400,167</u>	<u>394,433</u>

In October and November 2011, many parts of Thailand suffered from severe flooding. Goods and assets of some branches have also been damaged by the floodwaters. The Company has exploration losses and write-off such assets with net book value totaling Baht 19.9 million, however the Company has insurance to cover damage to the goods and property, as already mentioned. The Company therefore requests for compensation claims. The Company recorded the perceived part of insurance claim under other income account in the income statements for 2011 and recognised the remaining claim in 2012.



11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Supplies	12,249	10,986	11,670	10,499
Prepaid expenses	45,314	23,544	44,539	22,894
Other current assets	9,154	5,394	9,111	4,250
Total	66,717	39,924	65,320	37,643

12. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate (% p.a.)
	2012	2011	
Fixed deposits with 12 months maturity	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 33.3.

13. 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	
	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
					83,100	83,100	(13,668)	(13,668)	69,432	69,432



13.1 The Company has presented the consolidated financial statements of the Company and Plearn Patt Co., Ltd., because the Company's top management has the controlling power in directing the financial policies and operation of Plearn Patt Co., Ltd. The above company is, therefore, treated as a subsidiary in compliance with the Thai Accounting Standard No. 27 (Revised 2009) on "Consolidated and Separate Financial Statements".

13.2 As at 31 December 2007, the Company adjusted the Discount on capital of Baht 6.64 million as a resulting from changing in shareholding ratio in subsidiary during the 2005-2006, causing investment to drop and discount on capital resulting from changing in shareholding ratio in subsidiary to increase with the same amount. In the first quarter of current year, such discount on capital resulting from changing in shareholding ratio in subsidiary was transferred to retained earnings in the consolidated financial statements.

14. Investments in an associate

14.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012 (%)	2011 (%)	2012	2011	2012	2011
M and E Co., Ltd.	Painting office production of technical magazines and engineering manuals	Thailand	25	25	100	100	26,795	27,044
Total					100	100	26,795	27,044

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on equity method	
			2012 (%)	2011 (%)	2012	2011	2012	2011	2012	2011
M and E Co., Ltd.	Painting office production of technical magazines and engineering manuals	Thailand	25	25	100	100	-	-	100	100
Total					100	100	-	-	100	100



14.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	during the year		during the year	
	2012	2011	2012	2011
M and E Co., Ltd.	1,750	2,007	2,000	2,000
Total	1,750	2,007	2,000	2,000

14.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the	
	as at		as at		as at		for the year		year ended	
	31 December		31 December		31 December		ended		31 December	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
M and E Co., Ltd.	0.4	0.4	117.6	118.6	2.4	2.4	29.3	30.9	7.0	8.0

For the years ended 31 December 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 consolidated statement of income, for the year ended 31 December 2012 and 2011 of Baht 1.75 million and Baht 2.01 million, respectively (equivalent 0.86% and 0.88%, respectively) of the profit for the years in the consolidated financial statements. As at 31 December 2012 and 2011, the investment in such associate company was Baht 26.79 million and Baht 27.04 million, respectively, or equivalent to 1.02% and 1.10%, respectively, of total assets in the consolidated financial statements.



15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				
	Land and land improvements	Buildings and building improvement	Building decorations	Office equipment and air conditioners	Motor vehicles	Assets under installation	Total
Cost / Revalued amount:							
1 January 2011	61,329	194,537	354,920	589,718	38,056	4,510	1,243,070
Additions	268,177	1,077	19,299	77,534	5,175	58,557	429,819
Transfer from investment property	50,154	-	-	-	-	-	50,154
Disposals	-	-	(5,300)	(18,111)	(2,028)	-	(25,439)
Written off	-	-	(10,986)	(13,522)	-	(1,598)	(26,106)
Transfer in (out)	-	938	29,291	2,642	-	(32,871)	-
31 December 2011	379,660	196,552	387,224	638,261	41,203	28,598	1,671,498
Additions	3,334	375	17,178	101,844	3,548	243,139	369,418
Disposals	-	(333)	(5,402)	(27,615)	-	-	(33,350)
Written off	-	-	(3,992)	(1,108)	-	-	(5,100)
Transfer in (out)	2,728	62,120	48,312	12,108	488	(125,756)	-
Revaluations	123,845	(559)	-	-	-	-	123,286
Capitalised interest	-	-	-	-	-	340	340
31 December 2012	509,567	258,155	443,320	723,490	45,239	146,321	2,126,092
Accumulated depreciation:							
1 January 2011	8,288	54,303	254,351	396,347	30,876	-	744,165
Transfer from investment property	620	-	-	-	-	-	620
Depreciation for the year	1,216	6,907	34,410	63,679	2,601	-	108,813
Depreciation on disposals	-	-	(5,231)	(17,849)	(2,026)	-	(25,106)
Depreciation on written off	-	-	(8,003)	(11,212)	-	-	(19,215)
31 December 2011	10,124	61,210	275,527	430,965	31,451	-	809,277
Depreciation for the year	1,252	7,393	36,448	68,350	1,602	-	115,045
Depreciation on disposals	-	(35)	(5,402)	(26,630)	-	-	(32,067)
Depreciation on written off	-	-	(3,420)	(1,101)	-	-	(4,521)
Depreciation on revalued assets	-	(13,323)	-	-	-	-	(13,323)
31 December 2012	11,376	55,245	303,153	471,584	33,053	-	874,411
Allowance for impairment:							
1 January 2011	-	1,705	-	-	-	-	1,705
Transfer from investment property	16,013	-	-	-	-	-	16,013
31 December 2011	16,013	1,705	-	-	-	-	17,718
Increase during the year	-	-	-	-	-	-	-
Decrease during the year	(16,013)	(1,705)	-	-	-	-	(17,718)
31 December 2012	-	-	-	-	-	-	-
Net book value:							
1 January 2011	53,041	138,529	100,569	193,371	7,180	4,510	497,200
31 December 2011	353,523	133,637	111,697	207,296	9,752	28,598	844,503
31 December 2012	498,191	202,910	140,167	251,906	12,186	146,321	1,251,681
Depreciation for the year							
2011 (Baht 8.55 million included in cost of services, and the balance in selling and administrative expenses)							108,813
2012 (Baht 10.03 million included in cost of services, and the balance in selling and administrative expenses)							115,045



(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				Total
	Land and land improvements	Buildings and building improvement	Building decorations	Office equipment and air conditioners	Motor vehicles	Assets under installation	
Cost / Revalued amount:							
1 January 2011	26,100	19,646	354,920	557,013	36,512	2,252	996,443
Additions	267,776	-	19,299	73,706	5,174	35,035	400,990
Transfer from investment property	50,154	-	-	-	-	-	50,154
Disposals	-	-	(5,300)	(17,938)	(2,028)	-	(25,266)
Written off	-	-	(10,986)	(13,420)	-	-	(24,406)
Transfer in (out)	-	-	29,291	1,978	-	(31,269)	-
31 December 2011	344,030	19,646	387,224	601,339	39,658	6,018	1,397,915
Additions	56	-	17,176	94,002	3,549	193,580	308,363
Disposals	-	-	(5,402)	(26,079)	-	-	(31,481)
Write-offs	-	-	(3,992)	(1,108)	-	-	(5,100)
Transfer in (out)	2,727	-	48,313	335	488	(51,863)	-
Revaluations	123,845	(7,292)	-	-	-	-	116,553
31 December 2012	470,658	12,354	443,319	668,489	43,695	147,735	1,786,250
Accumulated depreciation:							
1 January 2011	-	13,945	254,351	373,198	29,504	-	670,998
Transfer from investment property	620	-	-	-	-	-	620
Depreciation for the year	38	989	34,410	60,112	2,491	-	98,040
Depreciation on disposals	-	-	(5,231)	(17,677)	(2,026)	-	(24,934)
Depreciation on written off	-	-	(8,003)	(11,146)	-	-	(19,149)
31 December 2011	658	14,934	275,527	404,487	29,969	-	725,575
Depreciation for the year	-	743	36,447	63,638	1,541	-	102,369
Depreciation on disposals	-	-	(5,402)	(25,180)	-	-	(30,582)
Depreciation on written off	-	-	(3,420)	(1,101)	-	-	(4,521)
Depreciation on revalued assets	-	(13,323)	-	-	-	-	(13,323)
31 December 2012	658	2,354	303,152	441,844	31,510	-	779,518
Allowance for impairment:							
1 January 2011	-	-	-	-	-	-	-
Transfer from investment property	16,013	-	-	-	-	-	16,013
31 December 2011	16,013	-	-	-	-	-	16,013
Decrease during the year	(16,013)	-	-	-	-	-	(16,013)
31 December 2012	-	-	-	-	-	-	-
Net book value:							
1 January 2011	26,100	5,701	100,569	183,815	7,008	2,252	325,445
31 December 2011	327,359	4,712	111,697	196,852	9,689	6,018	656,327
31 December 2012	470,000	10,000	140,167	226,645	12,185	147,735	1,006,732
Depreciation for the year							
2011 (Included in selling and administrative expenses)							98,040
2012 (Included in selling and administrative expenses)							102,369



During the year 2011, the Company reclassified investment property to Land, buildings and building improvements since the management intend to use such land for school or study center.

During the current year, the Company and a subsidiary company arranged for an independent professional valuer to appraise the value of certain assets on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market approach.
- Land and buildings were revalued using the Cost approach, which represents the estimated cost to construct a new building at the current replacement cost less depreciation based on useful life and plus the market value of the land.

A breakdown of the land, building, machinery and equipment carried on the revaluation basis and their accumulated depreciation is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2012		2011	
	Land and land improvements	Buildings and building improvements	Land and land improvements	Buildings and building improvements
Original cost	364,337	241,422	308,120	179,368
Surplus from revaluation	145,230	16,733	21,386	15,587
Transfer from investment property - original cost	-	-	50,154	-
Revalued amount	509,567	258,155	379,660	194,955
Accumulated depreciation on original cost	11,376	55,245	10,124	46,275
Accumulated depreciation on surplus from revaluation	-	-	-	14,935
Accumulated depreciation on revalued amount	11,376	55,245	10,124	61,210



(Unit: Thousand Baht)

	Separate financial statements			
	2012		2011	
	Buildings and		Buildings and	
	Land and land	building	Land and land	building
	improvements	improvements	improvements	improvements
Original cost	325,428	2,354	272,490	2,354
Surplus from revaluation	145,230	10,000	21,386	17,292
Transfer from investment property - original cost	-	-	50,154	-
Revalued amount	470,658	12,354	344,030	19,646
Accumulated depreciation on original cost	658	2,354	658	2,354
Accumulated depreciation on surplus from revaluation	-	-	-	12,580
Accumulated depreciation on revalued amount	658	2,354	658	14,934

In April 2011, the Federation of Accounting Professions issued Notification No. 18/2011 allowing entities could used the exemption of accounting for revalued property, plant and equipment (in accordance with the Notification No. 25/2006 regarding Accounting for the revalued assets) continuously until the reporting period beginning before 1 January 2016. It made the entities still calculate depreciation to be charged to profit or loss, for the assets previously used the exemption, based on the historical costs of the assets instead of on the revalued amounts. The Company has decided to continue using the exemption in accordance the notification. However, had the depreciation charge been calculated based on the revalued amounts, profit for the year and earnings per share would have been changed to the following:

	Consolidated/Separate financial statements	
	2012	2011
Profit for the year (Million Baht)	0.74	0.99
Basic earnings per share (Baht per share)	0.0021	0.0031



As at 31 December 2012, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 532.80 million (2011: Baht 499.14 million) (the Company only: Baht 512.73 million, 2011: Baht 480.27 million).

16. Leasehold right on land

The whole amount of the leasehold rights consisted of two land lease agreements which the subsidiary entered into with its shareholders totalling Baht 10 million. It is related to the lease of land area of approximately 20 rais for the period of 30 years for the purpose of operating an education institute. The contracts stipulate that, during the contractual period, the lessor agreed not to sell the leased land to anyone without obtaining prior consent from the subsidiary and, if the lessor has the utmost need and could not find any other alternative, the lessor promises to offer the land for sale to the subsidiary first at an arm's-length price. If the subsidiary does not respond to the offer within 60 days, the lessor is entitled to sell the leased land to a third party who will be obliged to bind himself or herself to the conditions stipulated in these lease contracts.

During the year ended 31 December 2012, the subsidiary amortised leasehold right as expense totalling Baht 0.33 million (2011: Baht 0.33 million).

17. Leasehold right on buildings

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers in order to open SE-ED Book Center. The terms of these leaseholds range between 10 to 30 years. For the year ended 31 December 2012, the Company amortised leasehold right as expenses totalling Baht 11.46 million (2011: Baht 13.10 million).

18. Intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
As at 31 December 2012:		
Cost	41,743	41,242
Less: Allowance for diminution in value	(33,849)	(33,531)
Net book value	7,894	7,711



(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
As at 31 December 2011:		
Cost	36,802	36,301
Less: Allowance for diminution in value	(31,459)	(31,191)
Net book value	5,343	5,110

A reconciliation of the net book value of intangible assets for the years 2012 and 2011 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	5,343	6,755	5,110	6,493
Acquisition of computer software	4,941	927	4,941	907
Amortisation	(2,390)	(2,339)	(2,340)	(2,290)
Net book value at end of year	7,894	5,343	7,711	5,110

19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Long-term prepaid expenses	2,234	12,325	2,234	12,325
Others	4,031	2,706	4,000	2,481
Total	6,265	15,031	6,234	14,806



20. Income received in advance / income from tuition fees

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Income received in advance - not yet recognised	36,496	34,252
Less: Income received in advance recognisable within one year	(33,801)	(28,949)
Net	2,695	5,303

During the year ended 31 December 2012, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	The initial	Education	Total
	entrance fee	supporting fee	
Balance as at 1 January 2011	6,025	36,358	42,383
Plus: Increase during the year	2,850	101,349	104,199
Less: Income recognition during the year	(8,875)	(102,470)	(111,345)
Less: Returned due to resignation of students	-	(985)	(985)
Balance as at 31 December 2011	-	34,252	34,252
Plus: Increase during the year	14,308	108,503	122,811
Less: Income recognition during the year	(9,990)	(109,720)	(119,710)
Less: Returned due to resignation of students	-	(857)	(857)
Balance as at 31 December 2012	4,318	32,178	36,496



21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade accounts payable - related parties	15,519	29,982	15,519	29,982
Trade accounts payable - unrelated parties	1,253,695	1,284,160	1,252,762	1,283,154
Accrued expenses	127,806	151,562	122,020	147,126
Other payables for purchase of machineries	5,169	4,281	4,805	4,281
Notes payable	32,698	11,254	32,698	11,254
Other payables	24,216	18,968	24,216	18,968
Total	1,459,103	1,500,207	1,452,020	1,494,765

22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Coupon payable	24,190	20,872	24,190	20,872
Accrued withholding tax	6,805	5,168	6,524	4,675
Unearned income	6,677	7,668	6,677	7,668
Others	9,238	4,250	8,388	3,688
Total	46,910	37,958	45,779	36,903

23. Long-term loans

As at 31 December 2012 and 2011, long-term loans consisted of loans from the parents of students under educational loans project of Plearn Pattana Co., Ltd. (a subsidiary) for use as building construction and working capital within such subsidiary. Written loan agreements for the period of 3 to 7 years were made, with the interest rates of 5.80% - 7.50% per annum.



24. Registered share capital

On 28 April 2011, the Annual General Meeting of the Company's shareholders passed the resolutions to decrease the registered share capital of the Company following the paid up share capital. This amount of share was previously issued to support the warrants to purchase common shares, under which the right to conversion expired in 2006 and 2008, of existing shareholders, the Board of Directors and employees, respectively. The decrease in the registered share capital is of 4,423,960 shares or Baht 4,423,960. The Company registered the reduction in share capital with the Ministry of Commerce on 11 May 2011 to be registered share capital of 323,921,130 shares, or Baht 323,921,130.

On 26 April 2012, the Annual General Meeting No.1/2012 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 32. 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.

25. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Balance - beginning of year	26,097	27,087
Plus: Surplus	136,609	-
Less: Amortisation	(743)	(990)
Balance - end of year	161,963	26,097



(Unit: Thousand Baht)

	Separate financial statements	
	2012	2011
Balance - beginning of year	26,097	27,087
Plus: Surplus	129,876	-
Less: Amortisation	(743)	(990)
Balance - end of year	155,230	26,097

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. On 7 August 2012, the meeting of the Company's Board of Directors No. 4/2012 approved the Company to increase the statutory reserve by Baht 4,404.34 so that the reserve equals 10% of the registered capital.

27. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	732,231	665,651	653,760	594,835
Depreciation and amortisation	128,487	122,522	115,425	111,366
Rental, service and utilities expenses	557,697	500,321	552,366	496,429
Provision for diminution in value of receivables and inventories	20,823	13,715	20,959	12,600
Purchase of goods and raw materials used	3,546,319	3,473,789	3,546,319	3,473,789
Changes in inventories of finished goods and work in process	23,464	29,838	23,464	29,838
Variable expense based on sale volume	123,387	101,129	123,387	101,129



28. Corporate income tax

The Company calculated income tax for the years ended 31 December 2012 and 2011 at a rates of 23% and 30% of profit, respectively, after adding back certain accounting adjustments in accordance with the Revenue Code.

No corporate income tax was payable for its subsidiary, since the subsidiary is exempted from the payment of income tax on income from its private school business in accordance with Royal Decree No. 284 B.E. 2538 dated 30 June 1995.

29. 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 24, 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:

	Consolidate financial statements		Separate financial statements	
	2012	2011	2012	2011
		(Restated)		(Restated)
Profit for the year (Thousand Baht)	203,453	225,215	205,152	222,835
Weighted average number of ordinary share (Thousand shares)	356,313	356,313	356,313	356,313
Earning per share (Baht/share)	0.57	0.63	0.58	0.63

30. 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: Million Baht)

For the years ended 31 December								
	Book publishing and distribution		Institution of private school		Elimination of inter-segment revenues		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	5,519	5,364	123	117	-	-	5,642	5,481
Total revenues	5,519	5,564	123	117	-	-	5,642	5,481
Segment income							176	239
Unallocated income and expenses:								
Interest and dividend income							22	24
Other income							62	54
Share of profit of associated company							2	2
Financial cost							(5)	(4)
Income tax expenses							(53)	(87)
Profit for the year							204	228

(Unit: Million Baht)

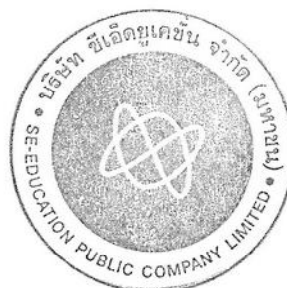
As at 31 December								
	Book publishing and distribution		Institution of private school		Elimination of inter-segment revenues		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011
Trade and other receivable	101	117	3	15	-	-	104	132
Inventories	400	394	1	2	-	-	401	396
Property, plant and equipment	1,007	656	247	189	(2)	-	1,252	845
Other	914	1,103	13	41	(58)	(58)	869	1,086
Total assets	2,422	2,270	264	247	(60)	(58)	2,626	2,459

Transfer prices between business segments are comparable to the prices charged to third parties.

31. Post-employment benefits for employees

31.1 Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Ayudhaya Fund Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company contributed Baht 16.25 million (2011: Baht 13.31 million) to the fund.



31.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	45,742	38,758	44,307	38,266
Current service cost	7,265	5,962	7,141	5,071
Interest cost	1,745	1,656	1,686	1,604
Benefits paid during the year	(6,286)	(634)	(6,286)	(634)
Defined benefit obligation at end of year	48,466	45,742	46,848	44,307

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Current service cost	7,265	5,962	7,141	5,071
Interest cost	1,745	1,656	1,686	1,604
Total expense recognized in profit or loss	9,010	7,618	8,827	6,675
Line items under which such expenses are included in profit or loss				
Cost of sales	1,253	1,722	1,212	1,519
Selling and administrative expenses	7,757	5,896	7,615	5,156

Principal actuarial assumptions at the valuation date were as follows:

(Unit: % p.a.)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Discount rate	3.6	3.6	3.6	3.6
Future salary increase rate (depending on age)	3.0 - 8.0	3.0 - 8.0	3.0 - 8.0	3.0 - 8.0
Staff turnover rate*	6.0 - 40.0	6.0 - 40.0	6.0 - 40.0	6.0 - 40.0

*Percentage change in the number of employees with high turnover rates are only part of the branches employees which rate is as well as the retail sector with an average turnover rate of approximately 30% to 60% per year.



32. Dividends

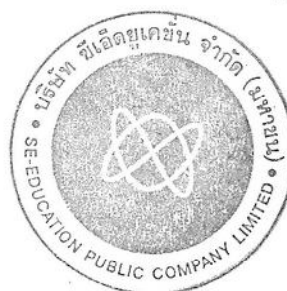
Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividend on the fourth quarter of 2010	Annual General Meeting of the shareholders on 28 April 2011	139.29	0.43
Dividend on the first quarter of 2011	Board of Directors' meeting on 13 May 2011	32.39	0.10
Dividend on the second quarter of 2011	Board of Directors' meeting on 9 August 2011	32.39	0.10
Dividend on the third quarter of 2011	Board of Director's meeting on 9 November 2011	32.39	0.10
Total dividend paid during the year ended 31 December 2011		236.46	0.73
Stock dividend on the fourth quarter of 2011	Annual General Meeting of 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
Dividend on the second quarter of 2012	Board of Directors' meeting on 7 August 2012	35.64	0.10
Dividend on the third quarter of 2012	Board of Director's meeting on 7 November 2012	35.64	0.10
Total dividend paid and stock dividend during the year ended 31 December 2012		175.29	0.51

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2012, the Company had capital commitments of approximately Baht 362.26 million, relating to the construction of warehouse and distribution center.

As at 31 December 2011, the subsidiary had capital commitments of approximately Baht 25.1 million, relating to the construction of education buildings.



33.2 Operating lease commitments

- a) As 31 December 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 419 branches(2011: 378 branches.) The lease periods ranged from 1 to 12 years and 9 months. For the year ended 31 December 2012, the total rental and utility fees were approximately Baht 543.49 million. (2011: Baht 489.59 million) Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company has entered into several lease agreements in respect of the lease of office building space, land and warehouses. The terms of the agreements are generally between 1 and 30 years.

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

	(Unit: Million Baht)	
	As at 31 December	
	<u>2012</u>	<u>2011</u>
Outstanding commitments:		
Less than 1 year	28.1	35.1
1 to 5 years	32.2	47.0
More than 5 years	43.6	43.1

For the year ended 31 December 2012, the Company recognised rental expenses in the income statement of Baht 35.2 million.(2011: Baht 31.3 million)

33.3 Guarantees

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



33.4 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.

34. Financial instruments

34.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to its cash at banks, bank overdrafts, and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.



Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidate financial statements							
As at 31 December 2012							
Fixed interest rates						Effective interest rate (% per annum)	
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalent	319	-	-	-	28	347	0.10 - 2.75
Current investments	-	-	-	168	-	168	2.60 - 3.25
Trade and other receivables	-	-	-	-	104	104	-
Restricted bank deposits	-	13	-	-	-	13	0.75 - 4.00
	319	13	-	168	132	632	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,461	1,461	-
Long-term loans	-	75	-	-	-	75	5.80 - 7.50
	-	75	-	-	1,461	1,536	

(Unit: Million Baht)

Consolidate financial statements							
As at 31 December 2011							
Fixed interest rates						Effective interest rate (% per annum)	
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalent	544	-	-	-	26	570	0.25 - 3.20
Current investments	-	-	-	178	-	178	1.80 - 3.50
Trade and other receivables	-	-	-	-	132	132	-
Restricted bank deposits	-	12	-	-	-	12	0.75 - 4.00
	544	12	-	178	158	892	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,500	1,500	-
Short-term loans from other person	3	-	-	-	-	3	5.80
Long-term loans	-	65	-	-	-	65	5.80 - 7.50
	-	65	-	-	1,500	1,568	



(Unit: Million Baht)

Separate financial statements

As at 31 December 2012

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	315	-	-	-	28	344	0.10 - 2.75
Current investments	-	-	-	168	-	168	2.60 - 3.25
Trade and other receivables	-	-	-	-	101	101	-
Short-term loans to subsidiaries	-	-	-	15	-	15	MOR
Restricted bank deposits	-	13	-	-	-	13	0.75 - 4.00
	315	13	-	183	129	641	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,454	1,454	-
	-	-	-	-	1,454	1,454	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2011

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	514	-	-	-	26	540	0.25 - 3.20
Current investments	-	-	-	178	-	178	1.80 - 3.50
Trade and other receivables	-	-	-	-	117	117	-
Short-term loans to subsidiaries	-	-	-	15	-	15	MOR
Restricted bank deposits	-	13	-	-	-	13	0.75 - 4.00
	514	13	-	193	143	863	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,495	1,495	-
	-	-	-	-	1,495	1,495	



Foreign currency risk

The Company has exposure to significant foreign currency risk relating to the purchase of goods in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

34.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Group's total liabilities to shareholders' equity ratio as at 31 December 2012 was 1.81:1 (2011: 2.37:1), and the Company only was 1.84:1 (2011: 2.48:1).

36. Event after the reporting period

The meeting of the Company's Board of Directors held on 20 February 2013 passed a resolution as follows:

- a) To pay dividends to the Company's shareholders from the operations for the year 2012. The dividend is to be paid as stock dividend in the number of 35,631,320 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 35.63 million, 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. In addition the Company will pay a cash dividend at Baht 0.41112 per share, or equivalent to amount of not exceed Baht 146.50 million. The Company had paid interim dividend for 3 quarters at the rate of Baht 0.10 per share per quarter, equivalent to Baht 106.90 million. The Company therefore has to pay more cash dividend for this period at a rate of Baht 0.1112 per share, or equivalent to amount of not exceed Baht 39.60 million. Total annual dividend payment in form of cash and stock dividend equal to Baht 0.51112 per share, equivalent to Baht 182.12 million.



Dividend and stock dividend will be paid and accounted for after the approval of the Annual General Meeting of the shareholders.

- b) To request an approval from the annual general meeting of the shareholders to decrease the Company's registered share capital from Baht 356,313,243 to Baht 356,313,209 by cut-off 34 ordinary shares remaining from the offering of stock dividend in accordance with the resolution of the annual general meeting of the Company's shareholders No. 1/2012.
- c) To request an approval from the annual general meeting of the shareholders to increase the Company's registered share capital from Baht 356,313,209 to Baht 391,944,529 by issuance of 35,631,320 new ordinary shares at par value of Baht 1 per share for reserve for the aforementioned stock dividend.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2013.

