



รายงานประจำปี
2552
2009
Annual Report



ซีเ็ด

บริษัท ซีเ็ดยูเคชั่น จำกัด (มหาชน)
SE-EDUCATION PUBLIC COMPANY LIMITED

ภารกิจ

ซีเอ็ด จะดำเนินธุรกิจที่เอื้ออำนวยต่อการศึกษาค้นคว้าหาความรู้ในสาขาที่จำเป็นต่อการพัฒนาประเทศ จะดำเนินธุรกิจที่จะทำให้ “คนไทยเก่งขึ้น” โดยพัฒนาขึ้นเป็นธุรกิจที่ยั่งยืน มีการเติบโตต่อเนื่องที่สูงกว่าค่าเฉลี่ยของอุตสาหกรรม เป็นบริษัทตัวอย่างที่ดี สามารถสร้างสรรค์ผลงานที่เป็นประโยชน์และเป็นที่ยอมรับในวงกว้าง พนักงานมีความสุข และสามารถให้ผลตอบแทนการลงทุนที่น่าพึงพอใจในระยะยาว

Mission

SE-ED seeks to do business in the areas that promote education for knowledge in the fields that is necessary to the development of the nation. It operates in the business that will make “Thais Smarter” by developing the sustainable business with a continuous earning growth at the above the industry average, being a role model company that can create work result deems beneficial and accepted by society at large with happy staffs, and able to deliver and maintain an attractive long-term investment returns at the satisfaction level.



บริษัท ซีเอ็ดยูเคชั่น จำกัด (มหาชน) ได้รับรางวัล Top Corporate Governance Report Awards 2009 และ Corporate Social Responsibility Awards 2009 ในงาน SET AWARDS 2009

SE-EDUCATION Public Co.,Ltd received the Top Corporate Governance Report Awards 2009 and Corporate Social Responsibility Awards 2009 in SET AWARDS 2009.



“โครงการหนังสือเพื่อน้อง” ในปี 2552 ได้บริจาคหนังสือให้ห้องสมุดของโรงเรียนต่างๆ ทั่วประเทศ มากกว่า 443 โรงเรียน และมากกว่า 328,000 เล่ม หรือคิดเป็นมูลค่าราคาปกกว่า 52 ล้านบาท

“Books for the Young” project donation to more than 443 schools over 328,000 copies off books, worth more than 52 million baht.



“โครงการ SE-ED Enjoy Reading เพื่อน้อง” ในปี พ.ศ. 2552 ได้ร่วมกับผู้อำนวยการโรงเรียน และตัวแทนครูกว่า 28 โรงเรียนนำร่อง ในการพัฒนาทักษะทางภาษาอังกฤษของนักเรียนไทยทั่วประเทศ

In 2009 SE-ED and directors as well as teachers from over 28 schools worked in the “SE-ED Enjoy Reading For Kids” to improve English skills for Thai children.

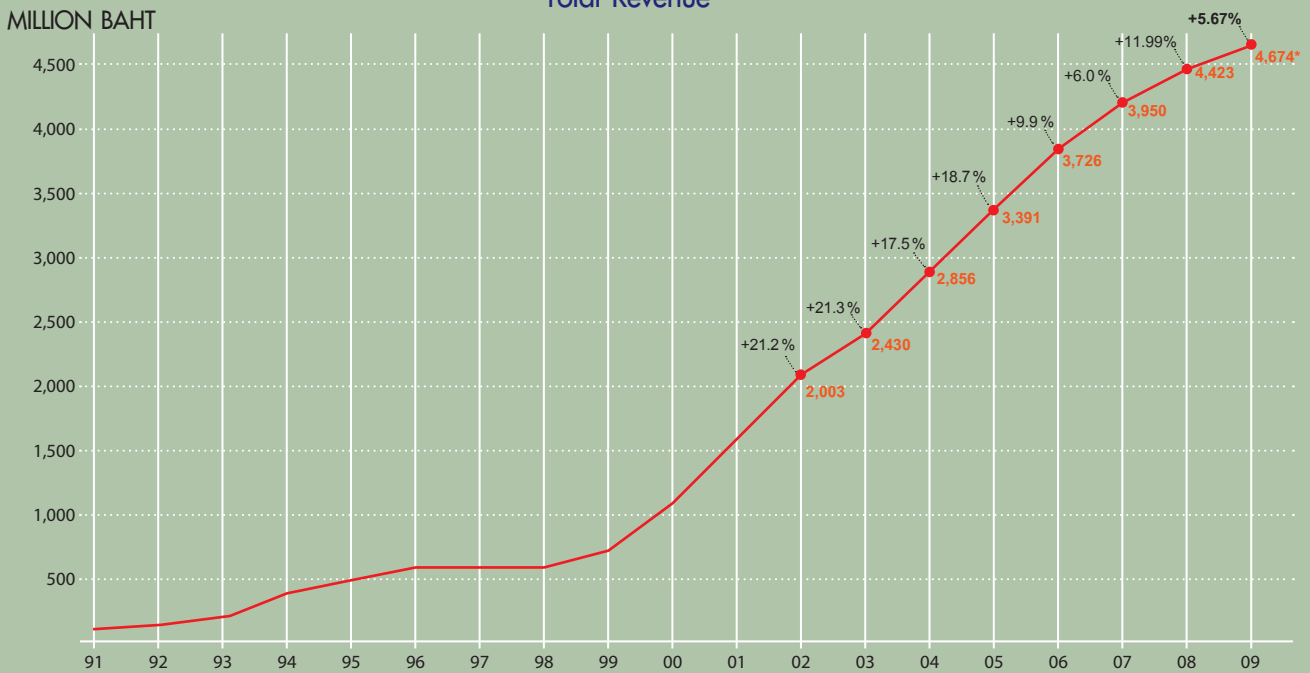


CONTENTS

Operating Results	2
Highlights	3
Financial Ratios	4
SE-ED's Corporate highlights	5
General Information	9
Organization Chart	11
Board of Directors	12
Executive	16
Message from The Board of Directors	18
Some of the Company's Honorable Awards	19
2009 Operation Report	21
Publishing Business in 2009	22
Industry Overview and Competition	23
Business Direction	25
Important Development and Changes in 2009	27
Corporate Social Responsibility (CSR)	31
Company Background and Management	45
Background	46
The Proportion of Shareholding in the Company's Group and the Inter - Business Group	56
Shareholding and Management Structure	58
Recruitment and Remuneration Committee's Report	73
Audit Committee's Report	74
Risk Factors	76
Good Corporate Governance	80
Report on Internal Control System in Accounting	103
Report of the Board of Directors Responsibilities for Financial Statements	104
Remuneration of Auditor	105
Interpretation & Analysis of Financial Status and Results of Operations and Financial Report	106
Interpretation & Analysis of Financial Status and Results of Operations 2009	107
Auditor's Report	111
Notes to Financial Statements	123

OPERATING RESULTS SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

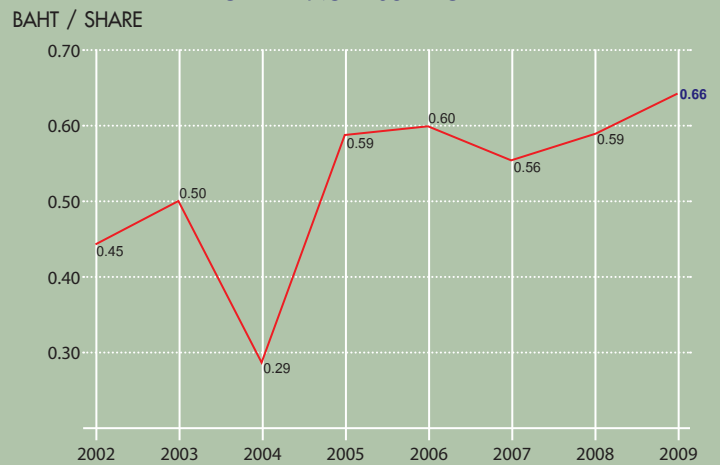
Total Revenue



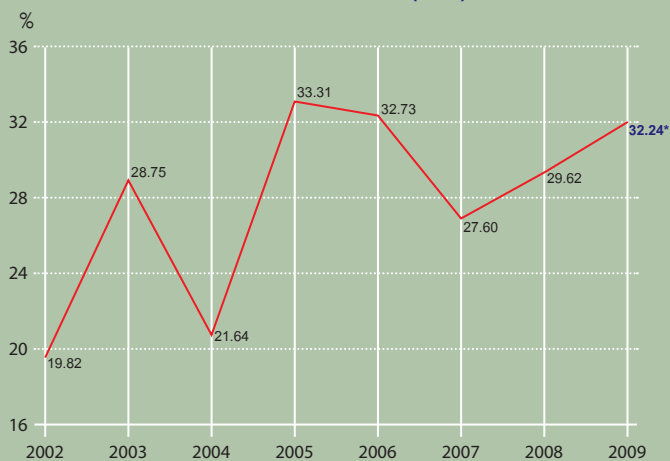
NET PROFIT AND EBITDA



DIVIDEND PAID PER SHARE FROM OPERATING RESULT FOR THE YEAR



RETURN ON EQUITY (ROE)



RETURN ON ASSETS (ROA)



Remark : * It is the calculation from Consolidated Financial Statements.

HIGHLIGHTS

จุดเด่นในรอบปี

หน่วย : ล้านบาท
Unit : Million Baht

ผลการดำเนินงาน OPERATING RESULTS	งบการเงินรวม Consolidated Financial Statements	งบการเงินซึ่งแสดงเงินลงทุนตามวิธีส่วนได้เสีย Financial Satatements in which the Equity Method is Applied to Investment				
	2552 2009	2551 2008	2550 2007	2549 2006	2548 2005	2547 2004
รายได้รวม Total Revenues	4,673.69	4,423.00	3,949.59	3,725.74	3,391.13	2,856.34
กำไรสุทธิ Net Profit	216.57	194.63	183.80	209.19	187.91	116.96
กำไรสุทธิต่อรายได้รวม Net Profit Margin (%)	4.63	4.40	4.65	5.61	5.54	4.09
กำไรต่อหุ้น (บาท) EPS (Baht)	0.67	0.60	0.57	0.67	0.63	0.41
มูลค่าหุ้นทางบัญชีต่อหุ้น (บาท) Book Value per share (Baht)	2.02	2.05	2.00	1.95	1.91	1.69
สินทรัพย์รวม Total Assets	2,125.39	1,826.49	1,733.55	1,477.50	1,442.27	1,107.81
หนี้สินรวม Total Liabilities	1,381.58	1,172.54	1,073.20	812.49	828.97	592.73
ส่วนของผู้ถือหุ้น Shareholders Equity	689.56	653.95	660.35	665.01	613.30	515.08
ทุนที่ออกและที่เรียกชำระแล้ว Paid – up Capital	323.92	323.92	323.77	332.90	322.14	314.15
อัตราผลตอบแทนต่อสินทรัพย์ ROA (%)	14.91	14.21	17.15	20.43	20.74	15.12
อัตราผลตอบแทนต่อส่วนของผู้ถือหุ้น ROE (%)	32.24	29.62	27.60	32.73	33.31	21.64
ณ วันที่ As of	30/12/2552 30/12/2009	30/12/2551 30/12/2008	28/12/2550 28/12/2007	29/12/2549 29/12/2006	30/12/2548 30/12/2005	30/12/2547 30/12/2004
ราคาล่าสุด (บาท) Last Price (Baht)	8.05	5.85	9.50	7.20	5.90	5.40
มูลค่าหลักทรัพย์ตามราคาตลาด Market Cap.	2,607.57	1,894.94	3,075.77	2,387.85	1,900.60	1,696.42

Financial Ratios

LIQUIDITY RATIO

Ratio	Consolidated financial statements*	Financial statements in which the equity method is applied to investment	
	2009	2008	2007
Current Ratio (Time)	1.03	0.97	1.04
Quick Ratio (Time)	0.64	0.50	0.56
Cash Flow Ratio (Time)	0.35	0.30	0.31
Accounts Receivable Turnover (Time)	8.20	8.23	7.07
Average Debt Collection Period (Day)	44	44	51
Inventory Turnover (Time)	6.05	5.86	6.93
Average Selling Period (Day)	60	61	52
Payable Turnover (Time)	3.15	3.31	3.56
Average Payment Period (Day)	114	109	101
Cash Cycle (Day)	(10)	(4)	2

PROFITABILITY RATIO

Ratio	2009	2008	2007
Gross Profit Margin (%)	31.70	30.66	31.17
Operating Profit (%)	6.37	5.79	7.08
Other Profit (%)	1.07	1.20	1.30
Cash to Earnings Ratio (%)	147.40	130.37	103.75
Net Profit Margin (%)	4.63	4.40	4.65
Rate of Return to Equity (%)	32.24	29.62	27.60

EFFICIENCY RATIO

Ratio	2009	2008	2007
Return on Asset (%)	14.91	14.21	17.15
Return on Fixed Assets (%)	60.71	66.65	65.39
Asset Turnover (Time)	2.37	2.48	2.45

FINANCIAL POLICY RATIO

Ratio	2009	2008	2007
Debt to Equity Ratio (Time)	1.86	1.79	1.63
Interest Capability Ratio (Time)	420.79	2,264.37	1,170.61
Debt Service Coverage Ratio (Time)	1.65	0.95	0.95
Dividend Payout Ratio** (%)	98.29	98.19	98.65

Remark : * Consolidated financial statements of the year 2009, The Company commenced to consolidate the financial statements of Plearn Patt Co., Ltd. since October 1, 2009 onwards.

** Dividend payment rate has been approved from the board of Directors and waiting for approval from shareholders in the annual general shareholder's meeting, scheduled for April 29, 2010 and calculated based on the number of common shares to be counted on December 2, 2009.

SE-ED's Corporate Highlights

- The company's commitment formulated 35 years ago was to "doing business in knowledge dissemination with a view to developing the full potential of Thai people in essential areas for national development such as science, engineering and education."
- Mission: SE-ED seeks to do business in the areas that promote education for knowledge in the fields that is necessary to the development of the nation by developing the sustainable business with a continuous earning growth at the above than industry average, being a role model company that can create work result deems beneficial and accepted by society at large with happy staffs, and be able to deliver and maintain an attractive long-term investment returns at the satisfaction level.
- SE-ED Determination is to make "*Thais Smarter*". The Company focuses on taking country's problem regarding human development and social ideology as its business objectives that help it to grow at a sustainable pace, and practice such ideology from day one, continuing to the present day.
- Being the pioneer of printing books and magazines in the area of knowledge, distributed books and opening bookstore chain in shopping center with several models until succeeded and admired by publishing business in Thailand.
- Being a Thai leading publishing firm in all the three lines of publishing business as: -
 - A publisher with sales volume through local bookstores across the country stays in the early top rank emphasizing in engineering, science, management, business, juvenile-youth supplement and substantial general knowledge.
 - A distributor with largest sales volume who distributes books to local bookstores and also has a distributing system deemed to be the best of the country in books business by develop the system called Standing Order Distributing System for Thailand.
 - A bookstore chain owner with highest number of branches and highest sales since 1999. Moreover, SE-ED had been conferred from the books distributing promotion club (books distributors club) under the publishers and booksellers association of Thailand "Outstanding Bookstore Chain 2002 and 2003 Award" and "Outstanding Bookstore of the decade (2004)"
- In 2006 ranked at 568 in total revenue of all companies in Thailand (and profit ranked at 463), the second largest of publishing business of Thailand. Only 4 companies lead been ranked from first 1000 companies which highest revenue (Information from "Top 1000 Thai companies of 2006 which ranked the companies revenue from financial statement database of 2006 by Ministry of Commerce dissemination in December 2007 in Krung Thep Thura Kij newspaper) which was continuously better rank since 2004 at rank 662.
- One of 200 small companies outside the U.S. which are the Best under \$1 billion in revenue for 2002 (200 Companies for 2002, Best under a Billion), declared on October 28, 2002, FORBES Magazine Global edition, a world class business magazine, selected from 20,000 companies all over the world outside the U.S.
- SE-ED has been the main shareholder and involved in managing Plearn Pattana school located on Bhuddhamonthon 2 road, with area of 20 Rai) which was the new concept school to developed Thai children's potential in the favourable track of the country requirement. The curriculum conforming to the ministry of education from pre-kindergarten, (start from one and half year) up to twelve grade. At the present time the school has about 1,000 students.
- A registered company listed in the Stock Exchange of Thailand being with following interesting points:
 - A company with the highest Average Revenue Growth Rate among those in the publishing sector about 38.4 times within 18 years or the annually growth average at 22.8% since the first year listed in the Stock Exchange of Thailand up to the year 2009.

SE-ED's Corporate Highlights

- Received Top Corporate Governance Report Awards 2009 arranged by Stock Exchange of Thailand and The Finance and Banking Magazine, SE-ED was the only one company of the ten companies which received this award that was not listed in the SET100 index firms.
- Received Corporate Social Responsibility Awards 2009 (CSR award) arranged by Stock Exchange of Thailand and the Finance and Banking Magazine, SE-ED was one of four companies to received this award while it was the only company has not been listed in SET100 index.



Mr. Thanong Chotisoraayuth, Managing Director of SE-EDUCATION received the Top Corporate Governance Report Awards 2009 and Corporate Social Responsibility Awards 2009 from the Stock Exchange of Thailand.

- The IOD has appraised SE-ED to be excellent (5 star) level in Corporate Governance Report of Thai Listed Companies 2009 and 2008 appraisal for two consecutive year.

In 2009 there were 290 listed companies joined in the appraisal with 52 firms to be excellent 5 star level while SE-ED was the only company in publishing group that has been appraised.

In 2008 there were 448 firms appraised with 22 be excellent 5 star level and SE-ED was one of six companies in medium and small capital group that has been appraised, the others were large capital companies in SET100 and were in group of energy business and financial institutes.

- Received Best Shareholder Treatment Awards 2008 arranged by The Thailand Securities Depository Co., Ltd. (TSD) corporated with Stock Exchange of Thailand, Thai Investors Association, Thai Listed Companies Association and Thai Investor Relations Club. There were 6 companies granted this award while only SE-ED was not in the SET 100.



Mr. Thanong Chotisoraayuth, Managing Director of SE-EDUCATION received the Best Shareholder Treatment Awards 2008 and certificates for final round IR Excellence Awards 2008 and CSR Awards 2008.

SE-ED's Corporate Highlights

- ❑ To be one of three companies outside SET group for final round IR Excellence Awards 2008 arranged by Stock Exchange of Thailand and Financial and Banking Magazine.
- ❑ To be one of ten companies for final round Corporate Social Responsibilities Awards 2008 arranged by Stock Exchange of Thailand and Financial and Banking Magazine. SE-ED was only company not in SET 100.
- ❑ Received the **“Board of The Year for Distinctive Practices”** award, 2006/2007 from Thai Institute of Director or IOD co-operated with The Stock Exchange of Thailand, Board of Trade of Thailand, Federation of Thai Industries, The Thai Bankers' Association, Thai Listed Companies Association, and Federation of Thai Capital Market Organizations. The awards were granted to 19 companies for 2006/2007 (14 companies with distinctive practices award and 5 companies for Exemplary Practices award) from more than 400 listed companies. SE-ED was one of the two middle market capital (less than 5,000 million Baht) companies that took home the award this year. Others were large market capital companies, most of them have been in the energy and banking business sector.



Mr. Somboon Chinsawananon, Chairman of SE-EDUCATION received the “Board of The Year for Distinctive Practices” for 2006/2007.

- ❑ The company was rated as “Excellent” in the 2007, 2008 and 2009 valuation in the Annual General Meeting (AGM) of the shareholders by the Securities and Exchange Commission in cooperate with the Listed Companies Association and the Thai Investors Association. The company has been in the group of over 100 points which has been praised as good example from SEC. The objective of this appraisal was to increase awareness of stockholders' rights and good corporate governance principles.

In 2009 achieved 100 points with 4 stars extra point from 5 stars which was the first year of changing extra points from 10 points full to be extra 5 stars instead and was one of 41 companies appraised as good example among overall of 497 firms.

In 2008 achieved 107.50 points with appraised as one of 74 companies praised as good example from SEC from overall 486 firms.

In 2007 achieved 103.75 points appraised as one of 19 good example from SEC among overall of 460 firms.

With such an excellent appraisal came from the meeting arrangement with good corporate governance, transparent, and allowed for opened opportunity for shareholders to ask questions and clear answering until no more questions in doubt.

SE-ED's Corporate Highlights

- SE-ED has been chosen to be one of six securities in YRC 2007 and four of five set winning award have chosen to analyses SE-ED.

The Young Researcher Competition (YRC) is the project for undergraduate students range from junior level up to postgraduate students. The project focus in enhancing knowledge to every participants. Every candidate passed in each round will be granted more complicated training course to be prepared for analyzing the selected securities. The winning in the third round (containing fo 30 students divided into 15 for SET and 15 for MAI) have to present their analyses to the committee to select Top Five SET Young Researchers and Top Five mai Star Researchers respectively. After that in the final round the committee will choose the winner for SET Young Researcher and mai Star Researcher respectively.

Young Researcher Competition is the co-operation of SET, Money Channel television, and Securities Analyses Association with supported from TSI, MAI, Settrade, Association of Investment Management Companies, Listed Companies Association, Association of Securities Companies, Thai Investors Association, Chulalongkorn University, Assumption University, Chiang Mai University, Mae Fah Luang University, Khon Kaen University, Ubon Ratchathani University, Prince of Songkhla University, and Naresuan University.

YRC 2007 started from August 2007 and finished the final round on January 10, 2008. The selected securities to be analysed for SET were HMPRO, SE-ED, and EGCO and for Mai were TRT, ETG and DEMCO.

The SET winning first prize (100,000 Baht in cash + others) and second prize have selected SE-ED for their analyses. The other two in three winning prize also analysed SE-ED for their selection.

- The company was rated as “Excellent” for the second consecutive in year the Opportunity Day activity provided by the Stock Exchange of Thailand for Q4/2006 and Q4/2005. Furthermore, the company has also been rated as the highest outstanding in three aspects namely, the usefulness of information, the method, and appropriateness of presentation’s time, compared with the other 48 and 68 listed companies in which participated.
- Appraised from the Thai of Directors Association with supported from the Stock Exchange of Thailand (SET) which is rate as “Very Good” to be one of publishing listed company rated as “Very Good – Excellent” and to be one of the top 71 listed companies of 402 listed company with best corporate governance rated as “Very Good – Excellent for the year 2006.
- Appraised from the Thai Institute of Directors Association with supported from the Stock Exchange of Thailand (SET) and the Office of Securities Exchange Commission (SEC) to be one of the top 85 listed companies with best corporate governance (Top Quartile Companies) for the year 2003.
- Appraised from Thai Institute of Directors Association to be one of top 20 companies with best corporate governance for the year 2002 which survey from 234 companies listed in the Stock Exchange of Thailand.
- Declared and conferred from the Office of Securities and Exchange Commission the “Disclosure Report Award 2002 and Disclosure Report Award 2003” as “a listed company that should be commended for disclosure data to investors”. The SEC set up this award in order to promote good corporate governance in Thailand.
- Nowadays SE-ED share has been recognized as one of the Value Stock of Stock Exchange of Thailand.
- The producer of “Book Variety” TV program on air every Saturday from 9.00-9.30 a.m. at Nation Channel, TTV1.
- The organizer of “Thailand Electronics & Industrial Technology”, the country’s greatest annual Electronics and Industrial Trade Fair.
- The company owned the website, www.se-ed.com, which is one of the most popular websites in book business category.

General Information

Name and Location of Head Office, Warehouse and SE-ED Learning Center

Name	: SE-EDUCATION Public Company Limited
Abbreviated Name	: SE-ED
Head Office	: 1858/87-90 Nation Tower, 19 th Floor, Bangna-Trat Road, Km.4.5 Bangna, Bangkok 10260, Thailand
Distribution Center	: 99 Moo 1, King Kaeo Road, Rachathewa, Bang Phli, Samut Prakan 10540 Thailand
	: Pitaktham Warehouse 1/12, 1/17, 1/29 King Kaeo Road, Rachathewa, Bang Phli, Samut Prakan 10540, Thailand
SE-ED Learning Center	: Chamchuri Square Building 2 nd Floor 319 Samyarn Intersection, Payathai Rd., Pathumwan Bangkok 10330, Thailand
Web Site	: http://www.se-ed.com
Tel.	: 66-2739-8000
Fax.	: 66-2751-5999
E - mail	: Company Secretary cs@se-ed.com : Independent Director id@se-ed.com : Investor Relations ir@se-ed.com
Business	: Publisher, distributor and retailer, SE-ED Book Center and network stores which consists and many university bookstores in Bangkok and other provinces.
Registered No.	: 0107536000285
Registered Capital	: THB 328,345,090.00 (328,345,090 ordinary shares @ Baht 1.00 par value each) : THB 323,921,130.00 (323,921,130 ordinary shares @ Baht 1.00 par value each)

paid-up share capital

Name and Location of Subsidiary Company

Name	: SE-ED Book Center Co., Ltd.
Address	: 1858/87-90 Nation Tower, 19 th Floor, Bangna-Trat, Km.4.5 Road Bangna, Bangkok 10260, Thailand
Tel.	: 66-2739-8000
Fax.	: 66-2751-5999
Business	: Business Consultancy
Registered Capital	: THB 100,000 which consists of 10,000 shares at THB 10 each and already fully paid up. SE-ED holds 99.93% of shares.
Name	: Plearn Patt Co., Ltd.
Address	: 33/39-40 Moo 17, Suan-Phak Road, Sala Tham Sop, Thawi Watthana, Bangkok 10170, Thailand
Tel.	: 66-2885-2670-5
Fax	: 66-2885-2670-5 Ext. 1201
E-mail	: webmaster@plearnpattana.com
Website	: www.plearnpattana.com
Business	: Private school, operated by Plearnpattana School, which is a school for pre- kindergarten up to Matayom 6 th
Registered Capital	: Fully paid up THB 170 million for 17,000,000 shares at THB 10 per share. SE-ED holds 48.82% of shares.

Name and Location of Associated Companies

Name	: M & E Co., Ltd.
Address	: 77/111 Sin Sathorn Tower Bldg. 26 th Floor, Krung Thonburi Rd., Klongtongsai, klongsarn, Bangkok 10600, Thailand
Tel.	: 66-2862-1396-9
Fax.	: 66-2862-1395
Website	: www.me.co.th
Business	: Magazine and Book publishing for Engineer.
Registered Capital	: Fully paid up for THB 400,000 for 4,000 shares at THB 100 per share. SE-ED holds 25% of shares.

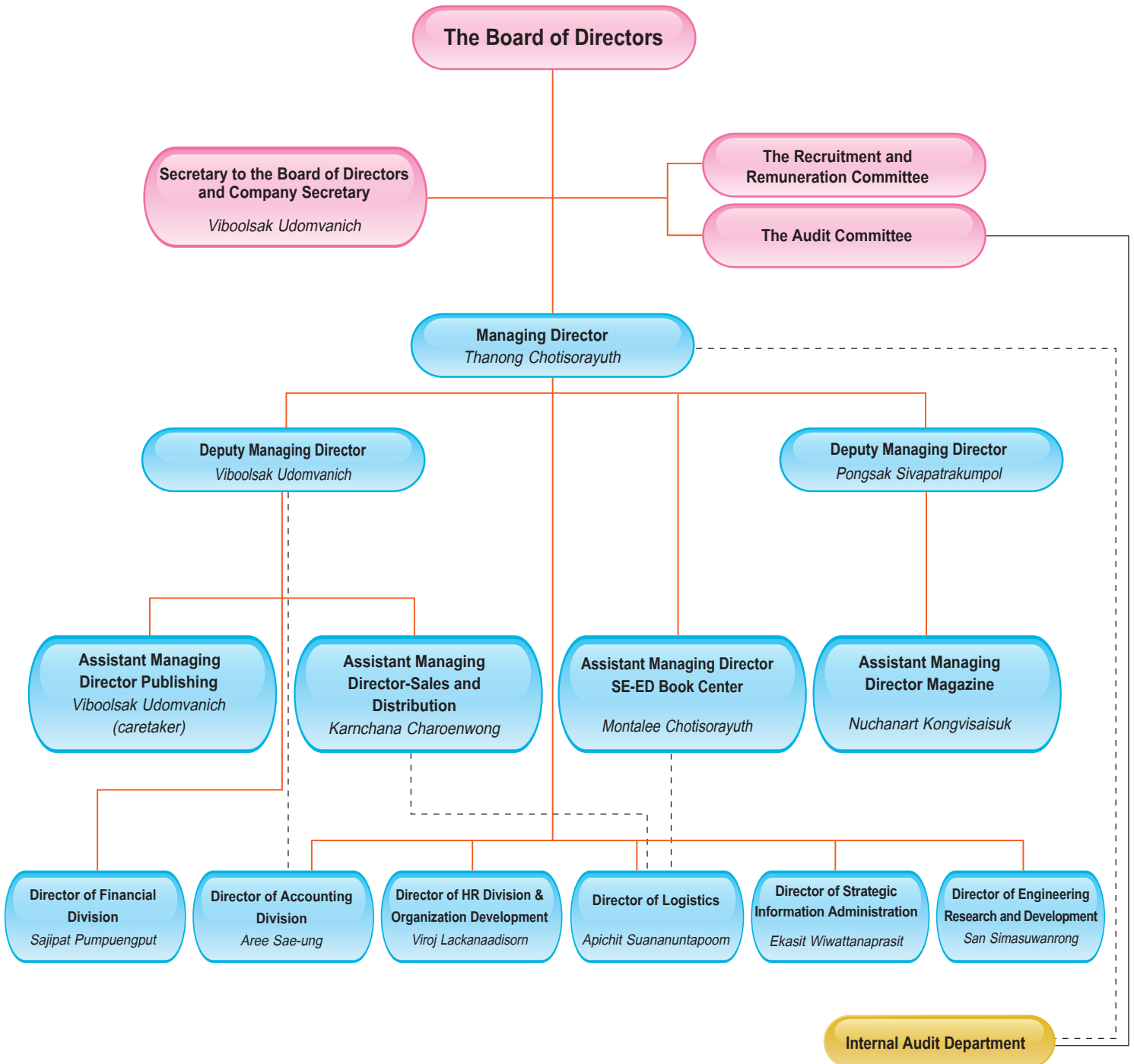
References

Stock Registrar	: Thailand Securities Depository Co., Ltd.
Address	: 62 The Stock Exchange of Thailand Building, 4 th , 6-7 th Floor, Ratchadaphisek Road, Klong Toey, Bangkok 10110, Thailand
Tel.	: 66-2229-2800, 66-2654-5599
Fax.	: 66-2359-1262-3
Call center	: 66-2229-2888
E-mail	: contact.tsd@set.or.th
Website	: www.tsd.co.th
Auditor	: Miss SANSANEE POOLSAWAD Auditor ID: 6977 AND/OR Miss PRAPHASRI LEELASUPHA Auditor ID: 4664
Address	: SAM NAK-NGAN A.M.C. Co.,Ltd. 4 th Unit, 19 th Floor, Silom Complex Building, 191 Silom Road, Silom, Bangrak, Bangkok 10500, Thailand
Tel.	: 66-2231-3980-7
Fax.	: 66-2231-3988
E-mail	: amc@amc-mri.com
Website	: www.amc-mri.com
Legal Consultant	: Chuan and Associates Law Office
Address	: 1153/44 Soi Ladprao 101 Ladprao Rd. Klongjun, Bangklapi, Bangkok 10240, Thailand
Tel.	: 66-2731-5337 and 66-2731-5338
Fax.	: 66-2731-5759
Bond holder Representative	: No bonds
Consultant or Manager for Management Contract	: None



SE-EDUCATION PUBLIC COMPANY LIMITED

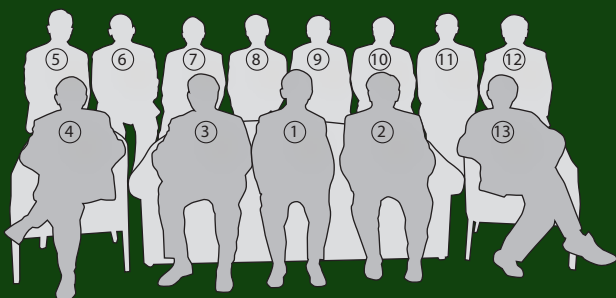
Organization Chart





BOARD OF DIRECTORS

SE-EDUCATION PUBLIC COMPANY LIMITED



- | | |
|--------------------------------|---------------------------------|
| 1. Mr. Somboon Chinsawananon | 8. Mr. Sumeth Damrongchaitam |
| 2. Mr. Saroch Lamlerprasertkul | 9. Mr. Vorasit Pokachaiyapat |
| 3. Mr. Thanong Chotisorayuth | 10. Mr. Phairat Sittakul |
| 4. Mr. Wattana Chiengkul | 11. Mr. Pongsak Sivapatrakumpol |
| 5. Mr. Kachen Benjakul | 12. Mr. Yongsak Eakprachyasakul |
| 6. Mr. Viboolsak Udomvanich | 13. Asst. Prof. Yuen Poovarawan |
| 7. Mr. Pravit Tantiwasinchai | |

BOARD OF DIRECTORS

1. Mr. Somboon Chinsawanon

Chairman of the Board and Independent Director

Highest Qualification

- Master of Management (Finance) Kellogg School of Management, Northwestern University, U.S.A
- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- None

Number of shares (Proportion)

- 155,842 shares (0.0481%)

Relation among family within the executives

- None

Working Background

- 2006-present Chairman Recruitment and Remuneration Committee, SE-EDUCATION Public Co.,Ltd
- 2005-present Chairman and Independent Director, SE-EDUCATION Public Co.,Ltd.
- 1995-2005 Director and Independent Director SE-EDUCATION Public Co.,Ltd.
- Dec.2009 - present Chairman of Director at VijiThai Garment Industry Co., Ltd.
- 2004-present Qualified Director of Policies Committee of Financial Institutions Bank of Thailand
- 1980-present Director at VijiThai Garment Industry Co., Ltd.
- 1995-1999 Deputy Managing Director, Kasikorn Bank Public Co.,Ltd.

4. Mr. Wattana Chiengkul

Independent Director

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

Number of shares (Proportion)

- 5,216,992 shares (1.6106%)

Relation among family within the executives

- None

Working Background

- 2005-present Independent Director, SE-EDUCATION Public Co.,Ltd.
- 1990-2005 Director, SE-EDUCATION Public Co.,Ltd.
- 2002-present Managing Director, TOTEM Co., Ltd.
- 1997-2002 Org Dev-maintenance Manager, ABB Co.,Ltd.

7. Mr. Pravit Tantiwasinchai

Audit Committee and Independent Director

Highest Qualification

- Bachelor Certificate (Audit), Chulalongkorn University
- Bachelor Degree (Accounting), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

2. Mr. Saroch Lamlertprasertkul

Chairman of Audit Committee and Vice-Chairman of the Board of Directors and Independent Director

Highest Qualification

- MBA (Accounting) Thammasart University
- BBA (Accounting), Thammasart University

IOD Certifier

- Director Certification Program (DCP)

Number of shares (Proportion)

- None

Relation among family within the executives

- None

Working Background

- Feb.2009 - present Vice-Chairman of the Board of Directors, SE-EDUCATION Public Co.,Ltd.
- 1999-present Chairman of Audit Committee and Independent Director, SE-EDUCATION Public Co.,Ltd.
- 2006-present Managing Director, ACT Management Co.,Ltd.
- 2000-present Managing Director, CAS Management Co.,Ltd.

5. Mr. Kachen Benjakul

Audit Committee and Independent Director*

Highest Qualification

- Master of Arts in International Economic and Finance, Chulalongkorn University
- Bachelor of Industrial Engineering (I.E), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

Number of shares (Proportion)

- 391,100 shares** (0.1207%)

Relation among family within the executives

- None

Working Background

- Nov. 2009-present Audit Committee, SE-EDUCATION Public Co., Ltd.
- 2005-present Independent Director, SE-EDUCATION Public Co.,Ltd.
- 2008-present Consultant on Human Resource, Pleam Patt Co.,Ltd.
- 2006-2008 Executive Director, Pleam Patt Co.,Ltd.
- 2001-2004 Senior Equity Analyst, Government Pension Fund (GPF)
- 2000-2001 Analyst, Government Pension Fund (GPF)

Number of shares (Proportion)

- None

Relation among family within the executives

- None

Working Background

- 1999-present Audit Committee and Independent Director, SE-EDUCATION Public Co.,Ltd.
- 2006-present Deputy Managing Director for Accounting and Finance group, MK Restaurant Co.,Ltd.
- 1994-2006 Accounting & Financial Executive Manager, MK Restaurant Co.,Ltd.

3. Mr. Thanong Chotisorayuth

Director and Managing Director Authorized director to sign for and bind the Company

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Certificate Program (DCP)

Training from other institutions

- Capital Market Academy (CMA) : Executive MBA Class 3

Number of shares (Proportion)

- 9,849,742 shares** (3.0408%)

Relation among family within the executives

- Mrs.Montalee Chotisorayuth's Husband

Working Background

- 1987-present Director and Managing Director, SE-EDUCATION Public Co.,Ltd.
- 1985-1987 Director and Deputy MD (Marketing,Science), SE-EDUCATION Co.,Ltd.
- 2009 – present Consultant to the Institute of Business for Society, Stock Exchange of Thailand
- Q4'2009 - present Acting Director of Pleam Pattana School, Pleam Patt Co., Ltd.
- 2006 – present Chairman of the Board of Directors of Pleam Pattana School, Pleam Patt Co.,Ltd.
- 2003-present Director and Executive Director, Pleam Patt Co.,Ltd.
- 1984-present Director M&E Co.,Ltd.

6. Mr. Viboolsak Udomvanich

Director and Deputy Managing Authorized director to sign for and bind the Company and Company Secretary

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

Training from other institutions

- Listed Company Association (TLCA) : Corporate Secretary Development Program

Number of shares (Proportion)

- 4,044,532 shares** (1.2486%)

Relation among family within the executives

- None

Working Background

- 2007-present Company Secretary, SE-EDUCATION Public Co.,Ltd.
- 1987-present Director and Deputy Managing Director, SE-EDUCATION Public Co.,Ltd.
- 1985-1987 Deputy Managing Director-Production, SE-EDUCATION Co.,Ltd.
- 2003-present Executive Director, Pleam Patt Co.,Ltd.
- 1992 - Present Director, Unity Binding Center Co.,Ltd.
- 1990 - Present Director, Unity Graphics, Co.,Ltd.

Remark * In the Company's Board of Directors meeting number 6/2009 dated 12 November 2009, it agreed to appoint Mr. Kachen Benjakul to be positioned as Audit Committee replacing Mr. Pairat Siittakul whose term in position is expired.

8. Mr. Sumeth Damrongchaitham

Director

Highest Qualification

- MBA (Finance), Thammasart University
- BBA (General Management), Ramkhamhaeng University
- B.S. (Construction Management), King Mongkut's Institute of Technology Ladkrabang
- Bachelor's degree in Economics (Public Finance), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)
- Role of the Compensation Committee (RCC)
- D&O Insurance : Mitigating Directors Liabilities Risk / Special Seminar
- Company Secretary Program (CSP)

Training from other institutions

- Capital Market Academy (CMA) : Executive MBA Class 8/2009

Number of shares (Proportion)

- None (Representative of Major Shareholder)

Relation among family within the executives

- None

Working Background

- 2006-present The Recruitment and Remuneration Committee, SE-EDUCATION Public Ltd.
- 2005-present Director, SE-EDUCATION Public Co.,Ltd.
The Recruitment and Remuneration Committee and Risk management committee, GMM Grammy Public, Ltd.
The Recruitment and Remuneration Committee and Risk management committee, GMM Media Public, Ltd.
- Nov.2009 – present Managing Director of Family Know How Co.,Ltd.
- Feb.2009 – present Vice-Chairman of the Board of Directors, GMM Media Public, Ltd.
- 2008-present Secretary, GMM Grammy Public Ltd. Secretary, GMM Media Public Ltd.
- 2007-present Assistant to the Chairman Executive Director, GMM Media Public Ltd.
- 2004-present Directors, Management Director, Secretary to the Board of Directors and Executive Director, Chief Operation Officer (Corporate Support and Business Development), GMM Grammy Public Co.,Ltd. Directors, Management Director, Secretary to the Board of Directors and Secretary Company, GMM Media Public Ltd.
- 2000-2004 First Vice President, Tanachart Capital Public Co.,Ltd.
- 1999-2000 Manager of special asset management project Tanachart Capital Public Co.,Ltd.
- 1996-1999 Assistant Vice President, National Finance Public Co.,Ltd.

9. Mr. Vorasit Pokachaiyapat

Independent Director

Highest Qualification

- M.S. (Computer and Database Management), Bantley Collage, Massachusetts, U.S.A.
- BBA, Carnegie-Mellon University, Pennsylvania, U.S.A.

IOD Certifier

- Director Certification Program (DCP)

Number of shares (Proportion)

- None

Relation among family within the executives

- None

Working Background

- 2006-present Director of the Recruitment and Remuneration Committee SE-EDUCATION Public Co.,Ltd.
- 2005-present Independent Director, SE-EDUCATION Public Co.,Ltd.
- 1998-2005 Director, SE-EDUCATION Public Co.,Ltd.
- 1991-present Managing Director, Finansa Public Co., Ltd.
- 1990-1991 Assistant Manager Director, Chase Manhattan Bank Thailand

11. Mr.Pongsak Sivapatrakumpol

Director and Deputy Managing Authorized director to sign for and bind the Company

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

Number of shares (Proportion)

- 10,850,842 shares (3.3498%)

Relation among family within the executives

- None

Working Background

- 1993-present Director and Deputy Managing Director, SE-EDUCATION Public Co.,Ltd
- 1990-1993 Director and Executive Editor, Microcomputer Magazine, SE-EDUCATION Public Co.,Ltd.
- 1992 - Present Director, Unity Binding Center Co.,Ltd.
- 1990 - Present Director, Unity Graphics Co.,Ltd.

Number of shares (Proportion)

- 13,174,940 shares** (4.0673%)

Relation among family within the executives

- None

Working Background

- 1990-present Director, SE-EDUCATION Public Co.,Ltd.
- 2002-present Vice-President for Information Technology, Kasetsart University
- 2003-present Consultant, Office of University Computer Service, Kasetsart University, Consultant, Plernpattana school, Plernpat Co.,Ltd.
- 1991-2000 Director, Office of University Computer Services, Kasetsart University

10. Mr. Phairat Sittakul

Independent Director

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

Number of shares (Proportion)

- 6,675,166 shares** (2.0607%)

Relation among family within the executives

- None

Working Background

- 2005-present Independent Director, SE-EDUCATION Public Co.,Ltd.
- 2006-Sep. 2009 Audit Committee, SE-EDUCATION Public Co.,Ltd.
- 1974-2005 Director, SE-EDUCATION Public Co.,Ltd.
- 2008-present Assistant Director of operating and maintenance of electricity generator project, electricity generating Rajburi Co.,Ltd.
- 2002-present Level 11 Engineer, EGAT
- 1999-2002 Maintenance Services Bureau-Manager,EGAT
- 1997-1999 Engineering-Maintenance Services Bureau-Manager, EGAT

12. Mr. Yongsak Ekprachyasakul

Director

Highest Qualification

- Mini MBA, Thai Chamber of Commerce University
- The Boss Class 30, Management and Psychology Institute

IOD Certifier

- Director Accreditation Program (DAP)

Number of shares (Proportion)

- None (Representative of Major Shareholder)

Relation among family within the executives

- None

Working Background

- 2005-present Director, SE-EDUCATION Public Co.,Ltd.
- 2007-present Director of U-Star (Thailand) Co.,Ltd.
- 2002-present Director and Managing Director (Sales and Marketing Division), GMM Grammy Public Co.,Ltd.
- 1999-2002 Sales Director, MGA Co.,Ltd.
- 1988-1999 Sales Manager, MGA Co.,Ltd.

13. Asst. Prof. Yuen Poovarawan

Director

Highest Qualification

- M.S. in Industrial Engineering and Management, Asia Institute of Technology (AIT)
- M.S. (in Electrical Engineering), Chulalongkorn University
- B.S. (in Electrical Engineering), Chulalongkorn University

IOD Certifier

- None

Remark ** Number of shares of director and executive managers include shareholding of spouse and children who have not attained of majority as well as related legal person in section 258.



1. Mr. Thanong Chotisorayuth

Director and Managing Director
Authorized director to sign for and bind the Company

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Certification Program (DCP)

Training from other institutions

- Capital Market Academy (CMA) : Executive MBA Class 3

Number of shares (Proportion)

- 9,849,742 shares** (3.0408%)

Relation among family within the executives

- Mrs.Montalee Chotisorayuth's Husband

Working Background

- 1987-present Director and Managing Director, SE-EDUCATION Public Co.,Ltd.
- 1985-1987 Director and Deputy MD (Marketing,Science), SE-EDUCATION Co.,Ltd.
- 2009 – present Consultant to the Institute of Business for Society, Stock Exchange of Thailand
- Q4'2009 - present Acting Director of Plearn Pattana School, Plearn Patt Co., Ltd.
- 2006 – present Chairman of the Board of Directors of Plearn Pattana School, Plearn Patt Co.,Ltd.
- 2003-present Director and Executive Director, Plearn Patt Co.,Ltd.
- 1984-present Director M&E Co.,Ltd.

2. Mr. Viboolsak Udomvanich

Director and Deputy Managing Authorized director to sign for and bind the Company and Company Secretary

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

Training from other institutions

- Listed Company Association (TLCA) : Corporate Secretary Development Program

Number of shares (Proportion)

- 4,044,532 shares** (1.2486%)

Relation among family within the executives

- None

Working Background

- 2007 - present Company Secretary, SE-EDUCATION Public Co.,Ltd.
- 1987 - present Director and Deputy Managing Director, SE-EDUCATION Public Co.,Ltd.
- 1985 -1987 Director and Deputy Managing Director- Production, SE-EDUCATION Co.,Ltd.
- 2003 - present Executive Director, Plearn Patt Co.,Ltd.
- 1992 - Present Director, Unity Binding Center Co., Ltd.
- 1990 - Present Director, Unity Graphics, Co., Ltd.

3. Mr.Pongsak Sivapatrakumpol

Director and Deputy Managing Authorized director to sign for and bind the Company

Highest Qualification

- B.S. in Engineering (Electrical), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)

Number of shares (Proportion)

- 10,850,842 shares (3.3498%)

Relation among family within the executives

- None

Working Background

- 1993-present Director and Deputy Managing Director, SE-EDUCATION Public Co.,Ltd
- 1990-1993 Executive Editor, Microcomputer Magazine, SE-EDUCATION Public Co.,Ltd.
- 1992 - Present Director, Unity Binding Center Co., Ltd.
- 1990 - Present Director, Unity Graphics Co., Ltd.

4. Mrs.Montalee Chotisorayuth
Assistant Managing Director and Director
SE-ED Book Center

Highest Qualification

- B.S. (Education), Srinakarinwirot University

Number of shares (Proportion)

- 9,849,742 shares** (3.0408%)

Relation among family within the executives

- Mr. Thanong Chotisorayuth's wife

Working Background

- 1996-present Assistant Managing Director and Director of SE-ED Book Center, SE-EDUCATION Public Co.,Ltd
- 1993-1998 Executive Editor – Education book SE-EDUCATION Public Co.,Ltd.

7. Ms. Aree Sae-ung
Director of Accounting

Highest Qualification

- Certified Accounting Auditor No.5368
- MBA, Burapha University
- Bachelor Certificate (Audit), Thammasart University
- BBA (Accounting), Rajamangala Institute of Technology

Number of shares (Proportion)

- None

Relation among family within the executives

- None

Working Background

- 2004-present Director of Accounting, SE-EDUCATION Public Co.,Ltd.
- 2001-2003 Accounting Manager, SE-EDUCATION Public Co.,Ltd.
- 2000-2001 Internal Audit Manager, SE-EDUCATION Public Co.,Ltd.
- 1994-2000 In-charge, AMC Co., Ltd.

5. Mrs. Karnchana Charoenwong
Assistant Managing Director -Sales and
Distribution

Highest Qualification

- B.S. (Accounting), Kasetsart University

Number of shares (Proportion)

- 193,600 shares** (0.0598%)

Relation among family within the executives

- None

Working Background

- 1998-present Assistant Managing Director – Sales and Distribution, Division SE-EDUCATION Public Co.,Ltd
- 1991-1995 Assistant Managing Director SE-EDUCATION Public Co.,Ltd.
- 1981 - 1991 Accounting and Financing Manager SE-EDUCATION Co.,Ltd.

6. Mrs. Nuchanart Kongvisaisuk
Assisting Managing Director- Magazines

Highest Qualification

- BBA. (Marketing), Ramkhamhaeng University

Number of shares (Proportion)

- 1,553,800 shares** (0.4797%)

Relation among family within the executives

- None

Working Background

- 2001-present Assistant Managing Director – Magazines Group above, SE-EDUCATION Public Co., Ltd
- 1999-2000 Director of Electronics and Industrial Magazine Group, SE-EDUCATION Public Co., Ltd
- 1979-1999 Advertising Manager of Electronics Magazine Group, SE-EDUCATION Public Co., Ltd.

8. Ms. Sajipat Pumpuengput
Director of Financial

Highest Qualification

- BBA (Management) Sukhothai Tammatirat University

Number of shares (Proportion)

- 122,140 shares (0.0377%)

Relation among family within the executives

- None

Working Background

- 2004-present Director of Financial, SE-EDUCATION Public Co.,Ltd.
- 1991-2003 Financial Manager, SE-EDUCATION Public Co.,Ltd.

9. Mr.San Simasuwanrong*
Director of Engineering Research &
Develop

Highest Qualification

Engineering (Production)

- King Mongkut's Institute of Technology North Bangkok

Number of shares (Proportion)

- 334,400 shares** (0.1032%)

Relation among family within the executives

- None

Working Background

- 2003-present Director of Engineering Research & Develop, SE-EDUCATION Public Co.,Ltd.
- 1997-2003 MIS Manager, IT City Co.,Ltd.
- 1997-1997 General Manager, Cyber City Co.,Ltd.

10.Mr.Viroj Lackanaadisorn*
Director of HR & Organization Development

Highest Qualification

- MBA (Finance), Chulalongkorn University
- B.E. (Automotive-engineering), Chulalongkorn University

Number of shares (Proportion)

- 300 shares (0.0001%)

Relation among family within the executives

- None

Working Background

- 2003-present Director of HR & Organization Development, SE-EDUCATION Public Co.,Ltd.
- 2000-2003 Consultant, Novo Quality services Co.,Ltd
- 1998-2000 QA. Engineering, Isuzu motor (Thailand) Co.,Ltd

11.Mr. Apichit Suananuntapoom*
Director of Logistic

Highest Qualification

- MBA (Finance), Ramkhamhaeng University
- B.E. (Automotive-engineering), Chulalongkorn University

Number of shares (Proportion)

- 46,120 shares (0.0451%)

Relation among family within the executives

- None

Working Background

- 2004-present Director of Logistic, SE-EDUCATION Public Co.,Ltd.
- 2003-2004 Executive Officer – Marketing and Supply Chain Management, Toyota Motor Asia Pacific Pte.,Ltd.
- 2002-2003 Senior Engineer – Procurement Department, Isuzu (Thailand) Co.,Ltd.
- 1999-2002 Engineer – Purchasing Department, Isuzu (Thailand) Co.,Ltd.

12.Mr.Ekasit Wiwattanaprasit*
Director of Strategic Information
Administration

Highest Qualification

- M.S. in Engineering, Assumption University
- B.S. (Business Computer), Rajabhat Bansomdej chopraya University

Number of shares (Proportion)

- None

Relation among family within the executives

- None

Working Background

- 2005-present Director of Strategic Information Administration, SE-EDUCATION Public Co.,Ltd.
- 2005-2005 Senior Manager - IT Management, Compass East Industry Public Co.,Ltd.
- 2003-2005 Senior Consultant, Deloitte Touche Tomatsu Co.,Ltd.
- 2001-2003 Strategic System Analyst, Banpu Public Co.,Ltd.

Remark * Not the executive managers defined by SEC's announcement.

** Number of shares of directors and executive managers include shareholding of spouse and children who have not attained of majority as well as related legal person in section 258.

Message from the Board of Directors

Dear Shareholders,

For the economic outlook of the year 2009, Thailand continued to feel the effect of economic slowdown, fluctuation of world oil prices, unemployment, political uncertainty, and the outbreak of 2009 flu, causing the reduction in purchasing power and decrease in number of customer visiting the shopping center, which directly affected the country's retail industry as a whole. However, the Company was still able to maintain a solid level of growth and a satisfactory profit.

The Company maintains its confidence in the long-term prospect of the country and the potential of future growth in book business. The Company, thus, continued to expand its work in every line of business. The Company opened up 21 new bookstore branches, which, when combined with existing stores in operation, makes the total number of branches in operation of 324 branches at the end 2009. The company emphasized on the publishing business, particularly focusing on long shelf-life books with sizable market, and stressed the role of being the largest book distributor, which has been proved to be quite successful. Even if the magazine line of business has been negatively impacted as the result of decrease in advertising income similar to the overall industry outlook, the Company is still able to maintain the level of growth in total picture, which can be illustrated by the following points.

- While the net profit of the combined Company and its subsidiaries for the year 2009 is THB 217.51 million, the Company's alone net profit is THB 214.36 million, an increase from the same period of the previous year by 8.50%.
- While the total revenue of the combined company and its subsidiaries for 2009 is THB 4,673.69 million, the Company's alone revenue is THB 4,646.84 million, an increase of 5.03%.

Moreover, apart from the performance that met the 2009 target, the Company is proud that its business operation has been regarded as "Good Example" in many aspects. It has been awarded a Top Corporate Governance Report Awards 2009 organized by the Stock Exchange of Thailand and The Finance and Banking Magazine. In fact, SE-ED is the only company out of the ten companies outside the list of SET100 index firms to have received the award. It also received a Corporate Social Responsibility Awards 2009. In this category, SE-ED is the only one out of four companies outside the list of SET100 index firms to have received such award. Besides, the Company has also been rated "Excellence (5 stars)" in Corporate Governance for 2 years running by the Institute of Directors (IOD).

Lastly, the Board of Directors is honored to be part of the Company's success, and the Board of Directors would like to sincerely thank all shareholders, customers, and business partners who have always supported the Company's management and staffs at all levels, making the Company an organization that plays a part, directly and indirectly through its business endeavour, in human resource development for the country at large.



Mr. Somboon Chinsawananon

Chairman of the Board

Mr. Thanong Chotisorayuth

Managing Director



Some of the Company's Honorable Awards



SE-ED seeks to do business in the areas that promote education for knowledge in the fields that is necessary to the national development operates in the business that will make “Thais Smarter” by developing the sustainable business with a continuous earning growth at the above the industry average, being a role model company that can create work result deems beneficial and accepted by society at large with happy staffs, and able to deliver and maintain an attractive long-term investment returns at the satisfaction level.”

The company has run business on the basis of “good company example” for all the past 35 years and practiced the good governance continuously with determination to run business transparently so that effected to received acceptance from public and received awards from several institutes as follow:

- Received Top Corporate Governance Report Awards 2009 arranged by Stock Exchange of Thailand and The Finance and Banking Magazine, SE-ED was the only one company of the ten companies which received this award that was not listed in the SET100 index firms
- Received Corporate Social Responsibility Awards 2009 (CSR award) arranged by Stock Exchange of Thailand and the Finance and Banking Magazine, SE-ED was one of four companies to received this award while it was the only company has not been listed in SET100 index.
- The IOD has appraised SE-ED to be excellent (5 star) level in Corporate Governance Report of Thai Listed Companies 2009 and 2008 appraisal for two consecutive year



Mr. Thanong Chotisorayuth, Managing Director of SE-EDUCATION received the Top Corporate Governance Report Awards 2009 and Corporate Social Responsibility Awards 2009 from the Stock Exchange of Thailand.



Mr. Thanong Chotisorayuth, Managing Director of SE-EDUCATION received the Best Shareholder Treatment Awards and certificates for final round IR Excellence Awards 2008 and CSR Awards 2008.



The Board of Directors of SE-EDUCATION Public Co., Ltd. Was awarded the prize "Board of The Year for Distinctive Practices" award, 2006/2007 from Thai Institute of Director or IOD and other 6 organizations.



Mr. Somboon Chinsawananon, Chairman of SE-EDUCATION received the "Board of The Year for Distinctive Practices" for 2006/2007.

- The company was rated as "Excellent" in the 2007, 2008 and 2009 valuation in the Annual General Meeting (AGM) of the shareholders by the Securities and Exchange Commission in cooperate with the Listed Companies Association and the Thai Investors Association. The company has been in the group of over 100 points which has been praised as good example from SEC. The objective of this appraisal was to increase awareness of stockholders' rights and good corporate governance principles.
- Received Best Shareholder Treatment Awards 2008 arranged by The Thailand Securities Depository Co., Ltd. (TSD) corporated with Stock Exchange of Thailand, Thai Investors Association, Thai Listed Companies Association and Thai Investor Relations Club.
- To be one of three companies outside SET group for final round IR Excellence Awards 2008 arranged by Stock Exchange of Thailand and financial and banking magazine.
- To be one of ten companies for final round Corporate Social Responsibilities Awards 2008 arranged by Stock Exchange of Thailand and financial and banking magazine. SE-ED was only company not in SET 100.
- Received the "Board of The Year for Distinctive Practices" award, 2006/2007 from Thai Institute of Director or IOD co-operated with The Stock Exchange of Thailand, Board of Trade of Thailand, Federation of Thai Industries, The Thai Bankers' Association, Thai Listed Companies Association, and Federation of Thai Capital Market Organizations.
- One of 200 small companies outside the U.S. which are the Best under \$1 billion in revenue for 2002 (200 Companies for 2002, Best under a Billion), declared on October 28, 2002, FORBES Magazine Global edition, a world class business magazine, selected from 20,000 companies all over the world outside the U.S.
- SE-ED had been conferred from the books distributing promotion club (books distributors club) under the publishers and booksellers association of Thailand "Outstanding Bookstore Chain 2002 and 2003 Award" and "Outstanding Bookstore of the decade (2004)".
- Declared and conferred from the Office of Securities and Exchange Commission the "Disclosure Report Award 2002 and Disclosure Report Award 2003" as "a listed company that should be commended for disclosure data to investors". The SEC set up this award in order to promote good corporate governance in Thailand.

2009 Operation Report

- ▶ Publishing Business in 2009
- ▶ Industry Overview and Competition
 - ▶ Business Direction
- ▶ Important Development and changes in 2009
 - ▶ Corporate Social Responsibility (CSR)



► Publishing Business in 2009

The economic outlook of the year 2009 suggested that Thailand is still facing the effect of economic recession, fluctuation of the world's oil prices, unemployment, political uncertainty, and the 2009 flu, causing the reduction in purchasing power and decrease in number of customers visiting the shopping center, which affects the country's retail industry as a whole. However, the Company is still able to continuously keep the level of growth and profit in a satisfactory manner.

However, the book business in 2009 continued to grow in a consistent fashion even though the growth rate declined, like other retail businesses. The major force behind the growth is the unusually high number of new chain store opening in 2007 and 2008, especially small and convenient bookstores opened by big companies in the convenient store business. The Company as well as other business operators continued to open new stores in their networks while there was also a growth in small and medium sized publishers.

The number of new book titles published in 2009 and distributed to bookstores were expected to be on the average of 37 titles per day, which is close to the number in 2008 with the average of 36 titles per day. The publishers could select books that meet the market's demand better, resulting in the better sales in the book business in a long term.

The Publishers and Book the sellers Association of Thailand expected the growth of books business in 2009 to be somewhere around +1%, the fourth consecutive drop with respect to Thailand total market value. The approximation of the total value of cover price is at THB 18,800 million in 2009 with the anticipation that each Thai has a budget of THB 300 per person per year to buy books. These statistics, compared to other developed nations, proved that the rate of book-reading is still far too little and reflected that there is a potential for the book business to grow much more.

With more new bookstores and the fact that existing bookstores continued to improve the quality of service, buying books became more convenient and enlarged the market base, which is good to the overall books business.

► Industry Overview and Competition

The publishing industry grew at ever larger rate which was expected to be around +1% percent in 2009 and approximately 4% in 2010, It was believed that the market was quite small and would have much room to grow. As a result, it attracted many interested individuals into the publishing business, retail business and magazines business. The competition, therefore, increased dramatically. However, it was also believed that this type of competition would stimulate the publishing market growth in the long run.

However, the Company had a very good growth rate in the book publishing, wholesale and retail businesses, as the Company still held its strength in these areas. Whereas the overall magazine business grew but the computer periodicals were most heavily affected by the competition and the advertising price war, causing a significant decrease in its advertising revenue. However, electronics and industrial periodicals still showed the significant growth.

Opportunities and Threats Government policy currently promotes more advanced education for its citizens to prepare them for the global challenge. This, in turn, creates a thirst for new areas of knowledge, triggering an increase in local demand for books. All these factors led to an even brighter and more stable future for the book business as a whole, particularly technical books and magazines. The rapid expansion of megastores and supercenters all over the country has helped to mushroom the Company's retail outlets. As a top publisher and distributor of technical books, and the owner of the largest bookstore chain with high cash liquidity, the Company is in a strong position to respond to this encouraging market trend, and has a potential to grow ever larger than the market average growth.

However, the Company's future branch growth in some locations depended on the retail growth restriction policy and also the rule of law stipulated by government, which may affect the growth of shopping centers and supercenters.

Key Success Factors The factors that contribute to the Company's current leading position and the Company's more important role in the future book business can be summarized as follows:

- **Business policy is evidently conducive to national development** Since the beginning the Company has all along adhered to its business in knowledge dissemination, with a view to developing the full potential of Thai people in areas essential to the national development. The Company's continued growth is in line with the national development, and, fortunately, not severely affected by the economic slump. Besides, its corporate image is clear, well received, and trusted by every party concerned.
- **Tools and business components for future business operation** Nowadays, the Company's different business divisions support one another efficiently and render more opportunities for success.
 1. The Company has its own largest distribution channel and network store, SE-ED Book Center. The stores spread into major communities all over the country and the Company is always the first to receive offers to select new locations for new branches. As a result, the distribution business had more chances to grow while the bookstore business's cost was lower. Moreover, it allows more possibilities of success for book publishing, as there are direct distribution channels that allowed the customers to receive the products faster and more conveniently.
 2. The Company also has its own media and PR tools, including magazines, Book Variety TV Show, www.se-ed.com, www.thailandindustry.com and www.se-edlearning.com.

Quantity and Size of Competitors As the book business is one of the continuously growing businesses and still has a potential to grow while the business barrier for new operators is low, many people are interested in this business each year, both as a publisher and bookseller, despite that fact that many went out of business already. Because each of the operators tries to differentiate themselves from one another, this result in the flourishing of books and the number of books readers keeps expanding. That's why the company isn't heavily affected by this.

Moreover, as the Company's business model covers publishing, distributing and bookstores, the company always benefits from the new comers in the book business, as the result the effect of competitors is slightly.

For the bookstore business, there are more competitors from several large firms interested in doing this business but the market has divided which conform to the products mixed in the stores and to location, as such, this causes not much effect to the Company. While the Company as the market leader with strong financial position and receiving great acceptance by general readers and being ready to expand new branches, the Company can keep a big step ahead by taking advantage of first priority to choose new location and has the lower operating investment. In the future the books business is expected to grow out of a few large firms who are well prepared to face the competition.

Market Share Although the Company is the market leader in 3 important businesses: the leading retailer in bookstores chain and book distributor (or wholesaler), and books publishers. Owing to the continuous growth of book business, numerous entrepreneurs show interest in joining and this causes the spread of business concentration. The market shares for market leaders in this industry are not significantly different.

As book business has limitation in terms of completeness of database which makes the market share estimation in each segment contains some errors.

For retail bookstore business, the Company believes the network of SE-ED Book Center will have the market share of 25-35%, which is considered one of the top in the country.

For the business of distributing book to booksellers, the Company becomes the largest distributor in the market, but the proportion is still not high, due to the fact that market share in book business is less concentrated. The market share should fall somewhere around 10-20 percent from the distribution system of books to retailers of thai books in Thailand.

For publishing business, the Company always ranks between number 1 to 3 in the book market, depending upon which publishing, in each year, produces the best selling titles more or less, but in general the market share is not that significant because it is less concentrated than usual. It is expected that the market share should be around 3-6 percent of the whole publishing business in the country.

Substitution products The rapid development in industry and business leads to a need to learning new things and developing knowledge to gain advantage over the competition. Regardless of how far the communication and computer technology progress, books still play an important role in imparting knowledge to people conveniently and inexpensively anywhere, anytime, and for a long time.

Bargaining power of buyers and sellers As the books business has a standard trading condition structure with several traders in which nobody can evidently dominate the market and the needs to be interdependent of each other, there are not many problems in bargaining. However, due to the fact that new large retailers in other businesses expand into the books business and may cause bargaining with publishers and distributors according to the general retail business nature but is still not much effect of the over all business as their market share is still not significantly large enough at present.

► Business Direction

Throughout the past 30 years, the Company has been a leading initiator in Publishing academic books, in “How-to...” category. This reputation as Thailand’s main publisher of technological books and journals enabled other Company’s operations to flourish and enjoy greater success.

The Company has set a long-term direction and marketing strategy which can be briefly described as follows:

Vision : SE-ED shall be a leader in providing easy and convenient access to knowledge to Thai people.

Mission : SE-ED seeks to do business in the areas that promote education in the fields necessary to the development of the nation. It operates the business that will make “**Thais Smarter**” by developing a sustainable business with a continuous earning growth at the level above the industry’s average, being a role-model company that can create work result deems beneficial and accepted by society at large with happy staffs, and able to deliver and maintain an attractive long-term investment returns at the satisfaction level.

Marketing Strategy : To achieve the stated vision and mission, the Company stresses the readiness in several areas to develop and serve with quality which responds to the needs of target customers by focusing on the expansion of SE-ED Book Center for the larger service coverage and add more attractive products to the stores. The Company will concentrate on the following marketing strategies :

1. The Company determines to ensure growth and business strength by stressing on the of market expansion to build the potential to cover more sizable communities nationwide. SE-ED Book Center and network formats will be implemented and expanded, selecting the high potential areas for long-term growth, rather than solely taken into account of the initial profitability outcome as a main source of consideration, to promote and ease customer access to the stores more conveniently and equally. It also proceeds to strategically and thoroughly responds to the customers’ needs wherever they are, to maintain the Company as the leader in the business, and to support the growth of book business as a whole into the future while creates favorable brand perception and acceptance, with the emphasis on the idea of “**Think of buying books, think of SE-ED Book Center**”.
2. The Company emphasizes on providing products or service that is convenient fast, and punctual. To do this, the Company focuses on creating impressive experiences, under the idea of “**Think of reading books, you will get to read it by no later than tomorrow**”. The company uses technology in combination with modern management to link production, warehousing, order picking, and delivery together allowing more efficient logistic management at best. This reduces the need to acquire more space to support large volume of books in the market, making possible for an increase in service capability and wider coverage of store throughout the country that serve and respond more quickly to the customers’ need and create customers’ satisfaction, so as to make the Company more competitive.
3. The Company seeks to find and develop attractive and interesting products and create marketing mix in the stores in a consistent manner to allow more attractive store outlook and more frequent customer visits to the stores, while able to acquire products that customers look for within a short period of time, creating differentiation as compared to its counterparts. This results in much better profitability at each branch.
4. The Company understands the importance of excellent services and the promotion of Company's image, by concentrating on staff and team’s consistent development, and also create professional working attitude to the staffs to really take care of each customer in more detail aspects, leading to the better customer's satisfaction.

5. The Company uses an integrated marketing communication model by developing suitable tools and channels to promote products, and reinventing itself with several models towards relentless promotional activities. That is to say the Company is stressing the importance of marketing activities as a value creation for business. With this, the Company also directs all of its efforts to the target customers, and in addition, directly respond to the customers' need, which allows success for most of the newly-launched products; such as promotion of products and services through advertisement and public relation via storefront LCD display system which will be installed in the branches to stimulate more books buying sentiment.
6. The Company promotes customer's relationship and business alliances, that work closely together. The Company is committed to treating customers as promised, under the etiquette of business operation. The Company also seeks to work on the basis of mutual business success, for the Company opens to the exchange of views in doing business to seek ways in resolving conflicts and difficulties that might occur. For the better cooperation, the information learned can be used to improve the product development and management process to meet the unwavering standard and this should benefit all parties involved.
7. The Company builds and uses the marketing database more earnestly, through the database collection system by recording all historical data about the customers' needs. By providing products and services to customers in needs, the Company ensures the success in creating a good impression for customers. It also brings the information to analyze and use the information to improve services in the future.

Pricing Policy : Pricing policy is set to meet the purchasing power of each target group, and the production costs, while maintaining reasonable profits in a long run. However, this will not be applied to magazines sales, which depend on advertising income as the main revenue earning.

Distribution Channels : The Company distributes books and magazines through networks of SE-ED Book Center, and other bookshops in Bangkok and other provinces by managing the distribution channels according to customers, products and services as follows:

1. **Books and Magazines Retail Customers** The customers are general readers and working people. The Company distributes books and magazines through the network of SE-ED Book Center's 348 branches with 324 branches still operating including 7 branches for network bookstores (as of December 31, 2009) which the centers of books and entertainment for family and working people, located in shopping centers and supercenter in Bangkok and other provinces and also in the higher educational institutes.
2. **Books and Magazines Wholesale Customers** This group of customers is accounted for around 2,600 different stores. The Company is responsible for distributing all books and magazines that the Company has the sole rights to distribute to all the bookshops in Bangkok using its own transportation. For distribution to other provinces, the Company uses private transportation company as found appropriate.
 - However, for the distribution of magazines published by SE-ED, the Company uses several transportation companies in each region to distribute to bookshops.
 - For the circulation and distribution to stores in Bangkok and around its vicinity, the Company utilizes the "Standing Order" distribution system, a combination of consignment and non-returnable sales system. For most of booksellers in other provinces, a non-returnable sales system has been applied with a limit of returnable quantities.
3. **Advertisers** Major companies in the industrial circle including the computer and electronic circle are both regular and non-regular advertisers in the Company's monthly magazines.

► Important Development and Changes in 2009

In 2009 the Company still expanded in the direction that led to a long-term growth, as the Company believes that there is room to grow for books and education business, by emphasizing on the continuity of increasing the number of bookstore branches for SE-ED Book Center, and, in addition, stressed even more emphasis on the role of being books distributors and book publishers to align with the growth of books business in the larger picture. However, the Company has developed the information technology system, communication system for all bookstores branches and headquarters and distribution center in order to support more services which deem to soar in the future, so as to increasing efficiency and reducing product damage.

Apart from a normal business operation, the Company had some important developments and changes in 2009, as in the following :

1. The Company increased more branches of SE-ED Book Center and renovated the existing stores that had a potential by enlarging them to create better sales and better modernization. The details are as follows:
 - New 21 branches were opened. As in December 31, 2009 there were in the total of 324 stores, and 33 points of sales currently in operation.
 - Renovated 4 existing branches, some branches had been moved to a new and suitable location, some branches had more space according to the more demands and some branches were modernized to have a more attractive look.
2. Close-Circuited Television (CCTV) were put in SE-ED Book Center Bookstores and its network stores since the end of fourth quarter of 2006. Almost all branches had CCTV in 2007, and additional CCTV were installed in the newly opened stores in 2009 totaling 21 branches, resulting in the significant reduction of book loss in 2008.
3. SE-ED Learning Center Project: The center has been official opened since September 2008 at Chamchuri Square Building, Samyarn, oppoisite to Hua Lam Phong Temple, with the enduring objective of knowledge dissemination, inspiration creation for youth, and wider public. In addition to SE-ED Kiddy Camp which has been initiated since 2002 and added several different learning Camps to the program, the Company has added other courses during the weekend, whereby in 2009 the Company organized 93 training courses at SE-ED Learning Center, which can be divided into arranging 16 courses for youth during weekends and after school, such as Soccer Robot inventor, youth game programmer course, Thinking activity 'Kids Club', Expert Game Programmer, 77 general public seminars, which are Network Camera installation, Solar Cell Design and Applications, New selling psychology, Basic Flash, CSS for Modern Web Design, Alternating Current Motor Drive, Internet Phone Design and Applications, Basic Photography, and Basic Dramatic Workshop & Composition, etc.
4. SE-ED Channel system, a system that allows total control of both visual and audio contents from the headquarters via readily-installed long distance communication lines, has already been in operation since the middle of 2008. In 2009, the Company has continued to install, the system that helps to promote products and services presently available at the storefronts to all customers who visited the stores. This also helps the training course and communication between branches and the headquarters

5. Updating SE-ED card membership database: The Company has updated the member database by deleting expired membership, while examining and correcting data ready to be used and added a system that supports searching membership from the storefronts using names and telephone numbers to ease the customers who wish to gain discount when making a purchase for those who did not bring membership cards with them.
6. Improved the process of distribution using digital system, or 'Digital Assorting System' to help distribute products more effectively. The Company's logistic department came up with the project to improve workflow by deploying technology in the work process which can increase work efficiency and reduce, in part, the operating cost. For this new method, it will help warehouse officers to speed up the distribution procedures by as much as 60% of the total processes.
7. Initiated the Theft detector poles to prevent the loss under the responsibility of 'Loss Prevention Department', the Company considered installing the Electromagnetic poles in the branches that have high rate of products loss. In 2009, the Company installed the pales in the first 5 pilot branches.
8. Initiated project 'order today, receive tomorrow', on August 2009. This is the project to improve the customer order system and other products through branches or through website se-ed.com so that the orders can be received as soon as possible. This is the advantage in the competition and also help to respond to the idea of 'small stores becomes a big store', meaning that when a customer wants any books they are sure to get it. Customers can pick up products at the nearest SE-ED Book Center branch located around the country.
9. Initiated SE-ED Enjoy Reading for Children Project: This is project that turn on the light of desire to read English books by using money from "coin change for children" which SE-ED Book center customers participated in the donation to search for good books or media for the under-privileged schools around the country. This project focuses on reading at the appropriate level of the readers' language competent to promote language learning development in a continuous progression, and stress on reading skill development for Thai children and youth nationwide. In 2009, the Company has shortlisted 28 school for the project, which come from 1 pilot school in Nakornnayok province, 11 pilot schools in Nakornprathom province, and 16 pilot schools in Rayong province.
10. Organized GPS Rally, at Suan Buak Had Resort, Cha-am, Petchburi Province, by the objective of introducing new technology with regards to the actual use of navigation device, or GPS, through traveling using technology activity, and also help to promote the theme of 'enjoy travel Thailand and exciting the economy' project which is led the Tourism Authority of Thailand. There are over 200 participants to this event.
11. Organized 'Cyber Dict Translation Championship: link the dream to professional translator'. This event was the result of cooperation between Cyber Dict Technology Ltd. and Oxford University Press and Thai Paper Ltd. The event was held at Chulalongkorn University. It is the competition project to assess the ability to be translator for those age between 15-18 years and are also studying at senior high school level or equal (from all over the country) to initiate the desire and allow participants to have more experience, support activity to improve language learning potential, and creating effort for all youth to learn the translation techniques directly from the experts, while assess the ability to translate and allow chance for Thai children to practice translation to the level that can match the world stage. Participants were around 350.
12. Organized the Company visit at 'Plearn Pattana school.' SE-EDUCATION Public Co., Ltd cooperates with Plearn Pattana school (Plearn Patt Co.,Ltd. 'Subsidiary Company') organized an open house event. It has the objective for all shareholders, investors, in understanding the nature of business

operation of the Company and Plearn Pattana school. This includes the teaching path and new ways of learning in Plearn Pattana. In the past years, the Company has organized the total of 4 visits. In each visit, the investors, shareholders, and general public has shown interest in the schools. This project is important for investors and shareholders and general public in learning about the registered company in the Securities Exchange of Thailand, as well as the chance to learn about its operation directly. This is considered a part of information good enough to be used in investment decision.

13. SE-EDUCATION Public Co., Ltd. collaborated with ESI, a language school, with a sponsorship by Oxford University Press, in organizing English Teacher Training by the topic of English Language Teaching 2009 Curriculum: Syllabus Design and Assessment at SE-ED Learning Center (Chamchuri) for the participants of diverse background and general public without any charge. It has been well accepted by participants of more than 200 teachers out of 50 different academic institutions.
14. SE-EDUCATION Public Co., Ltd. cooperates with Tourism Authority of Thailand (TAT) and Electricity Generating of Thailand (EGAT) in organizing Northern Golf and Tourism Camp and Photo Camp activity year 2 under the project name ‘Travel and Learn in the Northern Region for Youth project’ with the objective of inviting youth to participate in the travel activity while learning about the environmental conservation, natural resources maximization usage, global warming campaign and awareness building, unity building within the group, and developing skills for sports and photography.
15. SE-EDUCATION Public Co., Ltd. cooperates with Lactasoy Ltd. in organizing Lactasoy Brain Camp to open up chances for children to train thinking process. The participants of this activity were selected from those who sent in the Mind Map work. The event was free of charge, and was held on 27-28 April 2009, at SE-ED Learning Center, Chamchuri Square Building.
16. The Company organized “Press release of the most sought-after information for Book business year 2008”, on 11 February 2009, at Sangvian Intaravichai Room, Securities and Exchange of Thailand (Klongtoey). The objective of the event is to disseminate data concerning book business, as well as the book business trend for all trade partners and general audiences. This allows them to use the information to work on their future business plans that will cater to the business trend in the future. There were over 300 interested partners participating in this event.
17. The Company changed the outlook of ‘Extreme Technology Magazine’ with added the ‘ET’ header in September 2009, making it easier to remember for all readers and also easier to market in total picture. Moreover, the change also happened to the overall contents of the magazine to serve target group and modernize it. The new look of the magazine was launched in the issue number 67, on August 2009 onwards.
18. Organized Electronics Grand Sale 2009 on 19-22 November 2009 : It is the exhibition event to showcase electronic products, computer and IT, organized specifically for electronic enthusiasts. In the event, there are variety of IT products for sales, such as measuring equipment, electronic kits, mechanics tool kit, industrial electronic tools, electrical appliances, computer and IT, as well as speakers and Hi-Fi system etc.
19. Books and Magazines Launch at SE-ED Book Center Activity: In 2009, there were a total of 43 activities. It is an activity to increase the marketing and public relations role of SE-ED Book Center toward publishers and also the shopping center where the store located, as well as toward the media (newspaper, television program, and magazine). In each launch, there were interested media who were quite excited in writing news and interviews and attracted a lot attention from fan of each author, and sometimes, long signing queue happened during the event.

20. Received Corporate Social Responsibility Awards 2009 (CSR award) arranged by Stock Exchange of Thailand and the Finance and Banking Magazine, SE-ED was one of the four companies to receive this award while it was the only company not listed in SET100 index.
21. Received Top Corporate Governance Report Awards 2009 arranged by Stock Exchange of Thailand and The Finance and Banking Magazine, SE-ED was the only one company of the ten companies not listed in the SET100 index firms that received this award.
22. Voted “Excellence (5 stars)” in Corporate Governance Report of Thai Listed Company in 2009 for two consecutive years by Institute of Directors, Securities and Exchange of Thailand, and office of Securities Exchange Commission. In this award category, there were nominated and also voluntarily self-nominated companies by the total of 290 companies. There were 52 companies that meet the criteria of ‘excellence’, and SE-ED was the only company in the ‘service’ industry group under printing and media category to have been awarded ‘excellence’.
23. The company was rated “Excellence and a Model Company” in the 2009 and 2008 for three consecutive years, in the category of “Annual General Meeting (AGM)” by the Securities and Exchange Commission in cooperation with the Listed Companies Association and the Thai Investors Association. The company has been in the group that received over 100 points.

► Corporate Social Responsibility or CSR

The company realizes the important role of all Thais toward social responsibility and also for the country at large, in whatever ways possible. For this reason, the company tries at best to participate in every aspect of social responsibility.

Back to the early days of the company, the picture in this regards will be much clearer because the company were formed by ten electrical engineering graduates from Chulalongkorn University, who used to be active in varsity activities during their academic years at the club of faculty of engineering, Chulalongkorn University. They realized that Thailand still lacked the development of technical and academic material and the Company was then established in 1974. Their social responsibility ideology has the objective of company establishment as *“to do business in knowledge dissemination, with a view to developing the fullest potential of Thai people in areas essential to the national development.”* And the name that emphasizes the objective is “SE–ED”, which is derived from the words **S**cience, **E**ngineering and **E**Ducation. The Company emphasizes on the knowledge fields necessary to the national development. The fields include engineering, science and education with the Company’s intention to make Thais smarter.

It may be not be wrong to say that the Company focuses on taking country’s problem regarding human development and social ideology as its business objectives that help it to grow at a sustainable pace, and practice such ideology from day one, continuing to the present day, with the determination to be “a good company” in every aspect that can be seen in all the works and the directions that all parts of the company head to.

The overall company’s business grows in relation to the founding objective, including publishing useful books and magazines that still lack in the market, helping other publishers to distribute so that books have a chance to be viewed, and can survive in the market, and publishers are stronger, and make it possible for them to produce more quality books. For the bookstore business, it allows community to have opportunity to view books, make the books more available, organizing youth activity all year round, organizing training course in variety of aspects to help people excel in what they do, organize the year–round youth activity, found ‘Plearnpattana’ school to set example of new model school for developing children for the country’s future.

Therefore, for the staff at SE–ED, social, communal, and environmental responsibilities are not just additional activities as do any other organizations, but they are actually the main task of the Company and it is in every breath of SE-ED employees as creators, initiators, and also being good role models in which all staff shares the task in different aspects or in different projects. The Company is considered to play a large and significant role in pioneering book business to expand reader base very quickly in both total book business and also in terms of knowledge-providing book.

The Company is confident that the development of sustainable organization does not only involve the return on investment and suitable growth for shareholders, but the Company needs to develop itself to be a good role model by performing a good work that benefits the society at large and is widely accepted. The staff is happy to work. The Company should support and save the environment while business still operates. The Company, therefore, operates in connection with the sustainable business development and social and environment.

In 2009, The Company engaged in varieties of activities for society, community, and diverse environments in addition to the normal activities which can be cited by the following examples:



Corporate’s Good Governance: The Company promote the effective management system with transparency, verifiable by stressing and offer importance of all stakeholders with equality, regardless of whether they are shareholders, trade partners, competitors, debtors, customers, staff, and society at large. Therefore, it requests all staff to practice code of conducts and ethic which stipulated by the Company as a guideline in applying for writing business operation plan, in all processes and all steps of organization operation.

Moreover, the Company’s committees see the importance of effective management system with transparency, and verifiable. Thus, the Company arranged to have all existing staff and newly-recruited staff sign the acknowledgement of guideline of practice/regulations of operation in the organization related directly to the handbook of code of conducts and ethics prepared by the organization. It is believed that this guideline will play a part in building confidence of shareholders, investors, all involved parties to support and make a greater push in supporting the strength of the Company and build the competitiveness and success in a long term.

However, the awards received reflect how important being a “Good Model” company is to SE-ED, as shown in the following acknowledgements by the general public:



- Awarded the Top Corporate Governance Report Awards 2009 (Outstanding in Good Governance Report).
- Awarded CSR Awards 2009 (awarded for outstanding listed company who operates responsibly toward society at large).
- Appraised for Good Governance Company as “Excellence” or 5 stars for 2 consecutive years (2009 and 2008).
- Won Best Shareholder Treatment Awards 2008.
- Awarded for “the outstanding Committees of the year 2006/2007.
- Awarded by annual general shareholders meeting as “Excellence and suitable for being a role model” for 3 consecutive years (from 2007-2009).
- Scored “Excellence” for satisfactory in communicating to the investor and analyst during the event called “listed companies meet the investor”.
- Awarded for “outstanding network bookstore for 2002, 2003” and also awarded for “Excellence bookstore of the decade (year 2004)
- Selected by Forbes magazine, the Global issue, dated 28 October 2002, as 200 outstanding company outside the US which has sales of less than US 1,000 million.

Ethical Business Practices: The Company is committed to the principle of honesty in business practice and bases its business on the rule of laws, with ethical practice in all aspects of business which allows the organization to grow in the society in a sustainable manner, as well as being accepted by all related parties involved.

- **Stop the Piracy Project:** The Company publishes books and magazines while stressing the importance of intellectual property rights. Therefore, the Company has the policy of not, in any event, producing, selling, or supporting products that are in violation of copyright law. This effort also includes the support of making people understood of how all copyright infringement practices are illegal and what laws are related to such practices, and how it can be corrected.
- **Opening Branches of SE-ED Book Center in leading Department Stores:** The Company stresses to increase the number of bookstores in department stores to cover all regions in Thailand, to serve the objective of allowing all Thais to have a convenient access to bookstores. Customers can quickly find book to acquire knowledge as soon as they wish to do so. Moreover, the idea of opening up bookstores in department stores is to avoid the existing community bookstores as the Company does not want to harm local stores with greater unnecessary competition and may cause them to close down eventually.



- **Adhere to the Agreement, and Practice Good Ethics with Counterparties and Business Partners:** The Company has the objective of operating with strictness to honesty and adhere to the contracts as agreed upon the customers in a strict manner. The operation of the Company is guided by legal framework in an equitable form, by not impose any policy to exploit business partners or to take any business advantage to create un-equitability.
- **The Company Adheres to Practice Business with Equitability:** And it sees the importance of all stakeholders. Therefore, it allows all stakeholders to voice their concerns related to the operation or products or service which is faulty, inappropriate, or report the wrongdoing or any act against the code of conducts of management and staff by reporting at comment@se-ed.com or sbc@se-ed.com or independent directors (id@se-ed.com)

Respect the Rights and Treat Employees with Equality : The Company believes that social responsibility and environment is the most importance of all which should begin from the inner part first that is: all staff is happy in working and having a stable life, because the Company believes that to allow organization to grow with stability and sustainability, it needs a great collaboration of all participating staffs so that it can bring value added to the organization. Therefore, by opening up chances for staff to work in the

area that they love or valuable, suitable compensation, adequate welfare will allows staffs to feel stability and happiness, and this the greatest resource to develop the organization and grow with the work and responsibility in the organization.

Hence, all the above-mentioned issues are reflected in the rules and regulations, welfare, chances to work preferences, and the participation of organization direction determination in all levels., exchange of ideas to reduce gap of understandings, and development of staff potential through fell owing activities:



- **Mind Development Program at the Sanctuary for Mind Development :**

The Company wants all staff to have a mental self-immune, good understanding toward themselves and others, and can live and work together with happiness. It organizes basic course to develop staffs' mind by giving the staff a chance to practice Dhamma, developing good mindset, meditation, conscience building, planting the Dhamma, building good mindset at the workplace, how to conduct daily work life, which also includes the strength to face challenges with conscious. This training course last 3-4 days whereby staff will have special rights to practice Dhamma on the working day and the Company will not consider such date as date of absence. In the past, the Company has offers mind development course as follows:

- 2008-2009 mind, self, and work development Program, at Panyanantaram Temple (427 participating staff)
- 2006-2007 Breath conscious meditation course, organized by Sathien Dhammasatharn (293 staff participating)
- 2002-2005 Mind growing course – meditation for self and work development, organized at Wong Wanich foundation (874 staff participating)

- **ESOP Program:** The Company is aware of the importance of staff in the organization. It offers its directors and staff with ESOP – shorted for Employee Stock Option Program – to compensate staff by offering the Company's shares to motivate staff to work and let them feel the sense of ownerships, making them ready to work cooperatively in developing and building the organization in longer term. Therefore, whatever they do will reflect in the share price which is higher. The end result is that all employees will feel the wealth in monetary term as the Company continue to grow. The ESOP Program began in 2001 and continued until the year 2008.



- **Annual Health Check Up Program:** The Company is aware and stresses the importance of health care of each individual staff. It provides the free annual health check up. The check up will include several items, focusing on informing staff about the current health condition at the date of check up and also offers the risk analysis of each staff. The employees will be self-aware about their medical conditions and should attempt to reduce the future health risk which may be very costly. Moreover, it opens up chances for staffs' family to come to the annual check-up with the low expense. The Company believes that if everyone in the family is healthy, all will have a sound mind.

- **Life Insurance Worth 24-Month Salary:** The Company sees the importance of the life of family members of all staff. Should anyone pass away, the family left behind will be in trouble, as a result of income loss to feed the family. For this reason, the Company provides life insurance for all employees to ensure the stability of the family by budgeting the amount of payment to 24 months of last month salary. This came with the idea which is different from other companies, in that, the Company is ready to take responsibility for another 2 years to repay what the employee has wholeheartedly worked very hard for the Company. It is believed that the duration of time will be enough to allow family to adjust to the situation so that they can stand up once again.
- **Flexi-Time Work System:** The Company allowed staff to have options in selecting time to work at a certain level which allow flexibility to work and acquiesce to the present social situation. Some families may need to send children to school early in the morning or may be for the reason of traffic congestion making it impossible to come to work on a regular working time. The employees have many choices of time slot suitable to each individual necessity and working environment. This system helps to ease staffs who may sometime be engaged in personal business or may not be able to come to work due to any inconveniences. As such, the staffs can compensate work time while not letting staff feel too stress as a result of the past strict work rules and regulations.
- **Medical Expense Welfare Project:** The Company has the policy of sharing the responsibility in easing the medical cost of all staff. When a staff is sick and must be admitted to the hospital, the Company offers to pay for in-patient so that staffs are encouraged to seek medical treatment and will be able to return to work with more energy.
- **Happy Staff, Sustainable Organization Project:** The Company is aware and render the importance of all staff in the organization on the basis of the Company's sustainable growth. Therefore, the Company sets up working committees who were strictly responsible for monitoring the staffs' welfare. The committees also determined the staffs' compensation which is in line with the industry average. This also includes appropriate security system at the workplace to reduce and protect any danger that may happen to the staffs.
- **“Retire Rich” Provident Fund Project:** The Company aims to have all employees saving for retirement. As the Company reckons that when the employees who work for a life time at the Company, they should have enough fund to retire happily. They should become a retiree who can survive by themselves. Therefore, it seeks to set up the provident fund for ‘Retire Rich’ initiative to allow employees to allocate a 5% of their salary toward the fund and the Company will also pay additional 5% toward the fund.
- **Project Leader Project:** The Company engaged in a policy to promote the development staff to have a potential in being proactive, by opening up opportunities for Leadership through a project called ‘Project Leader’ and also set up Cross Functional Team which do not adhere to normal line of command. Anyone who shows potential may be assigned the head of the project, or ‘Project Leader’, in paving way for important tasks. Moreover, should staffs have any particular ideas in improving efficiency of the task of his or her work, or have ideas in solving problems occurred in the Company, he or she can volunteer to help improve the situation. The executives are willing to open up chances for that particular staff to lead the project and set up teamwork which may come from the same unit his or her belongs to, or may be from different unit to support the operation. This idea gears toward developing staff's potential and allows chance for staffs to work on the challenging project while enjoying learning new things even more.

- Education and Training Development Project :** The Company supports the staff development that is valuable to the society and environment by aiming at staffs who are knowledgeable, competent, and moral to build a business that is fair and sustainable in the future, by organizing course trainings to develop learning and operating potentials for all staffs both in and outside of the organization in a continuous manner.



- SE-ED e-Learning Project :** The Company has initiated the development of training curriculum through e-Learning system, in order to develop service, knowledge, and understanding of all the products in the stores. The contents of e-Learning are prepared from the headquarters and redistribute to the network stores simultaneously all over the country. The staffs at the storefront will get a chance to view the contents through computer system placed at the stores. The contents can be reviewed repeatedly. Moreover, the staffs will receive news, information, regulations and information about Corporate Good Governance from the Board of Directors as many as what the staff at headquarters can view.



- Meditation through Music Project:** The Company supports the staff to work with concentration by playing classical tunes from Mozart that is specially selected during work hours to increase work effectiveness. It also helps relieve the stress during the work.



- Emergency Division in Case of Fire and Critical Circumstances:** The Company's head office is situated in the top levels of the office building, and the distribution center is a rental space. The Company jointly works with the building owner and renter of the distribution center in creating a fire drill and training plan to rehearse the possible action that should be taken when, in case, a fire occurs. The Company staff will learn how to use extinguishers in different types and at the same time have a chance to test the existing tools for at least once a year. Trained staff will have adequate knowledge and experience to deal with the unexpected events.



- Safe Warehouse and Health Conscious Project:** The Company realized the importance of safety in the workplace whether it is hygienic health or working environment. The Company, therefore, organized newly-recruited staff training to teach a proper knowledge of working process and correct way of using equipments so as to prevent possible dangerous injury or sickness from working such as avoiding inadequate lighting working conditions, avoiding unsafe working environment, the use of mouth-cover cloth, and hand glove to prevent dirt touch, causing skin irritation, or lung tract, proper way of lifting things, and the use of waist belt to reduce health problem in long term, etc.
- 2009 Flu Epidemic Prevention Program:** As the result epidemic of 2009 flu happened around the world, Thailand has also been affected by the pandemic of such flu. Thus, the Company issued a prevention measure to counter the 2009 flu pandemic, by preparing the hand washing gel for all employees when washing their hands to prevent the infection and whenever the staffs came down with such flu, the Company quickly allows work absence for staffs to rest till they are fully recovered from the disease. It also encourages sick and normal staffs to wear mouth covers to prevent the disease infection.



Responsibility to Customers : This is an important aspiration of the company’s operation. As such the Company seeks to produce and distribute good products and service which is beneficial to the readers. The Company will not produce and distribute pirated or unethical and Thai culturally-unacceptable products, so as to ensure that all products and services have the quality and maximize worthiness of money paid by the customers.

- **UpDATE Magazine Project:** the Company stresses to publish creative media and benefits principally to the social by publishing monthly magazine called UpDATE magazine since 1978 to introduce interesting knowledge in science and technology for youth and general audiences without expecting profit and the Company has received the award “Academic magazine for youth” for many consecutive years.



- **SE-ED Book Center Project:** The Company seeks to operate in the business as a knowledge provider to Thais society, by attempting to find market opportunity to allow bookstores to be built in every region and community, so that Thais can easily and conveniently access to books. It also increases the potential in developing knowledge and capability, as well as stressing the ceaseless quest to search and develop products and services to cater to the customers’ needs the most.



- **‘Think of reading, you can read it no later than tomorrow’ and ‘order today, get it tomorrow’ Project:** The Company stresses the importance of products search and quick and on-time service, and maximizes the satisfaction to all customers, including creating opportunity for everyone to have equal access to knowledge everywhere in the country.



helping distributing good books which are worthy of reading, while creating and developing Thai kids in the future.

- White Bookstore Project:** As the Company operates SE-ED Book Center bookstores covering all provincials and is also network bookstores which has the greatest sales in Thailand. The Company has the policy to set up taskforce unit to monitor and select books that are sold in our bookstores so that the bookstore become “White Bookstore” which is a bookstore that will not sell books that are unethical and the culturally-unacceptable. Finally, the Company will play a part of helping distributing good books which are worthy of reading, while creating and developing Thai kids in the future.
- Service-Mind Culture Project:** The Company is aware and also stresses the importance of taking care and serving customer professionally. Therefore, it seeks to organize training course ‘Excellent Reactive Service: ERS’ to all staffs annually to ensure that all staffs have a mindset of being ‘Service Mind’ and have a good attitude suitable for serving customers, with the mind of helping customer and other surrounding people in a friendly manner. This should lead to a great embedded mindset and transferring the service culture in an excellent way, paving ways for staff to operate in a sustainable fashion.

Participating in the Community and Social Development Project: The Company is aware of being a part of the society in creating stronger society, in a sustainable path. There Company is determined to develop business to conform to the National Education Act, particularly in the part that talk about having society to manage the education and supports life-long learning, by choosing to publish variety of media that benefit Thais and its youth. It is believed that this will help to strengthen the community and society in longer term. In all, the activities are as follows:

- Books for the Students Project :** A book donation project which donated the carefully selected books to the school libraries in different areas around the country which lack the learning resources, to expand the opportunity for school children in remote areas to have a chance to read books. This is an important part of efforts to upgrade the Thais development. In addition, the objective of this project is to allow chances for all out staffs to participate in “love your country” awareness. The project allows staffs to select and propose the name of school to be donated, which mostly are school at which the staffs used to study or may be schools which located within the community. Staffs will handle all the delivery task until books arrive at the designated schools. In 2009, the Company has donated books to the schools around the country of up to 443 schools, valued THB 53 million. The Company jointly donated books and educational equipments through schools in the project one Amphur one dream school initiated by Education Ministry which supports education for schools in need that is considered dream schools to be used as model schools for the whole country.





- Building Libraries for Schools in Need:** The Company partook in donating shelves, educational tools, and books to schools to help construct the school library in many areas of both Bangkok and other provinces, such as the library at Piyachartpatana school, Library of Wat Kra Cha Kao school, Library of Wat Dong Yang school, Library of Wat Kra Ru Na school, Library of Ban Nong Ka Nak school, Library of Ban Sa Set Thi school, Library of Wat Pai school, Library of Wait Marp Krud school.
- Coin Change for Children:** This is the project that allows SE-ED Book Center's customers to participate in donation activity through the donation box project where the box is placed at the bookstore counter. Or the customers may want to donate by directly transferring cash to bank accounts named after the project to offer chances for customers to participate in the Company's activity. The donated cash will be used toward buying good books at the production cost and donate books to children living in remote areas. The project started since July 2008 – at the end of 2009, the Company collected the donated sum of money of up to THB 6 million.
- Extensive Reading Project:** Presently, Thailand Education still cannot develop English language reading skill for children in terms of communication. The Company has a policy of participating in developing the English language learning system by signing contract for distributorship of Oxford University Press - the largest English publishing for Academic books - effective January 1, 2007 onward. The Company also has a project to publish English-localized extensive reading books which are expected to be launched in the beginning of April, 2008. This also extends to the training of English teacher in a country-wide effort, to help improve the teaching methodology more effectively.

- SE-ED Enjoy Reading initiative Project:** This is project that turn on the light of desire to read English books by focusing on reading at the appropriate level to of the readers' language competent to promote language learning development in a continuous progression, and stress reading skill development for Thai children and youth nationwide. This project is established to support the English extensive readings project at the schools by organizing seminar training for teachers to learn how to use books correctly and to encourage young people to love reading more.
- SE-ED Enjoy Reading initiative Project for Children:** This is project that turn on the light of desire to read English books by using money from "coin change for children" which SE-ED Book center customers participated in the donation to search for good book or media for the under-privileged schools around the country. This project focuses on reading at the appropriate level to of the readers' language competent to promote language learning development in a continuous progression, and stress reading skill development for Thai children and youth nationwide. It is

the business direction of the Company which is ‘to make Thais smarter’. By 2009, the Company organized an orientation for a 1 pilot school in Nakornnayok province, 11 pilot schools in Nakornprathom province, and 16 pilot schools in Rayong province, such as Banglane Vitaya school, Perakmata Vitaya etc. These participating schools would receive extensive reading books of ‘SE-ED Enjoy Reading’ and the Company would follow up and evaluate English language ability throughout 4 semesters, or 2 years of study.



- Youth Camp Project: (SE-ED Kiddy Camp):** The Company organized the youth camp called “SE-ED Kiddy Camp” for six consecutive years, which is held during the school breaks. It is an academic camp putting an emphasis on scientific learning process, in combination with extra recreational, creative, and ethical activities, such as aeronautic science camp, youth business venture camp, etc. In 2009, the Company held 13 camps, with the total of 700 participants.



- Youth Learning Center Project (SE-ED Learning Center) :** The project is designed with the aim of making Thai children smarter and excell in the fields that are important to the country’s development, through learning process associated with brain development potential, in other words, “Brain Based Learning”. It inspires learners to learn more by using free time during holiday weekends - or a day trip course,

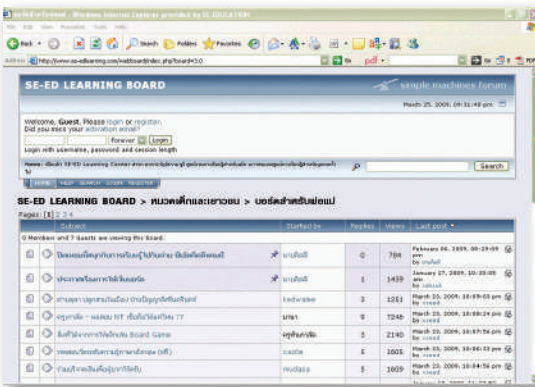


such curriculums as fun-thinking ‘Kids Club’ activity, Mathematic course, young game programmer course, extreme builder, etc. This also includes SE-ED English camp. The Company opened a learning center called “SE-ED Learning Center” at the Chamchuri Square building in the mid 2008 to increase the role as knowledge provider for children, engineering professions, and general audience. In 2009, the Company organized 93 training course at ‘SE-ED Learning Center.

- **Academic Training Project :** The Company organizes training courses in engineering and computer for public. In 2009, the Company organized the total of 88 courses.



- **Plearnpattana School :** The Company jointly invested in Plearnpattana School – an alternative school which uses Thai as a teaching language medium - with the percentage of 48.82%. The school uses Thai curriculum from kindergartens to Matayom 6 (High school) which aims at creating a model school for young Thais to have sufficient capability to become the potential citizens in the future.

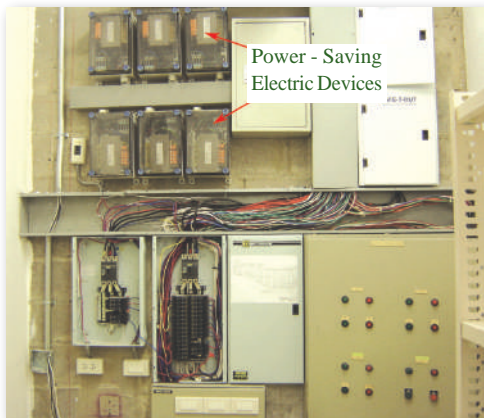


- **Webboard for Parents and Youth at www.se-ed.com Project :** This webboard has its objective in being the center of idea in child development. It also a place where the exchange of ideas, and sharing of love and concern and experiences take place. It is the place where people can find consultation about their kids’ psychology which includes the way to child’s education.

- **Blood Donation Project :** The Company supports the campaign seeking blood to help patients in need by actively involving in organizing staff to participate in blood donation.

Environmental Care: The Company supports the natural conservation project, as well as environment, by taking part in all processes that create energy conservation and environmental preservation. This includes an intention to support and promote all staff in the organization to be aware of environmental responsibility according to the ability of each individual staff and the Company to reach such objective, under the circumstances of daily working life, as follows:

- **Stop the Global Warming Project:** The Company campaigns on the reduction of plastic bags usage which is a non-biodegradable substance, while promoting the cloth bags instead. Customers are encouraged to use cloth bags when buying books from SE-ED Book Center. In addition, the Company plans to use plastic bags which have the natural contents that have biodegradable contents, instead of plastic bags used today to contain materials used in the Company. One way of doing this is to select material which is more nature-friendly. The project started in 2007.



- Energy Preservation in Bookstore Branches:** The Company initiated the use of energy preservation appliances installed inside SE-ED Book Center stores to reduce the energy used in the country. The project started in 2006.
- Energy Preservation Project:** The Company initiated the electric power conservation by installing string as an on-off switch for lighting in all working areas of the building for staffs to turn the light on and off more conveniently at the area where it is needed a kind of reminder for everyone about the energy conversation. The project has been launched since year 2001.
- Paper Use Reduction Project:** The Company supports the practice of document or business information management in term of electronic media to reduce the use of paper and result in convenient search of information, starting from information system development and overall work process in the organization to reduce the work procedures and paper usage reduction. In the bigger picture, the Company can reduce the use of a lot of paper per month. On top of that, the Company finds the use of undamaged envelopes and notepad addressing different senders and recipients as a document cover delivered back and forth among work units within the firm. It turns out that one envelop can be reused up to ten times.
- Water Saving at The Head Office:** The Company initiated the water saving project by installing piping valves at the door gate of every restroom. When in use without closing the toilet door the water will not flow. This is considered an efficient way of water saving to prevent useless waste of water. The project significantly helps reducing the Company's water consumption. The project started in 2001.
- “Park Your Car at Home and Use Company Car Instead” Project:** To help the society and environment, the Company came up with project to offer staff to use a Company car started in 2001 for commuting to reduce the petrol usage and also help reducing the air pollution which worsening day after day. This will reduce the green house effect and also reduce global warming problem.
- Energy Saving (only lighting) At The New Warehouse:** the Company uses fluorescent lamp model T5 at 28 watts (previously 36 watts) which have been completely installed and in use since January 2009 to help warehouse save energy of up to 22 percent on the warehouse area of 3,000 sq.m.

Social Responsibility through Dissemination of Innovation: The Company tried to develop and arrive with new innovation to benefit book business as a whole, as well as those other parties involved, while applying latest technology for business operation, as well as dissemination of innovation and information in a creative manner for all stakeholders in book industry. The innovations which the Company invented and developed are as follows:

- Development of the ‘Standing Order’ Distribution System:** Being the largest book distributor in the country, the Company sees the importance of stock management of the whole book stock system which has yet to find the most accurate sales monitoring system. The Company worked on the development of the whole system which is called ‘Standing Order’ for Thailand book market so that the system can help to solve the problem of existing stock management. It is currently considered the best stock management system in the country.
- Development of the Decision Support System for Stock Management:** The Company has the policy in planning business strategy, by bringing in long experience for over 35 years to develop and study stock management system called ‘Business Intelligence’ which is the knowledge that is built upon and develop innovation in computer system in an effective way and can highly benefit the organization consistently.
- Being the Pioneer in Book Publishing, Academic Magazine, Distribution, and Chain Bookstores in Department Stores:** The Company is the pioneer in the book business in the academic area and How-to over 30 year since its inception. This includes being the starter of book distribution, the success in opening up chain bookstores, and being accepted by the general publishing business within the country as the largest leader in academic and technology books in Thailand.
- Book Business Information Dissemination Project:** As the largest’s book distributor and retailer in the country, the Company is equipped with information that reflects the outlook of book industry within the country to a certain extent. By organizing “Annual Information Announcement Conference” since 2004, the Company believes that doing so will help develop book business in a big and positive way. It also publishes information used during the conference, as well as lectures and information taken from occasional seminar events in the website initiated since 1995. In 2009, the Company organized “Press release of the most sought-after information for book business year 2008”, at level 3, Sangvein Room, Securities and Exchange of Thailand (Klongtoey) with 261 participants (133 business partners, 17 media and journalists, 111 general people).



Preparing Social and Environmental Reports: The Company prepared reports on social and environmental, responsibility by collecting all the ideas and several developments throughout the 35 years which the Company has activities and programs to benefit the society and environments working in tandem with business activity of the organization, allowing the Company to grow with sustainability and balance. However, these mentioned topics are included in our “report on well-balanced and sustainable development 2009 (Sustainability Report 2009) to publicize the ideas and developments of organization to beneficiary all parties.

Company Background and Management

- ▶ Background
 - ▶ The Proportion of Shareholding in the Company's Group and the Inter-Business Group
 - ▶ Shareholding and Management Structure
- ▶ Recruitment and Remuneration Committee's Report
 - ▶ Audit Committee's Report
 - ▶ Risk Factors
 - ▶ Good Corporate Governance
- ▶ Report on Internal Control System in Accounting
- ▶ Report of the Board of Directors Responsibilities for Financial Statements
- ▶ Remuneration of Auditor



► Background

SE-EDUCATION Public Company Limited (SE-ED) was established on October 10, 1974 with a registered capital of THB 99,000. Their objective was to do business in knowledge dissemination, with a view to develop the fullest potential of Thai people in areas essential to the national development. The Company founders were ten electrical engineering graduates from Chulalongkorn University, who used to be active in varsity activities during their academic years at the club of faculty of engineering, Chulalongkorn University. They thoroughly realized that Thailand still lacked the development of technical and academic materials.

The Company was approved as a listed company by the Stock Exchange of Thailand (SET) in the category of media and publishing under of the service industry sector, since 1991. The Company became a public company on April 29, 1993. Today the Company is popularly known, in short, by the name of “SE-ED”, which comes from **S**cience, **E**ngineering and **E**Ducation.

At the beginning, the Company published the monthly magazine “Semiconductor Electronics” and was the distributor of electronic devices from abroad.

In 1978, the Company published the monthly magazine “*Taksa, Science and Technology Edition*” for the general and young readers whose interests are in the areas of science and technology.

In 1979, the Company launched the monthly magazine “*Miti Tee See*” that aimed at the creativity and imagination and, particularly, for those who don’t like the heavy science, hoping to gain readers attention in science.

In 1980, the Company started to publish the engineering and scientific textbooks which were later became *the textbook and academic books division*.

In 1983, the Company published the monthly magazine “*Microcomputer*” and began to publish the books about microcomputer. At the same time, the Company set up the management books division for the purpose of publishing the books that can help people work more efficiently rather than publishing books that can only be sold in a short period of time.

In 1985, the Company adapted and introduced the **Standing Order Distribution System** and merged the magazine “*Taksa, Science and Technology Edition*” with “*Miti Tee See*” which resulted in the new magazine called “*Rou – Rorb – Tua*” magazine which was later transformed and changed its name into what is today called “*Update*” magazine. In the meantime, the Company’s Children Book division was born in 1986 and “Wittayasat Arn Sanook” – the first finest set of cartoon books aiming at teaching young learners – was published and warmly welcomed by general public.

The Company continued to take its lead in publication of magazines and educational books, becoming the forefront in knowledge publishing firm in the country with the best distribution system in the book business. The Company also became the book distributor for other publishers producing books in the same fields.

Although, compared to the average publishing industry, SE-ED had satisfied the expectation of both sales volume and sales growth, as the publishing firm with highest sales volume through bookstores channels and the largest books distributor at that time, the Company found that there were still limitations due to the fact that there were a few good quality bookstores existed in the market. Consequently, the

Company's books could not be effectively circulated. This resulted in the inability to increase sales volume of each book sold at the desirable level.

Following an extensive research into the retail industry, the Company realized that the pre-existing bookstores could not be expanded or improved much further. At that time, many new shopping centers had been opened, and the Company believed that they would be good venues for the bookshop business. As the Company had confidence in those malls that they are attractive and able to bring in large communities and would likely change the buying behavior of Thais. Therefore, the strategy of providing more convenient purchasing channel for Thais which was to allow access to reading materials was to set up well-thought-out bookstores in those malls. But as the investment cost was high and no one had seriously ventured in this area of business before, the Company decided to start the bookstore business in leading shopping centers to avoid affecting the previously existing bookstores which were mostly located in commercial buildings.

In the third quarter of 1990 the Company was permitted to be listed on the Stock Exchange of Thailand and started the "SE-ED Book Center" project that allows Thai people to get access to books and to support the future growth of overall book market by focusing on opening branches in various leading shopping centers. SE-ED Book Centers will sell both books from its publications and also from the others. The first branch of *bookcenter for family and working people* opened in late 1991 at Fortune Town Shopping Center.

In the third quarter of 1996, SE-ED opened SE-ED Book Center in supercenters. The first branch was at Lotus Supercenter, Pattaya with strong belief that supercenters would be the new trend going forward and also suitable locations for the long-term business. The Company further improved its image to be more modern, by using bright and vivid colors. Newly designed bookshelves were installed so that it could be manufactured more easily and more cost effective. Consequently, SE-ED could put new bookstore branches in operation faster and more convenient. It also focused on developing the book distribution center to accommodate more books for more than 600 branches. In 2006, the Company expanded the distribution center area from 7,400 sq.m. up to about 10,000 sq.m., at the end of 2008, the Company expanded the warehouse space by 3,000 square meters which made the total warehousing area to be as large as 13,000 square meters, or 30% increase. SE-ED also developed and tested the business model that is suitable for the Company's competitiveness and business sustainability. At the same time the Company can open a new branch fast with lower operation costs and expanses, allowing the Company to have more chance to be successful.

Furthermore, SE-ED Book Center has developed a relationship with several shopping centers and supercenters, being recognized as an important business alliance. This has enabled SE-ED to develop its business format continuously. Nowadays SE-ED Book Center is a chain bookstore evolving and expanding very fast, resulting in the highest selling bookstore in Thailand and also serving as the very heart of company's business growth since 1997.

SE-ED's business performance has remained at the satisfactory level. In 1997, when Thailand encountered serious economic crisis leading to business collapse and widespread unemployment resulting in lower purchasing power, the publishing business was affected in many ways. Several of SE-ED's major book suppliers encountered the severe loss and liquidity problems, to the point that SE-ED had to allocate asset as bad debt account, largely due to the lower purchasing power and decreasing of sales orders from bookstores. SE-ED was seriously aware of granting credit to customers to keep control of the possible bad debt. The competition also became tougher than before. As a result, the sales figure that came from both SE-ED own published books and other non-SE-ED published books was not as it is hoped to be. It was considered the first time that SE-ED faced accounting loss in 1998, since listed in the Stock Exchange of Thailand.

However, after the severe economic crisis, the Company began to review its business structure for the long – term strength. The Company started to diversify risk at the suitable level and, at the same time, tried to improve financial structure, increased more capital for unforeseeable economic problem in 1998 and set the reliable financial standard for paying up the long – term loan from financial institutes and for incoming expansion. Finally, SE–ED can recoup from the almost fatal slump and came back to profitability with adequate liquidity and continuous expansion in 1999.

In 2001, at the Annual General Shareholders Meeting 1/2001, dated April 30, 2001, the shareholders approved of additional shares registered by the amount of THB 137,141,560 by divided into the following :

- Warrants offered to shareholders are numbered at 10,549,356 shares, where the proportion of right to exercise per 1 unit can be used to buy common stock of 1 share at the price of THB 16.50 per share, with validity lasted for 5 years, from the date of issuing the paper, allowable for exercised every 3 months and the right to exercise is expired on December 15, 2006.
- Warrants offered to company’s directors, staffs, sub-agents are 3,164,800 shares, where the proportion right exercise per 1 unit can be used to buy common stock of 1 share at the price of THB 10 per share, with validity lasted for 5 years from the issuing date listed on the paper, allowable for exercised with the duration of 1 year per warrant and each warrant for every 3 months, with each warrant allowed to buy common stock at the rate of 10, 10, 10, 30 and 40 of the total warrants respectively, and the last date to exercise is on January 14, 2008.

As of 2003, at the Annual General Shareholders Meeting 1/2003, dated April 23, 2003, shareholders have agree to approve the change of share value (share dilution) from previously THB 10 to THB 1, which the Company has proceed to register with the Commerce Ministry on May 22, 2003.

In addition, in 2004, at the Board of Directors’ meeting as of 1/2004, dated February 4, 2004, the board resolved to allow the Company to re-purchase the shares, for the purpose of monetary management. As the Company had over-excess liquidity of 19,783,600 shares (total worth of THB 122.64 million, re-purchase value of THB 6.20 per share) which according to the Ministerial rule with regards to “outline and method of share re-purchase, selling of re-purchase shares and cut-off for the Company’s re-purchase shares”, stipulated that the Company must sell the re-purchased shares with 3 years after date ending of share repurchase activity, which was due on September 11, 2007. The Company could not finish the re-purchasing of shares as committed by the Board of Directors resolution. Therefore, to follow the guideline of Ministerial rule, the Board of Directors’ meeting as of 4/2007 dated on September 19, 2007, approved the capital reduction by way of reducing the share repurchase by 19,783,600 shares, resulting in the remaining capital of 328,345,090 share. The Company registered the reduction of registered capital on October 24, 2007.

In 1984, the Company also invested in 25% of the shares in M & E Co., Ltd. with a paid-up share capital of THB 400,000. The M & E Co., Ltd. prints and publishes technical magazines and engineering manuals, distributed by SE–ED.

In 2003, the Company held 28.75% of the shares in Plearn Patt Co.,Ltd. (founded on September 25, 2002) with a registered paid-up share of THB 80 million. In December 31, 2005, the Company increased percentage of share holdings to 48.82% of registered and paid-up share capital was THB 170 million, and in the fourth quarter of 2009, Mr. Thanong Chostisorayuth, the managing director of SE-EDUCATION Public Co., Ltd. chaired the position of acting school director of Plearnpattana school. The registered name of Plearn Patt Co., Ltd. is the name of the school called “Plearnpattana School”, located at Bhuddhamonthon 2 Road, enrolling students from pre-kindergarten year up to twelfth grade. The first academic year started in 2004. This was the important gathering of more than 70 education-loving alliances from several groups of

people such as parents, teachers, academics, school executives, in collaboration with private organizations who played a significant role towards family institutions and education to create new concept school, which to create quality children for the country.

Moreover, in 2008, the Company opened SE-ED Learning Center with the space of 600 square meters, located at Chamchuri Square building – a part of Chulalongkorn University, to facilitate the expansion of youth activities in different forms in the future. This includes the training for professional and activity to increase potential of Thai people in different fields for general public.

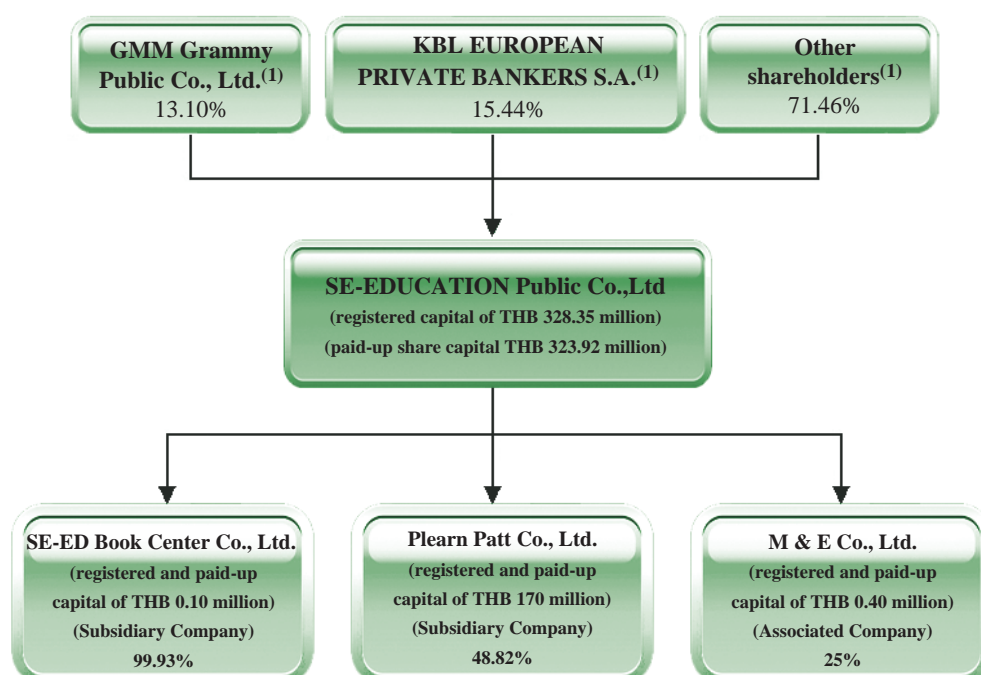
Nature of Business

The Company has three major business areas, which can be described as follows:

- 1. Bookstore Business :** SE-ED has operated SE-ED Book Center and network stores which consists, and many university bookstores in Bangkok and other provinces as well as the network and sales area in various forms (representing 83% of the 2009 revenue).
- 2. Distribution Business :** SE-ED distributes both books published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
- 3. Publishing Business :** SE-ED publishes its own books and magazines, sells advertising space, provides the printing service for other parties, organizes yearly exhibition “Thailand Electronics & Industrial Technology Exhibition” and many specialized technology exhibition, and organizes the SE-ED Kiddy Camp for children, as well as arranges several academic training and seminar courses.

In all three major businesses, SE-ED continues to be a leader in supporting and encouraging all aspects of the businesses, which has resulted in the achievement of a competitive advantage, as well as increasing the Company’s overall value added.

Shareholders’ structure of SE-EDUCATION Public Co., Ltd., its subsidiaries, and Associated companies



⁽¹⁾ Data on the last closing date of registration, dated on the 2nd of December 2009.

Total Revenue from Main Products Categorized by Sales Channels



Remark ¹Retail – revenue from SE-ED Book Centers

²Wholesale – revenue from books published sales volume of magazines and distributed to bookstores and other sales channels : such as education institutions and library etc.

¹and² – total sales of Company’s own publications in 2009, 2008 and 2007 represents 7.55%, 6.92% and 6.41% of sales revenue respectively.

³Magazines – total revenue from advertising publishing and revenue from “Electronic Grand Sale 2009” and “SE-ED Kiddy Camp”. Organizing academic seminar and technology product sales.

Major Products and Services

The Company’s products and services are the following:

- Books** Currently, SE-ED is one of the largest book publishers in Thailand, publishing books for bookstores nationwide. The Company pioneered in publishing knowledge books in several fields; such as administration/management, self-development, psychology, engineering in various fields, youth development books, language and dictionary, parenting, food and health, maps, non-book products (e.g. CD) which help to promote the development in many aspects.
- Magazines** At the end of 2009, the Company has published 9 magazines of science and technology which are,
 - **Semiconductor Electronics Plus:** A monthly magazine emphasizing on electronics, launched in 1974, and later the Company changed the name of magazine from ‘Semiconductor Electronics’ to the new name of “Semiconductor Electronics **Plus**”, since January 2008, while maintaining similar types of contents to the previous issues.
 - **UpDATE :** A monthly magazine catering to those readers who want to keep abreast of latest developments in the world of science and technology, published since 1978.
 - **MICROCOMPUTER :** A monthly magazine devoting entirely to the knowledge about Computer and information technology for Corporate. In circulation since 1983.
 - **Hobby Electronics:** A monthly magazine specially preparing the knowledge of electronics for the fledgling electronics enthusiasts and also interested readers was launched in early 1991.

- **Industrial Technology Review** : A monthly magazine provided reading material on major developments in industry technology and management for plant engineers and general readers, launched in mid-1994.
- **Mechanical Technology** : A monthly magazine related to mechanical engineers concerning operating techniques, and machine problem-solving guidance for engineers and general readers – first published in the middle of 2001.
- **The Absolute Sound & Stage** : A monthly magazine about video and audio for home, car, studio and stage, launched since the end of May 2002.
- **Extreme Technology** : A monthly magazine about new technology and hi-tech products with comparative review of performance as a source of buyer's decision, first launched in late October 2003.
- **Add Magazine** : A free monthly magazines offering variety of interesting information and also new technology adaptable to the daily living (launched in February 2006), distributed free of charge mainly through SE-ED Book Center Bookstore branches.

The Company's revenue from magazines comes from the sales of magazines, advertisements and special edition, as well as revenue from organizing several activities.

- 3. Distribution** The Company distributes books published by SE-ED and other publishers including the companies whose publishing is in of the Company's direction, by distributing books to small and large scale stores nationwide roughly around 2,600 stores. The Company also sells directly to the educational institutions and distributes books to SE-ED Book Centers and network stores, and some universities book centers, owned by SE-ED.

The Company has been appointed as Thailand's sole distributor of Oxford University Press (OUP) for book and related media for English language teaching and learning from January 1st 2007 onward. Under this agreed cooperation between SE-ED and OUP, the business activities of production and distribution associated with English language learning will be increased through company's distributing channel which promptly allows SE-ED to share some responsibility of resolving the country's problem with regards to English language learning in Thailand in the much greater extent.

Presently, the Company is the largest book distributor to the chain bookstores. Books which were self-published by the Company is around 1,300 titles, while also help distributing 5,400 titles from other several publishers and organizations.

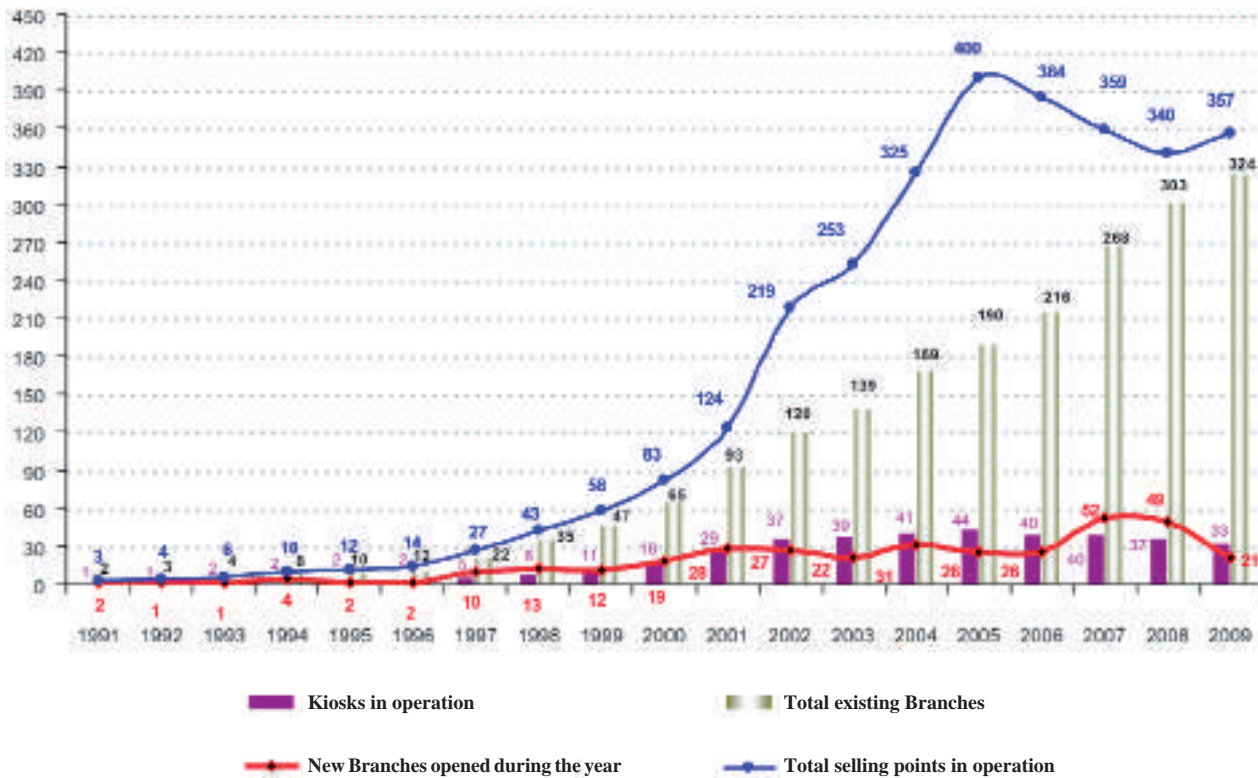
- 4. Bookstore Business (SE-ED Book Center or SBC)** SE-ED operates SE-ED Book Center and network stores and "University bookstores" all located both in Bangkok and other provinces, including managing space in the selling areas in different models.

SE-ED Book Centers are medium-sized bookshops selling all kinds of books, with modern design and good layout plan, efficiently selling and emphasizing in being located in convenient location for people to come buying books. The main locations are located in leading supercenters (such as Tesco Lotus, Big C, and Carrefour, etc.) leading shopping malls (*such as Siam Paragon, Central, The Mall, Robinson, Future Park Rangsit, Future Park Bangkae, provincial leading shopping centers, etc*) and education institutes (*such as Ramkhamhaeng University, National Institute of Development Administration, Dhurakij Bundit University, Siam University, Khon Kaen*

University and University of the Thai Chamber of Commerce.) in different models both in Bangkok and other provinces.

By the end of 2009, SE-ED has already opened 348 branches of SBC. From this mentioned figure, there are 324 branches in operation, with 125 branches in Bangkok and nearby provinces, and 199 branches in other provinces. With 314 of bookstores operated by the Company, the other 5 branches are designated as SE-ED Book Center Network Bookstores (SE- ED Book Center fully supports the shops, as a book distributor supplying the books) and 2 branches are SE-ED Network Bookstores. (SE-ED does not fully support, since the shop owners can order books by themselves.) Moreover, SE-ED also responsible for managing the books and magazines sales space in Supercenters, and other shopping centers in different formats totaling of more than 33 sales and service points. Today, SE-ED Book Center are the chain general bookstores with the highest sales in Thailand.

Number of SE-ED Book Center Branches and its Network Stores by the Year-End



- Remarks** – There is a reclassification of bookstore branches to be properly suited. Therefore, the number of branches may be different from other published documents by the Company. **Branch** includes the small size of bookshop of 20-50 square meters. **Kiosk** means mainly the newstand sales type. **Points of sales** means the sales type that the Company takes charge in managing the products in book corners (including newspapers and magazines) in supercenters of department stores.
- At the end of 2009 there are 324 existing branches in operation. There are 125 branches in Bangkok and its vicinity and 199 branches in other provinces. This figure has included the small scale of 23 branches.
 - At the end of 2009 there are 314 existing branches in operation, using the brand of, SE-ED book center, 3 branches in universities book centers.
 - At the end of 2009, there are 5 SE-ED Book Center network (SE-ED is responsible for all book supplied to the network stores) and there are 2 SE-ED network (SE-ED allows the stores to choose either the name of “SE-ED Book Center” or “SE-ED network sine the shop owners can order books by themselves”), and two are 33 kiosks.

5. Other Activities. The Company also performs additional activities as in the following:

- Organized an exhibition called Thailand Electronic Technology, an exhibition for electronic industrial products and technology, which has the largest number of entrepreneurs and visitors in the country. It is regarded as nation's largest electronic industrial products and technology fair which promotes the Thailand industry potential and capability that can compete head to head with the world market. The event has been organized annually for the past 10 years.
- Organized the Industrial Sourcing Fair, an exhibition for industrial products at international level in response to the industrial purchaser's needs in every aspects and also offers knowledge about the products, technology, standard and environmental security, venue for producer, seller, industrial service provider to meet potential buyers in Thailand industry.
- Organized SE-ED Kiddy Camp for young people from 8-14 years, which is normally held during the school breaks. There are various types of camp to choose, from countryside camp, day-trip camp, to stimulate young people to learn more, while studying the learning behavior of children before the idea becomes amalgamated with other ideas that support the development of Thai children in greater number, teaching young participants the courage to learn whether they are the study of science, electronic experiment, teamwork, leaderships, self-learning, basic knowledge in survival, moral, and, in particular, friendships. Moreover, it allows children to participate in several different enjoyable activities for example, young researcher activity, activity base, gaming, exercise, sports, etc.
- Organized English Camp 2009 as an activity to promote young kids the correct use of English Language for communication during the stay in the camp for them to be familiarized with language use, simulating the daily language use. In 2009, the Company organized youth camp called SE-ED English Camp at Brookeside Valley Resort, Rayong Province, and the Pechrimtarn Resort, Pechburi Province, with the total of 89 young participants.
- Produced a cable TV program called "Book Variety", a program that offers a variety of knowledge from different points of view from books for example, health, religion, managerial perspective, stocks and finance, children and youth books through recommendations and interview of person involved in publishing. This includes writers, translators, or editors broadcasted on TTV1 Nation Channel, every Saturday from 9.00-9.30.
- Organized seminar training for management, engineer, computer, specific profession, general knowledge, offering training according to the needs of private and government sectors, as well as general public.
- Electronics Grand Sale 2009: It is the exhibition event to showcase electronic products, computer and IT, organized specifically for electronic enthusiasts. In the event, there are variety of IT products for sales, such as measuring equipment, electronic kits, mechanics tool kit, industrial electronic tools, electrical appliances, computer and IT, as well as speakers and Hi-Fi system etc.

Procurements of Products and Services

Products from other publishers : in general, consists of 2 parts.

- **Books for distribution:** At present the books that are distributed to all bookstores through out the country come from the Company own publishing house and other around 800 publishers who decide to grant the Company as their distributors to distribute their book nationwide. The Company will consider only the products which are in accordance with the Company marketing direction and have an opportunity to sell.
- **Books and other goods SE–ED Book Center sells directly :** SE–ED Book Center receives goods from 2 main channels: the Company distribution business unit and the other channel and mostly deals directly with suppliers by the marketing department of SE–ED Book Center in charge of consideration and selection products for sales in the Company bookstores.

Relation with suppliers and the effect of losing them : For value of products bought for reselling from each distributor will not be more than 15% of total selling cost, whereby the proportion of product value purchased from 10 first largest trading partner against the cost of goods sold for the past 3 years is illustrated as follows :

(Unit : Million Baht)

Item	Year 2009		Year 2008		Year 2007	
	Value	%	Value	%	Value	%
Value of reselling products from the first 10 largest trading partners	987.40	31.57	893.91	29.50	678.88	25.27
Total cost of goods sold	3,127.59	100	3,030.31	100	2,686.28	100

In 2009, there is no specific revenue from sales considered to have severe effect on the Company. In addition, the Company is not involved, in any way, with the particular seller and has no obligation to place any order in the future.

Books published by SE–ED : Books and magazines published by the Company are the responsibility of the book publishing and magazines departments to prescribe the direction and selection of original manuscripts to publish including the production process of printing into complete copy before handover to the Company distribution group for distribution.

Production utilization ratio : As the Company does not own any printers press, the production of books and magazines are in the responsibility of in–house work group to take care of the production throughout the complete cycle and spread the printing jobs to several printers matched with the schedule. Therefore the real production can be increased or decreased without any unnecessary delay.

Raw materials and suppliers : Paper is the main raw material which the Company purchases from local distributors in lump sum. The types of paper used in the production of books and magazines mostly are wood–free, newsprint, coated and cover coated.

Relation with raw material suppliers and the effect of losing them : For the purchasing value of paper, the Company has no particular relation with these suppliers and no any binding obligation to buy from them in the future. In the case that these suppliers can not provide the Company with paper, the Company can still procure them from other suppliers. The total value the Company expenses for raw materials and finished goods to suppliers was 27.35% of the cost of products in 2009 or 0.40% of cost of goods sold, which can be considered that no specific supplier can cause severe effect to the Company.

Process and production technology : Production process for a new book starts from editorial team call for meeting to plan and consider the selection of manuscripts. This manuscript may come from the self-proposed original writer, or from the Company-assigned writer or translator in accordance with the Company's determined guidelines. Then editorial team will consider the content, correctness, and readability of the books which also include the activity involved re-evaluating and opinionating the books in terms of marketability by Company's respectable book advisors who possess knowledge and interest in particular subject areas. After the team agreed on the book, the content may be re-adjusted and format at the suitable level for the market, and the use of copyright contract may be signed with a writer, a translator, or a foreign publisher.

In the mean time, the artwork team will start to design the book cover and when the finished manuscript is ready for print, the computer artwork will later takes its duty. After finishing the artwork, the step of proof-reading activity will be taken and corrected until the content and art design are completed. In the case of book, there will be additional step that is the naming of the book and pricing, which also involves the related marketing work that is suitable for the target audiences.

The process of producing magazine is quite similar to the process of book publishing that is the editorial team takes responsibility right from the market direction till the end of the production process.

For book and magazine manuscript works, the Company uses Macintosh computer and PC along with all other related tools and equipments, whereby all these computer technology shows sign of having higher efficiency but becoming less expensive. In addition, the editorial staffs in the team are very experience and expertise in writing. They come from people in the editorial team and also general writers.

After the manuscript is done, the Company will pay for the printer to print, while paper is supplied directly by the Company. The paper Company then delivers paper straight to the printing press at the determined time so that each manuscript is printed into book and magazine.

Capability, necessity, and expenses in modifying machines to be able to compete : As the Company does not own printing press, therefore, there is no need for Company to invest in the machinery and equipment in printing. It becomes unnecessary for Company to develop machinery and equipment. And due to the competitive environment of printing press business, it equips the Company with bargaining power and, with this, the Company is always allowed to have choices of printing press companies to choose from.

Environmental Impact : The core production team for the Company is actually the editorial team. Therefore, production process is only concerned the production of manuscript and coordination within offices of the Company. Such activity will not result in the making pollution that can affect the environment and the Company's business is not under the direct control of any government agency.

► The Proportion of Shareholding in the Company's Groups and Inter-Business Groups

In 1984, the Company invested in 25% of the shares in M & E Co., Ltd. with a paid-up share capital of THB 400,000. The M & E Co., Ltd. prints and publishes technical magazines and engineering manuals, distributed by SE-ED.

The Company has also held 99.93% shares in SE-ED Book Center Co., Ltd. (founded on May 11, 2001), with a paid-up share capital of THB 100,000. The SE-ED Book Center Co., Ltd. does not operate any other business. The purpose of registering the name of "SE-ED Book Center Co., Ltd." is to prevent the use of "SE-ED Book Center" from others who might seek to register it as a new Company.

In 2003, the Company held 28.75% of the shares in Plearn Patt Co.,Ltd. (founded on September 25, 2002) with a registered paid-up share of THB 80 million. In 2005, the Company increased the percentage of share holdings to 48.82% of registered and paid-up share capital was THB 170 million, and in the fourth quarter of 2009, Mr. Thanong Chostisorayuth, the managing director of SE-EDUCATION Public Co., Ltd. chairs the position of acting school director of Plearnpattana school. The registering name of Plearn Patt Co., Ltd. is the name of the school called "*Plearnpattana School*", located at Bhuddhamonthon 2 Road, enrolling students from pre-kindergarten year up to twelfth grade. The first academic year started in 2004. This was the important gathering of more than 70 education-loving alliances from several groups of people such as parents, teachers, academics, school executives, in collaboration with private organization who played a significant role towards family institutions and education to create new concept school, which to create quality children for the country.

As of December 31, 2009, the major shareholders of Plearn Patt Co.,Ltd were :

Major Shareholders	Share Capital Paid-up	Percentage of Paid-up share (%)
1. SE-EDUCATION Public Company Limited	8,300,000	48.82
2. Mr. Rit Thirakomen	2,000,000	11.76
3. RAK LUKE FAMILY GROUP Co., Ltd	700,000	4.12
4. Mrs. Thida Phitaksinsuk	400,000	2.35
5. Ms. Krongtong Bunprakong	400,000	2.35

Inter-Company Transaction

Related party transaction between the Company and probable conflicted persons appeared in the notes to financial statements no. 5 : Inter-Company Transactions.

Need and reasons of related party transactions Transactions amongst the Company, associated companies and related parties shall be approved by the Audit Committee in the meeting, for fair transactions and appropriate costs compared to other persons transactions and no interests transfer between the Company subsidiaries, associated companies and related parties.

The Board of Directors approved the principles and suggestion of Securities Exchange Commission in accordance with the Section 89/12 (1) of Securities and Exchange Act (No.4) B.E. 2551 to allow the company management to enter in to any business transaction between the Company and its subsidiaries and directors, executives or related persons. The transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of business negotiation which is without any influences directly resulted from the company's positions of director, executive, or related person. However, the Board of Directors has assigned the Audit Committees the task to present the items which may pose a conflict of interest and any related items for the transaction over 2 million Baht per quarter and reports it directly to the Board of Directors to acknowledge in a quarterly basis.

Policy and trend of future transactions The Company may have transactions with major shareholders and executives in the future which are in the forms of leasing, service providing, and copyright contracts for the mutual benefit of the Company by disclosure of the types and amount of related transactions between the Company and probable conflicted persons in accordance with the promulgations and regulations of SEC and SET.

Shareholding and Management Structure

Major Shareholders

The List of the top 10 shareholders according to article 258, Securities Exchange Commission Act (B.E. 2535), as of December 2, 2009. (latest share register closed date) as follows:

No.	Shareholders	Number of Shares	% of Paid-up Capital
1	KBL EUROPEAN PRIVATE BANKERS S.A.	50,000,000	15.44
2	GMM Grammy Public Company Limited	42,422,200	13.10
3	Mr. Rit Thirakomen	23,008,782	7.10
4	Asst. Prof. Yuen Poovarawan	13,174,940	4.07
5	Mr. Pongsak Sivapatrakumpol	10,850,842	3.35
6	Bangkok Assurance Public Company Limited	10,764,500	3.32
7	Mr. Thanong Chotisorayuth	9,849,742	3.04
8	Mr. Phairat Sittakul	6,675,166	2.06
9	Mr. Wattana Chiengkul	5,216,992	1.61
10	Open long-term fund shares dividend Ayutthaya	5,706,000	1.76
	Total	178,219,664	54.85

Remark – The issued and paid-up capital, as of December 2, 2009, is equal to THB 323,921,130 Baht.

– Investors can view the current Shareholder's information from the Company's website before the date of the annual Shareholder's meeting.

Company's ordinary shareholders (SE-ED) held by Thai NVDR Ltd. of 1,641,750 shares or 0.51% of the paid up capital as of December 2, 2009, by the details of first 10 shareholders whose shares are held through Thai-NVDR Ltd., as follows:

No.	Shareholders	Number of Shares	% of Capital
1	MR. KUCKENBECKER, FRED JAMES	400,500	24.39
2	KIM ENG SECURITIES PTE. LTD.	260,000	16.51
3	MR. ADAM REUTERSKIOLD ARNBACK	146,900	8.95
4	PHILLIP SECURITIES PTE LTD.	82,900	5.05
5	MR. YANG, KO-LI	80,000	4.87
6	MR. SAMUEL E. WALLER	80,000	4.87
7	NOMURA SINGAPORE LIMITED-CUSTOMER SEGREGATED ACCOUNT	73,000	4.45
8	DR. HANS ULRICH LUTHER	65,000	3.96
9	Ms. INKAWAN MILLER-STERLING	50,000	3.05
10	MR. KATSUMI SATA	50,000	3.05

Remark: <http://www.set.or.th/set/nvdr/nvdrholder.do?symbol=SE-ED&language=en&country=US>

Distribution of Shares

Distribution of shareholding as on December 2, 2009 (Book closing date of the last registration).

Item	Share Distribution						Total		
	Individual			Juristic individual					
	Number	Shares	%	Number	Shares	%	Number	Shares	%
Thai shareholders	2,794	199,920,104	61.72	31	67,620,056	20.87	2,825	267,540,160	82.59
Foreign shareholders	11	1,265,770	0.39	10	55,115,200	17.02	21	56,380,970	17.41
Total	2,805	201,185,874	62.11	41	122,735,256	37.89	2,846	323,921,130	100.00

At the last registration date, there were 2,825 Thai national shareholders totalling 267,540,160 shares (82.59%) which consist of 31 juristic persons and 2,794 individual shareholders, 21 foreign shareholder, totalling 56,380,970 shares (17.41%), which consisted of 10 juristic persons and 11 individual shareholders.

Names of main shareholders who practically have material influence in prescribing the company's management policy operation is GMM Grammy Public Company Limited.

The actual share holder of KBL EUROPEAN PRIVATE BANKERS S.A. is Mr. Edward Phillip Burke, a British citizen.

Management Structure

The Board of Directors consist of 3 Boards : Board of Directors, Board of Audit Committee and the Recruitment and Remuneration Committee. The authorizations are as follows:

The Board of Directors has the duty to make recommendations and to draw Company policy, working strategy and other visions of the Company's operation. As of December 31, 2009 the Board consisted of the following 13 members:

Name	Position	Type of Directors	Term of Duty
1. Mr. Somboon Chinsawananon	Chairman of the Board of Directors	Independent Director	April 25, 2007 till the Annual General Shareholders' Meeting in 2010
2. Mr. Saroch Lamlerprasertkul	Chairman of Audit Committee and Vice-Chairman of the Board of Directors	Independent Director	April 25, 2007 till the Annual General Shareholders' Meeting in 2010
3. Mr. Pravit Tantiwasinchai	Audit Committee	Independent Director	April 29, 2008 till the Annual General Shareholders' Meeting in 2011
4. Mr. Phairat Sittakul	Director ⁽¹⁾	Independent Director ⁽²⁾	April 29, 2008 till the Annual General Shareholders' Meeting in 2011
5. Mr. Wattana Chiengkul	Director	Independent Director ⁽²⁾	April 25, 2007 till the Annual General Shareholders' Meeting in 2010
6. Mr. Vorasit Pokachaiyapat	Director	Independent Director	April 29, 2008 till the Annual General Shareholders' Meeting in 2011
7. Mr. Kachen Benjakul	Audit Committee ⁽¹⁾	Independent Director	April 29, 2008 till the Annual General Shareholders' Meeting in 2011
8. Asst. Prof. Yuen Poovarawan	Director	Non-executive Director	April 25, 2007 till the Annual General Shareholders' Meeting in 2010
9. Mr. Sumeth Damrongchaitam	Director	Non-executive Director	April 29, 2008 till the Annual General Shareholders' Meeting in 2011
10. Mr. Yongsak Ekprachyasakul	Director	Non-executive Director	April 29, 2008 till the Annual General Shareholders' Meeting in 2011
11. Mr. Thanong Chotisorayuth	Director and Managing Director	Executive Director and Authorized Signing Director	April 29, 2009 till the Annual General Shareholders' Meeting in 2012
12. Mr. Viboolsak Udomvanich	Director, Deputy Managing Director, and the Company's Secretary	Executive Director and Authorized Signing Director	April 29, 2009 till the Annual General Shareholders' Meeting in 2012
13. Mr. Pongsak Sivapatrakumpol	Director and Deputy Managing Director	Executive Director and Authorized Signing Director	April 29, 2009 till the Annual General Shareholders' Meeting in 2012

Remark : (1) In the Company's Board of Directors meeting number 6/2009 dated 12 November 2009, it agreed to appoint Mr. Kachen Benjakul to be positioned as Audit Committee replacing Mr. Pairat Sithikul whose term in position is expired.

(2) As of December 31, 2009, the said independent Director did not meet the required qualifications to be independent Directors as stipulated by the Company's Board of Directors during the meeting number 3/2009 dated 11 May 2009. The said independent Director will still be in the position until the term is expired.

The shares held by the Board of Directors are stipulated under the Securities Exchange Commission Act (B.E. 2535), section 258 and shareholders who are under such law in 2009 and 2008 are shown as follow :

Name-Last name	Number of shares		
	December 31, 2009	December 31, 2008	Number of shares: Increase (Decrease) during the year
1. Mr. Somboon Chinsawananon	155,842	155,842	-
2. Mr. Saroch Lamlerprasertkul	None	None	-
3. Mr. Pravit Tantiwasinchai	None	None	-
4. Mr. Phairat Sittakul	6,675,166	6,405,166	270,000
5. Mr. Wattana Chiengkul	5,216,992	5,216,992	-
6. Mr. Vorasit Pokachaiyapat	None	None	-
7. Mr. Kachen Benjakul	391,100	384,000	7,100
8. Asst. Prof. Yuen Poovarawan	13,174,940	13,174,940	-
9. Mr. Sumeth Damrongchaitham	None	None	-
10. Mr. Yongsak Ekprachyasakul	None	None	-
11. Mr. Thanong Chotisorayuth	9,849,742	14,849,742	(5,000,000)
12. Mr. Viboolsak Udomvanich	4,044,532	5,064,852	(1,020,320)
13. Mr. Pongsak Sivapatrakumpol	10,850,842	10,850,842	-

The Directors who are authorized to sign on behalf of the Company comprise of Managing Director, and Deputy Managing Director, with signatures of at least two-thirds of the authorized Directors and stamp of Company's seal of approval.

Scope of Duties of the Board of Directors: The Board of Directors has duties to make decision and supervise the operation of the Company as follows:

1. To determine vision, mission, and strategy of the Company that includes the objective and financial target to support the stability and balanced and sustainable benefit for all elements concerned. This also includes the continuous value adding to the share holder.
2. To practice according to the laws, stipulations, and regulations associated with business activity and also shareholders' resolution, so that Company's business interest will be maintained as to not result in conflict of interest which may affect the interested groups.
3. To determine the management guideline and overall risk management, as effective risk management procedure may be realized.
4. To assign the task of report on financial status and ensure the openness, clarity, transparent, and reliability of such report in accordance with rules that each departments are related.
5. To supervise on the suitable communication channels between the Company and the shareholders and also the interested groups.
6. To ensure the availability of the suitable system or mechanism of executives' remunerations, creating a proper work incentive.
7. To approve budgets for the financial activity such as budget for stock investments, loans, that will not result in the conflicts of interest toward any Committee member.

With exception, the following matters are required for the Committees to have approval from the shareholders' meeting prior to undertaking the plan.

1. Issues prescribed by law have to be approved by for the resolution of general shareholders.
2. Issue of related-party transactions with the value of item needed to be approved form the resolution of general shareholders according to the regulation or promulgation of the Stock Exchange of Thailand about related-party transaction of listed companies.
3. Issue of buying or selling significant assets with the value needed to be approved from the resolution of general shareholders according to the regulation or promulgation of the Stock Exchange of Thailand about acquisition and disposal of assets of listed companies.

There was a review of duties of the Board of Directors in order to harmonize with the Good Corporate Governance Policy.

Moreover, the Company realized the importance of good supervision, as the result, 11 out of 13 Directors completed the Director Accreditation Program (DAP), Director Certification Program (DCP), the seminar course named Role of the Compensation Committee (RCC) and D&O Insurance: Mitigating Directors Liabilities Risk / Special Seminar and Company Secretary Program (CSP), in which the training course was organized by Thai Institute of Directors. The Directors also attended the training course for Corporate Secretary Development Program, organized by the Listed Companies Association of Thailand.

Company Secretary/Secretary to the Boards of Directors : The Board of Directors' Meeting No.5/2007 dated November 3, 2007 appointed Mr. Viboolsak Udomvanich, a Director, to be the Company's secretary whose qualification and experience deemed appropriate for the responsibility in monitoring the Company to comply with the rules and the Company's regulations, and also in line with principles of Good Corporate Governance to allow effective management.

Scope of Duties of Company's Secretary

1. To give initial recommendations to the Directors concerning the issues of legality, regulations, and a number of Company information, and follow through to ensure that all regulations are properly adhere to, including the report concerning changes which is deemed significant.
2. To organize shareholders' meeting and the Board of Directors' meeting in accordance with the law and Company's rule.
3. To record and report the issues in the shareholders' and the Board of Directors' meeting, and also keep track of activities that has been decided in the shareholders' and the Board of Director's meeting.
4. To ensure the openness of information which is in accordance with the Stock Exchange of Thailand, Securities and Exchange Commission, and other supervisory authority.
5. To communicate with the shareholders, investor, supervisory authority, which also includes the dissemination of information the those interested public, and some interest groups.
6. Performed any other assignments that delegated by the Board or Directors.

Moreover, the Company also realized the importance of good supervision, the Board's secretary also completed training course called "Corporate Secretary Development Program" Class#17, organized by Thai Listed Companies Association, sponsored by Stock Exchange of Thailand and Thai Company Secretary Club.

The Audit Committee:

As of December 31, 2009 the Audit Committee consisted of the following 3 members and 1 member of Secretary of the Audit Committee which consists of 3 independent Directors, where 3 of the Directors possess the direct knowledge and understanding or experience in accounting or finance, as the names are shown below:

Name	Position	
1. Mr. Saroch Lamlerprasertkul	Chairman of Audit Committee	Independent Director with accounting or finance experience
2. Mr. Pravit Tantiwasinchai	Audit Committee	Independent Director with accounting or finance experience
3. Mr. Kachen Benjakul*	Audit Committee	Independent Director with accounting or finance experience

* In the Company's Board of Directors meeting number 6/2009 dated 12 November 2009, it agreed to appoint Mr. Kachen Benjakul to be positioned as Audit Committee replacing Mr. Pairat Sitthikul whose term in position is expired.

Mr. Wachiratham Siriarchawattana, the consultants of internal audit division, is the secretary of the Audit Committee.

Scope of Duties of the Audit Committee

1. Ensure the accuracy and adequacy of financial report.
2. Ensure the suitability and effectiveness of Internal Control and Internal Audit system and examine the independent of Internal Audit, including the approval of position transfer, hiring termination of the head of Internal Audit or other division responsible for Internal Audit.
3. Ensure the Company's practice is in compliance with regulation Security Exchange Commission and relevant law concerning the Company's business.
4. Consider, select, propose the nomination of independent person to perform the duty of Company's Accounting Auditor and suggest remuneration for such person, including attend the meeting with Accounting Auditor without the presence of management by at least once a year.
5. Consider related items and disclose them in accordance with the law and regulation of security exchange commission. This is to ensure that said items is reasonable and most beneficial to the Company.
6. Prepare report of Audit Committees and discloses the information in the Company's Annual Report under which the report be signed by the Audit Committees as follows:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
7. Take any action as assigned by the company under the approval of Audit Committees

Recruitment, Appointment and Term of Audit Committees

The Company's Board of Directors appointed the Audit Committees as proposed by the Recruitment and Remuneration Committees in which the consideration criteria is made from Company's Independent Directors and at least 2 Directors must have accounting and finance knowledge, with the term of 2 years. The Audit Committees whose term is expired is permitted to be re-appointed to the position once again.

The Audit Committees held a regular meeting by at least once every quarter with the outside accounting audit, and also the accounting department, and also report directly to the Board of Directors. Moreover, the Board of Directors has pressed the emphasis on the importance of being transparent and verifiable, therefore, it requests the Audit Committee to hold joint meeting with accounting department without the present of managing director at the meetings, but, however, under the acknowledgement of them, and, Audit Committees meeting of 5/2009 dated November 10, 2009 was a meeting between Audit Committees and Accounting Auditor without the presence of management, and 1 meeting was held.

The Recruitment and Remuneration Committees are appointed by the Board of Directors. Their duty is to search and recruit individuals to be the Company's managing director, head of the Directors, executives, and also to follow up on succession plan to select individuals suitable for higher executives position and reports directly to the Board of Directors for approval, or to advise to the share holders, in some cases. Moreover, the Committees also review the annual remuneration for the management team to be commensurate with the responsibility and comparable to the outside labor market of the same industry, including the remuneration at the appropriate level with respect to the business growth, the operation result rate of increase in profit margin, as well as task and responsibility of committee, sub-committee, and the Company executives, to submit the proposal at the shareholder's meeting. As of December 31, 2009 the Recruitment and Remuneration Committees comprise of three respectable individuals, 2 from the independent Directors and 1 Director:

Name	Position	
1. Mr. Somboon Chinsawananon	Chairman of the Recruitment and Remuneration Committees	Non-executive director and an independent Director
2. Mr. Vorasit Pokachaiyapat	Director	Non-executive director and an independent Director
3. Mr. Sumeth Damrongchaitham	Director	Non-executive director

Scope of Duties of the Recruitment and Remuneration Committee

1. To short-list and select the candidates to be appointed in the position of managing director, senior executives. Follow up on succession plan to recruit the suitable individuals for the position of high executive when the term is expired.
2. To determine method and criteria in recruiting the Directors and Managing director, so that the process remains transparent.
3. To stipulate method and criteria short-listing of the candidates who possess the quality in advance from minority shareholders so as to treat all shareholders with fairness.
4. To have legitimate power in calling for document or individual related to the case in point for consideration.

5. To present the policy and criteria on payment of the remuneration for the Directors, Managing Director, Senior Executives, Advisors to the Board of Directors, Committees appointed by the Board of Directors.
6. To consider the annual remuneration of the Directors, Managing Director, and Senior Executives, Advisors to the Board of Directors, and the Committees appointed by the Board of Directors.
7. To perform the scope of duties as assigned by the Board of Directors.

Recruitment, Appointment, Term of the Recruitment and Remuneration Committees

The Board of Directors appointed Recruitment and Remuneration Committees for 2 year term.

As such, the method of candidate selection has been stipulated. Nevertheless, criteria to determine the method of recruiting managing director have been identified as follows :

1. The Recruitment and Remuneration Committees determine the structure, size and constituents of the Board of Directors, and stipulate the quality of Directors to be replaced in terms of overall knowledge, experience, and expertise in compliance with the element and quality stated in the related laws/regulations.
2. The Recruitment and Remuneration Committees determine the method of nominating the qualified candidate, including the procedure of nominating the qualified candidate in advanced from the minority shareholders.
3. The Recruitment and Remuneration Committees begin the search and consider the name of suitable candidate for Directors.
4. The Recruitment and Remuneration Committees select the best candidate to be Directors and the recruitment result and nominated the name of person who is judged as the best candidate to be the Company's Director, together with the reasons and propose to the Board of Directors through the Company's secretary.
5. The Board of Directors consider the selection of suitable candidate who possess the right quality as proposed by the Recruitment and Remuneration Committee and present the candidate in the shareholder's meeting for consideration.

The Recruitment and Remuneration Committee's have, in advance, identified the method of nomination from the minority shareholders for the qualification and quality of candidates that must be met, as can be summarized below :

1. An individual who nominate the qualified person to be Directors must be a shareholder of the Company, which may be a single or consolidation of multiple shareholder(s) who own(s) number of share according what has been specified by Recruitment and Remuneration Committee - that is to have the proportion of minimum share with no less than 5 percent of paid-up stocks in a continuous fashion at the minimum of 1 year and must hold shares at the date of nomination at the meeting or nominate the name of Directors together with certified document that show the ownership of share from the security company, other documents from Stock Exchange of Thailand or other document which show the ownership of share, and the consent document shown the name of nominated individual to be submitted to the secretary of the Board of Directors.
2. The nominated candidates must possess the right quality and are not prohibited by public laws, securities and exchange laws and Good Corporate Governance practices.
3. Secretary of the Board of Directors presents the list of names to the Recruitment and Remuneration Committee for consideration of the suitability.

In 2009, the Recruitment and Remuneration Committees have held 3 meetings and have reported to the Board of Directors.

In addition, the Company foresees the significance of Good Corporate Governance. The Recruitment and Remuneration Committee has considered the remuneration for 1 out of 3 committee member who has already attended the training course named “Role of the Compensation Committee (RCC)”, organized by Thai Institute of Directors.

Company’s Executives as of December 31, 2009 with the total of 12 individuals, as follows: (The executive’s positions are ranked from 1 to 8 in accordance with the definition of SEC promulgation)

Name	Position
1. Mr. Thanong Chotisorayuth	Director / Managing Director / Authorized director to sign for and bind the company
2. Mr. Viboolsak Udomvanich	Director / Deputy Managing Director / Authorized director to sign for and bind the company / Company's Secretary
3. Mr. Pongsak Sivapatrakumpol	Director / Deputy Managing Director / Authorized director to sign for and bind the company
4. Mrs. Montalee Chotisorayuth	Assistant Managing Director – SE-ED Book Center
5. Mrs. Karnchana Charoenwong	Assistant Managing Director – Sales and Distribution
6. Mrs. Nuchanart Kongvisaisuk	Assistant Managing Director – Magazines
7. Ms. Sajipat Pumpuengput	Director of Financial Division
8. Ms. Aree Sae-ung	Director of Accounting Division
9. Mr. San Simasuwanrong	Director of Engineering Research and Development
10. Mr. Viroj Lackanaadisorn	Director of HR Division & Organization Development
11. Mr. Apichit Suananuntapoom	Director of Logistics
12. Mr. Ekasit Wiwattanaprasit	Director of Strategic Information Administration

Report on changes of shares of Company’s Executives in 2009, dated on December 31, 2009

Name-Last name	Number of shares		Number of shares: Increase (Decrease) during the year	Remark
	December 31, 2009	December 31, 2008		
1. Mr. Thanong Chotisorayuth	7,937,242	12,937,242	(5,000,000)	Spouse of Mrs.Montalee Chotisorayuth.
2. Mr. Viboolsak Udomvanich	4,044,532	5,064,852	(1,020,320)	
3. Mr. Pongsak Sivapatrakumpol	10,850,842	10,850,842	-	
4. Mrs. Montalee Chotisorayuth	1,912,500	1,912,500	-	Spouse of Mr. Thanong Chotisorayuth
5. Mrs. Karnchana Charoenwong	193,600	193,600	-	
6. Mrs. Nuchanart Kongvisaisuk	1,553,800	1,553,800	-	
7. Ms. Sajipat Pumpuengput	122,140	113,840	8,300	
8. Ms. Aree Sae-ung	None	None	-	

Scope of Duties for Managing Director: The managing director is empowered to act on behalf of all Directors in the following matters:

1. To administer Company affairs, follow objectives and obligations, including procedures and resolutions issued by the Committee and assume authority to direct all professional staffs and employees. In managing Company business, the managing director is directly responsible on behalf of the Committee.
2. To hire, position, appoint, and punish professional staffs and discontinue employment of staffs and employees, including the promotion, or salary adjustment. This directive excludes professional staff and employees who are employed, position, and punish and dismissed by a Committee, or procedural regulations.
3. To determine the conditions of employment of professional staff and employees, to order or announce the procedure of administration and operation which does not obstruct the Company's regulations, the Committee's agreements, the labor law or other related laws.
4. To operate any other business following Company regulations and the Committee's agreement, including assigning operational functions to the Company's officers and employees.
5. To act and commit for endorsement of contracts permitted under license and any other contracts involving licenses with appropriate and careful consideration to prevent any violation of a license held by others.
6. For any business related to external sources, the managing director and authorized directors have the authority to act and commit within the scope of the authority, specified in regulation No.1, except any business in which the managing director and Authorized Directors might be in disagreement, or have some benefit from that business, or conflict with the Company or Company's subsidiaries. Conclusion should be reached when the Committee meeting includes the independent Directors. To achieve the success, the managing director and the authorized Directors will assign any person as a representative to respond to that particular duty.
7. In absence or unavailability of managing director, the deputy managing director will act on his or her behalf for general routine work and report to the managing director afterwards, other than that the deputy managing director will request permission to proceed from the Chairman. When there is a vacancy for the position of Managing director, the acting Managing director will be selected from the list of directors or shareholders approved by the Board of Directors.
8. The approval of over-budget item beyond what has earlier been agreed by the Board of Directors must be presented in the meeting of Board of Directors for considerations and approvals according to the Company's regulation or stipulated laws.

The Board of Director and management of the Company have qualification in compliance with the article 68 of Public Company Limited Act (B.E. 2535) and possess no prohibited quality stipulated in the regulation of Security Exchange Commission concerning the request and permission to sell new shares. Moreover, no criminal records have been found for the past 10 years.

Nomination of the Board of Directors and Executives:

The nominations and appointments of Board of Directors and Company's executives will be proceeded as follows:

Component and Appointment of Directors According to the Company's regulations, the number of Directors will consist of no less than 5 persons and at least half of whom must have a residence in the Kingdom.

Recruitment of Directors: Method of Recruiting Individual to be Nominated as Director is as Follow:

1. The Recruitment and Remuneration Committees determine the structure, size and constituents of the Board of Directors, and stipulate the quality of Directors to be replaced in terms of overall knowledge, experience, and expertise in compliance with the element and quality stated in the related laws/regulations.
2. The Recruitment and Remuneration Committees determine the method of nominating qualified candidates, including the procedure of nominating the qualified candidates in advanced from the minor shareholders. Shareholders can submit the name of a qualified candidate in advance from October 1 - December 31 in the year 2008. Shareholders will receive information from Stock Exchange of Thailand, the investor relation website of the company, and other investors' websites on which a nomination form will be available.
3. The Recruitment and Remuneration Committees begin the search and consider the name of suitable candidate for Directors.
4. The Recruitment and Remuneration Committees select the best candidate to be Directors and the recruitment result and nominated the name of person who is judged as the best candidate to be the Company's Director, together with the reasons and propose to the Board of Directors through the Company's secretary.
5. The Board of Directors consider the selection of suitable candidate who possess the right quality as proposed by the Recruitment and Remuneration Committee and present the candidate in the shareholder's meeting for consideration.

Election of Directors in Annual General Meeting

As for the Directors' vote, the shareholder's meeting will elect Directors, whereby each shareholder has an equal voting right of 1 share per vote.

In voting for the Directors, the vote to elect Director must be voted one Director at a time.

Persons who receive the maximum number of votes that are ranged according to the order of each candidates' score received from the vote will be elected as Directors, with the number of Directors equal to the number of Director needed, at the time of election. If too many candidates receive equal votes, they will draw for the raffle ticket to determine final selection.

At general annual meeting, one-third of Directors will be retired. If the number of Directors cannot be divided into three equal parts, the number of retirements may be calculated to the nearest one-third.

Directors are not allowed to operate in any other business, or to become partners or shareholders in other Company that operates in the same business and compete with the Company, unless they have informed in the shareholders' meeting prior to the appointment.

Directors must inform the Company immediately of he or she benefit from the contract signed with the Company, or from their decrement and increment of bonds and shares of the Company and subsidiary companies.

The signatures of 2 out of 3 Directors, who have been appointed and approved at the meeting of Board of Directors, together with the stamp of the Company's seal of approval, are thus resulted in a legal binding for the Company. The Board of Directors can identify the name of Director who will have the signing authority together with stamp of Company's seal of approval for any Company's legal binding documents.

Recruitment of Managing Director and Executives

For the position of Managing Director, the Recruitment and Remuneration Committees will select the best suitable candidate whose knowledge, ability, experience, and understanding of book business are essential. Moreover, the candidate must manage to achieve objective or the Board of Directors pre-determined goal, whereby the Recruitment and Remuneration Committees will propose to the Board of Directors for appointment.

For executive positions from the position of Deputy Managing Director to department directors, the management will be responsible for recruitment consideration of the most suitable person according to the Human Resource management regulation, and report to the Board of Directors to acknowledge, except when there is an appointment of head of Internal Audit team, it must first be approved by the Audit Committees.

Directors Representing Main Shareholders as at December 31, 2009 the Company has 2 Directors who represent the main shareholders, 2 Directors are representatives from GMM Grammy Public Company Limited.

Remuneration for Executives

The remuneration for Directors of the board and managing director, the Board of Directors has appointed the Recruitment and Remuneration Committee to consider the appropriateness and responsibility of each director and managing director, circumstance, economic environment, and relative compliance with other business within the similar industry. However, the compensation of the Director of the Board of Directors, Sub-committee to the board has already been approved at the shareholder's general meeting.

(1) Compensation for the Company's Directors The resolution from shareholders' general meeting number 1/2009, dated April 29, 2009, has approved the compensation for directors as follows:

The salary compensation (same as in 2008) consists of

- Chairman of the Board 15,000 Baht per month.
- Independent Director and Director 10,000 Baht per month.

Meetings allowance is only for those directors who attend the meeting, for the Board of Directors or Sub-committee of the Board of Directors meeting, the Board of Directors may decide not to receive the allowance in a particular meeting, which depends upon the judgment and collective decision of the directors.

- Allowance for Chairman of the Board for each director 20,000 Baht per meeting.
- Allowance for the Board of Directors for each director 10,000 Baht per meeting.
- Allowance for Sub-committee to the Board of Directors
 - Chairperson of each Sub-committee 10,000 Baht per meeting.
 - Each Sub-committee member 7,000 Baht per meeting.

The Annual General Shareholder's Meeting 1/2009 approved the lump sum retirement payment for 2009 is no more than THB 4,000,000 by assigning the Recruitment and Remuneration Committees considered suitable payment allocation, and report to shareholders in the following year of shareholders' meeting. The meeting of Recruitment and Remuneration Committees 2/2010 dated February 24, 2010 approved the allocation of lump sum retirement payment for 2009 by the amount of THB 3,420,000 which is equal to the sum of payment for same purpose in 2008 and the remaining sum left unallocated was THB 580,000.

Remuneration for Board of Directors consisting of 13 persons as of year 2009 is in the following:

(Unit : Baht)

Names of Directors	Position	Remuneration as of position and meeting allowance 2009				Remuneration from position 2008	Total
		The Board of Directors	The Audit Committee	The Recruitment and Remuneration Committees	Emoluments		
1. Mr. Somboon Chinsawananon	Chairman of the Board and Independent Director	120,000	-	10,000	180,000	400,000	710,000
2. Mr. Saroch Lamlerprasertkul	Chairman of Audit Committee and Vice-Chairman of the Board of Directors and Independent Director	60,000	50,000	-	120,000	300,000	530,000
3. Mr. Pravit Tantiwasinchai	Audit Committee and Independent Director	60,000	28,000	-	120,000	280,000	488,000
4. Mr. Phairat Sittakul *	Audit Committee and Independent Director	60,000	35,000	-	120,000	280,000	495,000
5. Mr. Wattana Chiengkul	Director and Independent Director	60,000	-	-	120,000	240,000	420,000
6. Mr. Vorasit Pokachaiyapat	Director and Independent Director	50,000	-	7,000	120,000	240,000	417,000
7. Mr. Kachen Benjakul *	Director and Independent Director	60,000	-	-	120,000	240,000	420,000
8. Asst. Prof. Yuen Poovarawan	Director	50,000	-	-	120,000	240,000	410,000
9. Mr. Sumeth Damrongchaitam	Director	60,000	-	7,000	120,000	240,000	427,000
10. Mr. Yongsak Ekprachyasakul	Director	50,000	-	-	120,000	240,000	410,000
11. Mr. Thanong Chotisorayuth	Director, Managing Director and Authorized Director to sign for and bind the Company	60,000	-	-	120,000	240,000	420,000
12. Mr. Viboolsak Udomvanich	Director, Deputy Managing Director, Authorized Director to sign for and bind the Company and Company's Secretary	50,000	-	-	120,000	240,000	410,000
13. Mr. Pongsak Sivapatrakumpol	Director, Deputy Managing Director and Authorized Director to sign for and bind the Company	60,000	-	-	120,000	240,000	420,000
Total		800,000	113,000	24,000	1,620,000	3,420,000	5,977,000

Remark: * In the Company's Board of Directors meeting number 6/2009 dated 12 November 2009, it agreed to appoint Mr. Kachen Benjakul to be positioned as Audit Committee replacing Mr. Pairat Sitthikul whose term in position is expired.

Comparison Chart of the Directors' Compensation year 2009, 2008, and 2007

(Unit : Baht)

Compensation	2009		2008		2007	
	Number	Amount	Number	Amount	Number	Amount
Gratuity of retirement fund	13	3,420,000	13	3,420,000	13	2,640,000
Director's compensation	13	2,557,000	13	2,304,000	13	2,420,000
Total		5,977,000		5,724,000		5,060,000
Compensation per director per year		459,769		440,308		389,231
Budget for directors' compensation was approved by service business group shareholders. (2)		N/A		5,699,852		N/A
Average compensation of media and printing industry (1)		N/A		N/A		574,005

Remark (1) Information about Compensation for directors and executives, average compensation of directors within the same industry are from the survey conducted by Stock Exchange of Thailand

(2) Information on directors and executives compensation, average directors compensation within the same industry has been surveyed by Institute of Director Thailand. (IOD)

(2) Executives' Compensation

The Recruitment and Remuneration Committee will assess the performance of managing director and also consider the determination of compensation for managing director according to the said criteria. For the result of managing director' assessment, the Recruitment and Remuneration committee will be submitted to the Board of Directors to acknowledge and approve.

For the Compensation of top executives, the Recruitment and Remuneration Committee will determine the criteria and structure of executives compensation, which will consider them according to the principle and policy specified by the Board of Directors and also in accordance with the Company performance as well as the performance of each director. The managing director will be the person to consider the appropriateness in identifying the compensation of each individual staff and also the annual pay-rise of salary for high executives, and report all the reasonable compensation increase to the Board of Directors for later acknowledgment.

Remuneration for Management Directors and Management Executives for the first 4 executives next to the position of Managing Director and every executive in the same level as fourth management executive in total of 6 executives (in exclusion of the director of financial division and the director of accounting division) which can be illustrated in the table below.

Items	Cash Remuneration 2009	
	Amount (Unit)	Total (Baht)
Salary	6	15,541,020
Bonus	6	5,631,050
Other Remunerations :-		
- Contributions for the Provident Fund	6	774,360
- Other	6	680,659
Total		22,627,089

Dividend Payment Policy

The Company declared a policy to pay dividend no less than 50% of the net profit after the deduction of the corporate income tax based on financial statement in which the equity method is applied to investment, by proposing that the dividends be paid on annual basis the year following the Annual General Shareholders' Meeting, except the interim dividends payment. The Board of Directors has legal right to approve the dividends payment and reports to the shareholders to acknowledge in the following Shareholders' meeting.

However, from the Board of Directors meeting of SE-EDUCATION Public Co.,Ltd. 1/2010, dated 24 February 2010, it has approved to change the dividend payment policy. As the company has the consolidated financial statement effective on the fourth quarter of 2009 onward. The Company has the dividend payment policy of no less than 50% of the net profit after the corporate tax of Separate Financial Statements.

► Recruitment and Remuneration Committee's Report

The board of directors of SE-EDUCATION Public Company Limited has appointed the recruitment and remuneration committee members consisting of 3 individuals: Mr. Somboon Chinsawananon, an independent board member, who is the Chairman of the committee, Mr. Vorasit Pokachaiyapat, an independent board member, and Mr. Sumeth Damrongchaitham, a non-executive board member. In 2009, the recruitment and remuneration committee members held 3 meetings.

The recruitment and remuneration committee has within its authority and capacity, duty, and responsibility, as delegated by the board of directors which constitutes the task of setting procedures for recruitment of directors, managing director, and also arrange a succession plan, as well as decisions on remuneration policy for management and employees.

On the recruitment of directors and executives, the recruitment and remuneration committee has proceeded to search and recruit suitable candidates in accordance with the criteria set by the board of directors and does not violate the regulations stipulated by supervisory authority. In 2009, the recruitment and remuneration committee presented the re-appointment of retiring directors to the consideration of the board of directors. Moreover, the committee provided channel for small shareholders to submit names of qualified person for directorship to be considered by the committee.

In setting the remuneration for the board of directors, the executives, and employees, details of which have been declared in the annual report, the committee has considered the remuneration that is commensurate with their responsibility, skills, performance and taken into account the economic conditions and peer factors.

The recruitment and remuneration committee reported the details of meeting after every meeting to the Board of Directors. In 2009, the committee acted with circumspection, prudence, and independence for the maximum benefit of the stakeholders.



Mr. Somboon Chinsawananon

Chairman of Recruitment and Remuneration Committee

March 15, 2010

▶ Audit Committee's Report

The Board of Directors of **SE-EDUCATION Public Company Limited** resolved in the appointment of the Company's Audit Committee which consists of three individuals – Mr. Saroch Lamlerprasertkul, Committee Chairman; Mr. Pravit Tantiwasinchai, and Mr. Kachen Benjarongkakul, the Committee members. And Mr. Wachiratham Siriarchawattana is the secretary to the Committee. However, in the Board of Directors meeting number 6/2009 dated 12 November 2009, the Board of Directors appointed Mr. Kachen Benjakul to be an Audit Committee member in the place of Mr. Pairat Sitthikul whose term expired on 23 December 2009. Also, each of the Committee members is neither the Company's executive nor the Company's employee, and all have the quality in accordance with what was stipulated in by Securities and Exchange Commission.

Audit Committee has performed the duty independently, within certain authority and capacity limit, required by the Charter of Audit Committees, with the cooperation of all parties involved. The Audit committee understands the significance of internal audit, risk management, good business supervision to ensure sufficient internal control, adequate and acceptable level of risk management, proper supervision, as well as proper and trustworthy financial report.

In 2009, the Audit committee held 6 meetings. Every audit committee members attended the meetings. Moreover, The Audit committee also held 1 internal meeting among committee members, independent members, and higher executives involving in accounting, finance, internal audit, in absence of management directors, but, however, they were well-informed and acknowledged the issues discussed in the meeting. The significance for the task of Audit Committees can be illustrated as follows:

1. Review of quarterly financial statement and annual financial report for year 2009 : The Audit committee has reviewed financial statement on a quarterly basis and annual financial report for the year 2009 of the Company prior to submitting the document to ensure the financial report is conducted in accordance with generally accepted accounting standard. This includes a proper, adequate, timely release of financial information, through cooperative meeting among accounting audit, management, accounting department, and internal audit department to consider financial report on quarterly basis and annual financial report to enquire complete, correct, the practice of generally accepted accounting principle, the selection of accounting policy, and proper openness, including the utilizing the observation suggestions from accounting auditor to improve and correct the preparation of the Company's financial statement. The audit committee agreed with accounting auditor that the Company's financial statement is in accordance with General Accepted Accounting Principles and has disclosed the information accurately, adequately, and completely reliable.

2. Supervision of Good Corporate Governance : The Audit Committee has reviewed the Corporate Good Governance, and the promotion of Corporate Governance, good management, verifiability, adequate information disclosure and transparency to secure confidence from investors and supervision agency, as well as stakeholders. The Audit Committee agreed that the Company has a good level of corporate auditing. It also promoted all stakeholders to participate and to benefit all parties.

3. Review of risk management : In overseeing the risk management, the Committee continued to ensure that the Company's risk was at the acceptable level. The Committee reviewed the Company's risk management plan for year 2009 and acknowledged the report of the risk management practices, periodically. The audit committees agreed that the Company has risk management at an acceptable level.

4. Review of abiding of Security and Exchange laws, as well as the regulations stipulated by Stock Exchange of Thailand, and also other related laws related to the Company such as Revenue Code, and Public Company Act : Under the said regulations of Stock Exchange of Thailand and the law concerning the Company, the audit committees ensure that law and related regulations of stock exchange of Thailand and other concerned business units are properly abided. Based on the audit committees' opinion, there was no essential issue related to the issue of violation of laws and regulations stipulated by Stock Exchange of Thailand and the related Government supervision agency.

5. Review and provide opinions toward related items and items that may post the possible conflict of interest which includes the afore-mentioned information disclosure : The audit committees agreed that the Company has disclosed information completely and correctly as said in the regulations of Securities and Exchange of Thailand, and the items are ordinary items that are appropriate and beneficial to the Company.

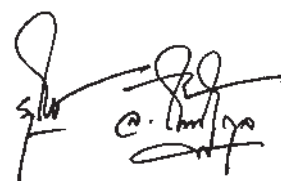
6. Review of internal audit control assessment : The Committee performed the review of the Company's internal audit control to ensure that the internal control is properly conducted, effective, and sufficient usage of resources, operation where accounting auditor offered opinion that that no essential issues or shortcomings were found to affect the Company's financial statement. The audit committees viewed that the Company had good internal control and had a suitable and adequate supervision to ensure the practice is in line with the system as stipulated, resulting in effectiveness in the work and added value to the organization in the end.

7. Supervision of internal audit : The Committee has reviewed the operation, audit plan for year 2009, as well as the adequate manpower for the task at hand. The Committee acknowledged and recommended guideline to solve the weak spot in internal control system, and also attempt to correct such weak spot, to allow better and more effective internal audit. The Committee also jointly reviewed the plan for annual audit year 2010 which determined the risk that may occur and could directly affect financial statement and the Company's operation. The audit activities include the auditing of accounting and financial on computer and information system, and also other areas that may affect the Company's operation.

8. Select and submit for appointment of auditor : The Audit Committee considered the selection of auditor. The Committee also considered state of independence of auditor and determined the appropriate compensation to be presented to the Board of Directors for the request of final approval during the Shareholders' meeting - number 1/2010, dated 24 February 2010 – by which date the decision was made with regard to the the appointment of the Accounting auditor. The Accounting Audit was granted to AMC Ltd. for the year 2010.

In summary The Audit committee agreed that the preparation and disclosure of company's financial information are correct, complete and reliable. The Company has also performed in accordance with regulations stipulated by authority. Moreover, the Company internal audit system had an adequate system which showed that it had no faulty items that will significantly affect the company financial position. All mentioned matters have already been reported to the Company's board.

On behalf of the Audit Committee



(Mr. Saroch Lamlertprasertkul)

Chairman of the Audit Committee

March 15, 2010

► Risk Factors

Directors and executives of SE-EDUCATION Public Co.,Ltd. are well aware of the responsibility in supervision of good governance to maximize the benefit of the Company's shareholders by managing the business risk which is operated in an systematic and continuous manner, making risk factors at the acceptable level.

Directors and executives of the Company appointed Audit Committees to supervise on the risk management and make sure that the management follow the said policy and report directly to the Company's directors, and to ensure that the Company's risk management is properly controlled. However, risk factors may occur and effect the Company and stakeholders which should be considered as follows:

Risk from errors of the distribution center : Most products sold in SE-ED Book Center branches and book distributed for other publishers are distributed from the Company's distribution center. The distribution is, therefore, very important fact in business operation. In the case product distribution center becomes inoperable from natural causes, accident, or other uncontrollable causes, the Company will, of course, be affected.

However, the Company has sought to insure all the assets and product to reduce unexpected risk related to disaster which might occur at the distribution center.

Moreover, the Company is in the process of developing a back-up system to substitute in case distribution center failed to operate properly, which includes the opening of temporary distribution center to support the receiving of products from publishers and distributors and then to be delivered to the bookstores branches around the countries.

Risk from product loss : As the Company that operates in retail bookstore business of over 320 branches nationwide, it has faced with loss of products due to thief and other causes similar to what other retail businesses have encountered.

The Company sees the importance of establishing proper product loss and prevention effort. The Closed-Circuit Tele-Visions (CCTV) have gradually been installed since the end of fourth quarter in 2006, and later completed the installation in all said branches in the middle of 2007 and also established a *department named Loss Prevention Department (LPD)* to address the issues of measures to deal with book loss specifically. This results in the significant reduction of product loss at the storefronts. Moreover, the Company has also tested on theft-screening poles at a certain number of pilot branches along with the use of CCTV cameras.

Risk from computers and information technology errors or mal-functions : The Company installed varieties of computer and information technology systems for all the work such as store front selling system, distribution management system, purchasing system, accounting and financial system, etc. All these computer and information technology are regarded as crucial facts in supporting the effective Company's operation. Therefore, errors and mal-functions of computer systems may have the effect over the Company's management.

Therefore, to reduce the impact of such computer and technology system errors and malfunctions at the branch distribution center and headquarters levels, the Company has set up protection system

and back-up system at the generally accepted standard. It also creates measures of preparedness for any uneventful circumstances and of back-up plan. This also includes the regular training schedules and practice of preventive measures.

In addition, the Company is currently developing a system that can support “high availability” to provide an ever increasing sales transaction and also help greater number of website visits by customers.

Risk in Distribution Channels : Currently, technological change is happening very rapidly. The competition in retail business is increasing. There is a competition to offer customers more choices, causing consumer behavior to change all the time. The Company must make certain that all Company’s available market channels are adequate enough to facilitate the market behavior and the customer’s needs at all time, and great enough, while allowing channel development to serve the changes on a timely basis.

In the past, the Company has diversify risks of distribution channels through several channels apart from existing traditional bookstores, by opening up its own bookstores called “SE-ED Book Center” and Network stores in the leading department stores, supercenters, local shopping centers, IT centers, higher educational institutes, both in Bangkok and other provinces, with the share of income of 83% out of the total Company’s income in 2009.

In opening up new bookstore branches, the Company has the policy to improve branches periodically to best suit and serve the market in each locality, to prepare for greater competition at all time. The Company also diversifies risk by not attaching itself or opening the bookstores in only one particular group of shopping center. But it seeks to open store through several different shopping center owners. Most of the leasing contracts for bookstores are in long term period, to ensure sales stability in each location. Therefore, if any department stores or supercenters encounter problems or cannot operate for any reasons, or changing the leasing policy, the Company’s income will not be significantly affected.

The Company has acquired all the assets and products insurance to reduce an unexpected risk that might occur.

In addition, the Company has developed the distribution channel through the Company’s website called www.se-ed.com to support book trade in the e-Commerce system to allow customers more convenient alternatives in shopping for books and allow customers to find a greater varieties and numbers of book titles. The Company expects that such channel will create a larger revenue pool for the Company in the future as the results of dramatically growing internet usage from general public, and also aid the incoming change of trade via “e-Book” in the future.

Risk of outdated products damage and superseded by other media : At present book business has grown quite a lot. There are more newly released books, resulting in the competition for the already-limited space, causing rising rate of returned books. The returned books become more difficult to find selling channel and the rate of damaged books is on the rise. Moreover, the computer technology has been developed rapidly so the sales duration of computer books which the Company is one of the leaders in this field is shorter than before. And the electronics media has begun to replace books in some category and some application. The Company has redirected the production by increasing the ratio of books with long length of sales and have large volume sales in production line, including the set up of Company website www.se-ed.com for interested people to be informed more quickly about the new book titles release.

Although electronic media have rapidly been developed and the market trend of “e-Book” and “e-Book Reader” has arrived, the Company still believe that the market will take a considerable time to change majority of Thais behavior who is not used to reading through electronic media to that point that it is strong enough to effect the book business in significant way. When the time for such trend arrive, the Company

is certain that it will be able to adapt to the trend very quickly, due to a certain level of supporting structure the Company already have in place.

Risk from foreign currency exchange : As the Company has signed the agreement to be the sole distributor for all Oxford University Press (OUP) English Language Teaching (ELT) books in Thailand and also holds the right to sell in the territory of Cambodia, Laos, Myanmar, and Indonesia in the effort to push forward the English language education in Thailand as well as the neighboring countries, resulting in problem of currency fluctuation caused by the purchase of books in foreign currency. Thus, to minimize the risk at the acceptable and optimal level, the Company employs the financial instrumental policy towards risks by using the forward buying currency with commercial banks to prevent unpredictable currency risk when payment of debt owed to foreign publisher is due, whereby the forward period is set at no more than 6 months.

Risk in specialist shortage : Expert employees and specialized personnels in each field are the most important resources in the Company academic books and magazines production including creative artwork staffs in the Company business line which most of them are the pioneer in business.

Though, the Company must confront the economic crisis as well as the problem of high fuel price and inflation that immediately ensued in the past year, which causes a great burden for the Company's staffs to encounter higher living expense, particularly foods and travel expenses.

From the above-mentioned problems, the Company's management saw the importance of keeping the staffs in a long term basis, by organizing a meeting to find ways to help staffs so that the impact will be lessen affected from rising inflation which continues to increase continuously. The Company initiated a review of readjustment of compensation structures for the Company's staffs in the areas of living expenses, per-dium to alleviate the economic burden for all the staffs, so that it is commensurate with the increasing cost of living while able to compete in labor market at large.

Besides, the Company determines to recruit the best potential staffs to support the future growth, to develop the academic knowledge, and to develop minds for staffs and team-works in a continuous manner. This includes the improvement of several welfares system such as annual checkup life insurance, health insurance, accident insurance and increasing the insurance coverage at the adequate level for better stability and security of the employees and their families. Furthermore, the Company determines to develop human resources and teamwork at the unrelentless pace and offers opportunity for staffs who want to grow with the Company.

Risk from reselling censored and pirated books : As some of the products such as tape, CD, and published materials may be stipulated and restricted by laws. Some products must first obtain the permission before sales and some are directly related to the copyright. This causes the Company to be relatively cautious towards the production and acceptance of product distribution both for retail and wholesale market, so as to avoid any illegal practice, any violation of others' copyrights, or any arising conflicts that may lead to the court cases, and any possibility of protests.

The Company's editorial staffs have to select the original manuscripts more carefully and cautiously in order to avoid the problem of copyright infringement. Besides, the Company has specified in the contract with authors or manuscript owners that they have confirmed that their works or products belong to them and did not infringe upon any copyright and will fully compensate all damages happened to the Company if the copyright infringement occurred. This will reduce the probability of any damages caused by this problem.

However, very few problems occur and the affected value is not significant.

Risk from raw materials and product deficiency : Paper is the important raw material in books production and price has changed variously according to market demand and production quantity all the time.

But the books published by the Company have target group with purchasing power and are well educated enough for the Company to use the policy to set price in accordance with the real cost in that period, and this does not cause a considerable impact to the Company.

As the Company has the major revenue in being a publisher, a distributor, and a retailer, the Company tries at best to maintain the role as respectable neutral element who sells books for every publisher which is in demand by the market, and the Company business policy is determined on the basis of good ethical standard in business practices. The Company has its duty to adhere to the ethical standard of business conduct. The cause of trouble or injustice occurring from the Company business conducts aiming towards any interest groups will not be tolerated. Owing to this, the Company has evidently long been supported by most suppliers in book industry, and it also makes the Company less dependent on the revenue from one particular supplier.

Risk from printing industry : As the Company has not invested in printers so there is no risk and does not adversely affect from price war in printing industry. The Company chooses several printers to support productions so that the Company can control expense properly to the competitive printing price offer all the time and can fix the production time duration definitely.

Risk from economic slowdown affecting the growth of advertising industry : Risk from economic slowdown affecting the growth of advertising industry may actually affect the total revenue of the Company as magazine published by the Company has its main staple from advertisement. However, the Company is aware of its effect. Thus, the Company seeks to develop new publications that focuses on certain area and has a policy of securing long-term advertising contract from and employ the sales promotion strategy by stressing special promotion as an incentive for customers to invest in advertising with the Company, such as deployment of barter system for product-in-exchange-of-advertising to expand customer base and support the business growth and reduce the effect of risk from media advertising industry which may periodically slowdown. Moreover, the company also made from organizing seminars and selling IT products to compensate the missing revenue.

► Good Corporate Governance

The Company stresses the importance of the good corporate governance and establishes the good governance process in a consistent manner. The Company training all staffs to be consciously aware of business ethic in treating customer, trading partners, competitors, society, colleagues with virtue, transparent, as role model, social responsibility, honesty, equality, right; and right of staffs, Directors, shareholders, trading partners until it turn into the Company organization's cultural strength, which has long been practiced ever since its establishment 35 years ago. *“SE-ED seeks to do business in the areas that promote education for knowledge in the fields that is necessary to the national development operates in the business that will make **“Thais Smarter”** by developing the sustainable business with a continuous earning growth at the above the industry average, being a role model company that can create work result deems beneficial and accepted by society at large with happy staffs, and able to deliver and maintain an attractive long-term investment returns at the satisfaction level.”*

Therefore, this organization culture is the Company's strength, making the Good Corporate Governance practice to succeed much easier, faster, and more substantial. When the Stock Exchange of Thailand suggested the 15 points of principles for good corporate governance as general guidelines to the listed companies, the Company can adjust to build relationships with Company's operation without much effort.

The Board of Directors has appointed the Audit Committees who are instrumental and driving force in auditing all Company's operation and administration up to the acceptable standard and at the right direction, by revised all policy in relation to Good Corporate Governance and ethical code book to suit the environment and being abreast of the times. This also includes the duty of reviewing the policy on Corporate Good Governance and regularly report to the Board of Directors with regards to the action taken to meet the stated policy as mentioned in Corporate Good Governance policy.

The Board of Directors has clearly stipulated policy concerning the employment position in other Company and number of Company that Directors, managing director, and Company's senior executives can be employed to allow effective serving of duty. As of December 31, 2009, none of the Board of Directors member is positioned in more than 5 listed companies.

The Board of Directors and senior executive are aware of the importance of knowledge development and experience in performing of duty. The 84% of Directors has already attended the training course from Thailand Institute of Directors (IOD). In addition, for every change of new Directors, the Board of Directors has provided useful documents and information for new Directors, which include business information and direction.

The Board of Directors has prepared the development and succession plan of the managing director and senior executives for the readiness in case managing director and senior executives cannot perform the duty.

As the company stressed the importance of developing good corporate governance, the determination to participate in business transparently has resulted in 2009 as follow :

- Received Corporate Social Responsibility Awards 2009 (CSR award) organized by Stock Exchange of Thailand and the Finance and Banking Magazine, SE-ED was one of four companies outside the list of SET100 index firms to have received Corporate Social Responsibility Awards 2009.

- Received Top Corporate Governance Report Awards 2009 arranged by Stock Exchange of Thailand and The Finance and Banking Magazine, SE-ED was the only one company of the ten companies outside the list of SET100 index firms to have received such award(excluded 1 firm in MAI group which is separated from this award category).
- Voted “Excellence (5 stars)” in Corporate Governance Report of Thai Listed Company in 2009 for two consecutive years (Received 52 companies from 290 companies) by Institute of Directors, Securities and Exchange of Thailand, and office of Securities Exchange Commission.
- Rated “Excellence and a Model Company” in the 2009 for three consecutive years, in the category of “Annual General Meeting (AGM)” by the Securities and Exchange Commission in cooperation with the Listed Companies Association and the Thai Investors Association. The company has been in the group of over 100 points.

From such result, it reflects the determination of Company’s Board of Directors, executives and all the Company’s staffs who see the importance of business transparency, fairness to all parties and retraceable.

Policy on Good Corporate Governance

The Board of Directors is aware of the importance of good corporate governance to increase transparency, competitiveness and confidence to the shareholders, the investors and the involved parties. So, it has prescribed in written format the policy on Good Corporate Governance and also revised and updated the policy on Good Corporate Governance and business ethic handbook that are suitable for the business environments and more international, by stipulating that the revision of Good Corporate Governance policy shall be made once a year. In 2006, the Audit Committees has prescribed additional good practice guidelines to ensure the clear direction to be used by all executives and staffs. In 2009, the Audit Committee and the Board of Directors has reviewed the principle of Corporate Good Governance that has been revised in the 7th Edition since 2001, by revising main points below:

1. Amendment of independent Director’s qualifications
2. Improve the role and function of Directors.
3. Increase the channel of communication for the Company’s Corporate Good Governance Policy to be disseminated to the staffs.
4. Improve operation evaluation of managing director.
5. Include the orientation for new Directors.
6. Improve and include the ethical guideline for directors, and separate the ethical guidelines between executives and staffs.

The Board of Directors has prescribed the policy of good corporate governance as follows :

1. The Board of Directors, all management and staffs are determined to engage in practicing Good Corporate Governance in the Company and organize management structure that offer linkage between the Board of Directors, management, shareholders, and stakeholders.
2. Shareholders will be treated with fairness and have their rights in access to information and available channel of communication with the Company.
3. The Board of Directors will facilitate all minority shareholders in permission to add number of minority shareholders' meeting prior to the date of shareholders' meeting, which also includes a clear guideline of practice.
4. The Board of Directors will engage in the release of business information with regards to finance and non-finance information adequately, reliably, timely, transparently, fairly to all shareholders, investors and Company's Stakeholders.
5. The Board of Directors will establish a unit in the Company to deal with shareholders, investors, auditing the business communication with good governance office.
6. The Board of Directors will promote the co-operation between the Company and the Stakeholders, and also determines the communication channel between them.
7. The Board of Directors may appoint other Committee(s) to consider the monitoring of task as suitable.
8. The Board of Directors has the role in determining the vision, mission, financial target, risk, work plan, and also monitor and control the work in accordance with the policy and plan as effectively prescribed.
9. The Board of Directors has the role in promoting the business ethic in written form and also promote the activity that support good ethical conducts of Directors, management, and staffs.
10. The Board of Directors will conduct the annual self-evaluation activity to create auditing framework of the Board of Directors.
11. The Board of Directors will organize a recruitment System for individuals who will be responsible for management position through transparent and sufficient process of selection.

Moreover, in 2009, the Company also prepared English version of policy on Corporate Good Governance into English to inform investors. For the principle of good practices, and business ethic for Corporate Good Governance, please search and view the information from our investor website on www.se-ed.com/ir.

The Audit Committee and the Board of Directors reviewed and improved the contents in the handbook of principle of Corporate Good Governance, guidelines, ethic, and environment and social policy to its completeness and accurate as comply to the regulations of Security Exchange Commission and also follow the principle of Good Corporate Governance for listed company 2006 which is illustrated in 5 different sections which are:

1. Shareholders' rights
2. Equal treatment to all shareholders
3. Stakeholders' role
4. Information disclosure and transparency
5. The Board of Directors' responsibilities

The Board of Directors has requested Directors to review the works, problems, and all difficulties in the past years, by having them perform self-evaluation tasks, so that the result of evaluation can be used to analyze the director performance and use all recommendation for future improvement. Moreover, the Board of Directors has promoted and supported the Directors to develop knowledge by attending the Directors training course at the Thailand Institute of Directors (IOD) or stock exchange of Thailand or other related business units to increase knowledge and to allow chances in exchange of experience with Directors from other listed companies.

The Board of Directors is aware of the important of promoting the duty and responsibility of Directors, executives, and staffs to be in accordance with the principle of Good Corporate Governance, as stipulated by the Board of Directors. Thus, the Board of Directors has undertaken a communication of Good Corporate Governance policy and business ethic, and policies on environmental and social issues to the management and staffs through communication channel in a consistent fashion.

- Employee Handbook (Human Resource and Organization Development request that all staffs sign the received Handbook to acknowledge the regulation as stated)
- Handbook "Policy for Good Corporate Governance"
- Annual staff conference
- Annual planning conference
- Company intranet system and investor relation website
- Company's e - mail.
- Company's public relation sign board

Right of Shareholders

The Company's Board of Directors is aware of ownership right in controlling the company through appointment of the Board of Directors to act on behalf of shareholders and maintains the right to decide on the major change of the Company's Board of Directors. Therefore, it seeks to support the shareholders to exercise their rights as bestowed upon by the stipulated basic shareholders' right which are the right to buy-sell, or transfer stocks, sharing profit, receipt of adequate information regarding the business, and the shareholders should learn about the rule and procedure in attending the shareholders' meeting and permitting adequate information for consideration before the meeting. This also includes the opportunity to query the Directors both during the meeting or in advance submission of query request. The Company's Board of Directors is aware and put the emphasis on the importance of shareholders' right. It seeks not to infringe upon or evict the shareholders' rights.

The Board of Directors has set a schedule for an annual shareholders' meeting within 4 months from the end of accounting's year. And in case of necessity for special meeting which may arise from the needs to resolve the issue that may affect the interest of shareholders with regards to laws, regulations that must be approved by shareholders, the Board of Directors will call for an extra meeting for Shareholders.

In organizing shareholders' meeting, the Company's Board of Directors stresses the important of shareholders' right, beginning with the date of meeting which is not a long holiday or national holiday and appointment time for meeting should not be too early or too late in the evening and the meeting place should be held in the place where transportation is relatively convenient. Moreover, the Company proceeds to send the invitation with the details of meeting agenda, along with Directors' opinions, the details of agenda to consider the important reasons, positive and negative impact in each agenda, authorization documents in 3 formats as defined by laws, and list of independent Directors along with suggestions for proxy authorization

procedure so that the shareholders can assign proxy on behalf of them to attend the meeting, and declared the preparation of customs stamp to serve the proxy without charge. This includes the map of place for meeting for shareholders for at least 14 days in advance before the meeting day, a common practice since 2004, and also announced through daily newspaper for a minimum of 3 consecutive day, and 3 days before the meeting day, to allow time for shareholders of the incoming meeting. It must be noted that for the general shareholders' meeting in 2009, the Company will openly post invitation message calling for shareholders' meeting and also the annual report 2008 on the Company's website for at least 30 days in advance, and mail the invitation documents through registration office 21 days in advance of meeting date.

Shareholders: Rights of Shareholder and Equal treatment practice

Shareholders' Meeting

In the shareholder's meeting of 2009, the Board of Directors has appointed the Company's secretary to inform the shareholders through Stock Exchange of Thailand and Company's investor relations website that the shareholders can request for addition meeting agenda, nomination of candidate for the post of managing director, as well as the advance inquiry. The Board of Directors has specified the date of request from November 3, 2008 to January 30, 2009, which can be requested directly to Company's secretary, investor relation division, or through website, by proposing the meeting agenda, and name of person for the position as Directors 6 months in advance and the Company have illustrated the principles and methods used on the website of investor relations since November 3, 2008. However, there was no shareholder who requested for additional meeting agenda, nomination of candidate for the managerial position. For the advance inquiry, the Company has allowed the acceptance of inquiry till the day of shareholders' meeting.

In the shareholder's meeting of 2010, the Board of Directors has appointed the Company's secretary to inform the shareholders through Stock Exchange of Thailand and Company's investor relations website that the shareholders can request for addition meeting agenda, nomination of candidate for the post of managing director, as well as the advance inquiry. The Board of Directors has specified the date of request from October 1, 2009 to December 31, 2009, which can be requested directly to Company's secretary, investor relation division, or through website, by proposing the meeting agenda, and name of person for the position as Directors 7 months in advance and the Company have illustrated the principles and methods used on the website of investor relations since September 30, 2009. However, there was no shareholder who requested for additional meeting agenda, nomination of candidate for the managerial position. For the advance inquiry, the Company has allowed the acceptance of inquiry till the day of shareholders' meeting.

Delivery of meeting invitation documents

In shareholders' meeting, the Board of Directors has placed priority to the Shareholder's right, by sending the meeting invitation letter with meeting details, along with the Committees' opinion to consider the noteworthiness of inquiry, the positive and negative effect in each period of meeting, authorization letter, and name of independent Director(s) together with advise in authorization paper that allow shareholder choices to choose someone to represent them in the Shareholder's meeting. This includes the map of place for meeting for shareholders for at least 14 days in advance before the meeting day. This has been the Company practice since 2004, and also announced through daily newspaper for a minimum of 3 consecutive day, and 3 days before the meeting day, to allow time for alarming shareholders of the incoming meeting. It must be noted that for the general shareholders' meeting in 2009, the Company will openly post invitation message calling for shareholders' meeting on the Company's website over 30 days in advance, and annual report for 2009 be fully released on the website 21 days prior to the actual meeting.

Date of Shareholders' Meeting and Meeting Procedure.

The Company attempted to improve the process of shareholders' meeting to ensure the suitability consistently, particularly after 2005 onward. It adheres to the principle that every shareholder should have equal opportunity in receiving the information and also equal chance for shareholders' right, including the right to voice opinion or to offer suggestion that is beneficial to the Company.

To register for the meeting, the Company will allow registration for at least 2 hours prior to the beginning of actual meeting and continue to do so until the meeting is over - a regular practice since 2005. In addition to that, the Board of Directors will also seek to serve the shareholders with the staffs and adequate number of computer. In the general shareholders' meeting 2007, the Company, for the first time, started using barcode system for registration purposes to facilitate the shareholders, as well as an arrangement to print voting card in each meeting agenda for every shareholders.

The Company prepared staffs to serve shareholders in acquiring information and serve the query points. Moreover, welcoming meal is organized for attended shareholders.

For those shareholders who were convenient to attend the meeting by themselves, the Company allowed the shareholders to authorize an independent Director for at least 1 individual or authorize the managing director or the Company's secretary to attend the meeting and vote in representation. In the general shareholders' meeting 2009, there are shareholders who request for representative authorization as:

- 13 shareholders authorized Mr. Somboon Chinsawananon, the chairman of the Board of Directors and also an independent
- 27 shareholders authorized Mr. Phairat Sittakul, an Audit Committee and Independent Director
- 2 shareholders authorized Mr. Kachen Benjakul, Independent Director
- 4 shareholders authorized Mr. Wattana Chiengkul, Independent Director
- 45 shareholders authorized Mr. Viboolsak Udomvanich, director and the Company's secretary

Prior to the meeting, the Company played DVR introducing the Company history, its annual operating results to all shareholders to learn about the Company information before the start of the meeting. Before the meeting really begins, the Chairman will explain the method of voting and counting. The counting of vote will be illustrated and the results of every step in the meeting room will also be summarized. In case the shareholders cannot attend the meeting, the Company allow the shareholder to authorize someone, independent Director(s), Managing Director, or Company's secretary represent them in the meeting. During the meeting, the Company provides adequate time and allows a fair chance for shareholders to ask questions. The Directors who is related to that question, particularly Chairman of auditor Committee, Chairman of Committee and Managing Directors, including the high-level executives in the area of accounting, finance, internal audit and accounting audit to attend the meeting at the same time to answer some of the questions in the meeting. The Chairman will moderate the meeting according to the scheduled meeting agenda. But such meeting will not allow an un-announced meeting agenda, with the total time of 2 hours and a half.

The Company's Board of Directors emphasizes the importance of attending the general shareholders' meeting to answer question and listen to the concerns. In the general shareholders' meeting in 2009, all 13 Directors attended the meeting which included the high-level executives for accounting, finance, internal audit, accounting audit, and law consultant to answer variety of questions from the shareholders.

The significant agendas for shareholders' meeting are as follows :

- **Operating result :** The Company has declared the details information about the Company's operating result, profit, revenue, expenses, and summary of operation on the chart.
- **Appointment of the Board of Directors :** The Company allows opportunity for shareholders to select the Directors of the Board of each individual, by providing details of history, and inform shareholders about the vision of each director before voting begin. In case of former directors being the candidate, the details of the board meeting participation will also be fully provided.
- **Auditors Appointment :** SE-ED details the name of auditors, auditor's office, remuneration, the reason for auditors selection, the past year performance quality and Company's relationship.
- **Profit Allocation :** The Company supplies details on profit allocation and reserve fund, dividend regarding Company's dividend payment policy as well as the registered book closing date in order to give right of receiving dividend.
- **Board of Directors' Remuneration :** The Company provides offered remuneration details which are based on policies and conditions of the Board of Directors' remuneration. Those aspects are considered by Committee regarding remuneration

In the voting, the shareholders used voting cards to vote deploying barcode system to count vote more rapidly and efficiently. The Company will collect the voting card only in case there is shareholder who vote against or abstain from voting, but for the Board of Directors' election, to be in line with the best practice of shareholders' meeting, the Company collected the voting cards from the each of the participated shareholders and voting of Directors will be voting for each Director. Moreover, the Company has requested a law consultant to join the vote counting procedure and confirmed the result with accuracy, transparency, and in accordance with the Company's regulation. For the result of voting in each agenda, the Company immediately announced the result of vote in each agenda of each shareholder's resolution regardless of whether the vote result shows on outcome of agree or disagree.

After the meeting, the Board of Directors will allow chance for shareholders, analyst, general investor to answer to the inquiry, by having the Chairman, Sub-committee chairman, managing director, senior executives in accounting and finance to jointly answer. However, in replying to the inquiry, the Board of Directors will adhere to the equal opportunity to the Company's information.

After the meeting day

During the meeting, the records are made towards the query and important opinions in a complete manner and summary of resolution result and vote count so that shareholder can examine the result by reporting the shareholders' meeting on the Company's website, no later than 14 days after the date of meeting, including the media recording of both picture and sound to be broadcasted on website www.se-ed.com

Equal treatment to shareholders

The Company's Board of Directors is aware of the equal and just treatment to all shareholders.

1. The Board of Director assigned the Company's secretary to announce to the shareholders through the communication channel of Stock Exchange of Thailand and investor website for shareholders to propose meeting agenda, list of person to be position as Directors, and submit questions in advance. The Board of Directors determines the time to receive the request from October to December 2009 of the following year, by sending request directly to the Company's secretary, investor relation, independent Directors or through website by proposing the meeting agenda and name of person to be positioned as Directors 7 months in advance, in which criteria

of consideration is posted on the website of investor relation. The Company's secretary will propose the name as proposed by shareholders to the Recruitment and Remuneration Committee to examine the qualifications and then propose it to the Board of Directors and then to the shareholders' meeting. The Board of Directors will examine the suitability whether to add the agenda as requested by shareholders to the meeting or not based on said criteria, by allowing shareholders to propose name of candidate to be positioned as Director and propose the agenda in advance which has been a normal practice since 2006. .

2. The Board of Directors proposes the name of 1 Independent Director as a choice for proxy of shareholders who holds the proxy authorization to exercise the right in the meeting, and voting for each agenda. In general shareholders' meeting 2009, the Board of Directors proposed the name of 6 independent Directors.
3. The Board of Directors moderate the shareholders' meeting according the agenda announced earlier in the meeting's invitation document, and will not add any agenda to the meeting without informing shareholders in advanced, so that the shareholders have enough chance to study the information of the operation performance to be considered in each agenda adequately and suitably.
4. The Company's Board of Directors prepares the voting cards for all agendas. The Company has used the barcode system for recording and display the voting result since 2006, while preparing staffs to facilitate the collection of voting cards in the meeting room, which except in the case of voting to elect Directors, the staffs will collect voting card whether yes, no, or absentee' vote. And after the meeting, staffs will collect the voting card for all agenda. Moreover, the Board of Directors arranges to have legal consultant to witness the voting count for transparency.
5. The Company's Board of Directors assigns the Company's secretary to prepare and write the meeting report with accuracy and complete, and the disseminate the meeting report to all shareholders through investor relation website and the Company also submitted the report to the Stock Exchange of Thailand no more than 14 days after the date of meeting. Moreover, the Company also broadcasts picture and sound of the shareholders' meeting on the investor relation website to allow interested shareholders to view the past meeting.
6. The Company determines preventive measures to tackle the use of inside information to benefit Director, executive by announcing to all parties concerned to be aware of role and duty to report the status of security holding of each individual and spouse, children who holds security whose ages are not considered sui juris and acknowledge the change in security prepared report for each time there is buy, sell, transfer, or receive of security to the Security Exchange Commission according to the Article 59 of Security Exchange Commission Act. (B.E. 2535) within 3 days after the date of purchase, sell, transfer, receive the transfer of security. The Company always alert in the meeting of Board of Directors and all management committees. Moreover, the Directors and management also acknowledge the duty and responsibility as stipulated and penalty as stated in Security Exchange Commission Act (B.E. 2535), and the Company prohibited the management who know the inside information of the Company to not violating article 241 of the already-mentioned law, including the related regulation.
7. To prevent conflict of interest, the Board of Directors carefully supervised. When there is item that may result in conflict of interest, the Company seeks to stipulate the policy and procedure of related item approval in written form, including the policy and method of supervision so that the management and related persons will not use inside information to their own benefits, as follows:

Items that may have conflict of interest: The Company's Board of Directors carefully monitors to avoid any conflict of interest that may arise and also look into the related items, by stipulate in the policy and steps of approval for each item in written notice. Moreover, the Audit Committees propose to the Company regarding the items that could cause conflict of interest, and item also the related items in a continuation basis. The Company's Board of Directors has been particularly careful when consideration is made, in accordance with criteria stipulated by stock exchange through the determination of price and condition as if such items are dealt with the outsiders (Arm's Length Basis) and disclose the inter-related items which are significant, item value, counterparty, reason/necessity in annual report and annual information disclosure report.

The Board of Directors approved the principles and suggestion of Securities Exchange Commission in accordance with the Section 89/12 (1) of Securities and Exchange Act (No.4) B.E.2551 to allow the company management to enter in to any business transaction between the Company and its subsidiaries and directors, executives or related persons. The transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of business negotiation which is without any influences directly resulted from the company's positions of director, executive, or related person. However, the Board of Directors has assigned the Audit Committees the task to present the items which may pose a conflict of interest and any related items for the transaction over 2 million Baht per quarter and reports it directly to the Board of Directors to acknowledge in a quarterly basis.

In the meeting of Board of Directors, should the Directors have interest in the decision, the Chairman of the Board will request for Directors to abiding to the regulation and have Director informed to the meeting and is asked not to vote or voice opinion for the matter.

Supervision on the of insider information : The monitoring of policy and measures are in written format with respect to the Good Corporate Governance and handbook for the Board of Directors which has already been discussed in the Board meeting. The top management of the Company have also been informed about the announcement of Securities Exchange Commission which stated that the management (including the spouse and legitimate child who has not become sui juris - or, in other words, not yet 20 years of age) must report the change of stock ownership to the Securities Exchange Commission as stipulated in the law called Securities Exchange Commission Act B.E. 2535 in the section 59 within 3 days after the change of ownership of Securities taken place, and also report to the Company's secretary for acknowledgement so as to later inform to the related individuals. Moreover, the management in the meeting has also been informed about the penalty imposed upon those who violate the laws.

The Company has the policy that sets the guideline for the practice of Good Corporate Governance, ethical practices of the Board of Directors, including the regulation that prohibit the staff from take Company's document or information for personal use, or bring outside the Company, without asking for permission. This also includes exposure of financial document or other related documents for outsider, and also prohibits the trading activity within 1 month prior to public release of financial information. If done so, the act can be considered "misconduct" to the Company's rule of conducts. Should the management or staffs violate such rule of conduct, the penalty can be ranged from warning, fine, work suspension, work without pay, job termination.

In 2009, directors and high executives have reported the change of securities ownership to the securities exchange commission, according the section 59 each time trading occurred and subsequently reported to Company's secretary.

Role of Stakeholders

The Board of Directors: The Company has given priority to all groups, regardless of being internal vested interests such as the employees or the management of the Company or external vested interests such as trade partners, competitors, writers, translators, public servants and other involved parties. Since the Company realizes that support from vested interests can help in competitiveness and profitability of the Company, they are regarded as important to the long-term success of the Company. The Company has identified the guideline of practice in written form in the good corporate governance policy that the Board of Director supports the cooperation between company and the stakeholders. And it seeks to provide all employees and newly recruits to sign and acknowledge the guideline/regulation in business practice of organization according to ethical conducts/business ethics which the organization designed. It also seeks to determine the communication channels. Moreover, the Company will take care stakeholders according to the relevant laws, and, by no means, act in violation of stakeholders' right, which can be described as below.

Stakeholders	Policy Good Corporate Governance
Shareholder(s)	The Company determines to operate in the business with honesty, direct, and verifiable, by adhering to the sustainable business development, with continuous average growth that is higher than industry average. It is committed to be a role model Company and can generate satisfied return on investment in long term.
Business Partner(s)	The Company will treat all business partners with fairness and equality on the basis of mutual benefit between the two parties.
Competitor(s)	The Company will treat all competitors under the rule of laws for proper conduct of business competition and will not attempt to damage the name and goodwill of competitors by wrongful accusation.
Debtor(s)	The Company promises to strictly abide by the contracts or condition agreed.
Customer(s)	The Company determines to produce products and appropriate services at the right price and is also satisfied by customers.
Staff(s)	The Company will support the working development and promote staff happiness.
Society	The Company will focus on the important of knowledge development to the children and society by strictly abided by the Company's aspiration.

In addition, the Board of Director also determines the communication channel with the independent Directors via postal mail or email to permit reporting channels and suggestions so that instruction on information examination process can be made.

For the report on any illegal activity, inaccurate financial report, internal control errors or management unethical activity and staffs can be voiced to the independent Directors at SE-EDUCATION Public Co., Ltd. 1858/87-90, Nation Tower Building Floor 19th, Bangna, Bangkok, 10260 or id@se-ed.com

The Directors will confidentially secure the secret report. For all complaint reports, the independent directors and audit director can directly report to the Chairman and the Board of Directors.

In 2009, there was no person with interest reporting through the communication channel with independent directors. However, the Company will publicize to all interested public to be aware of the communication channel with independent directors, and in 2010, the Company planed to open new channel of communication between the Chairman, independent Directors, Audit committees, high executive through the Company's web board to allow stakeholders to voice concern or file report directly and more easily and conveniently.

Environmental and Social responsibility can be viewed in topic “The activities reflecting the corporate social responsibility”.

Information disclosure and transparency

The Board of Directors has a policy of the Company as a role model in operating on the basis of transparency, verifiable, adequate disclosure of information for all parties concerned, monitoring to ensure the disclosure of accurate information with trustworthiness, completeness, timely, and equal access of information to everyone.

In disclosing important information of the Company both financial and non-financial information, the Company used the Stock Exchange of Thailand as a channel. Moreover, the Company also discloses the information through the Company’s investor relation website both in Thai and English, for example, Basic information about Company, annual report, annual information disclosure report, financial ratios, historical data on dividends payout, shareholders and investors information dissemination, and non-monetary information such as, Corporate Governance policy, public relation, weekly bestseller book ranking, 100 bestsellers books related to the previous day sales – these information is always updated on a continual basis.

The Board of Directors already disclosed role and duty of the Board of Directors and sub-committees and number of time the Directors attending the meeting under the topic “The management” by the report of Chairman of sub-committees, report on the act of duty under the sub-committees report, and disclose the Directors and high executives compensation policy under the topic compensation.

Directors’ Report The Board of Directors is responsible for the financial statements of the Company and financial information, appeared in the annual report. The financial statements are prepared according to generally accepted accounting principles in Thailand, using the accounting policy that is suitable as practice regularly and with careful discretion together with the best projections in the preparations, including disclosure of the important data adequately in the added notice section supplementing the financial statements.

The Board has provided and maintained all necessary requirement of the internal audit with effectiveness, to ascertain with rationality that the accounting records are correct, complete and sufficient to maintain the assets and to learn of any weakness so that any significant irregularity can be prevented.

The Board of Directors of SE-EDUCATION Public Co., Ltd has appointed the Audit Committee consisting of non-management Directors to supervise the quality of the financial report and internal control, as well as the opinions of the audit Committee regarding this issue. Comments concerning this matter appear in the report of the audit Committee, already shown in the annual report.

The Board of Directors considers overall internal control of SE-EDUCATION Public Co., Ltd. to be satisfactory, and is trustworthy for the reliability of the financial statement of SE-EDUCATION Public Co., Ltd. as on December 31, 2009.

Relations with Investors The Board of Directors is aware that data concerning the Company’s finance and non-finance aspects all play certain role in the investor’s decision-making process and vested interests. It, therefore, ensured that the management who has implemented matters concerning disclosure of data were complete, accurate, reliable, consistent, timely, and equality to which the management has always given priority to and upheld all along.

In disclosing important information of the Company both financial and non-financial information, the Company used the Stock Exchange of Thailand as a channel. Moreover, the Company also discloses the information through the Company’s investor relation website both in Thai and English, for example,

Basic information about Company, annual report, annual information disclosure report, financial ratios, historical data on dividends payout, shareholders and investors information dissemination, and non-monetary information such as, Corporate Governance policy, public relation, weekly bestseller book ranking, 100 bestsellers books related to the previous day sales – these information is always updated on a continual basis.

The Board of Directors has set up a business unit for investor relation to support the direct communication with investors, institution, shareholders, analysts, and related governmental sector. The investors can directly contact for more information by Miss Kanuengnuch Thongprayat at tel. 66-2739-8000 ext. 8, fax 66-2739-8699, or e-mail us at: ir@se-ed.com and also click on website www.se-ed.com/ir. Moreover, the investor relation has also been a member of Thai Investor Relations Club since 2006.

In 2009, the Company presented the result of business operation both in Company's monetary information and also non-monetary information for analysts and investors through email and telephone that includes a consistent active participation with the Stock Exchange of Thailand, which can be summed up below :

- Investor visit management team and the business operation 1 time
- Institutional Investor inside/outside the country meet with management 4 times
- Questions and Answers through telephone conversations 12 times
- Responses to e-mail inquiries 20 times
- Travel to meet with shareholders and investors/The listed company meet the investors 1 time

Furthermore, the department of investor relation has set time duration of non-disclosure practices of information relating to the earning result to shareholders, investor, and analyst 7 days prior to the date that the Company submits the report of the earning result to the SET.

Not only the information is being disclosed, as stipulated by law of supervising body, the Company's Board of Directors also assigned the managing director, deputy managing director, accounting department director, finance department director, and Company's secretary to participate in activity of investor relation for its highest effectiveness for shareholders, investors. Moreover, the Company's Board of Directors also assigned the Audit Committees and the Company's secretary to monitor the annual operation plan, budgeting, manpower, and acknowledge the work result of investor relation division through Investor Relation Internal Report, which collects all data from different sources, opinions, and suggestions from questionnaires collected. At the same time, the Audit committees and Company's secretary also reported to the Board of Director on a regular basis in each quarter.

The Board of Directors' Responsibilities

Structure of the Board of Directors

The Board of Directors consists of people who are knowledgeable, competent, skillful, experience in business operation, and understand very well the role and duty. This make the work more effective.

As such, the Board of Directors participates in vision, mission, strategy, target, and business plan of the Company and also monitor, follow up and assess the result of business management and operation to be in line with objective and business plan worked effectively, according to rule, laws, and regulations of each business unit under supervision and also related governmental unit, and also according to the resolution(s) from the Shareholder's meeting to maximize the economic value added to the business and also stability to the Shareholders, while at the same time take into account of all stakeholders at best.

Moreover, the Board of Directors arrange a communication of strategy, objective, and operation result of the Company for managing director/senior executives, staffs to acknowledge and understand in a corporate-wide fashion, through several mediums such as the Company's email, announcement boards, staffs conference, where the Company organizes regular annual staffs conference. The managing director of the Company later briefed the business environment and overall views of operation performance in the past year, as well as making announcement for the direction and objectives of operation for the following year. Moreover, the Company also organized the senior executives meeting together with staff supervisors to create a joint year-plan, in order to setting a direction and guidelines. Doing so it allowed the plan to conform to the highest corporate direction and objective, which, in turn, led to all business operations of the Company, effectively head towards a common goal.

For the act of duty for Directors, the all the stated principles will be of honestly, direct, abiding by the rule of laws and regulations of the Company. By adhering to the principles for every business activity, all decision and transaction made will be processed with honesty at its core.

The Board of Directors shall consider prescribing and separating the duty and responsibility between the Directors and the management clearly as the details in topic Management Structure Heading including communicating the roles, duties and responsibilities to the Directors, the management and the employees of the Company regularly.

Policy for the Company's Directors and Executives in other firms

In 2007, the Audit Committees reviewed the principle of Good Corporate Governance which has been revised for the fifth time since 2001 to be submitted to the Board of Directors to consider a policy to allow the Company's Directors to hold positions in other companies listed in the Stock Exchange of Thailand no more than 5 companies, to comply with the advise of Stock Exchange of Thailand. Moreover, the Company's Board of Directors stipulated that the managing director and high executives can also hold the posts of Director in other companies as seen necessary and does not affect the duty and responsibility of the Company but must be approved by the Board of Directors or Authorized person.

The Board of Directors has not determined the term of Director position, since the Company's Board of Directors believes that the expertise in book business and other matters concerned does not depend on the number of terms in the position, but the director should have the ability and time to dedicate for the Company at their best ability in coming up with strategy, creative vision, and offering consultations to business operations. The decision to select individuals for the positions in the Board of Directors is totally the shareholders' right to pick individual to represent them.

Balance of Power for Non-Executive Directors The Board of Directors consists of 13 members :

- Directors that are in the management team: 3 persons
- Directors that are not in the management team: 3 persons
- Independent Directors: 7 persons

Therefore, the 7 independent Directors which are accounted for 53.85% of all Directors are more than half of the total Directors of the Board. Thus, the Stakeholders can be sure to allow these Directors to represent the shareholders independently, resulting in check and balance for management.

The Board of the Company is responsible for performing its duties according to legality, objective and company's regulations, shareholders' resolution with integrity for the Company's best interest. The Board of the Company has exact amount of time to be in office, which is consistent with Company's regulations which stated that one-third Committees who have the longest term in position must accept the resignation in each annual general meeting.

The Board of Directors has seek to prescribe the definition of the term “Independent Director” during the Board of Directors’ meeting number 3/2009 which is stricter than minimum frame of definition of Independent Directors announced by the Security Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows:

1. Holds shares not exceeding 0.5% of the total shares with voting right of the applicant, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the applicant, provided that the shares held by the related parties of such independent director shall be included.
2. Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling parties of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant unless the foregoing status ended for at least 2 years.
3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.
4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended for at least 2 years.
5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended for at least 2 years.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received the service fee more than 2 million per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended for at least 2 years.
7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholders.
8. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.
9. After being appointed as the independent director in accordance with the conditions under the article (1) - (8), such independent director may be assigned by the board of directors to make decision in respect of collective decision on business operation of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of applicant.

However, the independent Directors had examined the qualifications of independent Directors in an annual basis, and the Board of Directors trusted that the stipulated qualifications of “independent Directors”

which is stricter than guideline of Security Exchange Commission (SET) and Stock Exchange of Thailand (SET) minimum frame of reference will be adequate for the Company's selected independent Directors to be truly independent and appropriate for the particular characteristics of the Company.

Position Combination or Separation: The Company has made this a policy that the Chairman of the Board of Directors shall not be the same individual who positions as the managing director, to ensure the check and balance and, so, made reviewing of work more transparent.

The Chairman of the Board of Director comes from independent Director and is the leader and meeting moderator who control the flow of the Board of Directors' meeting in effective and efficient manner. In each meeting, all Directors are urged to actively participate, as well as raising essential questions.

Directors also occasionally meet to advice and help the business management with the managing director. At the same time, the Board is to stay away from routine day-to-day operations or business activities responsible by management, where the managing director is the head of the management team. The Board of Directors has authorized the managing director or the authorized person to sign in binding document as has been directly authorized. Managing director then effectively authorizes and empowers the high executives the tasks which are clearly marked in term of line of duty and responsibility. Therefore, the authority and role of the Board and that of the management are clearly defined and separated.

Company Secretary: The Board of Directors' meeting number 5/2007 dated November 3, 2007, has appointed Mr. Viboolsak Udomvanich, a Director, to be the Company's secretary who has proper qualification and experiences to take responsibility in monitoring the Company to comply to the rules and the Company's regulations, and also in line with principles of corporate good governance to allow effective management.

Sub-Committees

The Board of Directors appointed Directors who has the qualifications suitable to undertake study and analyze details of various matters as assigned by the Board of Directors for sub-committees to take charge. Moreover, the Board of Directors also stipulated the qualification, elements, term, and duty of sub-committees in a clear manner. Most sub-committee members consist of independent Directors and Chairman of each sub-committee who is also an independent Director. The Chairman of the Board of Directors will not perform a role as Chairman of sub-committee, except the Recruitment and Remuneration Committees. The sub-committees reported each of the result of meeting and assignment to the Board of Directors on a regular basis, including the report on operations result to inform shareholders in the annual report.

Presently, the Company has 2 sub-committees, consisting of :

1. The Audit Committee
2. The Recruitment and Remuneration Committees

The details of name list and responsibility are referred to in the section Management Structure.

Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors consists of people who are knowledgeable, competent, skillful, experience in business operation, and understand very well the role and duty. This makes the work more effective.

As such, the Board of Directors participates in vision, mission, strategy, target, and business plan of the Company and also monitor, follow up and assess the result of business management and operation to be in line with objective and business plan worked effectively, according to rule, laws, and regulations of each business unit under supervision and also related governmental unit, and also according to the resolution(s)

from the Shareholder's meeting to maximize the economic value added to the business and also stability to the Shareholders, while at the same time take into account of all stakeholders at best.

The Board of Directors is aware of the importance of good corporate governance to increase transparency, competitiveness and confidence to the shareholders, the investors and the involved parties. So, it has prescribed in written format the policy on good corporate governance and also revised and updated the policy on good corporate governance and business ethic handbook that are suitable for the business environments and more international, by stipulating that the revision of good corporate governance policy shall be made once a year. In 2006 and 2007, the Audit Committees has prescribed additional good practice guidelines to ensure the clear direction to be used by all executives and staffs. In 2009, the Audit Committee has reviewed the principle of Corporate Good Governance that has been revised in the 7th Edition since 2001. This includes the year 2009 when Audit Committees seeks to add and improve the principle of corporate good governance in a much clearer and more coverage.

The Company's Board of Directors, the Audit Committee, and management support Directors, executives, and staffs to endorse the corporate good governance by arranging communication channel of corporate good governance both from the orientation of new Directors and staffs, as well as adding course content to the training. Moreover, it seeks to add more dissemination channel relating to corporate good governance through website area whereby request for improvement and correction can be made to submit directly for acknowledgement of the Audit Committee.

In 2009, the Audit Committee assessed the corporate good governance practice using the evaluation practice with reference to the principle designated in corporate good governance for listed companies 2006 (namely, "Corporate Governance Self Assessment) of Stock Exchange of Thailand and consider in tandem with the assessment criteria of corporate good governance of Thai Listed Companies initiated by the Association of Thailand Institute of Directors for Audit Committee to acknowledge some Company errors that can be improved and corrected as well as developed. Moreover, the Audit Committee also designated the channel for staffs to voice the suggestion for ways to improve on the corporate good governance through Internal Audit division. However, in the assessment of good corporate governance of Thai Listed Companies as of 2009 (namely, Corporate Governance Report of Thai Listed Companies 2009), the Company has been evaluated by Association of Thai Institute of Directors as follows :

Total average score

Item	2009	2008
Listed Companies in total of (%)	82	75
Group of Companies in SET 100 (%)	88	83
Group of Companies in SET 50 (%)	88	84
SE-EDUCATION Public Co., Ltd. (%)	93	91

Score distributed by subjects

Year	Average Score (%)						SE-EDUCATION Public Co., Ltd.	
	Listed Company in total		Group of Companies in SET 100		Group of Companies in SET 50		2009	2008
	2009	2008	2009	2008	2009	2008	2009	2008
Shareholders' right	91	86	95	92	95	92	95	95
Stakeholders	83	79	86	82	85	82	87	92
Stakeholders' right	79	68	88	79	89	83	88	91
Information Disclosure and Transparency	90	88	93	91	94	92	96	92
Directors responsibility	68	57	77	69	78	73	93	88

Business Ethics The Company is committed doing to right things as a guideline for business of all the Directors and employees. The Company has announced the enforcement of business and employee ethics for the Directors, the executives and all the employees to uphold as guideline in performing according to duty with loyalty, honesty and justice. In addition, this also includes conduct with the Company and vested interests, the public and society. The Company has assigned the internal audit section to continuously follow up on compliance with ethics, and prescribes disciplinary actions in case of violations.

The Board of Directors has confidence that a good corporate governance process can help to promote the operations of the Company, and is the heart of achieving the fundamental objective to optimize value for the shareholders. The values the Company aims and expects for all the Directors and employees to do in all missions are :

- Giving highest priority to building satisfaction for customers.
- Having confidence in working together.
- Dedication towards work with virtue and professionalism.
- Upholding the principles of good procedure and discipline.
- Readily responding to all uneventful situations.

The Board of Directors understands the business operation, the responsibility to the Stakeholders, staffs, environment and society. The Board has prepared the spread of business ethics, policies on social and environmental issues through several communication channels such as the public relation activities and staff's meetings. It also includes the follow up on the ethical conduct of business and stipulates the penalty measures.

For prevention of conflict of interest the Board of Directors has paid special interest to items that may have conflicts of interest. By prescribing policies and procedures on approval of the connected items in writing, including prescribing the policy and supervision method so the management and the involved parties cannot use insider information for personal interest as follows :

Items that may have conflict of interest: The Company's Board of Directors carefully monitors to avoid any conflict of interest that may arise and also look into the related items, by stipulate in the policy and steps of approval for each item in written notice. Moreover, the Audit Committees propose to the Company's Board of Directors regarding the items that could cause conflict of interest, and item also the related items in a continuation basis. The Company's Board of Directors has been particularly careful when consideration is made, in accordance with criteria stipulated by stock exchange through the determination

of price and condition as if such items are dealt with the outsiders (Arm's Length Basis) and disclose the inter-related items which are significant, item value, counterparty, reason/necessity in the annual report and annual information disclosure report.

The Board of Directors approved the principles and suggestion of Securities Exchange Commission in accordance with the Section 89/12 (1) of Securities and Exchange Act (No.4) B.E.2551 to allow the company management to enter in to any business transaction between the Company and its subsidiaries and directors, executives or related persons. The transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of business negotiation which is without any influences directly resulted from the company's positions of director, executive, or related person. However, the Board of Directors has assigned the Audit Committees the task to present the items which may pose a conflict of interest and any related items for the transaction over 2 million Baht per quarter and reports it directly to the Board of Directors to acknowledge in a quarterly basis.

In the meeting of Board of Directors, should the Directors have interest in the decision, the Chairman of the Board will request for Directors to abiding to the regulation and have Director informed to the meeting and is asked not to vote or voice opinion for the matter.

Supervision on the of insider information : The monitoring of policy and measures are in written format with respect to the Corporate Good Governance and handbook for the Board of Directors which has already been discussed in the Board meeting. The top management of the Company have also been informed about the announcement of Securities Exchange Commission which stated that the management (including the spouse and legitimate child who has not become sui juris - or, in other words, not yet 20 years of age) must report the change of stock ownership to the Securities Exchange Commission as stipulated in the law called Securities Exchange Commission Act B.E. 2535 in the section 59 within 3 days after the change of ownership of Securities taken place, and also report to the Company's secretary for acknowledgement so as to later inform to the related individuals. Moreover, the management in the meeting has also been informed about the penalty imposed upon those who violate the laws.

The Company has the policy that set the guideline for the practice of Corporate Good Governance, ethical practices of the Board of Directors, including the regulation that prohibit the staff from take Company's document or information for personal use, or bring outside the Company, without asking for permission. This also includes exposure of financial document or other related documents for outsider, and also prohibits the trading activity within 1 month prior to public release of financial information. If done so, the act can be considered "misconduct" to the Company's rule of conducts. Should the management or staffs learn about significant insider information with regard to anyone who may violate such rule of conducts, the penalty can be ranged from warning, fine, work suspension, work without pay, job termination.

In 2009, director and high executives have reported the change of securities ownership to the securities exchange commission, according the section 59 each time trading occurred and subsequently reported to Company's secretary.

Controlling System and Internal Audit

1. Control and Internal Audit System, the Company sees the importance of internal control at the management and the operation level, so it has clearly prescribed duties and powers on the operation of the operators and the management, specifically in writing. There is a control on the use of the assets of the Company to the highest benefit, and there is the separation of duty between the operators, the controllers and evaluation, for suitable check and balance among each other.

Moreover, there is internal control on the financial system and the Company has prepared the financial report for submission to the responsible management line of duty.

The Company has an internal audit unit responsible to reassure that the main practices and essential financial activities of the Company are in line with the guideline and are operated with effectiveness. It includes audit on legal compliance and compliance control as well as the independent internal audit unit who is capable of independently performing the check and balance. Therefore, the Board of Directors has designated that the internal audit unit to report the results of the audit directly to the audit Committee, and is also evaluated by the audit Committee.

2. Risk Management, the risks are regularly evaluated against business risk on the internal and external factors. The working Committees consist of management and high level executives in the line of work associated with each risk involved. The supervisor in each work unit related directly to this aspect and internal control unit will work towards analyzing the cause of risk factors and determine relevant measures to manage the risk, and also keep track on the operation of risk management plan and report the result back to audit Committees to present the finding to the Board of Directors.

The Board of Directors put forth the important of internal control system and risk management to build confident and trust that the risk is at the acceptable level and allocation and usage of resource can be correctly utilized and maximized, resulting better reliable financial information.

Board of Directors' Meeting

The Board of Directors has set in advance and held special meeting as necessary, by clear advance meeting date and has set regular follow-up on operation period. The Chairman of the Board of Directors and the Managing Directors jointly considered the meeting calendar, by considering important case. The each Director is permitted to present the issues in the meeting as needed. The secretary will prepare invitation letter along with meeting schedule and details prior to the actual meeting at least 7 days to allow time for the Board of Directors to peruse the information prior to the meeting.

In each meeting, the Chairman of the Board of Directors allocated adequate and long enough to allow Directors to clarify problematic issues prudently. Moreover, the Chairman of the Board of Directors and the Board of Directors invited high level executive to the Board of Directors' meeting to request for more information and recorded in minutes of the meetings that were filed and certified by the Board of Directors for the Board of Directors and involved parties to view.

The Board of Directors assigned the management executives to regularly prepare operation report to the Board of Directors on a monthly basis to allow the Board of Directors to follow up on the operation progress of the Company.

The Board of Directors assigned the non-executive Directors to meet as seemed suitable to do so with the attendants from executive directors or executive from management team in the meeting to allow a healthy discussion of problematic issues concerning the Company's business and issues that are of interest to the Directors, and, later, report the result of meeting to the Chairman of the Board of Directors and the Board of Directors for acknowledgement.

In past year of 2009, the Board of Directors met in total of 6 times with the average meeting hours of 5 hours. In each meeting, there is executive director from accounting department and internal audit division consultant and internal audit officers to attend in sharing additional information. The audit committees had a total of 6 meetings, with 5 regular meeting schedules, and 1 meeting between the audit committee and the accounting audit without the present of executive management was held. The Remuneration Sub-Committees held a total of 1 meeting; the general shareholders' meeting held 3 meeting. The details of the Board of Directors meeting in 2009 are as follow :

Name of Directors	Board of Directors' Meeting	Audit Committees' Meeting	The Remuneration Subcommittees' Meeting	The General Shareholders' Meeting 2009
	Number of Meeting (6 Times)	Number of Meeting (6 Times)	Number of Meeting (3 Times)	Number of Meeting (1 Times)
1. Mr. Somboon Chinsawananon	6/6	-	3/3	1/1
2. Mr. Saroch Lamlertprasertkul	6/6	6/6	-	1/1
3. Mr. Pravit Tantiwasinchai	6/6	5/6	-	1/1
4. Mr. Phairat Sittakul	6/6	6/6	-	1/1
5. Mr. Wattana Chiengkul	6/6	-	-	1/1
6. Mr. Vorasit Pokachaiyapat	5/6	-	3/3	1/1
7. Mr. Kachen Benjakul	6/6	-	-	1/1
8. Asst. Prof. Yuen Poovarawan	5/6	-	-	1/1
9. Mr. Sumeth Damrongchaitham	6/6	-	3/3	1/1
10. Mr. Yongsak Ekprachyasakul	5/6	-	-	1/1
11. Mr. Thanong Chotisorayuth	6/6	-	-	1/1
12. Mr. Viboolsak Udomvanich	5/6	-	-	1/1
13. Mr. Pongsak Sivapatrakumpol	6/6	-	-	1/1

Self Evaluation of Directors

The Board of Directors arranged an annual self-evaluation session to permit the Directors to reconsider the past works, problems, and difficulties that each faced during the past year to understand the need to improve or correct to increase the work performance by evaluation the result of work in aggregate view, by using evaluation guidelines recommended by the Stock Exchange of Thailand, but readjusted the format slightly to best suit the Company's business environment and use the evaluation result - in chart format - to review and revise, so as to increase work efficiency. With this, the assessment as referred to 6 topic, such as the structure and qualifications of the Board of Directors, duty and responsibility of the Board of Directors, the Board of Directors' meeting, performance of Directors, relationships with the management, self development of Directors and management development. The score result from assessment of the Board of Directors can be divided in 5 levels, score of 5 = Excellent, 4 = good, 3 = standard, 2 = adequate, 1 = severely needed improvement.

The Board of Directors agreed that the overall performance of the Board of Directors in 2009 with score of 4.69, out of the total score of 5, is considered to be quite excellent. Some of the Board of Directors suggested additional Board of Directors' meeting to facilitate Directors with more efficient performance and agreed to focus more into the risk management of the Company.

In addition, the Board of Directors requires all managing director to evaluate themselves to compare with the result of operation, whereby the Board of Directors evaluate in the evaluation form which the Board of Directors has revised to suit the Company business. The Board of Directors has assigned the duty to the Chairman of the Board to announce the result of evaluation to the managing director of the company and the Board of Directors.

Remuneration for the Directors and the Managerial Executives

The policy on remuneration for the Directors has been prescribed clearly and transparently with the remuneration at the same level as industry-wide standard, and it is sufficient to take care and keep qualified Directors as needed. The meeting of the shareholders has already approved such matter, and the Directors who have been appointed as audit Committees and the Recruitment and Remuneration Committee will receive additional remuneration according to the increased volume of work.

The Remuneration of managing director : The Recruitment and Remuneration Committee will evaluate the performance of each managing director so as to consider the remuneration of managing director according to specified criteria. Once the evaluation of managing director are finalized, the Recruitment and Remuneration Committee will submit the Board of Directors for consideration and approval.

The Remuneration of high managerial executives : The Recruitment and Remuneration Committee will determine the criteria and structure of compensation for high managerial executives according to principle and policy approved by the Board of Directors which in compliance with the Company's performance and the result of each high managerial executive. The managing director will consider the suitability of each compensation for a particular individual, and made salary adjustment for high managerial executives on an annual basis, while also reported the suitable compensation to the Recruitment and Remuneration Committee, and once again reported to the Board of Directors.

The Company has paid total remuneration to the Directors and the manager in 2009 totaling 28.60 million baht, as illustrated in details at the section regarding "The remuneration for high managerial executives".

Directors' Development

The Company understands the importance of Directors' development. The Board of Directors has specified in the principle of Corporate Good Governance that the Company will promote and facilitate a continuity of training of Directors from supervisory unit, where the Board of Directors appointed the Company's secretary to be the coordinator with the Directors in keeping them informed about the training courses and seminars.

Orientation for New Directors in the Board : the Board of Directors appointed the Company's secretary to brief all related information to the new directors through the director's handbook which has been prepared and submitted to directors each year to be used as a complete and up-to-date reference and also arranged a visitation of the Company's business operation, facilitating a better understanding of the Company's business.

Inside the Director's handbook, a comprehensive briefing of all contents relating to the Company and data deemed important to the Directors are all included, for instance: History of the Company, Organization structure, Company's businesses, Company's regulation, the Board meeting, principle of Corporate Governance, ethics for directors, executives, and staffs, related item, the release of stockholding, related rules, etc.

Succession Plan : The Board of Directors assigned managing director and executives to prepare succession plan for different level of executive position in management and main line of duty, by considering work profiles and potential of each individual and determine the readiness for work replacement, ability development, and necessary skills. Moreover, the Board of Directors assigned managing director to report to the Board of Directors to acknowledge the readiness plan in case the executives can not perform their duty.

Monitoring the Use of Inside Information : The monitoring of policy and measure in written format with respect to the Corporate Good Governance and handbook for the Board of Directors which has already been discussed in the Board meeting. The top management of the Company have also been informed about the announcement of Securities Exchange Commission which stated that the management (including the spouse and legitimate child who has not become sui juris - or, in other words, not yet 20 years of age) must report the change of stock ownership to the Securities Exchange Commission as stipulated in the law called “Securities Exchange Commission Act (B.E. 2535)” in the section 59 within 3 days after the change of ownership of Securities taken place, and also report to the Company’s secretary for acknowledgement so as to later inform to the related individuals. Moreover, the management in the meeting is also informed about the penalty imposed upon those who violate the laws.

The Company has the policy that set the guideline for the practice of Corporate Good Governance, ethical practices of the Board of Directors, including the regulation that prohibit the staff from take Company’s document or information for personal use, or bring outside the Company, without asking for permission. This also includes exposure of financial document or other related documents for outsider, and also prohibits the trading activity within 1 month prior to public release of financial information. If done so, the act can be considered “misconduct” to the Company’s rule of conducts. Should the management or staffs learn about significant insider information with regard to anyone who may violate the Company’s rule of conducts, the penalty can be ranged from warning, fine, work suspension, work without pay, job termination.

In 2009, director and high executives have reported the change of securities ownership to the securities exchange commission, according the section 59 each time trading occurred and subsequently reported to the Company’s secretary.

Personnel The Company has permanent employees at the head office and nationwide branches (not including temporary out-sourced workers) as of December 31, 2009 as follows:

(Unit : person)

Items	2009	2008	2007
Head office staffs	942	888	816
Branch staffs	1,436	1,384	1,242
Total	2,378	2,272	2,058

The Company offers compensation in salary, bonus, and provident fund. In 2009, 2008, 2007, there are a total of THB 414.59 million, THB 380 million and THB 370.95 million respectively.

The Company also has policy to compensate staffs by considering the suitability and compliance with those of average in the similar industry. This includes the staff compensation should be in line with the business expansion and the Company’s growth.

As the Company compensated staffs with salary, bonuses, and provident fund, it also has other welfare scheme to all staffs, such as healthcare reimbursable expense, annual health check-up, accommodation and travel expenses during trips to other provinces, insurance, bookstore branch uniforms, staff transportation service, living expense fund THB 500 per month, and other relief fund including award to diligent staffs who work for 10, 20 and 30 years as an incentive to comfort staffs’ morale and spirit in building up the Company’s long-term growth.

Personnel Development Policy The Company has a policy to enhance the potential and efficiency of its staff on a regular basis with a view to better preparing them of global change in both competitiveness

and new technology. In-house training courses are designed and catered for different ranks, professional standards, goals and objectives of each business unit. The Company also sees that the employees should always have self – consciousness, the understanding of life and the ability to adapt themselves to live with the surrounding environment with happiness. Therefore, in 2009, the Company joined with Wat Panya Nantraram to organize a “meditation for self and work development” course specifically designed for all Company’s staffs continuously.

Internal Control

The Board of Directors and management has continued to stress the important of internal control, by emphasizing on the adequate internal control system for business operation to maximize management as well as assets monitoring, reduction in possible errors, the Company’s damage prevention, financial management, risk management, operation supervision, which reasonably ensure that the Company can operate as expected and maximized the added value in long run. In addition, The Board of Directors has made certain that all operations are within the rules and regulations stipulated by the laws to prevent any possible damage to the Company.

In the meeting of Audit Committee 4/2009 on August 10, 2009 their have been an appraisal of the Company internal control sufficiency by answering the questionnaires as in the documents attached. All the three members of Audit Committee joined in the meeting and briefly voiced the opinion about sufficient internal control, which can be segmented into 5 parts as follow:

Part 1 Organization and Its Environment The Company determines business goals which are accurate, clear, possible and measurable. Moreover, the Company’s structure supports the goals. There are regulations and penalties to prohibit executives and employees from possible conflict of interest. The Company, however, is in the stage of establishing policies and regulations about financial, purchasing and administrative transactions. All policies are based on fair business with partners for long-term benefit.

Part 2 Risk Management The Company always went through the risk assessment, both internal and external business risks. The working group consisting of the Managing Director and assistant managing director Deputy Managing Director Managing Director related to the risk in each line of duty, and each division and department managers will analyze risk factors, as well as the control and follow-up action for risk administrative plans.

Part 3 Controlling Executive Performance The administrative responsibilities include authorization, accounting and information booking and asset keeping. To authorize any transaction, 2 Directors have to co-sign documents.

Transaction authorization between the Company and major Shareholders, Director, executives, and related persons are regarded for these advantages, as with any external transactions with others.

Part 4 Information and Communications System The Company provides enough information for Directors’ decisions. However, the Company is, sometimes, able to submit a financial statement with the meeting letter 7 days before the meeting, but it can be proposed just a day before, or at the meeting room.

Accounting documents are filed systematically in accordance with the accounting system for the purposes of business policy.

Part 5 Pursuit System The Company uses a follow up system comparing each quarter’s goal, which is examined by the internal audit, by reporting the performance directly to the Audit Committee. When significant errors are encountered, the Internal Audit must immediately inform the Committee concerned, as well as the updated error correction report.

Moreover, the audit Committee has found that there were not any significant weakness, from effectiveness assessment, in the accounting control system.



บริษัท สำนักงาน เอ เอ็ม ซี จำกัด
SAM NAK-NGAN A.M.C. Co., Ltd.

Report on Internal Control System in Accounting

No. GL066/2010

February 24, 2010

To The Board of Directors

SE-EDUCATION Public Co., Ltd.

1858/87-90 Nation Tower Building 19th Floor

Bangna-Trad Rd.,Bangna, Bangkok 10260

Subject: Report on the internal control system in accounting

As San Nak-Ngan A.M.C. Co.,Ltd (“office”) I was assigned to audit the balance sheet of SE-EDUCATION Public Company Limited as on December 31, 2009, in accordance with generally accepted auditing standards, to express our opinion whether the financial statements and operations are correct based on our auditing principle and criteria. The audit includes studying and assessing the capability of the internal control system for accounting as seemed necessary in order to determine concisely and appropriately the scope of auditing task.

We would like to inform you that we did not audit every item, but audited by examining selected items to test for authenticity. With the exception as discussed in the last sentence of the first paragraph, we, therefore, cannot point out any weak-point in this internal control system. However, we did not find any significant weak-point in this internal control system for accounting that would affect the balance sheet.

We would like to extend our thanks to executives and all the staffs of SE-EDUCATION Plc. for their cooperation and good supports to our tasks.

Best regards,

(Miss Sansanee Poolsawad)

Certified Public Accountant (Thailand)

► Report of the Board of Directors Responsibilities for Financial Statements

The Board of Directors of SE-EDUCATION Public Co., Ltd. has stressed the importance of duties and responsibilities towards Corporate's Good Governance by following the objective guidelines of the Company regulation, laws, and stipulated policy and procedures of the auditing body to ensure that the financial report of the Company is proper and complete accounting record. This enables it to reflect the true financial and operation of the Company for the benefit of shareholders and investors in a transparent fashion.

The Board of Directors is responsible the Company's financial statements and financial information presented in this annual report. The Board of Directors agreed that the aforementioned financial statements, for the year 2009 of the Company and its subsidiary company are created in accordance with the generally accepted accounting standards, using appropriate accounting policy measures consistently employed by SE-ED as well as applying careful judgment and best assessment. Essential information is adequately disclosed in the addendum notes to financial statements.

The Board of Directors has provided and maintained an efficient internal control system to ensure that accounting records are accurate, complete and adequate to protect its assets and disclose weaknesses in order to prevent fraud or materially irregular operation.

To accomplish this task, the Board of Directors has appointed an audit Committee, which consists of Non-Executive Directors responsible for the quality of financial statements and internal control system, whose comments on these issues are readily included in the Audit Committee Report in this annual report.

The Board of Directors has agreed that SE-ED's overall internal control system is functioned up to the satisfactory level and rendered credibility and reliability to the SE-ED financial statements for the year ended December 31, 2009



Mr. Somboon Chinsawanon
Chairman of the Board



Mr. Thanong Chotisorayuth
Managing Director

► **Remuneration of Auditor**

The Company and its associated companies have paid the auditing fee for the period of fiscal year 2009 to the SAM NAK-NGAN A.M.C. Co., Ltd. in the amount of THB 700,000.00. The Auditor doesn't have any relation with the Company other than auditing service only.

Other Service Fee

The Company and its associated companies don't pay any other service fee to the SAM NAK-NGAN A.M.C. Co., Ltd. for the fiscal year 2009.

Interpretation & Analysis of Financial Status and Results of Operations and Financial Report

- ▶ **Interpretation & Analysis of Financial
Status and Results of Operations 2009**
 - ▶ **Auditor's Report**
 - ▶ **Notes to Financial Statements**



► Interpretation & Analysis of Financial Status and Results of Operations 2009

Profitability and Operating Efficiency

	Separate financial statements		
	2009	2008	2007
Total Income (THB million)	4,646.84	4,424.50	3,950.59
Growth from the last year(%)	+5.03	+12.00	+6.01

During the past 3 years, the Company's revenue continued to grow. The most satisfied growth came from the expansion using distribution channels of SE-ED Book Centers - the Company-owned bookstores, as well as through the network stores (University Bookstores, and points of sales).

In 2009, the Company opened 21 more branches of bookstore. As of December 31, 2009, the total branches from this amount, there were 324 branches which are still in operation, plus 33 points of sales. SE-ED still took more important role in distribution to support its branches expansion, including the increasing of publishing of best-sellers titles.

Operating Results For the year 2009 as of December 31, 2009, the financial information can be summarized as follows:

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

Total revenue of the year 2009 consists of :

- Total revenue of Consolidated financial statements: the company and its subsidiaries revenues for 2009 was THB 4,673.69 million which THB 4,621.07 million was from sales revenue and education fee with service charge.
- Total revenue from separate financial statements: The company's total revenue of the year 2009 is worth THB 4,646.84 million or an increase of 5.03 % from the previous year. The sales revenue is accounted for THB 4,595.76 million from the total revenue or an increase of 5.17%, mostly resulted from the great number of newly opening of SE-ED Book Center and its network stores during 2008 and 2009 causing the revenue to rise at 5.62%.

Moreover, the revenue from the book distribution business and the wholesales business which directly distributes book to other independent bookstores and also to schools and universities has increased to 7.35% as compared to the number in the same period of last year. This is owing to the fact that the number of books that the Company published and also books distributed for other

publishers has shown a great increase due to the fact that more and more publishers became trusted in the Company to help them distribute books.

The Company's net profit of the year 2009 consists of :

- The net profit of consolidated financial statements: The Company's net profit of the year 2009 consolidated financial statements of the company and its subsidiaries were worth THB 217.51 million
- The net profit of separate financial statements: The Company's net profit of the year 2009 of separate financial statements is worth THB 214.36 million, which increased from the same period of the previous year by 8.50%.
 - The gross margin rate slightly increased due to the sales of SE-ED published books and distributed books in SE-ED Book Center and its network stores.
 - There has been a change in the inventory recording method for magazines and newspapers at SE-ED Book Center stores, which, in the past, such records were made using the whole amount of cost at the point of goods received due to the fact that barcode system for magazine and newspapers in Thailand was still not complete.

The company opened branches of SE-ED Book Center during the year 2009 the Company opened 21 new branches of SE-ED Book Center, which results in, as of December 31, 2009, the total number of 324 operating branches and 33 points of sales.

Financial status analysis for year 2009 compare to 2008

Total Asset As of December 31, 2009 the company and its subsidiaries' had a total asset of THB 2,125.39 million. The Company's total asset of separate financial statements is worth THB 1,946.13 million increase of THB 125.70 million from the end of last year. Causes of changing of total assets:

- Cash and cash equivalent items as of December 31, 2009 for THB 506.61 million increased of THB 169.93 million from cash receive from goods sold in the branches at year end.
- Short-term investment-net for THB 188.94 million increased THB 21.01 million due to increasing adjustment from last year of seven-month fixed account and the increasing of market price of securities available for sale.
- Trade accounts-net for THB 96.80 million, an increased 15.68 million due to receiving the revenue from some main consignment debtors of the wholesales and distribution business at year end.
- Loan due from associated company decreased 11 million as the return loan in Q1 of 2009 from Plearn Patt Company which can received loan with better condition from other sources.
- Inventories-net for THB 438.84 million decreased THB 59.78 million from selling the end of last year reserved stock of foreign books of Oxford University Press text at the end of last year which would have a great sales volume in the beginning of academic opening term including the more efficient inventory management.
- Damage compensation receivable increased THB 17.79 million from waiting payment for insurance fire damage claim of one. Which the company has already recieved the compensation sinnce February 2010.
- Property, plant and equipment-net for THB 318.87 million decreased THB 26.35 million, Most of them was the increased of Depreciation for year of 2009.

- Leasehold right on buildings-net for THB 116.56 million decreased THB 12.56 million, Most of them was the increased of Amortized for year of 2009.

Total liabilities As of December 31, 2009 the Company and its subsidiaries' had a total liability of THB 1,381.58 million, The Company's total liabilities of separate financial statements is worth THB 1,264.97 million an increase of THB 92.43 million or 7.88%. Causes of changing of total liabilities:

- Account payable THB 1,031.36 million, was increased THB 58.22 million. Most of them was wholesales creditors of account payable of distributors at the year end.
- Other accounts THB 46.47 million, was increased THB 9.80 million. Mostly from increasing of asset creditor from opening new branches each year.
- Accrued expenses THB 106.29 million, was increased THB 8.85 million. Most of them were Accrued Bonus.
- Accrued corporate income tax increased THB 9.50 million. From the increasing profit and decreasing of tax benefit from last year which was granted tax benefit from selling. Commercial buildings at Din Daeng.

Shareholders' equity As of December 31, 2009 amount THB 743.81 million, The Company's shareholders' equity of separate financial statements is worth THB 681.16 million an increase of THB 33.27 million represent 5.14% due to:

- Net profit from operation result year of 2009 amount THB 214.36 million.
- Retained earnings decreased due to the dividend payment as THB 191.11 million.
- Unrealized loss on securities available for sale decreased THB 11.02 million due to the increasing market price of available for sales securities last year.

Cash flow and sufficiency of capital structure

(Unit : Million Baht)
For the years ended on December, 31

Description	Consolidated financial statements	Jan.–Dec.			
		Separate financial statements			
	2009	2009	2008	increased (decreased)	(%)
Cash flow received (used) from operation activities	434.10	419.42	334.97	84.45	25.21
Cash flow received (used) from investing activities	(32.80)	(56.26)	(113.66)	57.40	50.50
Cash flow received (used) from financing activities	(193.17)	(193.23)	(183.41)	(9.82)	(5.35)
Cash flow increase (decrease)	208.13	169.93	37.90	132.03	348.36

Cash Flow Received from Operation Activities for 2009 was THB 434.10 millions, The Company's Operation Activities of separate financial statements is worth THB 419.42 million as listed below:

- Profit from operation accordance with Cash Flow Statement increased in the amount of THB 416.86 millions:
 - The Net profit before corporate income tax for 2009 in the amount of THB 290.15 millions.
 - Revenues and expenses in non-monetary form or not dealing with main operation in the amount of THB 126.71 millions (Depreciation and Leasehold written-off in the amount of THB 108.13 millions, Expense from lost goods as THB 21.11 millions and Expense from donated goods as THB 19.90 millions).
- Cash flow increased from trade accounts payable THB 65.31 million.
- Cash flow decreased from Trade accounts receivable THB 16.25 million from the increasing debt recorded from clearing goods from some main consignment debtors in Q4 of 2009.
- Cash flow decreased from tax payment THB 66.29 million.

Cash Flow Used from Investment Activities for 2009 in the amount of THB (32.80) millions The Company's Investment Activities of separate financial statements is worth THB (56.26) million as listed below:

- Cash flow decreased from Purchase of assets as THB 69.39 millions due to investment for new branches expansion.
- Cash flow increased from cash received from associated companies (Plearn Patt Co.,Ltd.) as THB 11.00 million.
- Cash flow decreased from seven-month fixed account as THB 10.00 millions.
- Cash flow increased from cash dividends received from investment as THB 10.14 million.

Cash Flow Used from Financial Activities in 2009 was THB (193.17) million The Company's Financial Activities of separate financial statements is worth THB (193.23) million due to the dividend payment.

AUDITOR'S REPORT

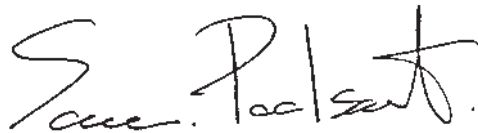
To the Shareholders and the Board of Directors of SE-EDUCATION PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated balance sheet as of December 31, 2009 and the related consolidated statement of income, change in shareholders' equity and cash flow for the year then ended of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiary and the accompanying balance sheet as of December 31, 2008, in which the equity method is applied to investment, and the related statement of income, change in shareholders' equity and cash flow, in which the equity method is applied to investment, for the year ended on the same date of SE-EDUCATION PUBLIC COMPANY LIMITED. I have also audited the accompanying separate balance sheets as of December 31, 2009 and 2008 and the separate statements of income, changes in shareholders' equity and cash flows for the years then ended of SE-EDUCATION PUBLIC COMPANY LIMITED only. These financial statements are the responsibility of the Company's management as to their correctness and completeness in the presentation. My responsibility is to report on these financial statements based on my audit. The financial statements of associated company as mentioned in the notes to the financial statements No. 10, from which investment is recorded under the equity method, have been audited and reviewed by another auditor, who expressed an unqualified opinion, and I have already received the reports of that another auditor. My report presentation in part related to the amounts of transactions of the said associated companies, which were included in the consolidated financial statements as of December 31, 2009 and the financial statements as of December 31, 2008, in which the equity method is applied to investment and are based on the report of that another auditor. The investments in the said associated companies included in the consolidated financial statements and the financial statements, in which the equity method is applied to investment, amounted to Baht 26.08 million and Baht 75.50 million respectively or equivalent to 1.23% of the total assets in the consolidated balance sheet and 4.13% of the total assets in the balance sheet, in which the equity method is applied to investment, respectively, and the participating profit (loss) from investments in the associated companies which was shown and included in the related consolidated statement of income for the year ended December 31, 2009, and in the statement of income, in which the equity method is applied to investment, for the year ended December 31, 2008 amounted to Baht 2.82 million and Baht (1.42) million respectively, equivalent to 1.29% of the net profit in the consolidated financial statements and to (0.73)% of the net profit in the financial statements, in which the equity method is applied to investment, respectively.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements present the material information which contradicted to the facts or not. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit and the reports of another auditors as stated in the first paragraph provide a reasonable basis for my opinion.

Based on my audit and the another auditor's reports, in my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position as of December 31, 2009, the consolidated result of operation and the consolidated cash flow for the year ended on the same date of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiary, the financial statements, in which the equity method is applied to investment, referred to above present fairly, in all material respects, the financial position as of December 31, 2008, the result of its operation and cash flow for the year then ended of SE-EDUCATION PUBLIC COMPANY LIMITED and the separate financial statements referred to above present fairly, in all material respects, the separate financial positions as of December 31, 2009 and 2008, the results of its operations and the separate cash flows for the years then ended, in conformity with generally accepted accounting principles.

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



(Miss Sansanee Poolsawat)

Certified Public Accountant (Thailand) Registration No. 6977

Bangkok,

February 24, 2010

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
BALANCE SHEETS

As of December 31, 2009 and 2008

(Unit : Baht)

	Notes	Consolidated financial statements	Financial statements in which the equity method is applied to investment	Separate financial statements	
		2009	2008	2009	2008
ASSETS					
CURRENT ASSETS					
Cash and cash equivalent items		544,807,252.81	336,679,068.11	506,609,307.22	336,679,068.11
Short-term investments-net	6	188,944,627.38	167,931,223.92	188,944,627.38	167,931,223.92
Trade accounts receivable-net	7	98,692,635.02	81,116,238.75	96,799,050.02	81,116,238.75
Loan to subsidiary (A.D.2008 : associated company)	5.1	-	11,000,000.00	-	11,000,000.00
Inventories-net	8	441,346,476.37	498,624,607.45	438,836,456.40	498,624,607.45
Prepaid expenses		25,361,987.52	23,709,133.67	25,361,987.52	23,709,133.67
Damage compensation receivable	9	17,792,554.66	-	17,792,554.66	-
Other current assets		22,798,877.86	14,434,473.70	18,050,548.55	14,434,473.70
TOTAL CURRENT ASSETS		1,339,744,411.62	1,133,494,745.60	1,292,394,531.75	1,133,494,745.60
NON-CURRENT ASSETS					
Investments in subsidiary and associated companies-net	10	26,177,125.45	75,595,444.85	69,532,021.51	69,532,021.51
Property, plant and equipment-net	11	485,683,399.64	345,220,602.50	318,867,702.65	345,220,602.50
Leasehold right on land-net	12	8,045,458.01	-	-	-
Leasehold right on buildings-net	13	116,557,406.89	129,124,847.65	116,557,406.89	129,124,847.65
Land and land improvement not used for operation-net	14	33,586,474.53	33,652,265.12	33,586,474.53	33,652,265.12
Intangible assets-net	15	7,416,717.78	8,213,540.68	7,106,840.63	8,213,540.68
Copyright and translation paid in advance		24,053,513.70	21,711,354.34	24,053,513.70	21,711,354.34
Guarantee for rental and deposit		69,323,572.31	63,680,608.13	69,323,572.31	63,680,608.13
Other non-current assets	16	14,802,463.83	15,796,391.04	14,708,541.13	15,796,391.04
TOTAL NON-CURRENT ASSETS		785,646,132.14	692,995,054.31	653,736,073.35	686,931,630.97
TOTAL ASSETS		2,125,390,543.76	1,826,489,799.91	1,946,130,605.10	1,820,426,376.57

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

As of December 31, 2009 and 2008

(Unit : Baht)

	Notes	Consolidated financial statements	Financial statements in which the equity method is applied to investment	Separate financial statements	
		2009	2008	2009	2008
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		1,031,765,086.08	973,139,272.82	1,031,355,768.52	973,139,272.82
Short-term loans from related person	5.1	1,210,000.00	-	-	-
Income received in advance recognisable within one year	17	34,655,521.25	-	-	-
Accrued expenses		106,294,367.67	97,448,137.38	106,294,367.67	97,448,137.38
Accrued corporate income tax		31,596,181.82	22,095,916.00	31,596,181.82	22,095,916.00
Other accounts payable		46,465,433.76	36,669,147.45	46,465,433.76	36,669,147.45
Other current liabilities		44,116,241.20	34,806,917.54	40,387,542.61	34,806,917.54
TOTAL CURRENT LIABILITIES		1,296,102,831.78	1,164,159,391.19	1,256,099,294.38	1,164,159,391.19
NON-CURRENT LIABILITIES					
Income received in advance waiting for transfer-net	17	16,981,252.25	-	-	-
Long-term loans from related person	5.1	1,400,000.00	-	-	-
Long-term loans	18	58,000,000.00	-	-	-
Other non-current liabilities		9,094,711.20	8,380,839.20	8,870,839.20	8,380,839.20
TOTAL NON-CURRENT LIABILITIES		85,475,963.45	8,380,839.20	8,870,839.20	8,380,839.20
TOTAL LIABILITIES		1,381,578,795.23	1,172,540,230.39	1,264,970,133.58	1,172,540,230.39
SHAREHOLDERS' EQUITY					
Share capital	19				
Authorized share capital					
328,345,090 ordinary shares @ Baht 1.00 par value each		328,345,090.00	328,345,090.00	328,345,090.00	328,345,090.00
Issued and paid-up share capital					
323,921,130 ordinary shares @ Baht 1.00 par value each		323,921,130.00	323,921,130.00	323,921,130.00	323,921,130.00
Premiums on share capital		149,420,557.75	149,420,557.75	149,420,557.75	149,420,557.75
Unrealized loss on securities available for sale	6	(10,536,683.44)	(21,555,812.87)	(10,536,683.44)	(21,555,812.87)
Capital surplus from assets revaluation	11	28,076,002.66	29,065,427.81	28,076,002.66	29,065,427.81
Discount on capital resulting from change in shareholding ratio in subsidiary (A.D.2008 : associated company)	10.2	(6,643,495.87)	(6,764,068.74)	-	-
Retained earnings	20				
Appropriated					
Legal reserve		35,626,916.56	35,626,916.56	35,626,916.56	35,626,916.56
Unappropriated		169,693,361.48	144,235,419.01	154,652,547.99	131,407,926.93
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY		689,557,789.14	653,949,569.52	681,160,471.52	647,886,146.18
Minority's interest		54,253,959.39	-	-	-
TOTAL SHAREHOLDERS' EQUITY		743,811,748.53	653,949,569.52	681,160,471.52	647,886,146.18
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,125,390,543.76	1,826,489,799.91	1,946,130,605.10	1,820,426,376.57

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF INCOME

For the years ended December 31, 2009 and 2008

(Unit : Baht)

	Notes	Consolidated financial statements	Financial statements in which the equity method is applied to investment	Separate financial statements	
		2009	2008	2009	2008
Revenues from sales		4,596,004,862.87	4,370,001,374.29	4,595,757,997.87	4,370,001,374.29
Income from educational fee and services		25,067,708.50	-	-	-
Total revenues		4,621,072,571.37	4,370,001,374.29	4,595,757,997.87	4,370,001,374.29
Cost of sales		(3,138,733,710.34)	(3,030,307,321.72)	(3,138,545,352.55)	(3,030,307,321.72)
Cost of services		(17,404,208.90)	-	-	-
Total cost of sales and services		(3,156,137,919.24)	(3,030,307,321.72)	(3,138,545,352.55)	(3,030,307,321.72)
Gross profit		1,464,934,652.13	1,339,694,052.57	1,457,212,645.32	1,339,694,052.57
Interest and dividend income		12,803,740.02	18,193,639.12	14,248,925.05	19,693,639.12
Other income		36,995,928.18	34,801,984.88	36,830,425.15	34,801,984.88
Profit before expenses		1,514,734,320.33	1,392,689,676.57	1,508,291,995.52	1,394,189,676.57
Selling expenses		(773,358,862.41)	(706,979,324.26)	(773,358,862.41)	(706,979,324.26)
Administrative expenses		(417,641,185.11)	(397,864,366.89)	(412,580,929.64)	(397,864,366.89)
Managements' and directors' remunerations	23	(32,038,510.00)	(33,526,443.00)	(32,038,510.00)	(33,526,443.00)
Total expenses		(1,223,038,557.52)	(1,138,370,134.15)	(1,217,978,302.05)	(1,138,370,134.15)
Participating profit (loss) from investments in associated companies		2,819,230.02	(1,424,172.69)	-	-
Profit before financial cost and corporate income tax		294,514,992.83	252,895,369.73	290,313,693.47	255,819,542.42
Financial cost		(1,214,642.95)	(171,335.55)	(163,845.15)	(171,335.55)
Net profit before corporate income tax		293,300,349.88	252,724,034.18	290,149,848.32	255,648,206.87
Corporate income tax	24	(75,791,760.56)	(58,091,895.87)	(75,791,760.56)	(58,091,895.87)
Net profit		217,508,589.32	194,632,138.31	214,358,087.76	197,556,311.00
Appropriation of profit					
Belonging to shareholders' equity of parent company		216,571,409.17	194,632,138.31	214,358,087.76	197,556,311.00
Belonging to minority shareholders' equity		937,180.15	-	-	-
		217,508,589.32	194,632,138.31	214,358,087.76	197,556,311.00
Earnings per share of shareholders' equity of parent company		0.67	0.60	0.66	0.61
Number of ordinary shares (Unit : Share)		323,921,130	323,921,130	323,921,130	323,921,130

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

**SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the year ended December 31, 2009

Consolidated financial statements

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premiums on share capital	Unrealized gain (loss) on securities available for sale	Capital surplus from assets revaluation	Discount on capital resulting from change in shareholding ratio in subsidiary	Retained earnings		Total shareholders' equity of parent company	Minority's interest	Total
							Appropriated	Unappropriated			
Balance as of January 1, 2009 (Financial statements in which the equity method is applied to investment)		323,921,130.00	149,420,557.75	(21,555,812.87)	29,065,427.81	(6,764,068.74)	35,626,916.56	144,235,419.01	653,949,569.52	-	653,949,569.52
Unrealized gain on securities available for sale	6	-	-	11,019,129.43	-	-	-	-	11,019,129.43	-	11,019,129.43
Discount on capital resulting from change in shareholding ratio in subsidiary	10,2	-	-	-	-	120,572.87	-	-	120,572.87	(120,572.87)	-
Depreciation-capital surplus from assets revaluation	11	-	-	-	(989,425.15)	-	-	-	(989,425.15)	-	(989,425.15)
Total recognised income (expenses) in shareholders' equity		-	-	11,019,129.43	(989,425.15)	120,572.87	-	-	10,150,277.15	(120,572.87)	10,029,704.28
Net profit for the year		-	-	-	-	-	-	216,571,409.17	216,571,409.17	937,180.15	217,508,589.32
Total income (expenses) recognised for the year		-	-	11,019,129.43	(989,425.15)	120,572.87	-	216,571,409.17	226,721,686.32	816,607.28	227,538,293.60
Dividend payment	20	-	-	-	-	-	-	(191,113,466.70)	(191,113,466.70)	-	(191,113,466.70)
Increase in minority's interest		-	-	-	-	-	-	-	-	53,437,352.11	53,437,352.11
Balance as of December 31, 2009		323,921,130.00	149,420,557.75	(10,536,683.44)	28,076,002.66	(6,643,495.87)	35,626,916.56	169,693,361.48	689,557,789.14	54,253,959.39	743,811,748.53

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2008

Financial statements in which the equity method is applied to investment

(Unit : Baht)

Notes	Issued and paid-up share capital	Premiums on share capital	Unrealized loss on securities available for sale	Capital surplus from assets revaluation	Discount on capital resulting from change in shareholding ratio in associated	Retained earnings		Total
						Appropriated	Unappropriated	
Balance as of January 1, 2008	323,765,330.00	149,420,557.75	(2,757,466.11)	30,057,629.15	(6,764,068.74)	35,626,916.56	130,999,113.50	660,348,012.11
Unrealized loss on securities available for sale	-	-	(18,798,346.76)	-	-	-	-	(18,798,346.76)
Depreciation-capital surplus from assets revaluation	-	-	(992,201.34)	(992,201.34)	-	-	-	(992,201.34)
Total recognised income (expenses) in shareholders' equity	-	-	(18,798,346.76)	(992,201.34)	-	-	-	(19,790,548.10)
Net profit for the year	-	-	-	-	-	-	194,632,138.31	194,632,138.31
Total income (expenses) recognised for the year	-	-	(18,798,346.76)	(992,201.34)	-	-	194,632,138.31	174,841,590.21
Shares purchased by exercising warrants of employees	155,800.00	-	-	-	-	-	-	155,800.00
Dividend payment	-	-	-	-	-	-	(181,395,832.80)	(181,395,832.80)
Balance as of December 31, 2008	323,921,130.00	149,420,557.75	(21,555,812.87)	29,065,427.81	(6,764,068.74)	35,626,916.56	144,235,419.01	653,949,569.52

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2009 and 2008

Separate financial statements

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premiums on share capital	Unrealized gain (loss) on securities available for sale	Capital surplus from assets revaluation	Retained earnings		Total
						Appropriated	Unappropriated	
Balance as of January 1, 2008		323,765,330.00	149,420,557.75	(2,757,466.11)	30,057,629.15	35,626,916.56	115,247,448.73	651,360,416.08
Unrealized loss on securities available for sale	6	-	-	(18,798,346.76)	-	-	-	(18,798,346.76)
Depreciation-capital surplus from assets revaluation	11	-	-	-	(992,201.34)	-	-	(992,201.34)
Total recognised income (expenses) in shareholders' equity		-	-	(18,798,346.76)	(992,201.34)	-	-	(19,790,548.10)
Net profit for the year		-	-	-	-	-	197,556,311.00	197,556,311.00
Total income (expenses) recognised for the year		-	-	(18,798,346.76)	(992,201.34)	-	197,556,311.00	177,765,762.90
Shares purchased by exercising warrants of employees	19	155,800.00	-	-	-	-	-	155,800.00
Dividend payment	20	-	-	-	-	-	(181,395,832.80)	(181,395,832.80)
Balance as of December 31, 2008		323,921,130.00	149,420,557.75	(21,555,812.87)	29,065,427.81	35,626,916.56	131,407,926.93	647,886,146.18
Unrealized gain on securities available for sale	6	-	-	11,019,129.43	-	-	-	11,019,129.43
Depreciation-capital surplus from assets revaluation	11	-	-	-	(989,425.15)	-	-	(989,425.15)
Total recognised income (expenses) in shareholders' equity		-	-	11,019,129.43	(989,425.15)	-	-	10,029,704.28
Net profit for the year		-	-	-	-	-	214,358,087.76	214,358,087.76
Total income (expenses) recognised for the year		-	-	11,019,129.43	(989,425.15)	-	214,358,087.76	224,387,792.04
Dividend payment	20	-	-	-	-	-	(191,113,466.70)	(191,113,466.70)
Balance as of December 31, 2009		323,921,130.00	149,420,557.75	(10,536,683.44)	28,076,002.66	35,626,916.56	154,652,547.99	681,160,471.52

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CASH FLOW STATEMENTS

For the years ended December 31, 2009 and 2008

(Unit : Baht)

	Consolidated financial statements	Financial statements in which the equity method is applied to investment	Separate financial statements	
	2009	2008	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before corporate income tax	293,300,349.88	252,724,034.18	290,149,848.32	255,648,206.87
Adjustment to net profit for cash-received (payments) from operation				
Doubtful debts and bad debts (return of bad debts)	185,470.90	(2,957,841.11)	185,470.90	(2,957,841.11)
Adjustment for accounts receivable reconciliation	(76,872.73)	(203,230.52)	(76,872.73)	(203,230.52)
Expense from returned goods estimation (reversal)	456,895.19	(6,560,469.94)	456,895.19	(6,560,469.94)
Expense from lost goods	21,114,282.95	27,392,842.17	21,114,282.95	27,392,842.17
Expense from allowance for lost, dilapidated and slow-moving goods (reversal)	(151,134.71)	1,373,082.48	(151,134.71)	1,373,082.48
Expense from donated goods	19,903,839.80	16,533,410.29	19,903,839.80	16,533,410.29
Expense from goods destroyed	5,034,982.55	10,042,082.83	5,034,982.55	10,042,082.83
Income compensatable from insurance company	(9,823,823.14)	-	(9,823,823.14)	-
Participating (profit) loss from investment in associated companies	(2,819,230.02)	1,424,172.69	-	-
Depreciation-fixed assets for operation	99,017,468.84	88,480,637.40	95,493,164.22	88,480,637.40
Depreciation-fixed assets not used for operation	65,790.59	65,985.54	65,790.59	65,985.54
(Gain) loss from sale and written-off fixed assets	144,888.09	(3,677,281.25)	121,767.15	(3,677,281.25)
Amortized leasehold right on land	88,253.49	-	-	-
Amortized leasehold right on buildings	12,567,440.76	12,601,872.12	12,567,440.76	12,601,872.12
Amortized intangible assets	3,008,193.91	3,457,684.52	2,996,070.98	3,457,684.52
Adjustment for accounts payable reconciliation	(7,092,629.44)	363,366.13	(7,092,629.44)	363,366.13
Interest expenses	1,214,642.95	171,335.55	163,845.15	171,335.55
Interest income	(4,159,704.94)	(8,879,222.08)	(4,104,889.97)	(8,879,222.08)
Dividend income	(8,644,035.08)	(9,314,417.04)	(10,144,035.08)	(10,814,417.04)
Income from compensation to change in branch area	-	5,260,736.18	-	5,260,736.18
Gain from sale of short-term investments	-	(1,038,346.64)	-	(1,038,346.64)
Gain from exchange rate	-	(703,304.92)	-	(703,304.92)
Profit from operation before change in operating assets and liabilities	423,335,069.84	386,557,128.58	416,860,013.49	386,557,128.58

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CASH FLOW STATEMENTS

For the years ended December 31, 2009 and 2008

(Unit : Baht)

	Consolidated financial statements	Financial statements in which the equity method is applied to investment	Separate financial statements	
	2009	2008	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES (Continued)				
Opening assets decrease (increase)				
Trade accounts receivable	(16,485,949.93)	20,813,239.79	(16,248,304.63)	20,813,239.79
Inventories	5,966,015.64	(107,462,410.26)	5,918,242.94	(107,462,410.26)
Prepaid expenses	(1,652,853.85)	2,742,200.70	(1,652,853.85)	2,742,200.70
Other current assets	(5,056,277.96)	6,547,634.67	(4,051,505.25)	6,547,634.67
Copyright and translation paid in advance	(2,342,159.36)	(2,287,562.26)	(2,342,159.36)	(2,287,562.26)
Guarantee for rental and deposit	(5,642,964.18)	(8,052,462.62)	(5,642,964.18)	(8,052,462.62)
Other non-current assets	2,151,054.70	(5,362,986.38)	2,153,910.44	(5,362,986.38)
Operating liabilities increase (decrease)				
Trade accounts payable	64,439,459.92	112,963,562.27	65,309,125.14	112,963,562.27
Income received in advance awaiting transfer	10,860,403.00	-	-	-
Accrued expenses	8,846,230.29	3,034,475.68	8,846,230.29	3,034,475.68
Other accounts payable	9,796,286.31	8,993,884.35	9,796,286.31	8,993,884.35
Other current liabilities	6,907,418.37	2,997,099.67	6,435,827.70	2,997,099.67
Other non-current liabilities	485,589.04	800,001.00	490,000.00	800,001.00
Not cash received from operating activities	501,607,321.83	422,283,805.19	485,871,849.04	422,283,805.19
Interest paid	(1,214,642.95)	(171,335.55)	(163,845.15)	(171,335.55)
Corporate income tax paid	(66,291,494.74)	(87,147,374.96)	(66,291,494.74)	(87,147,374.96)
Net cash provided by operating activities	434,101,184.14	334,965,094.68	419,416,509.15	334,965,094.68
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from sale of short-term investments	5,725.97	21,610,086.97	5,725.97	21,610,086.97
Cash paid to purchase short-term investments	(10,000,000.00)	-	(10,000,000.00)	-
Increase in other investment	(1,066,060.53)	(500,000.00)	(1,066,060.53)	(500,000.00)
Cash and cash equivalent items from subsidiary	24,414,373.15	-	-	-
Cash received from loan repayment by associated company	14,000,000.00	-	14,000,000.00	-
Cash paid for loan given to associated company	(3,000,000.00)	(11,000,000.00)	(3,000,000.00)	(11,000,000.00)
Interest received	4,578,182.48	8,403,120.91	4,540,320.37	8,403,120.91
Dividends received	10,144,035.08	11,683,864.39	10,144,035.08	11,683,864.39
Purchase of equipment	(70,392,776.25)	(164,736,713.09)	(69,393,811.59)	(164,736,713.09)
Purchase of intangible assets	(1,889,370.93)	(444,988.62)	(1,889,370.93)	(444,988.62)
Cash received from sales of equipment	402,577.25	1,326,637.66	402,577.25	1,326,637.66
Cash received from sales of assets pending for sale	-	20,000,000.00	-	20,000,000.00
Not cash used in investing activities	(32,803,313.78)	(113,657,991.78)	(56,256,584.38)	(113,657,991.78)

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CASH FLOW STATEMENTS
For the years ended December 31, 2009 and 2008

(Unit : Baht)

	Consolidated financial statements	Financial statements in which the equity method is applied to investment	Separate financial statements	
	2009	2008	2009	2008
CASH FLOW FROM FINANCING ACTIVITIES				
Cash received from short-term loan	60,000.00	-	-	-
Cash paid for assets payable	(2,116,218.96)	(2,171,668.53)	(2,116,218.96)	(2,171,668.53)
Cash received from additional warrants exercised to purchase ordinary shares	-	155,800.00	-	155,800.00
Dividend paid	(191,113,466.70)	(181,395,832.80)	(191,113,466.70)	(181,395,832.80)
Net cash used in financing activities	(193,169,685.66)	(183,411,701.33)	(193,229,685.66)	(183,411,701.33)
Cash and cash equivalent items increase (decrease) - net	208,128,184.70	37,895,401.57	169,930,239.11	37,895,401.57
Cash and cash equivalent items at the beginning of the year	336,679,068.11	298,783,666.54	336,679,068.11	298,783,666.54
Cash and cash equivalent items at the end of the year	544,807,252.81	336,679,068.11	506,609,307.22	336,679,068.11
Supplemental disclosures to the cash flow statements				
1. Cash and cash equivalent items consist of :				
Cash	25,649,047.14	21,597,239.56	25,596,745.89	21,597,239.56
Cash at bank (maturity period not exceeding 3 months)	311,999,419.81	155,081,828.55	297,318,963.43	155,081,828.55
Government bond (maturity period not exceeding 3 months)	207,158,785.86	160,000,000.00	183,693,597.90	160,000,000.00
Total	544,807,252.81	336,679,068.11	506,609,307.22	336,679,068.11
2. Items not effecting cash flow :				
2.1 Recording of unrealized gain (loss) on revaluation of securities available for sale to shareholders' equity	11,019,129.43	(18,798,346.76)	(11,019,219.43)	(18,798,346.76)
2.2 Purchase of fixed assets which had not yet been paid	1,261,016.33	2,116,218.96	1,261,016.33	2,116,218.96
2.3 Amortized capital surplus from assets revaluation	989,425.15	992,201.34	989,425.15	992,201.34
2.4 Recording of damage compensation receivable due to fire and flood but not yet paid	17,792,554.66	-	17,792,554.66	-
2.5 Recording of allowance for dilapidated goods due to fire and flood	7,967,937.52	-	7,967,937.52	-
2.6 Recording discount on capital resulting from change in shareholding ratio in subsidiary by decreasing minority's interest	120,572.87	-	-	-

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

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CASH FLOW STATEMENTS

For the years ended December 31, 2009 and 2008

(Unit : Baht)

	Consolidated financial statements	Financial statements in which the equity method is applied to investment	Separate financial statements	
	2009	2008	2009	2008
Additional information				
For the year ended December 31, 2009 the Company has changed its relationship with a company from being an associated company to a subsidiary which has assets and liabilities at book values as of October 1, 2009 to be consolidated as follows:-				
Cash and cash equivalent items		24,414,373.15		
Trade accounts receivable - net		1,655,939.70		
Inventories		2,557,792.67		
Other current assets		3,726,603.74		
Property, plant and equipment-net		169,364,157.89		
Leasehold right on land-net		8,133,711.50		
Intangible assets-net		322,000.08		
Other non-current assets		91,066.96		
Trade accounts payable		(1,278,982.78)		
Income received in advance waiting for transfer		(40,776,370.50)		
Short-term loans from related person		(1,150,000.00)		
Other current liabilities		(3,257,107.92)		
Long-term loans from related person		(1,400,000.00)		
Long-term loans		(58,000,000.00)		
Other non-current liabilities		(228,282.96)		
Minority's interest		(53,437,352.11)		
Net assets of the parent company		50,737,549.42		

As a result, the consolidated financial statements as of December 31, 2009 showed the investments in associated company decreased by Baht 50.99 million.

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

1. General information

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

Nature of the Company's business operation :

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

2. Basis of financial statement preparation

- 2.1 The consolidated financial statements, the financial statements in which the equity method is applied to investment and the separate financial statements were prepared in accordance with the generally accepted accounting principle under the Accounting Act B.E. 2543, which include the already announced accounting standards and their interpretations and accounting procedures determined by of the Federation of Accounting Professionals established under the Accounting Professions Act B.E. 2547 announced to be effective and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

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

- 2.2 Announcements for the application of the new accounting standards

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

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

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

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

2.3 In the statements of income and the statements of changes in shareholders' equity for the year ended December 31, 2008, there have been reclassification of accounting items and presenting format to conform with the accounting items in the financial statements for the year ended December 31, 2009 according to the announcement of Department of Business Development dated January 30, 2009 on Specification of Condensed Items to be Shown on Financial Statements B.E. 2552. Reclassified items in are the income statements as follows :

(Unit : Thousand Baht)

	Financial statements in which the equity method is applied to investment/ Separate financial statements		
	As of December 31, 2008		
	Before reclassification	Increase (Decrease)	After reclassification
Selling expenses	398,323	308,656	706,979
Administrative expenses	730,322	(332,458)	397,864
Managements' and directors' remunerations	9,724	23,802	33,526

In the balance sheet as of December 31, 2008, in which the equity method is applied to investment and separate financial statements have been account reclassified other current liabilities amount of Baht 1.03 million have been reclassified to trade accounts payable.

These reclassification of accounting items is made for the purpose of comparison with those items in the financial statements for the year ended December 31, 2009, which has no effect on net profit or shareholder's equity as previously reported.

- 2.4 The Company prepares its statutory financial statements in the Thai version in conformity with generally accepted accounting principles in Thailand. The accounting principles used may be different from generally accepted accounting principles in other countries. For the convenience of the readers, the financial statements in English version have been prepared by translating from the statutory financial statements in Thai version in order to meet the requirement of domestic reporting.

3. Basis for preparation of the consolidated financial statements

- 3.1 These consolidated financial statements are prepared by consolidating financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and these of the following subsidiary :-

Company's name	Type of share holding	Produce of registration	Type of business	Percentage of shareholding	
				As of December 31	
				2009	2008
Plearn Patt Co., Ltd.	Direct shareholding	Thailand	Institute of private education	48.82	49.01

The Company consolidated the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and those of Plearn Patt Co., Ltd., in the preparation of the consolidated financial statements for the 4th quarter of 2009, because the Company's top executive has the controlling power in directing the financial policies and operation of Plearn Patt Co., Ltd. The said company is, therefore, treated as a subsidiary in compliance with the Thai Accounting Standard No. 27 on "Consolidated and Separate Financial Statements (Revised 2007)" (formerly No. 44). The Company commenced to consolidate the financial statements of Plearn Patt Co., Ltd. since October 1, 2009 onwards.

- 3.2 A subsidiary is an enterprise under the control of the Company. This control occurs when the Company has a controlling power directly or indirectly in giving direction of financial policy and operation of that company in order to derive benefits from that subsidiary. Also the financial statements of the subsidiary will be combined into the consolidated financial statements of the Group Companies commencing from the date of control until the cessation date of such control.
- 3.3 The accounting period of Plearn Patt Co., Ltd., ends on March 31 each year.
- 3.4 The consolidated financial statements are prepared by using the same accounting policies for similar accounting items or events.
- 3.5 Material inter-balances and transactions between the Company and its subsidiary including investment in the subsidiary in the Company's books and shares capital of the subsidiary were already eliminated from the consolidated financial statements.

4. Summary of significant accounting policies

4.1 Recognition of revenues and expenses

4.1.1 Revenue from sales is recognized when goods are dispatched to customers 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.

4.1.2 Revenue from advertising is recognized once the advertisement is released.

4.1.3 Dividend is recognized when entitled to receive dividend.

4.1.4 Interest income is recognized according to the time period.

4.1.5 The initial entrance fee will be recognized as income when would be student has obtained full studentship right and such income will be gradually recognized over the period of 1 year.

4.1.6 Education supporting fee is recognized as income pursuant to the period of education.

4.1.7 Other income and expenses are recognized on accrual basis.

4.2 Cash and cash equivalent items include bank deposits in the types of savings, current and not exceeding three-month fixed deposits and government bond with maturity not exceeding three-month period, without guarantee obligation.

4.3 Short-term investments in marketable debt and equity instruments, which are recorded as securities for sale, are investments without time frame for holding but may be sold whenever liquidity is needed. The management will decide on the appropriate classification of investments at the time of investing and will review this classification regularly. These investments will be shown at fair value which is calculated from the closing price at the end of the accounting period and the change in value of the investments will be recognized as a separate item under the shareholders' equity, and the recognition will be made to the income statement when the investment is sold or becomes impaired.

4.4 Trade accounts receivable are shown at the net realizable value. Allowance for doubtful debt is calculated from percentage of the aging of the accounts receivable balances at the end of the period in conjunction with the consideration of each respective account receivable anticipated of uncollectibility.

4.5 The Company has the policy to set up the allowance for returned goods at the percentage rate of the average returned goods for the year of provincial accounts receivable at the end of the period.

4.6 Inventories

4.6.1 Paper-raw materials are valued at cost under weighted average method. Works in process are valued at actual cost incurred or net realizable value, whichever is lower.

4.6.2 Finished goods produced are valued at cost under weighted average method or net realizable value, whichever is lower.

4.6.3 Allowance for dilapidated and slow-moving goods: the estimate is made from percentage of the inventory turnover in conjunction with the consideration of the book editor.

4.6.4 Allowance for lost inventories: the Company holds the policy of allowance for lost inventories at the rate of 1.00 percent of each sales branch, which the Company adjust such allowance after the inventory taking and found actual lost inventories incurred at the respective branch.

4.7 Investments

- 4.7.1 Investment in the subsidiary (SE-ED Book Center Co., Ltd.) as appeared in the consolidated financial statement, the financial statements in which the equity method is applied to investment and the separate financial statements is recorded at cost.
- 4.7.2 Investment in the subsidiary (Plearn Patt Co., Ltd.) as appeared in the separate financial statements is recorded at cost net of accumulated allowance for impairment and change in value of investment is recognized in the income statement when the investment is disposed of or becomes impaired.
- 4.7.3 Investments in associated company as appeared in the consolidated financial statements and the financial statements, in which the equity method is applied to investment, are recorded by equity method and in the separate financial statements are recorded by cost method.

Such investments in the separate financial statements are shown net from the allowance for the adjustment in value of the investment, which consider from the present and future operating results of respective companies.

4.8 Property, plant and equipment

- 4.8.1 Properties and building with improvements are initially recorded at cost and later stated at fair value, base on the valuation made by external independent appraisers. The Company and its subsidiary has a policy to use independent appraisers to reevaluate assets at times and during the intervals if there are factors indicating a significant change in the value of assets, the revaluation will be performed in that year. Increase from appraisal value will be recorded as capital surplus from assets revaluation in the shareholders' equity, and decrease from cost recorded as loss from revaluation of assets in the income statement.
- 4.8.2 Building decoration, office equipment, air-conditioners and vehicles are recorded at cost less accumulated depreciation.
- 4.8.3 The depreciations are calculated on a straight-line method over the estimated useful life as follow:
- | | |
|--|-----------|
| – Land improvements | 20 years |
| – Building and improvements | 20 years |
| – Building decoration | 5-6 years |
| – Office equipment and air-conditioners | 3-5 years |
| – Vehicles | 5 years |
| – No depreciation is made for land and construction in progress. | |

Depreciation is included in the calculation for the operating result except the depreciation of increase in appraised price, which the Company takes out of the capital surplus from assets revaluation under the caption of shareholders' equity.

- 4.9 Leasehold right on land and buildings is amortized on the straight line method over the beneficial period of the said right as stipulated in the contracts.
- 4.10 Land not used for operation recorded the original cost and shown net by the accumulated allowance for impairment (if applicable). Improvement for land not used for operation recorded at cost and shown net by the accumulated depreciation, which calculated on a straight-line method over the estimated useful life of 10 years.

4.11 Intangible asset is shown at cost less by accumulated amortized expense and accumulated allowance for impairment (if applicable) of that asset. The Company and its subsidiary calculates the amortization of intangible asset with certain useful life systematically throughout the useful life of such asset. The Company and its subsidiary will review the period and method for amortization of intangible assets with certainty in useful life at least every end of the year. Amortized expense will be recognized in the statement of income.

Intangible asset, with limited useful life, has the following period of useful life:-

- Patent right expense for software usage 5-10 years

4.12 Impairment of assets; the Company and its subsidiary assess at each balance sheet date whether there is an indication that an asset may be impaired or not. If any such indication exists, the Company and its subsidiary will make an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

4.13 For asset under lease contract, in which risk and ownership right in that asset vested in the lessor, is treated as operating lease contract. Leasing fee paid under the operating lease contract is accounted as expense throughout the contract period.

4.14 Trade and other accounts payable are shown at cost.

4.15 Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as the expense for the year.

4.16 Provision-the Company and its subsidiary set up the provision when there is a certain possibility of a legally incurred liability from the present or infer from a continuing result from the past incident. The said liability is expected to result in losing the economical beneficial resources to pay for the liability. The amount to be paid is reliable and it is certain that the paid amount on the provision would be repaid back in full or partial amount. The Company and its subsidiary would recognize the repayment of the expense as separate asset but not more than the related provision and shown the expense related to the provision in the income statement net from the recognized expense expected to be repaid.

4.17 Ordinary shares are classified as capital and additional costs directly related to issuance of ordinary shares and warrants are recognized as deduction from share capital.

4.18 Premiums on share capital under Section 51 of the Public Companies Act B.E. 2535 arisen when the Company share subscription monies are in excess of the par value of the shares issued, have to be set aside to a reserve account ("Premiums on share capital"). Premiums on share capital are not available for dividend distribution.

4.19 Discount on capital is resulting from change in shareholding ratio in subsidiary (A.D.2008 : associated company) is the variance between the money paid to purchase in the shareholding ratio in the subsidiary and the book value of the subsidiary, incurred from the change in the shareholding ratio of the subsidiary. The said discount is shown in the consolidated balance sheet and balance sheet in which the equity method is applied to investment under the caption of shareholders' equity.

4.20 Dividend paid recorded in the financial statements for the accounting period the Company's shareholders or the board of directors' meeting has approved the dividend payment.

- 4.21 Legal reserve in accordance to Public Company Act B.E. 2535 Section 116 : The Company must appropriate for legal reserve at least 5% of net annual profit after deduction of accumulated loss (if applicable) until such reserve has accumulated to 10% of registered capital and it must not be distributed as dividends.
- 4.22 Minority's interest is meant by the net book value of the net assets of the subsidiary under the shareholding ratio of the minority's interest or the equity participation not owned by the group companies. The minority's interest is shown separately under the shareholders' equity in the consolidated balance sheet and the net profit (loss) of the minority's interest is shown separately in the consolidated statement of income.
- 4.23 Items denominated in foreign currencies are recorded in Baht at the exchange rate ruling on the day that transaction occurs, while the remaining balances of assets and liabilities denominated in foreign currencies at the year-end are translated into Baht at the prevailing exchange rate on that date, and the gain or loss arising from such translation is included in the related statement of income as revenue or expense.
- 4.24 The related parties and related companies with the Company and its subsidiary are meant by individuals or enterprises which have the controlling power over the Company and its subsidiary or are controlled by the Company and its subsidiary either directly or indirectly, or under the same control with the Company and its subsidiary. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Company and its subsidiary, important managers, directors or the employees of the Company and its subsidiary who have the power to plan and control the operations of the Company including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.
- 4.25 The Company has set up the provident fund for the type that the contribution plan has already been determined. The provident fund's asset has been separated from the assets of the Company and manages by an outside fund manager. The said provident fund receives contributions from the employees and the Company. The contribution from the Company is recorded as the expense in the income statements for the accounting period the transaction incurred. However, the Company did not set up the liability for the employee benefits according to the Thai Labor Law.
- 4.26 Executives' remuneration consists of compensation in monetary form, compensating benefits given to directors, manager or holders of next 4 executive positions lower than the manager, all holders of positions equal in rank to the 4th executive position mentioned earlier and includes the holders of executive position relating to accounting and finance at the level of department manager upwards or equivalents.
- 4.27 Financial cost consist of interest expense or other expenses in similar nature charged to the income statement in the period such expensed are incurred except in case that they are partly recorded as cost of assets due to the effect of long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amount under financial lease contract is charged to income statement by effective rate method.
- 4.28 Corporate income tax will be recognized as expense item whenever the Company and its subsidiary are liable to pay such tax.

- 4.29 Earnings per share are calculated by dividing net profit with the weighted average number of issued and paid-up shares during the year.
- 4.30 The business sector is the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors. The sectoral business operation is disclosed under the separate business sectors of the group companies.
- 4.31 Financial instruments comprised of financial assets as presented in balance sheets are consisted of cash at bank, investment, trade accounts receivable and loan receivable while financial liabilities are consisted of trade accounts payable and loan payable. The particular accounting policy for each transaction is respectively disclosed in each related caption.
- 4.32 For accounting estimates required for preparation of financial statements to conform to the generally accepted accounting principles, the management has to use various estimates and assumptions which would affect the policy setting and the reporting of the amounts relating to assets, liabilities, incomes and expenses. The estimates and assumptions are made from the experience and factors that the management reasonably believed under the circumstance; therefore, the actual result from the assumptions to the book value of the assets and liabilities may differ from amounts already estimated.

The estimates and assumptions used in preparation of the financial statements would be revised regularly. The adjustment of the accounting estimate is recorded in the accounting period that the said estimate has been revised. If the adjustment of the estimate only effect the incurred accounting period, it would be recorded in the affected period. If the adjustment of the estimate effects the present and succeeding accounting periods, it would be recorded in the present or the succeeding accounting periods.

5. Transactions with related parties

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

5.1 Inter-asset and liabilities

(Unit : Thousand Baht)

	Type of relationship	Consolidated financial statements	Separate financial statements	Financial statements in which the equity method is applied to investment/ Separate financial statements
		As of December 31,	As of December 31,	As of December 31,
		2009	2009	2008
Loans to				
Plearn Patt Co., Ltd.	Subsidiary			
Beginning balance	(2008 : associated company)	-	11,000	-
Increased loan in the year		-	3,000	16,000
Received repayment in the year		-	(14,000)	(5,000)
Ending balance		-	-	11,000

(Unit : Thousand Baht)

	Type of relationship	Consolidated financial statements	Separate financial statements	Financial statements in which the equity method is applied to investment/ Separate financial statements
		As of December 31,	As of December 31,	As of December 31,
		2009	2009	2008
Accrued interest income				
Plearn Patt Co., Ltd.	Subsidiary (2008 : associated company)	-	-	211
Trade accounts receivable				
Plearn Patt Co., Ltd.	Subsidiary (2008 : associated company)	-	44	-
Leasehold right on land				
Shareholder/directors of subsidiary	Related person	8,045	-	-
Trade accounts payable				
M AND E Co., Ltd.	Associated company	2,314	2,314	2,023
GMM Grammy Public Co., Ltd.	Shareholder	4,711	4,711	8,870
Bliss Publishing Co., Ltd.	Company related to shareholders	4,860	4,860	5,231
Post Publishing Public Co., Ltd.	Company related to shareholders	5,709	5,709	1,946
Total		17,594	17,594	18,070
Short-term loans				
Shareholder of subsidiary	Related person			
Beginning balance		150	-	-
Increased loan in the year		60	-	-
Repayment in the year		-	-	-
Ending balance		210	-	-
Director of subsidiary	Related person			
Beginning balance		1,000	-	-
Increased loan in the year		-	-	-
Repayment in the year		-	-	-
Ending balance		1,000	-	-
Total		1,210	-	-
Long-term loans				
Shareholder of subsidiary	Related person			
Beginning balance		500	-	-
Increased loan in the year		-	-	-
Repayment in the year		-	-	-
Ending balance		500	-	-
Director of subsidiary	Related person			
Beginning balance		900	-	-
Increased loan in the year		-	-	-
Repayment in the year		-	-	-
Ending balance		900	-	-
Total		1,400	-	-

In the years 2009 and 2008, loan due from a subsidiary (A.D.2008 : an associated company) was in the form of promissory note with a maturity period of 1 year. The interest rate is the rate of credit interest of a commercial bank at MOR per annum, the same rate in both years. The objective of the loan is for the associated company to use for construction and working capital for the school. On February 10, 2009, the Company has already received the full payment for the outstanding amount.

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

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

5.2 Inter-revenues and expenses

(Unit : Thousand Baht)

	Type of relationship	Consolidated financial statements	Separate financial statements	Financial statements in which the equity method is applied to investment/ Separate financial statements	Policy of inter-price setting
		For the year ended December 31,	For the year ended December 31,	For the year ended December 31,	
		2009	2009	2008	
Purchase of goods values					
Plearn Patt Co., Ltd.	Subsidiary	-	321	1,608	Market price
M AND E Co., Ltd.	Associated company	492	492	1,594	Market price
GMM Grammy Public Co., Ltd.	Shareholder	9,575	9,575	10,202	Market price
Bliss Publishing Co., Ltd.	Company related to shareholders	17,834	17,834	16,131	Market price
Post Publishing Public Co., Ltd.	Company related to shareholders	31,537	31,537	-	Market price
		59,438	59,759	29,535	
Interest income values					
Plearn Patt Co., Ltd.	Subsidiary (2008 : associated company)	-	114	556	Interest rate at MOR per annum
Land rented					
Shareholder/director of subsidiary	Related person	208	-	-	Mutually agreed agreement
Amortized land leasehold right					
Shareholder/director of subsidiary	Related person	88	-	-	Mutually agreed agreement
Interest expenses					
Shareholder/director of subsidiary	Related person	11	-	-	3-6% per annum

6. Short-term investments-net

Consisted of: -

(Unit : Baht)

	Consolidated and Separate financial statements As of December 31, 2009			
	Cost	Fair value	Dividends for the year	Accumulated dividends received
Securities available for sale :-				
Equity instruments				
Unit trusts				
One Fas Prosperity Fund	30,000,000.00	22,107,678.10	2,979,471.44	2,979,471.44
Bangkok Commercial Property Fund	19,101,000.00	17,190,900.00	1,337,070.00	6,451,027.30
Vayupak Fund 1	30,000,000.00	30,450,000.00	1,350,000.00	10,050,000.00
Debt instruments				
Asset Plus Fixed Income Dividend Fund 2	110,380,310.82	109,196,049.28	2,977,493.64	8,786,343.68
Total	189,481,310.82	178,944,627.38	8,644,035.08	28,266,842.42
<u>Less</u> Unrealized loss on securities available for sale	(10,536,683.44)	-	-	-
Net	178,944,627.38	178,944,627.38	8,644,035.08	28,266,842.42
Fixed deposit with 7 months maturity	10,000,000.00	10,000,000.00	-	-
Total short-term investments-net	188,944,627.38	188,944,627.38	8,644,035.08	28,266,842.42

(Unit : Baht)

	Financial Statements in which the equity method is applied to investment/separate financial statements As of December 31, 2008			
	Cost	Fair value	Dividends for the year	Accumulated dividends received
Securities available for sale :-				
Equity instruments				
Unit trusts				
One Fas Prosperity Fund	30,000,000.00	16,821,797.81	-	-
Bangkok Commercial Property Fund	19,101,000.00	14,325,750.00	1,375,272.00	5,113,957.30
Vayupak Fund 1	30,000,000.00	27,900,000.00	2,100,000.00	8,700,000.00
Debt instruments				
Asset Plus Fixed Income Dividend Fund	-	-	30,295.00	30,295.00
Asset Plus Fixed Income Dividend Fund 2	110,386,036.79	108,883,676.11	5,808,850.04	5,808,850.04
Total	189,487,036.79	167,931,223.92	9,314,417.04	19,653,102.34
<u>Less</u> Unrealized loss on securities available for sale	(21,555,812.87)	-	-	-
Net	167,931,223.92	167,931,223.92	9,314,417.04	19,653,102.34

7. Trade accounts receivable-net

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

(Unit : Baht)

	Consolidated financial statements	Separate financial statements	Financial statements in which the equity method is applied to investment/Separate financial statements
	As of December 31,	As of December 31,	As of December 31,
	2009	2009	2008
Trade accounts receivable			
Within credit term	51,289,090.18	51,284,402.68	47,143,570.77
Over credit term less than 6 months	48,002,793.98	46,873,602.68	38,438,031.60
Over credit term more than 6 months to 12 months	2,310,473.58	1,892,460.58	2,047,711.78
Over credit term more than 12 months	25,975,096.11	24,962,522.41	21,058,496.84
Total trade accounts receivable	127,577,453.85	125,012,988.35	108,687,810.99
<u>Less</u> Allowance for doubtful debts	(23,650,449.40)	(22,979,568.90)	(22,794,098.00)
Allowance for returned goods	(5,234,369.43)	(5,234,369.43)	(4,777,474.24)
Net	98,692,635.02	96,799,050.02	81,116,238.75

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

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

The Company has movement in transactions of allowance for doubtful accounts as follows: -

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
Balance as of January 1, 2009 (Financial statement in which the equity method is applied to investment)	(22,794,098.00)	(22,794,098.00)
<u>Add</u> Allowance for doubtful accounts	(2,338,666.78)	(2,338,666.78)
<u>Less</u> Reversal of allowance for doubtful accounts	2,153,195.88	2,153,195.88
Increase in part of associated company changed to subsidiary	(670,880.50)	-
Balance as of December 31, 2009	(23,650,449.40)	(22,979,568.90)

8. Inventories-net

Consisted of: -

(Unit : Baht)

	Consolidated financial statements	Separate financial statements	Financial statements in which the equity method is applied to investment/Separate financial statements
	As of December 31,	As of December 31,	As of December 31,
	2009	2009	2008
Raw materials	25,836,288.33	25,836,288.33	38,709,100.94
Work in process	4,856,145.44	4,856,145.44	10,571,870.42
Finished goods	506,570,413.64	504,060,393.67	537,443,204.32
Total	537,262,847.41	534,752,827.44	586,724,175.68
<u>Less</u> Allowance for lost goods	(18,315,726.15)	(18,315,726.15)	(19,908,665.44)
Allowance for dilapidated and slow-moving goods	(77,600,644.89)	(77,600,644.89)	(68,190,902.79)
Net	441,346,476.37	438,836,456.40	498,624,607.45

9. Damage compensation receivable

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

10. Investments in subsidiary and associated companies-net

Consisted of: -

(Unit : Baht)

	Nature of business	Country of Incorporation	Paid-up share capital (Thousand Baht)	Percentage of shareholdings	Consolidated and separate financial statements As of December 31, 2009		Dividend
					Investments		
					Equity Method	Cost Method	
Subsidiaries							
SE-ED Book Center Co., Ltd.	Business consulting	Thailand	100	99.93	99,930.00	99,930.00	-
Plearn Patt Co., Ltd.	Institute of private education-Plearn Pattana School	Thailand	170,000	48.82	-	83,000,000.00	-
Associated companies							
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	Thailand	400	25.00	26,077,195.45	100,000.00	1,500,000.00
Total investments					26,177,125.45	83,199,930.00	1,500,000.00
<u>Less</u> Allowance for revaluation of investment - Plearn Patt Co., Ltd.					-	(13,667,908.49)	-
Net					26,177,125.45	69,532,021.51	1,500,000.00

(Unit : Baht)

	Nature of business	Country of Incorporation	Paid-up share capital (Thousand Baht)	Percentage of shareholdings	Financial statements in which the equity method is applied to investment/Separate financial statement As of December 31, 2008		Dividend
					Investments		
					Equity Method	Cost Method	
Subsidiary							
SE-ED Book Center Co., Ltd.	Business consulting firm	Thailand	100	99.93	99,930.00	99,930.00	-
Associated companies							
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	Thailand	400	25.00	24,502,582.23	100,000.00	1,500,000.00
Plearn Patt Co., Ltd.	Institute of private education-Plearn Pattana School	Thailand	169,350	49.01	50,992,932.62	83,000,000.00	-
Total investments					75,595,444.85	83,199,930.00	1,500,000.00
<u>Less</u> Allowance for revaluation of investment- Plearn Patt Co., Ltd.					-	(13,667,908.49)	-
Net					75,595,444.85	69,532,021.51	1,500,000.00

Summarized financial information of the associated companies

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

(Unit : Baht)

	As of December 31,		For the year ended December 31,	
	2008	2007	2008	2007
Total assets	114,218,980.53	108,044,667.49		
Total liabilities	3,910,198.72	4,034,338.55		
Total revenue			39,749,924.23	41,199,078.69
Net profit			12,298,452.87	12,850,791.93

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

(Unit : Baht)

	As of December 31,	
	2009	2008
Total assets	222,071,748.92	187,413,460.30
Total liabilities	116,652,075.85	83,367,484.74

(Unit : Baht)

	For the three-month period ended March 31,		For the six-month period ended September 30,	For the nine-month period ended December 31,	For the nine-month period ended September 30,	For the years ended December 31,
	2009	2008	2009	2008	2009	2009
Total revenue	21,448,082.50	17,005,852.10	51,261,822.02	64,946,816.48	72,709,904.52	81,952,668.58
Net profit (loss)	(3,228,065.02)	(6,372,353.39)	2,706,990.97	(3,106,538.76)	(521,074.05)	(9,478,892.15)

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

For the years ended December, 31, 2009 and 2008, the Company recognized participating result from the operation for the years ended December 31, 2008 and 2007 of the associated company, of which financial statements were audited by another auditor. The Company consequently presented participating profit from investment in such associated company in the related consolidated income statement for the year ended December 31, 2009 for the amount of Baht 3.07 million equivalent to 1.41% of net profit shown in the consolidated financial statements, and in the income statements, in which the equity method is applied to investment, for the year ended December 31, 2008 for the amount of Baht 3.21 million or equivalent to 1.65% of net profit shown in the financial statements, in which the equity method is applied to investment, and as of December 31, 2009 and 2008, the Company had investment in that associated company for

the amounts of Baht 26.08 million and Baht 24.50 million respectively or equivalent to 1.23% of total assets in the consolidated financial statements and 1.34% of total assets in the financial statements, in which the equity method is applied to investment, respectively.

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

As of December 31, 2009, the Company consolidated the financial statements of Plearn Patt Co., Ltd. as specified in notes to financial statements No. 3.1.

In the year 2009 and 2008, the Company recognized participating result from operation in the financial statements in which equity method is applied to investment as follows :-

- 1) In the year 2009, the Company recognized participation in loss from investment in associated company as presented in the related consolidated income statement for the amount of Baht 0.26 million or equivalent to 0.12% of net profit shown in the consolidated financial statements, from the financial statements for the year ended March 31, 2009 (This recognition was especially made for the operation of the three-month period ended March 31, 2009.) and the financial statements for the six-month period ended September 30, 2009 of the associated company, which were audited and reviewed by another auditors respectively.
- 2) For the year ended December 31, 2008, the Company recognized participation in loss from investment in associated company as presented in the statements of income, in which the equity method is applied to investment, for the amount of Baht 4.63 million equivalent to 2.38% of net profit shown in the financial statements, in which the equity method is applied to investment, from the financial statements for the year ended March 31, 2008 and the financial statements for the nine-month period ended December 31, 2008 of the associated company, which were audited and reviewed by another auditors respectively, and as of December 31, 2008, the Company had investment in that associated company for amount of Baht 50.99 million equivalent to 2.79% of total assets in the financial statements, in which the equity method is applied to investment.
- 3) As of December 31, 2009, the Company adjusted the discount on capital incurred from the decreased change in the shareholding ratio in associated company at Baht 0.12 million; therefore, resulted in the increase in the investment and there was the discount from the decreased change in the shareholding ratio in subsidiary (A.D.2008 : associated company) in the shareholders' equity by the same amount. Consequently, the shareholding proportion subsidiary decreased by 0.19%.

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

As of December 31, 2009 and 2008, building decoration built on lease and leasehold right contracts, in the consolidated financial statements, the financial statements, in which the equity method is applied to investment, and separate financial statements, with book value in amount of Baht 95.37 million and Baht 97.74 million respectively. Most of these assets would automatically be owned by the lessor once the lease contracts expire or dismantle the decoration to return the property at its original state according to the condition stipulated in the contracts as mentioned in the notes to financial statements No. 26.2.

As of December 31, 2009, in the consolidated financial statements, assets which were fully depreciated had cost value of Baht 391.24 million and as of December 31, 2009 and 2008 in the financial statements in which the equity method is applied to investment and the separate financial statements such assets had cost values of Baht 381.68 million and Baht 318.51 million respectively. Part of these assets are still in use.

As the Company chose cost method for accounting and when there is an increase in asset revaluation, only net value of increased book value will be recorded to related assets account along side with capital surplus from assets revaluation account. For the year ended December 31, 2009 and 2008, the depreciation of capital surplus being charged to capital surplus from assets revaluation account appeared under the shareholders' equity for the amounts of Baht 0.99 million for both years. If the Company chooses to account for depreciation on capital surplus through the income statement, the net profit for the year ended December 31, 2009 and 2008, will be shown at amounts less by of Baht 0.99 million for both years, but has no significant effect on the earnings per share.

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

12. Leasehold rights on land-net

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

In the consolidated financial statements for the year ended December 31, 2009, leasehold right was amortised as expense in amount of Baht 0.09 million.

13. Leasehold rights on buildings-net

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers of the Company in order to open 13 branches of SE-ED Book Center. Most of these leasehold rights were for the periods of approximately 15-30 years. For the years ended December 31, 2009 and 2008, these leasehold rights were amortized as expenses by the amounts of Baht 12.57 million and Baht 12.60 million respectively.

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

Consisted of:-

(Unit : Baht)

	Consolidated financial statements/financial statements in which the equity method is applied to investment/Separate financial statements		
	Land	Land improvement	Total
Cost :			
As of December 31, 2008	49,495,608.93	658,413.00	50,154,021.93
As of December 31, 2009	49,495,608.93	658,413.00	50,154,021.93
Accumulated depreciation :			
As of December 31, 2007	-	(422,793.30)	(422,793.30)
Depreciation for the year	-	(65,985.54)	(65,985.54)
As of December 31, 2008	-	(488,778.84)	(488,778.84)
Depreciation for the year	-	(65,790.59)	(65,790.59)
As of December 31, 2009	-	(554,569.43)	(554,569.43)
Allowance for asset impairment :			
As of December 31, 2008	(16,012,977.97)	-	(16,012,977.97)
As of December 31, 2009	(16,012,977.97)	-	(16,012,977.97)
Net book value :			
As of December 31, 2008	33,482,630.96	169,634.16	33,652,265.12
As of December 31, 2009	33,482,630.96	103,843.57	33,586,474.53
Depreciation in the income statement for the years			
Ended December 31, 2008			65,985.54
Ended December 31, 2009			65,790.59

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

15. Intangible assets-net

Consisted of:-

(Unit : Baht)

	Consolidate financial statements	Financial statements in which the equity method is applied to investment/ Separate financial statements
	Patent right expense for software usage	Patent right expense for software usage
Cost :		
As of December 31, 2007	33,440,198.21	33,440,198.21
Purchases	444,988.62	444,988.62
As of December 31, 2008	33,885,186.83	33,885,186.83
Increase from recognize assets of subsidiary	481,355.00	-
Purchases	1,889,370.93	1,889,370.93
As of December 31, 2009	36,255,912.76	35,774,557.76
Accumulated amortization :		
As of December 31, 2007	(22,213,961.63)	(22,213,961.63)
Amortization for the year	(3,457,684.52)	(3,457,684.52)
As of December 31, 2008	(25,671,646.15)	(25,671,646.15)
Increase from recognize assets of subsidiary	(159,354.92)	-
Amortization for the year	(3,008,193.91)	(2,996,070.98)
As of December 31, 2009	(28,839,194.98)	(28,667,717.13)
Net Book Value :		
As of December 31, 2008	8,213,540.68	8,213,540.68
As of December 31, 2009	7,416,717.78	7,106,840.63
Amortization in the income statement for the years		
Ended December 31, 2008	3,457,684.52	3,457,684.52
Ended December 31, 2009	3,008,193.91	2,996,070.98

16. Other non-current assets

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

- As of December 31, 2009 and 2008, part of fixed deposits, with 12-month maturity period bearing the interest rates of 1.00%-1.50% per annum in amounts of Baht 8.67 million and Baht 8.47 million respectively were pledged as collaterals for the amounts of Baht 4.56 million and Baht 4.63 million respectively.
- As of December 31, 2009 and 2008, part of savings bonds with 7-year maturity period bearing the interest rates of 4.25%-5.10% per annum in amounts of Baht 3.00 million and Baht 2.00 million respectively were pledged as collaterals for the amounts of Baht 2.10 million and Baht 1.70 million respectively.

17. Income received in advance waiting for transfer-net

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

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

As of December 31, 2009, the subsidiary had outstanding income received in advance and its movements as follows: -

	The initial entrance fee	Education supporting fee	Total
Income received in advance waiting transfer-net as of October 1, 2009	7,365,000.00	33,411,370.50	40,776,370.50
<u>Plus</u> Increase during the period	5,872,500.00	29,204,947.50	35,077,447.50
<u>Less</u> Income recognition during the period	(3,300,000.00)	(20,917,044.50)	(24,217,044.50)
Remaining income received in advance pending transfer	9,937,500.00	41,699,273.50	51,636,773.50
<u>Less</u> Service income received in advance recognition within one year	(8,293,750.00)	(26,361,771.25)	(34,655,521.25)
Income received in advance waiting for transfer-net as of December 31, 2009	1,643,750.00	15,337,502.25	16,981,252.25

18. Long-term loans

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

19. Share capital

In accordance with the resolution of the annual general shareholders' meeting of the Company No. 1/2001 held on April 30, 2001, it was resolved to issue warrants with rights to purchase ordinary shares for the directors, employees and sub-agents in number of 31,648,000 units at the price of Baht 1.00 per unit, dividing into 5 versions. The period of exercising for each version of right is 1 year apart. The warrants' right can be exercised every 3 months and the last date to exercise the right is January 14, 2008. The right of each version can be exercised to purchase ordinary shares in the proportion of 10%, 10%, 10%, 30% and 40% of the entire number of rights received respectively.

For the exercise of warrants' right, to purchase ordinary share of the Company for the year ended December 31, 2008, directors and employees had exercised their rights to purchase ordinary shares in number of 155,800 units. Thus, the Company had increased the issued and paid-up share capital by the total of Baht 0.16 million. The Company registered the change in paid-up share capital on January 22, 2008. These warrants forfeited their exercisable rights on January 14, 2008.

20. Retained earnings

Dividends payment and legal reserve

Consisted of:

	Year 2009's operating result						
	Resolutions of the Company's Board of Directors' meeting no.	Meeting date	Dividends payment date	Dividends per share (Baht)	Total dividends paid (Million Baht)	Legal reserve	
						% of Net profit	Amount (Million Baht)
Quarter 1	3/2009	11/05/2009	09/06/2009	0.10	32.39	-	-
Quarter 2	4/2009	14/08/2009	11/09/2009	0.10	32.39	-	-
Quarter 3	6/2009	12/11/2009	11/12/2009	0.10	32.39	-	-
Total				0.30	97.17		-

	Year 2008's operating result						
	Resolutions of the Company's Board's/ Shareholders' meeting no.	Meeting date	Dividends payment date	Dividends per share (Baht)	Total dividends paid (Million Baht)	Legal reserve	
						% of Net profit	Amount (Million Baht)
Quarter 1	2/2008	12/05/2008	06/06/2008	0.10	32.39	-	-
Quarter 2	3/2008	08/08/2008	05/09/2008	0.10	32.39	-	-
Quarter 3	4/2008	12/11/2008	11/12/2008	0.10	32.39	-	-
Quarter 4	1/2009	29/04/2009	28/05/2009	0.29	93.94	-	-
Total				0.59	191.11		-

	Year 2007's operating result						
	Resolutions of the Company's Board's/ Shareholders' meeting no.	Meeting date	Dividends payment date	Dividends per share (Baht)	Total dividends paid (Million Baht)	Legal reserve	
						% of Net profit	Amount (Million Baht)
Quarter 1	2/2007	10/05/2007	08/06/2007	0.10	32.36	-	-
Quarter 2	3/2007	09/08/2007	06/09/2007	0.10	32.37	-	-
Quarter 3	5/2007	13/11/2007	11/12/2007	0.10	32.38	-	-
Quarter 4	1/2008	29/04/2008	28/05/2008	0.26	84.22	-	-
Total				0.56	181.33		-

21. Capital management

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

22. Nature of expenses

The nature of expenses consisted of: -

(Unit : Baht)

	Consolidated financial statements For the year ended December 31,	Separate financial statements For the year ended December 31,	Financial statements in which the equity method is applied to investment/ Separate financial statements For the year ended December 31,
	2009	2009	2008
Employees' salaries, wages and other benefits	452,262,133.88	438,367,590.73	404,128,512.97
Executives' and directors' remunerations	32,038,510.00	32,038,510.00	33,526,443.00
Depreciation and amortization	114,747,147.59	111,122,466.55	104,606,179.58
Rent, service fee and utility expenses	408,492,861.29	407,711,495.59	364,212,299.22
Operational expenses	212,058,618.17	208,490,941.52	210,308,985.04
Accounting estimated expenses	2,747,573.59	2,747,573.59	1,373,082.48
Variable cost depending on sale volume	66,200,102.16	66,200,102.16	68,157,402.62
Production expenses	127,743,811.78	124,653,723.98	130,172,902.78
Purchase of goods and raw material used	2,926,297,202.64	2,926,092,714.85	2,894,177,969.78
Movement in finished goods and work-in-process	36,588,515.66	39,098,535.63	(41,986,321.60)
Interest expenses	1,214,642.95	163,845.15	171,335.55
Total	4,380,391,119.71	4,356,687,499.75	4,168,848,791.42

23. Executives' and directors' remunerations

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

(Unit : Million Baht)

	Consolidated Financial statements/ Financial statements in which the equity method is applied to investment/ Separate financial statements For the years ended December 31,	
	2009	2008
Directors' remunerations	4.00	7.42

23.2 In accordance to the minutes of the Company's board of directors' meeting No. 1/2008 held on February 22, 2008, it unanimously agreed to authorize remunerations (rewards) to board of directors, audit committee members for the year 2007's operating result in the amount not more than Baht 3.42 million and for the year 2008's operating result not more than Baht 4.00 million. This proposal was approved by the annual general shareholders' meeting of the Company No. 1/2008 held on April 29, 2008. This resulted in the financial statements for the year ended December 31, 2008 recognized remunerations (rewards) to directors, which were a part of the remunerations paid to directors as mentioned in No. 23.1, as follows :-

- Remunerations (rewards) to directors out of operating result of the year 2007 in amount of Baht 3.42 million.
- Remunerations (rewards) to directors out of operating result of the year 2008 which were recorded as accrued remunerations in amount of Baht 4.00 million.

24. Corporate income tax

For the years ended December 31, 2009 and 2008, the Company calculated the corporate income tax at 25% on net accounting profit after adding back adjusting items under the Revenue Code. The reduced rate is in accordance to the Royal Decree No. 475 dated August 6, 2008 issued under the Revenue Code to reduce corporate income tax rate from 30% to 25% of net profit for the listed companies under the law on securities and securities market for the portion not exceeding Baht 300 million for the 3 consecutive accounting periods commencing from the first accounting period which commences on or after January 1, 2008.

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

25. Disclosure of sectoral business operations

Details of the sectoral business operations in the consolidated financial statements and financial statements in which the equity method is applied to investment for the years ended December 31, 2009 and 2008 are as follows:-

(Unit : Thousand Baht)

	Book publishing and distributing business		Institute of private education		Setting off inter-transactions		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues from operation	4,595,758	4,370,001	265	-	(18)	-	4,596,005	4,370,001
Profit before financial cost and corporate income tax	292,528	252,896	2,881	-	(894)	-	294,515	252,896
Financial cost	(164)	(171)	(1,051)	-	-	-	(1,215)	(171)
Net profit before corporate income tax	292,364	252,725	1,830	-	(894)	-	293,300	252,725
Corporate income tax	(75,792)	(58,092)	-	-	-	-	(75,792)	(58,092)
Net profit	216,572	194,633	1,830	-	(894)	-	217,508	194,633
Appropriation of profit								
Belonging to shareholders' equity of parent company							216,571	194,633
Belonging to minority shareholders' equity							937	-
							217,508	194,633
As of December 31,								
Trade accounts receivable-net	96,799	81,116	1,937	-	(43)	-	98,693	81,116
Inventories-net	438,836	498,625	2,510	-	-	-	441,346	498,625
Property, plant and equipment-net	318,868	345,221	166,816	-	-	-	485,684	345,221
Other assets	1,100,029	901,528	51,395	-	(51,756)	-	1,099,668	901,528
Total assets	1,954,532	1,826,490	222,658	-	(51,799)	-	2,125,391	1,826,490

26. Obligations and contingent liabilities

26.1 As of December 31, 2009 and 2008, the Company and its subsidiary held obligations and contingent liabilities as follows :-

(Unit : Thousand Baht)

	Consolidated financial statements/ Financial statements in which the equity method is applied to investment/ Separate financial statements					
	As of December 31, 2009			As of December 31, 2008		
	Total facility	Facility utilized	Available facility	Total facility	Facility utilized	Available facility
Letters of guarantee	49,000	4,779	44,221	49,000	4,847	44,153
Letters of credit	4,000	-	4,000	4,000	-	4,000
Overdrafts	30,000	-	30,000	30,000	-	30,000
Short-term loan	50,000	-	50,000	50,000	-	50,000

As of December 31, 2009 and 2008, a part of letters of guarantee for the amounts of Baht 4.56 million and Baht 4.63 million respectively were guaranteed by the 12-month fixed deposit accounts as mentioned in the notes to financial statements No. 16.

26.2 As of December 31, 2009 and 2008, the Company has entered into agreements of building lease and services with a company and outside party so as to use as head office and the distribution center of merchandise. The Company has also entered into area rental agreements so as to use as branch offices totaling 304 branches and 283 branches respectively. The leasing periods ranged from 1 to 10 years. For the years 2009 and 2008, the total rental fee and public utility service fee that the Company has to pay are approximately Baht 421.17 million and Baht 374.66 million per annum respectively, most of which are calculated from percentage of sales amount.

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

- Lease agreement of land and warehouse for the period of 3 years, commencing from January 1, 2009 to December 31, 2011 with leasing fees of between Baht 12.00 million and Baht 12.83 million per annum.
- Lease agreement of office building area nearby the warehouse for the period of 3 years, commencing from June 15, 2006 to June 14, 2009. At present, the agreement has been extended for another 2 years and 6 months commencing from June 15, 2009 to December 31, 2011 with leasing fees of between Baht 4.17 million and Baht 4.47 million per annum.
- Lease agreement of a new warehouse for the period of 12 years and 9 months, commencing from December 1, 2008 to August 31, 2021, with leasing fees of between Baht 1.78 million and Baht 2.64 million per annum. The Company paid a deposit of Baht 1.60 million, which will be returned by the lessor once the leasing term expires.

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

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

26.4 Copyright contracts

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

26.5 The Company entered into contract to rent printing machines with a company for the period of one year. When the term of the contract ends, not any party informs to cancel it in writing; thus, the contract is regarded as binding for another year. The rate for printing service is calculated by printing volume. For the years 2009 and 2008, the payment of service is approximately Baht 3.90 million and Baht 3.36 million per annum respectively and, once the rent contract expires, the lessor has the right to repossess the printing machines from the lessee immediately.

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

27. Financial instruments

27.1 Financial risk management policy

The Company and its subsidiary have minimum risks with respect to the change of interest rates and exchange rates due to the Company's and its subsidiary's investments in business expansion are utilized by current cash flow. The nature of the Company and its subsidiary's operation related to foreign currency has non-material proportion, which the Company and its subsidiary would consider the use of appropriate financial instruments to hedge against the risk. Further more, the Company and its subsidiary hold no policy to adopt any financial instruments off the balance sheet, which are derivative instruments, for speculative or for trading purpose.

27.2 Risk on credit provision

The Company and its subsidiary have risk from credit provision in relation to trade accounts receivable. Nevertheless, the Company and its subsidiary constitute the conservative policy in granting credit and the number of customers are several; hence, the Company and its subsidiary do not anticipate any material damage from debt collection.

27.3 Risk on interest rates

Risk on interest rates is derived from the fluctuation of the market interest rates in the future, which will affect upon the Company's and its subsidiary's operating results and cash flows. However, the Company and its subsidiary manage the risk on interest rates with several instruments including setting the appropriate allocation of the investment at fixed and floating interest rates to suit the various activities of the Company and its subsidiary.

27.4 Risk on exchange rates

The Company has a forward contract with a commercial bank to hedge against exchange rate risk from debt repayment denominated in foreign currency. The Company has not recorded such financial liability in the financial statements. The due date for payment of the forward contract already committed has outstanding period of not greater than 6 months with the following details :-

Financial statements in which the equity method is applied to investment/ Separate financial statements			
GBP As of December 31,		Baht As of December 31,	
2009	2008	2009	2008
-	70,000.00	-	3,839,500.00

Net fair values of financial derivatives as of the balance sheet date are as follows :-

(Unit : Baht)

	Financial statements in which the equity method is applied to investment/ Separate financial statements As of December 31,	
	2009	2008
Net fair values of forward contracts	-	(261,653.00)

27.5 Fair value

Since the financial assets and liabilities are mainly in short-term types; hence, the book values of such financial assets and liabilities presented herein do not materially differ from fair values. Moreover, the Company's short-term investments have already been adjusted to fair values.

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the fund monthly at the rate of 5.00% of basic salaries. The fund is managed by Ayudhya Fund Management Co., Ltd. and will be paid to the employees upon termination of their employment in accordance with the fund rules. For the years ended December 31, 2009 and 2008, the Company's contribution to the fund amounted to Baht 9.37 million and Baht 8.89 million respectively.

29. Approval of financial statements

These financial statements have been approved for issuance by SE-EDUCATION PUBLIC COMPANY LIMITED's board of directors on February 24, 2010.

กิจกรรม Activities



การประชุมประจำปีผู้จัดการสาขา
ซีเอ็ดบุ๊คเซ็นเตอร์
SE-ED Book Center Managers
Annual Conference.



ซีเอ็ดพบนักลงทุน Opportunity Day
SE-ED met investors on the Opportunity
Day.



การประชุมวางแผนงานประจำปี
Annual planning workshop.



งานแถลงข้อมูล "ที่สุดในธุรกิจหนังสือ
ประจำปี 2552"
Press Conference "Best in Book Business
2009".



กิจกรรมพัฒนาบุคลากร
Human resources development
activities.



คณะตัวแทนสำนักพิมพ์และผู้จัดจำหน่าย
หนังสือ จากประเทศเวียดนาม เยี่ยมชม
กิจการ ณ SE-ED Learning Center
Vietnam Delegation (Publishers and
Booksellers) visited
SE-ED Learning Center.



เรามุ่งมั่นที่จะทำให้ คนไทย เก่งขึ้น

Our Determination is to make Thais Smarter



ซีเอ็ด

บริษัท ซีเอ็ดดูเคชั่น จำกัด (มหาชน)

เลขที่ 1858/87-90 อาคารเนชั่นทาวเวอร์ ชั้น 19 ถนนบางนา-ตราด กม. 4.5
แขวงบางนา เขตบางนา กรุงเทพฯ 10260 โทร. 0-2739-8000 โทรสาร 0-2751-5999

SE-EDUCATION PUBLIC COMPANY LIMITED

1858/87-90 Nation Tower Bldg., 19th Floor, Bangna-Trat Rd., Km.4.5,
Bangna, Bangkok 10260, Thailand Tel : (662) 739-8000 fax : (662) 751-5999

www.se-ed.com