

(TRANSLATION)
REVIEW REPORT OF THE INTERIM FINANCIAL STATEMENT OF
THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

I have reviewed the balance sheet of SE-EDUCATION PUBLIC COMPANY LIMITED as of June 30, 2002, the related statements of income for the quarter and the six-month period ended on June 30, 2002, changes in shareholders' equity and cash flow for the six-month period ended on June 30, 2002. These financial statements are the responsibility of the Company's management as to their correctness and completeness in the presentation. My responsibility is to report on these financial statements based on my review.

I conducted my review in accordance with the standards on auditing applicable to review engagements. Those standards require that I plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, I do not express an opinion.

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

The related financial statements for the year ended on December 31, 2001 of SE-EDUCATION PUBLIC COMPANY LIMITED were audited by another auditor in the same firm, who expressed an unqualified report thereon dated February 27, 2002. The comparative balance sheet as of December 31, 2001 is an integral part of the financial statements.

Otherwise, the comparative statements of income for the quarter and the six-month period ended on June 30, 2001, changes in shareholders' equity and cash flow for the six-month period ended on June 30, 2001 of SE-EDUCATION PUBLIC COMPANY LIMITED were reviewed by the another auditor in the same firm as report thereon dated August 7, 2001 who reported that nothing had come to her attention that caused her to believe that the financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

ACCOUNTANTS and MANAGEMENT CONSULTANTS CO., LTD.

(Miss Susan Eiamvanicha)
Authorised Auditor No.4306

Bangkok,
August 1,2002.

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2002 and December 31, 2001

	(Unit : '000 Baht)	
	2002	2001
	Unaudited Limited Review Only	Audited
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash of Financial Institute	72,471	84,500
Short-Term Investment	198,353	192,302
Accounts and Notes Receivable-Net (Note 3)	69,500	70,860
Inventories-Net (Note 4)	105,610	121,315
Other Current Assets	22,841	18,183
TOTAL CURRENT ASSETS	<u>468,775</u>	<u>487,160</u>
NON-CURRENT ASSETS		
Investments in subsidiary and associated companies (Note 5)	11,083	9,653
Property, Plant and Equipments-Net (Note 6)	166,818	166,910
Leasehold-Buildings-Net (Note 7)	131,578	135,826
Assets Pending For Sale-Net (Note 8)	32,560	36,007
Land and Building not used for operation - Net (Note 9)	50,141	50,323
Guarantee for rental and Deposit	28,080	19,707
TOTAL NON-CURRENT ASSETS	<u>420,260</u>	<u>418,426</u>
TOTAL ASSETS	<u><u>889,035</u></u>	<u><u>905,586</u></u>

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

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2002 and December 31, 2001

	(Unit : '000 Baht)	
	2002	2001
	Unaudited	Audited
	Limited Review Only	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Bank Overdrafts	19,076	18,844
Accounts and Notes Payable	344,087	291,958
Accrued Income Tax	13,420	34,035
Other Current Liabilities	57,893	48,397
TOTAL CURRENT LIABILITIES	434,476	393,234
NON-CURRENT LIABILITIES		
Non-other Current Liabilities	3,796	4,117
TOTAL NON-CURRENT LIABILITIES	3,796	4,117
TOTAL LIABILITIES	438,272	397,351

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

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2002 and December 31, 2001

	(Unit : '000 Baht)	
	2002	2001
	Unaudited Limited Review Only	Audited
SHAREHOLDERS' EQUITY		
Share Capital		
Authorized Share Capital		
34,812,869 Ordinary Shares @ Baht 10.00	348,129	348,129
Issued and Paid-Up Share Capital		
21,098,713 Ordinary Shares @ Baht 10.00	210,987	210,987
Premiums on Share Capital	81,043	81,043
Surplus from Assets Revaluation	33,008	35,051
Unrealized Loss - Securities Available for Sale	(1,138)	(5,921)
Retained Earnings		
Appropriated		
Legal Reserve	15,125	8,938
Unappropriated	111,738	178,137
TOTAL SHAREHOLDERS' EQUITY	450,763	508,235
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	889,035	905,586

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

SE-EDUCATION PUBLIC COMPANY LIMITED

INCOME STATEMENTS

(Unit : '000 Baht)

	For the Quarter		For the 6 months Period	
	ended on June 30,		ended on June 30,	
	2002	2001	2002	2001
REVENUES FROM OPERATION				
Sales	485,956	405,631	929,887	756,810
Other Income	4,929	3,885	14,034	10,825
Participating Gain in the Associated Company	2,030	1,216	2,030	1,216
TOTAL REVENUES	492,915	410,732	945,951	768,851
EXPENSES FROM OPERATION				
Cost of Sales	351,697	275,384	672,537	532,697
Selling and Administrative Expenses	108,521	82,211	211,910	158,198
Directors' Remuneration	1,177	577	1,324	724
TOTAL EXPENSES	461,395	358,172	885,771	691,619
PROFIT BEFORE INTEREST				
EXPENSES AND INCOME TAX	31,520	52,560	60,180	77,232
INTEREST EXPENSES	(52)	(46)	(141)	(213)
INCOME TAX (Note 12)	(7,375)	(15,616)	(14,757)	(22,390)
NET PROFIT	24,093	36,898	45,282	54,629
PRIMARY EARNINGS (Note 13)	1.14	1.75	2.15	2.59
PER SHARE (Unit : Baht)				
DILUTED EARNINGS (Note 13)	0.77	-	1.46	-
PER SHARE (Unit : Baht)				

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

SE-EDUCATION PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAEHOLDERS' EQUITY
For the Six-Month Period ended on June 30, 2002 and 2001

(Unit : '000 Baht)

	Issued and Paid-up Share Capital	Premiums on Share Capital	Surplus from Capital Assets Revaluation	Unrealized Loss - Securities Available for Sale	Retained Earnings		Total
					Appropriated	Unappropriated	
Balance as of January 1, 2002	210,987	81,043	35,051	(5,921)	8,938	178,137	508,235
Adjustment of Surplus from Assets Revaluation	-	-	(2,043)	-	-	-	(2,043)
Unrealized Gain -Securities Available for Sale	-	-	-	4,783	-	-	4,783
Unrealized Transaction in the Income Statements	210,987	81,043	33,008	(1,138)	8,938	178,137	510,975
Appropriation for Legal Reserve (NOTE 10)	-	-	-	-	6,187	(6,187)	-
Dividend Payment (NOTE 10)	-	-	-	-	-	(105,494)	(105,494)
Net Profit for the Period	-	-	-	-	-	45,282	45,282
Balance as of June 30, 2002	210,987	81,043	33,008	(1,138)	15,125	111,738	450,763
Balance as of January 1, 2001	210,987	81,043	-	(7,078)	5,550	92,608	383,110
Unrealized Loss-Securities Available for Sale	-	-	-	(702)	-	-	(702)
Surplus from Assets Revaluation increase in this period	-	-	36,930	-	-	-	36,930
Surplus from Assets Revaluation decrease in this period	-	-	(534)	-	-	-	(534)
Unrealized Transaction in the Income statement	210,987	81,043	36,396	(7,780)	5,550	92,608	418,804
Appropriation for Legal Reserve	-	-	-	-	3,388	(3,388)	-
Dividend Payment	-	-	-	-	-	(34,813)	(34,813)
Net Profit for the period	-	-	-	-	-	54,629	54,629
Balance as of June 30, 2001	210,987	81,043	36,396	(7,780)	8,938	109,036	438,620

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

SE-EDUCATION PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the Six-Month Period ended on June 30, 2002 and 2001

	(Unit : '000 Baht)	
	2002	2001
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	45,282	54,629
Adjustment to Net Profit for Cash-Receipts (Payments) from Operation		
Depreciation - Assets for Operation	19,867	14,700
Depreciation - Assets not used for Operation	192	-
Error Adjustment Transactions of Fixed Assets	-	(848)
Loss from Decrease in Assets Value	-	55
Leasehold Written-Off	4,248	4,248
Allowance for Lost and Slow Moving Goods	8,824	4,732
Allowance for Returned Goods (Reversed Account)	(325)	1,420
Doubtful Debts (Bad Debt Collected)	(3,337)	2,287
Participating Gain from Associated Company	(2,030)	(1,216)
Realized Loss on Disposal of Securities Available for Sale	1,837	1,389
Gain on Disposal of Assets	(683)	(6)
Profit from Operating before Change in Operating Assets and Liabilities	73,875	81,390
(Increase)Decrease in Accounts and Notes Receivable	5,022	(34,852)
(Increase)Decrease in Inventories	6,881	4,417
(Increase)Decrease in Other Current Assets	(4,658)	(10,638)
(Increase)Decrease in Guarantee for Rental and Deposit	(8,373)	(4,128)
Increase(Decrease) in Accounts and Notes Payable	52,129	18,903
Increase(Decrease) in Accrued Income Tax	(20,615)	(677)
Increase(Decrease) in Other Current Liabilities	9,496	27,655
Increase(Decrease) in Non-other Current Liabilities	(321)	(26)
Net Cash Received (Used) from Operating Activities	113,436	82,044

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

Unaudited**Limited Review Only**

SE-EDUCATION PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the Six-Month Period ended on June 30, 2002 and 2001

	(Unit : '000 Baht)	
	2002	2001
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Securities Available for Sale	(120,000)	(27,000)
Cash Receipt from Disposal of Securities Available for Sales	116,895	52,622
(Increase)Decrease in Investment in Subsidiary Company	-	(25)
Purchase of Property, Plant and Equipment	(21,098)	(28,557)
Cash Receipt from Disposal of Property, Plant and Equipment	3,400	6
Dividend Receipt	600	-
Net Cash Received (Used) from Investing Activities	<u>(20,203)</u>	<u>(2,954)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase(Decrease) in Bank Overdrafts	232	(780)
Increase(Decrease) in Long - Term Loans	-	(20,819)
Dividend Payment	(105,494)	(34,813)
Net Cash Received (Used) from Financing Activities	<u>(105,262)</u>	<u>(56,412)</u>
Cash and Cash of Financial Institute Increase(Decrease) - Net	(12,029)	22,678
Cash and Cash of Financial Institute at the Beginning of the Period	<u>84,500</u>	<u>41,575</u>
Cash and Cash of Financial Institute at the Ending of the Period	<u><u>72,471</u></u>	<u><u>64,253</u></u>

Supplemental disclosures to the cash flow statements

1. Cash paid during the period:

Interest Paid	141	213
Income Tax	35,372	22,274

2. Items do not affect cash flow

2.1 As of June 30, 2002 and 2001 the company adjusted unrealizable gain(loss) on revaluation of securities available for sale with the shareholders' equity amounting Baht 4.78 million and Baht (0.70) million respectively.

2.2 For the six-month period ended on June 30, 2001 the company appraised land and building Baht 36.93 million.

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

Unaudited**Limited Review Only**

SE-EDUCATION PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****June 30, 2002 and December 31, 2001**

1. Basis of Financial Statement and Accounting Policies

1.1 The interim financial statements were prepared under the generally accepted accounting principles in Thailand and reflected by the condensed form as determined in the accounting standard No.41 on “The Interim Financial Statements” including additional transactions in the primary financial statements, ie. balance sheets, statements of income, changes in the shareholders’ equity, and cash flow all of which are regarded by format determined in the announcement of the Department of Commercial Registration on the subject of condensed transactions which need to exist in the financial statements (B.E. 2544) to be complied with the pronouncement of Securities and Exchange Commission and also regulation of the Security Exchange of Thailand.

The material accounting policies used in the preparation of the interim financial statements are applied to those used in the annually financial statements for the year ended on December 31, 2001; therefore the interim financial statements should be read in conjunction with the financial statements for the accounting year of 2001.

1.2 The company did not prepare the consolidated financial statements between the company and the SE-ED BOOK CENTER CO.,LTD., which is subsidiary company since subsidiary company has not commenced its operation and investment value in such subsidiary is not material to the company’s financial statements.

1.3 For the convenience of the readers, the financial statements in English version were translated from the statutory financial statements in Thai version for the purpose of domestic reporting .

2. Inter-Company Transactions

The Company constitutes accounting transactions incurred with related entities, comprising the same group of shareholders or common directors. The materially remaining balance and inter-transactions between the company and related entities are as follows:

2.1 Inter-Asset and Liabilities

(Unit : '000 Baht)

	<u>Type of relation</u>	<u>As of June 30, 2002</u>	<u>As of December 31, 2001</u>
<u>Account Payable</u>			
M AND E Co.,Ltd.	Associated Company	1,567	1,048
Nation Multi Media Group Public Co.,Ltd.	Shareholder	6,712	3,162
Nation Egmont Edutainment Co.,Ltd.	Related company with shareholder	4,142	2,440
Nation Edutainment Co.,Ltd.	Related company with shareholder	1,936	1,716

2.2 Inter-Revenues and Expenses

(Unit : '000 Baht)

	<u>Type of relation</u>	<u>For the six-month Period</u>		<u>Policy of Inter-price Setting</u>
		<u>Ended on June 30</u>		
		<u>2002</u>	<u>2001</u>	
<u>Purchase Goods Values</u>				
M AND E Co.,Ltd.	Associated Company	2,191	1,016	Market Price
Nation Multi Media Group Public Co.,Ltd.	Shareholder	7,321	25	Market Price
Nation Egmont Edutainment Co.,Ltd.	Related company with shareholder	7,212	565	Market Price
<u>Rental and Service Charge</u>				
Nation Multi Media Group Public Co.,Ltd.	Shareholder	5,001	3,049	Agreed upon Price

3. Accounts and Notes Receivable - Net

As of June 30, 2002 and December 31, 2001, accounts receivable are separated by aging overdue as follows :-

(Unit : '000 Baht)

	<u>As of June 30, 2002</u>	<u>As of December 31, 2001</u>
Accounts Receivable		
In Credit Term	55,508	33,997
Over Credit term less than 6 months	8,349	26,624
Over Credit term more than 6 months to 12 months	1,603	7,807
Over Credit term more than 12 months	23,088	27,393
Total	88,548	95,821
Notes Receivable	9,108	6,942
<u>Less Allowance for Doubtful Debts</u>	(24,511)	(27,933)
Allowance for Returned Goods	(3,645)	(3,970)
Net	69,500	70,860

4. Inventories - Net

Consisted of :-

(Unit : '000 Baht)

	<u>As of June 30, 2002</u>	<u>As of December 31, 2001</u>
Inventories	147,150	156,646
<u>Less</u> Allowance for lost and slow moving goods	(41,540)	(35,331)
Net	105,610	121,315

5. Investments in Subsidiary and Associated Companies

Consisted of :-

	<u>Nature of Business</u>	<u>Paid-Up Share Capital '000 Baht</u>	<u>Percentage of Share Holdings</u>	<u>As of June 30, 2002</u>				
				<u>Cost '000 Baht</u>	<u>Investments Method</u>	<u>'000 Baht</u>	<u>Dividend '000 Baht</u>	
Subsidiary Company								
SE-ED Book Center Co.,Ltd.	Business Consulting Firm	25	99.93%	25	Cost	25	-	
Associated Company								
M AND E Co., Ltd.	Printing Office Company, Produces Technical Magazines and Engineering Manuals	400	25%	100	Equity	11,058	600	
				125			11,083	600
	<u>Nature of Business</u>	<u>Paid-Up Share Capital '000 Baht</u>	<u>Percentage of Share Holdings</u>	<u>As of December 31, 2001</u>				
Subsidiary Company								
SE-ED Book Center Co.,Ltd.	Business Consulting Firm	25	99.93%	25	Cost	25	-	
Associated Company								
M AND E Co., Ltd.	Printing Office Company, Produces Technical Magazines and Engineering Manuals	400	25%	100	Equity	9,628	400	
				125			9,653	400

Investments in the SE-ED Book Center Co., Ltd, which is subsidiary company. The company recorded investment by cost method since the subsidiary company has not commenced its operation and investment value is not material to the company's financial statements.

The financial statements for the six-month period ended on June 30, 2002 and 2001, the company did not recognize participating profit or loss from investments in M AND E CO., LTD. since the associated company did not prepare the quarterly financial statements. However, the company received the financial statements for the year ended on December 31, 2001 of M AND E CO., LTD. which were audited by another auditor. The company, consequently recorded participating profit (loss) from investment in such associated company in the income statement for the six-month period ended on June 30, 2002 for the amount of Baht 2.03 million.

As of June 30, 2002 and December 31, 2001, investment in associated company was equivalent to 1.25% and 1.07% respectively over the Company's total assets.

6. Property, Plant and Equipment - Net

For the six- month ended on June 30, 2002

	(Unit : '000 Baht)
Net book value at the beginning of the period	166,910
Purchase	21,098
Depreciation in the Income Statement	(19,867)
Depreciation-Surplus from Assets Revaluation (Present under Shareholders' Equity Item)	(1,323)
Net book value at the ending of the period	166,818

Part of land and construction with book value in amount of Baht 48.03 million were pledged as collateral against bank overdrafts and long - term loans due to commercial banks.

7. Leasehold - Buildings - Net

The leasehold-buildings are mainly areas leased right in leading shopping center for SE-ED Book Center branches. Part of the leaseholds with book value in amount of Baht 81.42 million were pledged as collateral against long-term loans and bank overdrafts from commercial banks.

8. Assets Pending for Sales - Net

As of June 30, 2002 and December 31, 2001, part of the land plus construction were pledged as collateral against bank overdrafts and long-term loans due to commercial banks.

9. Land and Building not used for Operation-Net

For the six-month ended on June 30, 2002

	(Unit : '000 Baht)
Net book value at the beginning of the period	50,323
Depreciation	(182)
Net book value at the ending of the period	<u>50,141</u>

Land and Building not used for operation was fully pledged as collateral against bank overdrafts and long-term loans due to commercial banks.

10. Dividend Payment and Appropriation of Legal Reserve

In according to the general meeting of shareholders No.1/2002 (B.E.2545) held on April 29, 2002, it was unanimously to approve the declaration of dividend payment from the operating result of year 2001 at Baht 5.00 per share, totalling Baht 105.49 million. The dividend is paid out on May 29, 2002 and the appropriations of earnings to the legal reserve at 5% of net profit for the year 2001, in amount of Baht 6.19 million.

11. Warrant

11.1 Warrants to existing shareholders

On April 30, 2001, the general meeting of shareholders resolved that the company issued 10,549,356 warrants to purchase ordinary shares and fully offered to existing shareholders at the price of zero Baht at ratio of 2 former ordinary shares for 1 warrant. The residual will be written off from the exercise of warrants. The rate of right exercise of 1 warrant is convertible to 1 ordinary share at the price of Baht 16.50 per share, 5-year maturity commencing from the date of issuance of warrants. The holder of warrants enable to excise since the warrants holding 2-year maturity on December 15, 2003. Right exercise is available every 3 months and the last right can be exercised on December 15, 2006.

11.2 Warrants to directors, employees and the sub-agent.

On April 30, 2001, the general meeting of shareholders resolved that the company issued warrants to purchase ordinary shares whose names and holders are definable, not changeable (Except the warrants held by the sub-agent.) numbering 3,164,800 units to director, employees and the sub-agent at the offered price of zero Baht each, the exercise right of 1 warrant is convertible to 1 ordinary share at price of Baht 10 per share. It is divided into 5 versions. The right is initially exercised on January 15, 2003. The period of right exercise for each version lasts for every year. The final right can be exercised on January 15, 2007. The right of each version can be exercised to purchase ordinary shares in the proportion of 10%, 10%, 10%, 30% and 40% of entire number of rights received respectively.

12. Income Tax

For the six-month period ended of June 30, 2002, The company calculated income tax at 25% of net book profit before recognition of participating gain (loss) from investments in associated company plus prohibited expenses under the Revenue Code over which taxable rate is the new rate attributable to Royal Decree No. 387 B.E. 2544

In 2001, The company calculated income tax at 30% of net book profit before recognition of participating gain (loss) from investments in associated company plus prohibited expenses under the Revenue Code.

13. Primary and Diluted Earnings Per Share

	For the Quarter ended on June 30, 2002		
	<u>Net Profit</u>	<u>Weighted Average</u>	<u>Earnings per share</u>
		<u>of Common Share</u>	
	<u>(²000 Baht)</u>	<u>(²000 Share)</u>	<u>Baht</u>
Primary earning per share			
Net profit	24,093	21,099	1.14
equivalent number of shares		10,187	
Diluted earnings per share			
Profit on behalf of shareholders and may			
converse to ordinary shares	24,093	31,286	0.77

	For the six-month period ended on June		
	<u>Net Profit</u>	<u>Weighted Average</u>	<u>Earnings per share</u>
	<u>(²000 Baht)</u>	<u>(²000 Share)</u>	<u>Baht</u>
Primary earning per share			
Net profit	45,282	21,099	2.15
equivalent number of shares		9,946	
Diluted earnings per share			
Profit on behalf of shareholders and may			
converse to ordinary shares	45,282	31,045	1.46

14. Disclosure of Sectoral Business Operations

The company operates in one principal business sector, namely business of production and sale of books and confines its operation only in one geographical area i.e. in Thailand. Thus all income, profit and assets shown in the financial statements were related to the said business sector and geographical area.

15. Obligations and Contingent Liabilities

Apart from various liabilities which reflected in the financial statements as of June 30, 2002 and December 31, 2001 the company also constitutes contingent liability and obligation with a bank in relation to letter of guarantee for the amount of Baht 4.36 million and Baht 3.95 million respectively .

16. Various Contract

The Company holds the contract of building rental and contract of service with the Related company and outside party so as to use as head office and the distribution center of merchandise. Unless the company conducted the contract of area rental so as for branches office totalling 93 branches. Such leased contract comprises maturity from 1-10 years. The company, constitutes rental and service expense totally in approximate amount of Baht 102.32 million per year.