

(TRANSLATION)

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED.

I have reviewed the balance sheet of SE-EDUCATION PUBLIC COMPANY LIMITED as of March 31, 2003, the related statements of income, changes in shareholders' equity and cash flow for the three-months period then ended March 31, 2003 and 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.

I have previously audited, in accordance with generally accepted auditing standards, the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED for the year ended on December 31, 2002, and expressed an unqualified opinion in the report thereon dated February 26, 2003. The comparative balance sheet as of December 31, 2002, presented herein for comparison, was an integral part of such financial statements which I have audited and reported thereon. I did not perform any other audit procedures subsequent to the date in such report.

ACCOUNTANTS and MANAGEMENT CONSULTANTS CO., LTD.

(Miss Susan Eiamvanicha)

Authorised Auditor No.4306

Bangkok,
May 9, 2003.

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of March 31, 2003 and December 31, 2002

(Unit : '000 Baht)

	2003	2002
	Unaudited Limited Review Only	Audited
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalent Items	91,970	78,886
Short-Term Investment-Net (Net from Allowance for Diminution of Value in 2003 and 2002 in amount of Baht (1,219) thousand and Baht 1,438 thousand respectively)	313,271	305,928
Accounts and Notes Receivable-Net (Note 3)	54,284	65,656
Inventories-Net (Note 4)	113,362	105,587
Other Current Assets	23,218	20,364
TOTAL CURRENT ASSETS	596,105	576,421
NON-CURRENT ASSETS		
Investments in Subsidiary and Associated Companies (Note 5)	11,158	11,158
Property, Plant and Equipment-Net (Note 6)	216,188	207,675
Leasehold-Buildings (Note 7)	125,206	127,330
Assets Pending For Sale-Net (Note 8)	50,700	50,700
Land and Building not used for Operation - Net (Note 9)	32,549	40,027
Guarantee for Rental and Deposit	28,799	27,750
TOTAL NON-CURRENT ASSETS	464,600	464,640
TOTAL ASSETS	1,060,705	1,041,061

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

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of March 31, 2003 and December 31, 2002

(Unit : '000 Baht)

	2003	2002
	Unaudited	Audited
	Limited Review Only	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Bank Overdrafts	6,701	18,651
Accounts and Notes Payable	412,917	411,265
Accrued Corporate Income Tax	28,944	21,247
Accrued Expenses	26,088	28,628
Other Current Liabilities	38,751	33,956
TOTAL CURRENT LIABILITIES	513,401	513,747
NON-CURRENT LIABILITIES		
Other Non-Current Liabilities	3,701	3,699
TOTAL NON-CURRENT LIABILITIES	3,701	3,699
TOTAL LIABILITIES	517,102	517,446

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

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of March 31, 2003 and December 31, 2002

(Unit : '000 Baht)

	2003	2002
	Unaudited	Audited
	Limited Review Only	
SHAREHOLDERS' EQUITY		
Share Capital	(Note 10)	
Authorized Share Capital		
34,812,869 Ordinary Shares @ Baht 10.00	348,129	348,129
Issued and Paid-Up Share Capital		
21,380,973 Ordinary Shares @ Baht 10.00	213,810	-
21,098,713 Ordinary Shares @ Baht 10.00	-	210,987
Premiums on Share Capital	81,043	81,043
Capital Surplus from Assets Revaluation - Net	43,086	46,311
Unrealized Gain (Loss) - Securities Available for Sale	(1,219)	1,438
Retained Earnings		
Appropriated		
Legal Reserve	15,124	15,124
Unappropriated	191,759	168,712
TOTAL SHAREHOLDERS' EQUITY	543,603	523,615
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,060,705	1,041,061

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

SE-EDUCATION PUBLIC COMPANY LIMITED

INCOME STATEMENTS

For the three - months period ended on March 31, 2003 and 2002

(Unit : '000 Baht)

	2003	2002	
REVENUES FROM OPERATION			
Sales	518,103	443,931	
Other Income	7,667	9,105	
TOTAL REVENUES	525,770	453,036	
EXPENSES FROM OPERATION			
Cost of Sales	358,833	320,840	
Selling and Administrative Expenses	135,416	103,389	
Directors' Remuneration	147	147	
TOTAL EXPENSES	494,396	424,376	
PROFIT BEFORE INTEREST			
EXPENSES AND CORPORATE INCOME TAX	31,374	28,660	
INTEREST EXPENSES	(56)	(89)	
CORPORATE INCOME TAX	(8,271)	(7,381)	
NET PROFIT	23,047	21,190	
BASIC EARNINGS PER SHARE (Unit : Baht)	(Note 11)	1.08	0.99
DILUTED EARNINGS PER SHARE (Unit : Baht)	(Note 11)	0.74	0.71

Unaudited
Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three - months period ended on March 31, 2003 and 2002

(Unit : '000 Baht)

	Issued and Paid-up Share Capital	Premiums on Share Capital	Capital Surplus from Assets Revaluation	Unrealized Gain (Loss) - Securities Available for Sale	Retained Earnings		Total
					Appropriated	Unappropriated	
Balance as of January 1, 2003	210,987	81,043	46,311	1,438	15,124	168,712	523,615
Shares Purchased by Warrant of Directors, Employees (Note 1)	2,823	-	-	-	-	-	2,823
Capital Surplus from Asset Revaluation-Sales in the Period	-	-	(2,388)	-	-	-	(2,388)
Depreciation-Capital Surplus from Asset Revaluation	-	-	(837)	-	-	-	(837)
Unrealized Loss-Securities Available for Sale	-	-	-	(2,657)	-	-	(2,657)
Unrealized Transactions in the Income Statements	213,810	81,043	43,086	(1,219)	15,124	168,712	520,556
Net Profit for the Period	-	-	-	-	-	23,047	23,047
Balance as of March 31, 2003	213,810	81,043	43,086	(1,219)	15,124	191,759	543,603
Balance as of January 1, 2002	210,987	81,043	35,051	(5,921)	8,938	178,137	508,235
Surplus from Asset Revaluation-Sales in the Period	-	-	(720)	-	-	-	(720)
Depreciation-Capital Surplus from Asset Revaluation	-	-	(658)	-	-	-	(658)
Unrealized Gain-Securities Available for Sale	-	-	-	3,409	-	-	3,409
Unrealized Transaction in the Income Statements	210,987	81,043	33,673	(2,512)	8,938	178,137	510,266
Net Profit for the Period	-	-	-	-	-	21,190	21,190
Balance as of March 31, 2002	210,987	81,043	33,673	(2,512)	8,938	199,327	531,456

Unaudited
Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the three-months period ended on March 31, 2003 and 2002

(Unit : '000 Baht)

	2003	2002
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	23,047	21,190
Adjustment to Net Profit for Cash-Receipts (Payments) from Operation		
Depreciation - Assets for Operation	12,688	9,727
Depreciation - Assets not used for Operation	81	101
Leasehold Written-Off	2,124	2,124
Loss from Defective Goods	-	356
Loss from Lost Goods	4,392	1,988
Loss from Dilapidated and Slow Moving Goods (Reversed Account)	1,658	(205)
Loss from Returned Goods (Reversed Account)	(555)	(329)
Doubtful Debts and Bad Debts (Return of Bad Debts)	1,796	(2,042)
Realized Loss on Disposal of Securities Available for Sale	-	1,148
Gain on Disposal of Property, Plant and Equipment	(640)	(683)
Profit from Operating before Change in Operating Assets and Liabilities	44,591	33,375
(Increase)Decrease in Accounts and Notes Receivable	10,131	11,299
(Increase)Decrease in Inventories	(13,826)	(2,390)
(Increase)Decrease in Other Current Assets	(2,854)	(2,873)
(Increase)Decrease in Guarantee for Rental and Deposit	(1,049)	(1,613)
Increase(Decrease) in Accounts and Notes Payable	1,652	26,368
Increase(Decrease) in Accrued Corporate Income Tax	7,697	6,804
Increase(Decrease) in Accrued Expenses	(2,540)	1,043
Increase(Decrease) in Other Current Liabilities	4,795	6,645
Increase(Decrease) in Other Non-Current Liabilities	2	(138)
Net Cash Received (Used) in Operating Activities	48,599	78,520

Unaudited

Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

For the three-months period ended on March 31, 2003 and 2002

(Unit : '000 Baht)

	2003	2002
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Securities Available for Sale	(10,000)	(90,000)
Cash Receipt from Disposal of Securities Available for Sale	-	29,421
Purchase of Property, Plant and Equipment	(22,038)	(9,225)
Cash Receipt from Disposal of Property, Plant and Equipment	5,650	3,400
Net Cash Received (Used) in Investing Activities	(26,388)	(66,404)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase(Decrease) in Bank Overdrafts	(11,950)	(5,524)
Cash Receipt from Warrants Used to Purchase Shares	2,823	-
Net Cash Received (Used) in Financing Activities	(9,127)	(5,524)
Cash and Cash Equivalent Items Increase(Decrease) - Net	13,084	6,592
Cash and Cash Equivalent Items at the Beginning of the Period	78,886	84,500
Cash and Cash Equivalent Items at the Ending of the Period	91,970	91,092

Supplemental disclosures to the cash flow statements

1. Cash paid during the period:

Interest Paid	56	89
Corporate Income Tax	574	577

2. Items not effecting cash flow

As of March 31, 2003 and 2002 the Company adjusted unrealizable gain(loss) on revaluation of securities available for sale with the shareholders' equity amounting Baht (2.66) million and Baht 3.41 million respectively.

3. Cash and cash equivalent items is cash and cash at bank for a fixed period not exceeding 3 months.

Unaudited
Limited Review Only

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

SE-EDUCATION PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

March 31, 2003 and December 31, 2002

1. Basis of Interim Financial Statement and Accounting Policies

1.1 The interim financial statements were prepared under the generally accepted accounting principles in Thailand and shown by the condensed form as determined in the accounting standard No.41 on “The Interim Financial Statements” and included 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 in the format determined in the announcement of the Department of Commercial Registration (B.E. 2001) on the subject of condensed transactions which need to exist in the financial statements to comply with the pronouncement of Securities and Exchange Commission and also the regulations of the Stock Exchange of Thailand.

The significant accounting policies used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended on December 31, 2002; therefore the interim financial statements should be read in conjunction with the financial statements for the accounting year of 2002.

1.2 The Company prepares the financial statements in the Thai language in accordance with Thai Law which were then translated into English language for the convenience of the reader.

2. Inter-Company Transactions

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

2.1 Inter-Assets and Liabilities

		(Unit : '000 Baht)	
	<u>Type of relation</u>	<u>As of March 31, 2003</u>	<u>As of December 31, 2002</u>
<u>Accounts payable</u>			
M AND E Co.,Ltd.	Associated company	2,084	1,610
Nation Multi Media Group Public Co.,Ltd.	Shareholders	7,781	8,375
Nation Egmont Edutainment Co.,Ltd.	Related company with shareholders	3,481	4,479

2.2 Inter-Revenues and Expenses

		(Unit : '000 Baht)		
		For the three months period		
		ended on March 31		Policy of inter-price setting
<u>Type of relation</u>		2003	2002	
<u>Purchase goods values</u>				
M AND E Co.,Ltd.	Associated company	2,130	1,936	Market Price
Nation Multi Media Group Public Co.,Ltd.	Shareholders	5,175	2,871	Market Price
Nation Egmont Edutainment Co.,Ltd.	Related company with shareholders	2,954	3,030	Market Price
<u>Rental and service charge</u>				
Nation Multi Media Group Public Co.,Ltd.	Shareholder	2,430	1,784	Agreed upon Price

3. Accounts and Notes Receivable - Net

As of March 31, 2003 and December 31, 2002, accounts receivable are separated by aging overdue as follows :-

		(Unit : '000 Baht)	
		<u>As of March 31, 2003</u>	<u>As of December 31, 2002</u>
Accounts receivable			
In credit term		47,505	48,563
Over credit term less than 6 months		11,338	21,301
Over credit term more than 6 months to 12 months		3,924	369
Over credit term more than 12 months		14,615	15,252
Total		77,382	85,485
Notes receivable		4,665	8,133
Less Allowance for doubtful debts		(24,681)	(24,325)
Allowance for returned goods		(3,082)	(3,637)
Net		54,284	65,656

4. Inventories - Net

Consisted of :-

		(Unit : '000 Baht)	
		<u>As of March 31, 2003</u>	<u>As of December 31, 2002</u>
Inventories		156,350	147,990
<u>Less</u> Allowance for lost goods		(17,295)	(18,368)
Allowance for slow moving goods		(25,693)	(24,035)
Net		113,362	105,587

5. Investments in Subsidiary and Associated Companies

Consisted of :-

	<u>Nature of business</u>	<u>Paid-up</u> <u>share capital</u> <u>'000 Baht</u>	<u>Percentage</u> <u>of share</u> <u>holdings</u>	As of March 31, 2003			
				<u>Cost</u> <u>'000 Baht</u>	<u>Investments</u>		<u>Dividend</u> <u>'000 Baht</u>
					<u>Method</u>	<u>'000 Baht</u>	
Subsidiary company							
SE-ED Book Center Co.,Ltd.	Business consulting firm	100	99.93%	100	Cost	100	-
Associated company							
M AND E Co., Ltd.	Printing office company, produces technical magazines and engineering manuals	400	25%	100	Equity	11,058	-
				200	11,158		-

	<u>Nature of business</u>	<u>Paid-up</u> <u>share capital</u> <u>'000 Baht</u>	<u>Percentage</u> <u>of share</u> <u>holdings</u>	As of December 31, 2002			
				<u>Cost</u> <u>'000 Baht</u>	<u>Investments</u>		<u>Dividend</u> <u>'000 Baht</u>
					<u>Method</u>	<u>'000 Baht</u>	
Subsidiary company							
SE-ED Book Center Co.,Ltd.	Business consulting firm	100	99.93%	100	Cost	100	-
Associated company							
M AND E Co., Ltd.	Printing office company, produces technical magazines and engineering manuals	400	25%	100	Equity	11,058	600
				200	11,158		600

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

In the financial statements for the three months period ended on March 31, 2003 and 2002, and for the year ended on December 31, 2002, the Company did not recognize participating profit or loss from investments in M AND E CO., LTD. since the associated company does not prepare the three-months financial

statements and has not yet completed the year-end closing of accounts. 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 year ended on December 31, 2002 for the amount of Baht 2.03 million.

As of March 31, 2003 and December 31, 2002, investment in this associated company was equivalent to 1.04% and 1.06% respectively of the Company's total assets.

6. Property, Plant and Equipment - Net

For the three months period ended on March 31, 2003

	(Unit : '000 Baht)
Net book value at the beginning of the period	207,675
Asset purchases	22,038
Depreciation in the income statement	(12,688)
Depreciation-capital surplus from assets revaluation (Presented under shareholders' equity item)	<u>(837)</u>
Net book value at the ending of the period	<u><u>216,188</u></u>

Land and construction in amount of Baht 5.12 million were pledged as collateral against bank overdrafts and long - term loans due to commercial banks.

7. Leasehold - Buildings

The leasehold-buildings are mainly areas leased in leading shopping centers for SE-ED Book Center branches. Part of the leaseholds with book value in amount of Baht 84.02 million were pledged as collateral against long-term loans and bank overdrafts from commercial banks.

8. Assets Pending for Sale - Net

As of March 31, 2003 and December 31, 2002, part of the land plus construction pending for sale 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 three months period ended on March 31, 2003

	(Unit : '000 Baht)
Net book value at the beginning of the period	40,027
Sales / reclassified	(5,010)
Capital surplus from asset revaluation - sales in the period	(2,387)
Depreciation	(81)
Net book value at the ending of the period	<u>32,549</u>

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

For the three months period ended on March 31, 2003 the Company sold parts of land and building with a book value of Baht 5.01 million to some people in at an agreed upon price, and made a gain on disposal in the amount of Baht 0.64 million.

10. Shareholders' Equity

As of March 31, 2003 warrant holders had exercised their right to purchase total 282,260 shares as approved at the shareholders meeting No.1/2001 held on April 30, 2001. Thus the Company had increased the issued and paid up share capital by a total of Baht 2.82 million. The Company registered the change in paid-up capital on January 28, 2003 and the balance of warrants able to exercise but not still used numbered 2,882,540 units.

11. The Reconciled Diluted Earnings per Share

For the three-months period ended on 31 March

	<u>Net Profit</u>		<u>Weighted average number</u>		<u>Earnings per share</u>	
	<u>2003</u>	<u>2002</u>	<u>of ordinary share</u>		<u>2003</u>	<u>2002</u>
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net profit	23,047,452	21,190,450	21,372,611	21,330,798	1.08	0.99
Effect of diluted equivalent ordinary shares						
Warrants 13,431,896 units (2002 : 13,714,156 units)	-	-	9,903,378	8,313,860	-	-
Diluted earnings per share						
Net profit of ordinary shareholders assuming the conversion of diluted equivalent ordinary shares	23,047,452	21,190,450	31,275,989	29,644,658	0.74	0.71

12. 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.

13. Obligations and Contingent Liabilities

13.1 As of March 31, 2003 and December 31, 2002 the Company also has contingent liabilities and obligations with a bank in relations to letter of guarantee for the amount of Baht 4.18 million and Baht 4.13 million respectively.

13.2 The Company has a contract of building rental and contract of service with a Related Company and an outside party to use as head office and the distribution center of merchandise. The Company has also conducted area rental contracts from 1-10 years for branch offices totalling 117 branches. The total rental and utility service expense is approximately Baht 44.59 million per year. It also has a lease contract for three years for a warehouse (Kingkwaew Road).

14. Subsequent Events

In accordance with the minutes of shareholders' general meeting No.1/2003 held on April 23, 2003, it was unanimously resolved to

- Appropriate the dividend payment from 2002 operating result at Baht 4.50 per share aggregating to Baht 96.23 million. The dividend is to be paid out on May 16, 2003. The legal reserve is appropriated at the 5% of net profit for 2002 by Baht 5.11 million.
 - To change par value (Split par value) from Baht 10 per share par value to Baht 1 per share par value.
-