

(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 June 30, 2003, the related statements of income for the three-month and the six-month period ended on June 30, 2003 and 2002, changes in shareholders' equity and cash flow for the six-month period ended on the same dates of SE-EDUCATION PUBLIC COMPANY LIMITED. 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's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit 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, is 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,
August 4, 2003.

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2003 and December 31, 2002

(Unit : '000 Baht)

	2003	2002
	Unaudited	Audited
	Limited Review Only	
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalent items	107,191	78,886
Short-term investment-net (net from allowance for diminution of value in 2003 and 2002 in amount of Baht 635 thousand and Baht 1,437 thousand respectively)	218,742	305,928
Trade accounts and notes receivable-net (Note 3)	66,100	65,656
Inventories-net (Note 4)	120,231	105,587
Other current assets	25,457	20,364
TOTAL CURRENT ASSETS	<u>537,721</u>	<u>576,421</u>
NON-CURRENT ASSETS		
Investments in subsidiary and associated companies (Note 5)	12,778	11,158
Property, plant and equipment-net (Note 6)	206,992	207,675
Leasehold-buildings-net (Note 7)	123,082	127,330
Assets pending for sales-net (Note 8)	61,704	50,700
Land and building not used for operation-net (Note 9)	32,533	40,027
Guarantee for rental and deposit	30,251	27,750
TOTAL NON-CURRENT ASSETS	<u>467,340</u>	<u>464,640</u>
TOTAL ASSETS	<u><u>1,005,061</u></u>	<u><u>1,041,061</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, 2003 and December 31, 2002

(Unit : '000 Baht)

	2003	2002
	Unaudited Limited Review Only	Audited
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Bank overdrafts	16,862	18,651
Trade accounts and notes payable	428,177	411,265
Accrued corporate income tax	18,694	21,247
Accrued expenses	19,687	28,628
Other current liabilities	54,239	33,956
TOTAL CURRENT LIABILITIES	<u>537,659</u>	<u>513,747</u>
NON-CURRENT LIABILITIES		
Other-non current liabilities	2,951	3,699
TOTAL NON-CURRENT LIABILITIES	<u>2,951</u>	<u>3,699</u>
TOTAL LIABILITIES	<u>540,610</u>	<u>517,446</u>

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

SE-EDUCATION PUBLIC COMPANY LIMITED

BALANCE SHEETS

As of June 30, 2003 and December 31, 2002

(Unit : '000 Baht)

		2003	2002
		Unaudited	Audited
		Limited Review Only	
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
348,128,690 ordinary shares @ Baht 1.00	(Note 10)	348,129	-
34,812,869 ordinary shares @ Baht 10.00		-	348,129
Issued and paid-up share capital			
213,834,300 ordinary shares @ Baht 1.00	(Note 10)	213,834	-
21,098,713 ordinary shares @ Baht 10.00		-	210,987
Premiums on share capital		81,043	81,043
Capital surplus from assets revaluation - net		42,396	46,311
Unrealized gain - securities available for sale		635	1,437
Retained earnings			
Appropriated			
Legal reserve		21,390	15,125
Unappropriated			
		105,153	168,712
TOTAL SHAREHOLDERS' EQUITY		464,451	523,615
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,005,061	1,041,061

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

SE-EDUCATION PUBLIC COMPANY LIMITED

INCOME STATEMENTS

(Unit : '000 Baht)

	For the three-month period		For the six-month period		
	ended on June 30,		ended on June 30,		
	2003	2002	2003	2002	
REVENUES FROM OPERATION					
Sales	565,423	485,956	1,083,527	929,887	
Other income	10,086	4,929	17,753	14,034	
Participating gain in the associated company	2,219	2,030	2,219	2,030	
TOTAL REVENUES	577,728	492,915	1,103,499	945,951	
EXPENSES FROM OPERATION					
Cost of sales	389,735	351,697	748,567	672,537	
Selling and administrative expenses	137,795	108,521	273,211	211,910	
Directors' remuneration	1,181	1,177	1,328	1,324	
TOTAL EXPENSES	528,711	461,395	1,023,106	885,771	
PROFIT BEFORE INTEREST					
EXPENSES AND CORPORATE INCOME TAX	49,017	31,520	80,393	60,180	
INTEREST EXPENSES	(52)	(52)	(109)	(141)	
CORPORATE INCOME TAX	(11,698)	(7,375)	(19,969)	(14,757)	
NET PROFIT	37,267	24,093	60,315	45,282	
BASIC EARNINGS					
PER SHARE (Unit : Baht)	(Note 13)	0.17	0.11	0.28	0.21
DILUTED EARNINGS					
PER SHARE (Unit : Baht)	(Note 13)	0.16	-	0.26	-

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 six-month period ended on June 30, 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	1,437	15,125	168,712	523,615
Depreciation-capital surplus from assets revaluatic	-	-	(1,528)	-	-	-	(1,528)
Capital surplus from assets revaluation							
sales in the period	-	-	(2,387)	-	-	-	(2,387)
Unrealized loss - securities available for sa	-	-	-	(802)	-	-	(802)
Unrealized transaction in the income statemen	210,987	81,043	42,396	635	15,125	168,712	518,898
Shares purchase by warrant of directors							
employee (Note	2,847	-	-	-	-	-	2,847
Appropriation for legal reserve - i							
the period (Not	-	-	-	-	6,265	(6,265)	-
Dividend payment (Note	-	-	-	-	-	(117,609)	(117,609)
Net profit for the perio	-	-	-	-	-	60,315	60,315
Balance as of June 30, 2003	213,834	81,043	42,396	635	21,390	105,153	464,451
Balance as of January 1, 2002	210,987	81,043	35,051	(5,921)	8,938	178,137	508,235
Depreciation - capital surplus from assets revaluatic	-	-	(1,323)	-	-	-	(1,323)
Capital surplus from assets revaluation - sale							
in the period	-	-	(720)	-	-	-	(720)
Unrealized gain-securities available for sa	-	-	-	4,783	-	-	4,783
Unrealized transaction in the income statemen	210,987	81,043	33,008	(1,138)	8,938	178,137	510,975
Appropriation for legal reserve - in the peric	-	-	-	-	6,187	(6,187)	-
Dividend paymen	-	-	-	-	-	(105,494)	(105,494)
Net profit for the perio	-	-	-	-	-	45,282	45,282
Balance as of June 30, 2002	210,987	81,043	33,008	(1,138)	15,125	111,738	450,763

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 six-month period ended on June 30, 2003 and 2002

(Unit : '000 Baht)

	2003	2002
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	60,315	45,282
Adjustment to net profit for cash-receipts (payments) from operation		
Depreciation - assets for operation	25,001	19,867
Depreciation - assets not used for operation	97	192
Leasehold written-off	4,248	4,248
Loss from lost goods	10,070	8,414
Loss from dilapidated and slow moving good	3,378	410
Loss from returned goods (reversed account)	87	(325)
Doubtful debts and bad debt (return of bad debts) - trade accounts receivable	(224)	(3,337)
Doubtful debts and bad debt - other accounts receivable	55	-
Adjustment for clearing of trade accounts payable	(4,037)	-
Participating gain from associated company	(2,219)	(2,030)
Realized (gain) loss on disposal of securities available for sale	(554)	1,837
Gain on disposal of asset	(1,352)	(683)
Profit from operating before change in operating assets and liabilities	94,865	73,875
(Increase)Decrease in trade accounts and notes receivable	(307)	5,022
(Increase)Decrease in inventories	(28,092)	6,881
(Increase)Decrease in other current assets	(5,148)	(4,658)
(Increase)Decrease in guarantee for rental and deposit	(2,501)	(8,373)
Increase(Decrease) in trade accounts and notes payable	20,949	52,129
Increase(Decrease) in accrued corporate income tax	(2,553)	(20,615)
Increase(Decrease) in accrued expenses	(8,941)	(3,627)
Increase(Decrease) in other current liabilities	20,283	13,123
Increase(Decrease) in non-other current liabilities	(748)	(321)
Net cash received (used) from operating activities	87,807	113,436

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 six-month period ended on June 30, 2003 and 2002

(Unit :'000 Baht)

	2003	2002
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of securities available for sale	(45,000)	(120,000)
Cash receipt from disposal of securities available for sale	131,937	116,895
Purchase of assets	(42,852)	(21,098)
Cash Receipt from disposal of asset	12,364	3,400
Dividend receipt	600	600
Net cash received (used) from investing activities:	<u>57,049</u>	<u>(20,203)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase(Decrease) in bank overdrafts	(1,789)	232
Directors and employees exercise the warrants to additionally purchase share:	2,847	-
Dividend payment	(117,609)	(105,494)
Net cash received (used) from financing activities:	<u>(116,551)</u>	<u>(105,262)</u>
Cash and cash of equivalent items increase(decrease) - net	28,305	(12,029)
Cash and cash of equivalent items at the beginning of the period	78,886	84,500
Cash and cash of equivalent items at the ending of the period	<u>107,191</u>	<u>72,471</u>

Supplemental disclosures to the cash flow statement:

1. Cash paid during the period

Interest Paid	109	141
Income Tax	22,521	35,372

2. Items do not affect cash flow

2.1 As of June 30, 2003 and 2002, the Company adjusted unrealizable gain(loss) on revaluation of securities available for sale with the shareholders' equity amounting Baht (0.80) million and Baht 4.78 million respectively

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

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****June 30, 2003 and 2002 (Unaudited / Limited review only)****and December 31, 2002 (Audited)**

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 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 did not prepare the consolidated financial statements between the Company and the SE-ED Book Center Co.,Ltd., which is a subsidiary company since the subsidiary has no commenced its operation and investment value in such subsidiary is not material to the Company financial statements.

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

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-asset and liabilities

(Unit : '000 Baht)

	<u>Type of relation</u>	<u>As of June 30, 2003</u>	<u>As of December 31, 2002</u>
<u>Trade accounts payable</u>			
M AND E Co.,Ltd.	Associated company	2,220	1,610
Nation Multi Media Group Public Co.,Ltd.	Shareholder	10,594	8,375
Nation Egmont Edutainment Co.,Ltd.	Related company with shareholder	3,954	4,479

2.2 Inter-revenues and expenses

(Unit : '000 Baht)

	<u>Type of relation</u>	For the six-month period		<u>Policy of inter-price setting</u>
		<u>ended on June 30</u>		
		<u>2003</u>	<u>2002</u>	
<u>Purchase goods values</u>				
M AND E Co.,Ltd.	Associated company	3,242	2,191	Market price
Nation Multi Media Group Public Co.,Ltd.	Shareholder	17,990	7,321	Market price
Nation Egmont Edutainment Co.,Ltd.	Related company with shareholder	7,140	7,212	Market price
<u>Rental and Service Charge</u>				
Nation Multi Media Group Public Co.,Ltd.	Shareholder	5,115	5,001	Agreed upon price

3. Trade accounts and notes receivable - net

As of June 30, 2003 and December 31, 2002, trade accounts receivable are separated by aging overdue as follows :-

(Unit : '000 Baht)

	<u>As of June 30, 2003</u>	<u>As of December 31, 2002</u>
Trade accounts receivable		
In credit term	41,407	48,563
Over credit term less than 6 months	23,863	21,301
Over credit term more than 6 months to 12 months	4,844	369
Over credit term more than 12 months	19,768	15,252
Total	89,882	85,485
Notes receivable	2,603	8,133
<u>Less</u> Allowance for doubtful debts	(22,661)	(24,325)
Allowance for returned goods	(3,724)	(3,637)
Net	66,100	65,656

4. Inventories - net

Consisted of :-

(Unit : '000 Baht)

	<u>As of June 30, 2003</u>	<u>As of December 31, 2002</u>
Inventories	162,574	147,990
<u>Less</u> Allowance for lost goods	(14,930)	(18,368)
Allowance for slow moving goods	(27,413)	(24,035)
Net	<u>120,231</u>	<u>105,587</u>

5. Investments in subsidiary and associated companies

Consisted of :-

	<u>Nature of business</u>	<u>Paid-up share capital</u> '000 Baht	<u>Percentage of share holdings</u>	As of June 30, 2003			
				<u>Cost</u> '000 Baht	<u>Investments</u>		<u>Dividend</u> '000 Baht
					<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	12,678	600
				<u>200</u>		<u>12,778</u>	<u>600</u>
	<u>Nature of business</u>	<u>Paid-up share capital</u> '000 Baht	<u>Percentage of share holdings</u>	As of December 31, 2002			
				<u>Cost</u> '000 Baht	<u>Investments</u>		<u>Dividend</u> '000 Baht
					<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
				<u>200</u>		<u>11,158</u>	<u>600</u>

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.

The financial statements for the three-month period and the six-month period ended on June 30, 2003 and 2002, 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 three-month financial statements. However, the Company received the financial statements for the year ended on December 31, 2002 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 three-month period and the six-month period ended on June 30, 2003 for the amount of Baht 2.22 million.

As of June 30, 2003 and December 31, 2002, investment in associated company was equivalent to 1.26 % and 1.06 % respectively over the Company's total assets.

6. Property, plant and equipment - net

For the six-month period ended on June 30, 2003

	(Unit : '000 Baht)
Net book value at the beginning of the period	207,675
Purchase of assets	42,852
Disposal of assets-net	(2)
Reclassified to assets pending for sales-net	(17,004)
Depreciation in the income statement	(25,001)
Depreciation-capital surplus from assets revaluation	(1,528)
(Presented under shareholders' equity item)	
Net book value at the ending of the period	206,992

Land and construction with book value in amount of Baht 28.09 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 67.81 million were pledged as collateral against bank overdrafts from commercial banks and long-term loans.

8. Assets pending for sales - net

For the six-month period ended on June 30, 2003

	(Unit : '000 Baht)
Net book value at the beginning of the period	50,700
Reclassified from property, plant and equipment-net	17,004
Disposal	(9,644)
Allowance for impairment - sales in the period	3,644
Net book value at the ending of the period	<u><u>61,704</u></u>

As of 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 and in the second quarter for 2003, the Company has fully redeemed a pledge.

In the quarter 2, 2003, the Company sold parts of land and building with a book value of Baht 6.0 million to outside party in at an agree upon price, and made a gain in the amount of Baht 0.7 million.

9. Land and building not used for operation-net

For the six-month period ended on June 30, 2003

	(Unit : '000 Baht)
Net book value at the beginning of the period	40,027
Disposal/ Reclassified	(5,010)
Capital surplus from asset revaluation-sales in the period	(2,387)
Depreciation	(97)
Net book value at the ending of the period	<u><u>32,533</u></u>

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

In the quarter 1, 2003, the Company sold parts of land and building with a book value of Baht 5.01 million to outside party in at an agreed upon price, and made a gain on disposal in the amount of Baht 0.64 million.

10. Share capital

In accordance with the minutes of shareholders' general meeting No.1/2003 held on April 23, 2003 approved a change in the par value (Splitting par value) from former of Baht 10.0 to Baht 1.0 per share. As a result, the Company's registered capital of Baht 348.13 million is divided into 348.13 million shares of Baht 1.0 each, composed of the full amount of ordinary shares. Since May 22, 2003 the Company has registered the approved change of its share capital with the Ministry of Commerce.

11. Warrants

As discussed in Note No.10 to the financial statements, on April 23, 2003, the general meeting of shareholders of the Company approved the split of the Company's shares. As a result, the warrants for existing shareholders and for directors, employees and the security sub-agent were split into 105,493,430 units and 28,800,830 units respectively, and the exercised price of the warrants for existing shareholders to be changed from the former of Baht 16.50 per share to Baht 1.65 per share, and the warrants for directors, employees and the security sub-agent to be changed from the former Baht 10.0 per share to Baht 1.0 per share. The exercise ratio of the warrants is 1 warrant per 1 ordinary share.

As of June 30, 2003, directors and employees had exercised their rights to purchase ordinary shares which are warrants issued in accordance with the resolution of the shareholders meeting No.1/2001 held on April 30, 2001 in number of 2,847,170 shares. Thus, the Company had increased the issued and paid up share capital by a total of Baht 2.85 million. The Company registered the change in paid-up share capital on April 28, 2003 and remained the balance of warrants able to be exercised but no one yet exercises in number of 28,800,830 units.

12. Dividend payment and appropriation of legal reserve

12.1 In accordance with the boards of directors meeting No.2/2546 (B.E.2546) held on May 12, 2003, it was unanimously resolved to pay the interim dividend from the three-month period result of operation ended on March 31, 2003 at the rate of Baht 1.0 per share (rate of dividend before splitting stocks) aggregating to Baht 21.38 million and the appropriations of earnings to the legal reserve at 5% of net profit from the result of operation in the quarter 1 of year 2003 aggregating to amount of Baht 1.15 million.

12.2 In accordance with the minutes of shareholders' general meeting No.1/2003 (B.E. 2546) held on April 23, 2003, it was resolved to the declaration of dividend payment from 2002 operating result at Baht 4.50 per share aggregating to Baht 96.23 million. The dividend was paid out on May 16, 2003 and the appropriations of earnings to the legal reserve at the rate of 5% of net profit for year 2002 in amount of Baht 5.11 million.

13. The reconciliation of diluted earnings per share

	For the three-month period ended on 30 June					
	<u>Net profit</u>		<u>Weighted average number</u>		<u>Earnings per share</u>	
	<u>2003</u>	<u>2002</u>	<u>of ordinary shares</u>		<u>2003</u>	<u>2002</u>
	<u>Baht</u>	<u>Baht</u>	<u>Shares</u>	<u>Shares</u>	<u>Baht</u>	<u>Baht</u>
Basic earnings per share						
Net profit	37,267,312	24,092,330	213,834,300	213,307,988	0.17	0.11
Effect of diluted equivalent ordinary shares						
The balance of warrants able to be exercised						
28,800,830 units	-	-	23,703,338	-	-	-
Diluted earnings per share						
Net profit of ordinary shareholders						
assuming the conversion into ordinary shares	37,267,312	-	237,537,638	-	0.16	-

	For the six-month period ended on 30 June					
	<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>
	<u>Baht</u>	<u>Baht</u>	<u>Shares</u>	<u>Shares</u>	<u>Baht</u>	<u>Baht</u>
Basic earnings per share						
Net profit	60,314,764	45,282,780	213,790,683	213,307,988	0.28	0.21
Effect of diluted equivalent ordinary shares						
The balance of warrants able to be exercised						
28,800,830 units	-	-	21,771,838	-	-	-
Diluted earnings per share						
Net profit of ordinary shareholders						
assuming the conversion into ordinary shares	60,314,764	-	235,562,521	-	0.26	-

For the three-month period and six-month period ended on June 30, 2003 and 2002, the diluted earnings per share was calculated without consideration of the effect of the unexercised warrants to purchase ordinary shares.

As discussed in Note No.10 to the financial statements, on April 23, 2003, a general meeting of the shareholders of the Company approved the split of the Company's ordinary shares. For comparative purposes, the basic earnings per share and the diluted earnings per share for the three-month period and the six-month period ended on June 30, 2002 were recalculated assuming as if the share split had been taken place at the beginning of 2002.

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 reflected in the financial statements were related to the said business sector and geographical area.

15. Obligations and contingent liabilities

15.1 As of June 30, 2003 and December 31, 2002 the Company also holds contingent liabilities and obligations with a bank in relation to letter of guarantee for the amount of Baht 4.18 million and Baht 4.13 million respectively.

15.2 The Company has a contract of building lease and contract of service with a related company and an outside party so as to use as head office and the distribution center of merchandise. The Company has also conducted area rental contracts so as to use as branch offices totalling 123 branches. The life of the leased contract commenced from 1 to 10 years. The total rental fee and public utility service fee are approximately Baht 89.47 million per year. Moreover, the leased contract is conducted so as to use as one warehouse (Kingkaew Road) with the contract life of 3 years.

16. Approval of financial statements

These financial statements have been approved the Company's board of directors of SE-EDUCATION PUBLIC COMPANY LIMITED.
