

Form 56-1



**SE-ED**

# Annual Registration

Statement 2015



**SE-EDUCATION PUBLIC COMPANY LIMITED**

# CONTENT

<b>Section 1 Business Operation</b>	
1. Policy and Nature of Business Operation Policy	1
2. The Description of Company's Operation	15
3. Risk Factors	25
4. Assets Utilization in the Course of Business	33
5. Legal Disputes	40
6. General Information and Other Significant Information	41
<b>Section 2 Management and Corporate Governance</b>	
7. Assets and Shareholders	45
8. Management Structure	49
9. Good Corporate Governance	71
10. Corporate Social Responsibility	103
11. Internal Control and Risk Management	148
12. Inter-Company Transaction	150
<b>Section 3 Financial Position and Performance</b>	
13. Financial Highlights	155
14. Management Discussion and Analysis	168
<b>Information Certification</b>	175
<b>Attachment</b>	
Attachment 1 Detail of Directors, Executive, Controller who work as the executive of the company and Company Secretary	177
Attachment 2 Detail of Sub-company's Directors	206
Attachment 3 Audit Committee's Report	207
Attachment 4 Recruitment and Remuneration Committee's Report	210
Attachment 5 Details of head of the internal audit department	211

# Section 1

## Business Operation

### **1. Policy and Nature of Business Operation Policy**

The Company was established by a group of ten electrical engineers. Each of them had experiences in knowledge promoting activities from their participation in Academic Club as a student at the Faculty of Engineering, Chulalongkorn University. They realized that Thailand needed to develop many more of academic resources but no one had been interested in the academic development. Thus, the Company was established in 1974. The Company was approved as a listed company by the Stock Exchange of Thailand (SET) since 1991.

SE-EDUCATION Public Company Limited is shortened to SE-ED, which is an abbreviation of **S**cience, **E**ngineering and **E**ducation. The name reflects the objective of the Company, founded 41 years ago, SE-ED seek to do business in the area that promote education in the field necessary to the development of the nation, with the focus on science, engineering and education. Currently, the Company is also popularly known as **SE-ED**.

Throughout the past 41 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 :

#### **1.1 Vision, Mission and Strategies of the Company**

**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 for Knowledge in the fields that is necessary to the development of the nation. It operates in the business that will make '**Smarter Thais**' by developing the sustainable business with a continuous earning growth at the 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 satisfactory level.

**Strategies :** To achieve the stated vision and mission, the Company stresses the readiness in several areas to develop quality service which responds to the needs of target customers. To do so, the

Company focuses on the expansion of SE-ED Book Center and the addition of interesting products in the stores. In addition, the Company will make e-books and other services available in [www.se-ed.com](http://www.se-ed.com), [m.se-ed.com](http://m.se-ed.com) and SE-ED Application in order to accommodate the lifestyle change of customers. Lastly, the Company aims to expand its educational business in the future. Thus, the Company will concentrate on the following marketing strategies:

1. The Company determines to ensure growth and bookstore 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 books, think of SE-ED Book Center'**.
2. The Company emphasizes on providing products or services that are 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'**, therefore the Company launches the project called **'Order Today, Get It Tomorrow'**. The Company uses technology in combination with modern management to link production, warehousing, order picking and delivery together. SE-ED has also improved the books and products order system between branches and on website: [www.se-ed.com](http://www.se-ed.com) and [m.se-ed.com](http://m.se-ed.com). According to this integration, it allows 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. To add up, this fulfills the concept of **'a small store serves as a big one'**, the customers come and get whatever they want. At this point makes the Company more competitive and becomes the company's advantage in competitions.
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.
8. The Company emphasizes on raising sales of the new products, therefore the Company sets up new channels to provide updates on events. And the Company has a specific team to focus on the new channels in order to increase sales and make the customers aware of the concept **'think of books, think of SE-ED Book Center'**. In addition, the activities will be held so as to promote the interesting products in SE-ED Book Center.
9. The Company has developed **'SE-ED Application'** and **'SE-ED Currents'** for smartphone or tablet, its IT facilities, and other facilities involving logistics and sales services in order to support the growth of e-books and the change in customers' purchasing behavior that corresponds with the progress of technology.
10. The Company's business objective comes from the attempt to solve the country's problem in education and to develop Thai people's potential in English, math and science. Therefore, the growth of the Company will also be the improvement of the country. With such objective, the

Company has expanded SE-ED Learning Center business as well as other business units in order to develop a research-based comprehensive business model that offers the most efficient and time-effective solution that will enhance educational achievement of Thai people. In the initial phase, the Company has launched two educational programs for primary students: FAN Math to improve math skills and ACTive English to develop English language proficiency. It is expected that in a few years from now SE-ED Learning Center will grow into a franchise business, making the Company's education business a major contribution in the Company's growth.

**The Company has 6 major business areas, which can be described as follows:**

- **Bookstore Business** : SE-ED has operated *SE-ED Book Center* and network stores which consist of *many university bookstores* in Bangkok and other provinces as well as the network and sales area in various forms
- **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.
- **Publishing Business** : SE-ED publishes its own books and magazines, sells advertising space, provides the printing service for other parties, organizes the yearly exhibition 'Thailand Electronics & Industrial Technology Exhibition' and many specialized technology exhibitions.
- **SE-ED Learning Center** : SE-ED Learning Center to becoming a supplementary school and learning center that provides activities and programs to increase children's potential and intelligence in the fields of Mathematics, English and including SE-ED Kiddy Camp's activities.
- **Plearnpattana School** is a joint investment to build an alternative school from pre-kindergarten to Matayom 6. The curriculum offers a flexibility in learning experience to encourage the full potential development for students who will become important for the development of the country in the future.
- **BaesLab Co., Ltd.** is a consulting, software and hardware designing and developing business. In the initial phase, the company focuses on developing digital contents, programs and IT facilities for digital contents management.

SE-ED continues to be a leader in the bookstore, distribution and publishing businesses while all six businesses work well in supporting and encouraging one another, resulting in the achievement of a competitive advantage, as well as increasing the Company's overall value added.

## **1.2 Important Changes and Developments**

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 Am 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 at that time the Company is the publishing firm with highest sales volume through bookstores channels and the largest books distributor, 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 *book center 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 square meters up to about 10,000 square meters, 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. In 2010 the Company expanded the space of the warehouse from 13,000 square meters to approximately 15,000 square meters. The Company 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 expenses, 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, becoming the full functional chain bookstore with highest sales volumes 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 decrease 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 figures that came from both SE-ED's own published books and other non - SE-ED published books was not as it was hoped to be. It was considered the first time that SE-ED faced accounting losses in 1998, since listed in the Stock Exchange of Thailand.

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

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 activities to increase the potential of Thai people in different fields for the general public. In addition, the Company's new business strategies included the development of two supplementary curricular aiming to increase children's potential and intelligence in mathematics and English. The curricular are as follows:

- **FAN Math** is a supplementary mathematics program for kindergarten 3 to primary 6 levels. Teaching and learning materials are presented in animation format.
- **ACTive English** is a supplementary English program for kindergarten 2 to primary 6 levels. Teaching and learning materials are mainly interactive multimedia and consistent with the Common European Framework of Reference for Languages (CEFR).

In 2013 the Company expanded SE-Ed Book Center by considering the location as the main factor. The Company also focuses on the product mix in the store to increase profitability. The employee ratio is adjusted to increase service efficiency as well. 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 the chance to waste any sale potential.

In 2014, the Company has officially opened the Book Distribution Center and warehouse, which can service up to 600 bookstore branches. The Book Distribution Center is not only designed to be more spacious for storing, but also has functionality and utility, it will enhance the performance to service and do the distribution for 480 point of sales at the same time. In addition, the work model is developed to be more accurate, functional, and faster by improving the distribution process to be the Digital Assorting System. This system supports the circular of the products in the bookstore and stimulates to have more various kinds of products for our customers.



### **Important Changes in 2015**

Apart from a normal business operation, the Company had some important developments and changes in 2015, as in the following:

- 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 and considered to the branch is not profitable. The details are as follows:
  - New 7 branches were opened. As in December 31, 2015 there were in the total of 410 stores, and 6 points of sales currently in operation.
  - Renovated 8 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.
  - Closed 9 branches that cannot profitable to enhance profitability. To suit the current economic conditions.
- SE-ED Learning Center: In 2015 there are new 2 branches and closed 7 branches of SE-ED Learning Center. The total number of branches as of December 31, 2015 is 21 branches, 7 branches in Bangkok and its vicinities and 14 branches in other provinces. 2 Branches are operated by the Company; 19 branches are operated by franchisees.
- SBC Event Organizing Team has continued their full operation to boost sales volumes and promote SE-ED Book Center as the full functional bookstore that can serve people to that can be claimed that 'Think of books, think of SE-ED Book Center'. The team is also responsible for strengthening relationships between fellow publishers, local executives, teachers and all supportive customers.
- The "Books for Children" Project by SE-EDUCATION Public Company Limited aimed to help disadvantaged children and many Thai communities to gain access to knowledge and resources by donating books and other learning materials to deprived libraries across the country. From the past ten years to the end of 2015, the "Books for Children" Project has donated 1.9 million of books and other learning materials to 3,858 schools. The total sum of the list prices of donated books is THB 301 MB. In 2015 only, 99,961 books were donated to 328 educational institutions nationwide. The total sum of the list prices of donated books is THB 12.9 MB.
- The "Renovation for Deprived Libraries" Project by SE-EDUCATION Public Company Limited was the project to donate bookcases for creating the learning center in schools. In 2015, the Company had renovated 18 school libraries in Thailand as follows: in Chiangmai, Ban Pong Yang Nai School, Ban Muang Glang School, Ban Tao Boon Rueng School, Mae Pong Pracha Samukkee School, Mae Ta Krai School, Wat Kuang Singha School, and Wat Rong Wua Sri

Chan Wittayakan School. Ban Mai Samakkee School in Tak, Nam Pra Samakkee in Uttaradit, Wat Sam Jun School in Suphanburi, Ban Na Nual Rat Niyom in Roi Ed, Kha Nu Wittaya School in Kamphaengpetch, Rajaprachanukroe 57 School in Petchaboon, Prang Goo Wittaya School and Ban Nong Ma School in Sri Saket, Wat Buranawas School, Ban Saphan Hin School, and Ban Hoi Rak School in Nakorn Rachaseema.

- Total Solution to English Proficiency project : this program aims to lift up and develop English proficiency of Thai teachers and students to the international standard by training teachers and developing their teaching plan to align with CEFR (The Common European Framework of Reference for Languages). On the other word, this project provides how to effectively and systematically develop lesson plan. The teachers will be able to properly adapt their knowledge from this project to the Basic Education Core Curriculum B.E. 2551. To pass this project, the teachers are required to have the teaching evaluation. This would ensure how the teachers will help the learners to have Learning Achievement & Competency according to the given criteria. This project covers not only learning English language, but also learning science, mathematics, social studies, and music and art studies through English. The Primary and Secondary teachers from any units or organizations will be trained in a total-solution system for effectively teaching in classroom or flipped classroom under limited resources. By this method, Thai teachers could improve their Communicative Language Teaching and help their students improve 4-skill English or Communicative English, Academic English, English for mathematics and science for upcoming ASEAN Economic Community.

In 2015, the Academic Department of the Company was entrusted by English Language Institute, Office of the Basic Education, to create the curriculum with training for science teachers in Primary, in order to empower them in teaching science with English or English Bilingual Education Batch 2 for Primary Teachers. Since the 10 provincial training centers were set up, there are 1,200 schools or 4,000 teachers joining this project. Also the Company was entrusted by Office of the Basic Education to hold the English Placement Test for 100,000 Fifth grade students and Eighth grade students from 720 ISO schools, using Oxford English Testing. Further, more than 200 Educational Service Area Offices entrusted the Company to hold the English Proficiency test for 40,000 English teachers, using Cambridge English Placement Test Metrica which mapped with CEFR. In addition, academic services for improving English teaching are available in these centers across the country.

- In the 20<sup>th</sup> Book Expo Thailand on 21<sup>th</sup> October – 1<sup>st</sup> November 2015 at Queen Sirikit National Convention Center, there were many popular, best-selling titles and vibrant trends, for example, Daytrade Hunter, The Little Prince, Trading in The Zone, The Little Book of Behavioral Investing, CAN SLIM: How to Filter the Stock by an Excellent System, 8 Wizards in Stock Market and You Can Do It Like Them, The Key to Read the Financial Statement,

Preparation Books for Primary & Secondary Entrance Exams by Dr. Suphawat Pookcharoen, and Art Therapy Coloring Books.

- Holding a Smart Network 2015 exhibition and seminar under the concept of “Challenge: to bring the Organization into Digital Economic” during 10<sup>th</sup> -11<sup>th</sup> November 2015 at The Emerald Hotel, Ratchada, Bangkok.
- IYRC 2015 (The International Youth Robot Competition 2015) Project is to inspire and train children to be systematic thinking and solving the problems. Then they could apply their way of thinking to the concrete objects through the competition, which highlighted creativity and fun based on academic concept called STEM. This concept combined Science, Technology, Engineering, and Mathematics which will help children to understand complicated things.

In 2015, there was an epidemic of Corona Virus or MERS in South Korea, so the company cancelled to join the competition in this year. However, the competitors prepared themselves for the next year.

- Received SET Social Enterprise Investment Awards from The Stock Exchange of Thailand in SET Sustainability Awards 2015. This award is for the registered companies that prominently supported social enterprise and to encourage the companies and employees that had the intention of sustainably conduct business by using the business management as the key mechanism.
- The IOD has appraised SE-ED to be excellent (5 stars) level in Corporate Governance Report of Thai Listed Companies 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2008 appraisal for 8 consecutive years. The Company is the only company from the publishing business category in the service industry to be evaluated 'excellent' for 8 consecutive years.
- The Company was assessed by the Securities and Exchange Commission, Thai Listed Companies Association, and Thai Investors Association, in the organization of the Annual General Shareholders Meeting (AGM) 2015 in the level '5 TIA' with the perfect 100 scores for 7 consecutive years (2009-2015). There was a total of 575 listed companies participated in the assessment of the year 2015.

### **Changes in Capital Structure**

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.

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 lasting for 5 years, from the date of issuing the paper, allowable for exercise 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 lasting 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 agreed to approve the change of share value (share dilution) from previously THB 10 to THB 1, which the Company has proceeded 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 within 3 years after date ending of share re-purchase 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 shares. The Company registered the reduction of registered capital on October 24, 2007.

In 2011, during the 1/2011 general shareholders meeting on April 28, 2011, it was approved that the Company's authorized capital was reduced in order to comply with the paid-in capital. As a result, the Company's authorized capital remains 323,921,130 shares. The Company registered the reduction of registered capital on May 11, 2011.

In 2012, at General Shareholders Meeting No.1/2012 on April 26, 2012, it was resolved to approve the stock dividends to be issued at the rate of 10 existing shares per 1 dividend share in order to increase the company's stock liquidity and maintain the liquidity of the working capital to support future investments and expansions. It was approved to increase the Company's share capitals to support the aforementioned stock dividends. Therefore, the Company's share capital has increased to 356,313,243 shares. The Company registered change of the capital increase on May 8, 2012.

In the General Shareholders Meeting No. 1/2013 convened on April 25, 2013, there was a resolution to decrease the Company's authorized capital to correspond with the paid-up capital; and another resolution to increase the company's authorized capital to support the stock dividend payment in the ratio 10 original shares per 1 dividend stock. As a result, the company's authorized capital increased to 391,944,529 shares. The company registered the increase capital on May 22, 2013.

### **1.3 Shareholding Structure of the Group**

#### **Investment in subsidiaries and associates**

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, EC Magazines and engineering manuals, distributed by SE-ED.

The Company has 99.93% share in SE-ED Book Center Company Limited (founded on May 11, 2011), that has a paid-up capital in the amount of THB 100,000. The company does not operate any business; it is founded to prevent other people to use the name SE-ED Book Center and to form another company and cause confusion. Later, the Company increased its shareholding in SE-ED Book Center Co., Ltd. to 99.99%, with the paid-up capital in the amount of THB 1,000,000.

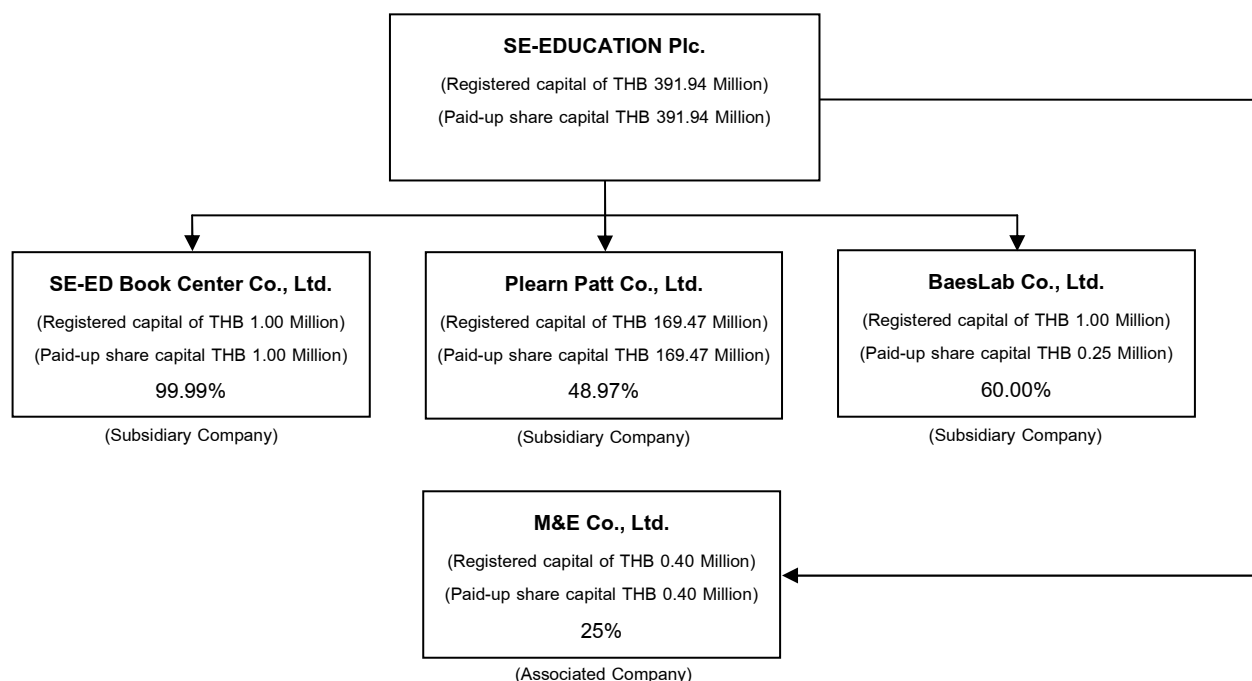
In 2003, the Company held 28.75% of the shares in Plearn Patt Co., Ltd. (founded on September 25, 2002) with a registered paid-up share of THB 80 Million. In 2005, the Company increased percentages of share holdings to 48.82% of registered and paid-up share capital was THB 170 Million, and in the fourth quarter of 2009, Mr. Thanong Chostisorayuth, the managing director of SE-EDUCATION Public Co., Ltd. chaired the position of the acting school director of Plearnpattana School and became the Director of Plearnpattana School in 2010. In the second quarter of 2012, Plearn Patt Co., Ltd. decreased its share capital and paid capital, with the remaining balance of 169,475,500 million Baht. Therefore, the Company's shareholding proportion has increased to 48.97%.

The registered name of Plearn Patt Co., Ltd. is the name of the school called 'Plearnpattana School', located at Buddhamonthon 2 Road, enrolling students from pre-kindergarten year up to Matayom 6. The first academic year started in 2004. This was the important gathering of more than 70 education enthusiasts from several groups of people such as parents, teachers, academics and school executives, in collaboration with private organizations who played a significant role towards family institutions and education to create new concept schools, to create quality children for the country.

In 2013 the Company has 60% share in BaesLab Company Limited (founded on April 22, 2013), with the paid-up capital in the amount of THB 250,000. BaesLab is a consulting, software and hardware designing and developing business.



**Shareholding Structure of SE-EDUCATION PUBLIC COMPANY LIMITED,  
its subsidiaries and associates**



**Change of Major Shareholders (Information as of Closing Date)**

Major Shareholder	May 7, 2015		May 23, 2014		May 8, 2013	
	No. of share	%	No. of share	%	No. of share	%
Mr. Thaweechat Jurangkool	85,155,700	21.73	40,394,300	10.31	-	-
Mr. Wutthiphum Jurangkool	49,550,512	12.64	-	-	-	-
Mr. Rit Thirakomen	27,840,625	7.10	27,840,625	7.10	25,309,660	7.10
Mr. Pongsak Sivapatrakumpol	13,129,518	3.35	13,129,518	3.35	11,935,926	3.35
Yodkij Business Co., Ltd.	13,041,702	3.33	-	-	-	-

**Major shareholders of Plearn Patt Co., Ltd. as of December 31, 2015 are as follows:**

<b>Major Shareholder</b>	<b>Paid-up share capital</b>	<b>SE-ED Holds shares (proportion) (%)</b>
1. SE-EDUCATION Plc.	8,300,000	48.97
2. Mr. Rit Thirakomen	2,000,000	11.80
3. RAK LUKE GROUP Co., Ltd.	700,000	4.13
4. Mrs. Thida Phitaksinsuk	400,000	2.36
5. Ms. Krongtong Bunprakong	400,000	2.36

**Major shareholders of BaesLab Co., Ltd. as of December 31, 2015 are as follows:**

<b>Major Shareholder</b>	<b>Paid-up share capital</b>	<b>SE-ED Holds shares (proportion) (%)</b>
1. SE-EDUCATION Plc.	15,000	60.00
2. Mr. Viroon Sriborirak	5,000	20.00
3. Mr. Sutthipong Phanitpojaman	3,125	12.50
4. Mrs. Jitra Janrakul	1,875	7.50

## 2. The Description of Company's Operation

### Total Revenue from Main Products and Services (By sales channel)

Unit : Thousand Baht

Type of Revenue	Operated By	Company's Shares Proportion (%)	Consolidated financial statements					
			2015		2014		2013	
			Revenue	%	Revenue	%	Revenue	%
Income from Business								
- Retails <sup>1</sup>	The Company	100	3,496,463	76.97	3,919,105	78.94	4,353,798	81.27
- Wholesale <sup>2</sup>	The Company	100	796,466	17.53	775,261	15.61	747,180	13.95
- Publishing service	The Company	100	191	0.00	10,088	0.20	9,205	0.17
Magazines <sup>3</sup>	The Company	100	35,182	0.77	43,496	0.88	51,642	0.96
SLC + Kiddy Camp <sup>4</sup>	The Company	100	12,299	0.27	17,684	0.36	18,645	0.35
<b>Total</b>			<b>4,340,601</b>	<b>95.55</b>	<b>4,765,634</b>	<b>95.99</b>	<b>5,180,470</b>	<b>96.70</b>
Income from education fee, service and sales	Subsidiary	48.97	157,039	3.46	153,836	3.10	130,559	2.44
Others	The Company and its Subsidiary	N/A	46,032	1.01	52,284	1.05	49,508	0.92
Inter-Company Transaction	The Company and its Subsidiary	N/A	-1,102	-0.02	-6,817	-0.14	-3,165	-0.06
<b>Total Revenue</b>			<b>4,964,937</b>	<b>100</b>	<b>4,542,570</b>	<b>100</b>	<b>5,357,372</b>	<b>100</b>

Remarks : <sup>1</sup> Retails - revenue from SE-ED Book Centers.

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

<sup>1</sup> and <sup>2</sup> - total sales of Company's own publications in 2015, 2014 and 2013 represents 7.18, 6.52 and 7.24% of sales revenue respectively.

<sup>3</sup> Magazines - total revenue from advertising publishing and organizing academic seminar and technology product sales.

<sup>4</sup> SLC + Kiddy Camp - revenue from SE-ED Learning Center and SE-ED Kiddy Camp.

**2.1 Major Products and Services** Major Products and services that Company are continuing operations as follows :

- 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.

2. **Magazines** At the end of 2015, the Company has published 5 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 the 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.
- **MICRO COMPUTER** : A monthly magazine devoted entirely to the knowledge of Computer and information technology for Corporate, in circulation since 1983.
- **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.
- **The Absolute Sound & Stage** : A monthly magazine specially provided the knowledge of the sound and light systems on stage technology, work in the studio, and related devices and tools, launched since the end of May 2002.
- **Mechanical Technology** : an online magazine related to mechanical engineers concerning operating techniques and machine problem - solving guidance for engineers.

The Company's revenue from magazines comes from the sales of magazines, advertisements and special editions, 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 the Company's direction, by distributing books to small and large scale stores nationwide roughly around 5,800 stores. And, the Company also sells directly to the educational institutions.

The Company has been appointed as Thailand's sole distributor of Oxford University Press (OUP) for books and related media for English language teaching and learning from January 1<sup>st</sup> 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 the 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.

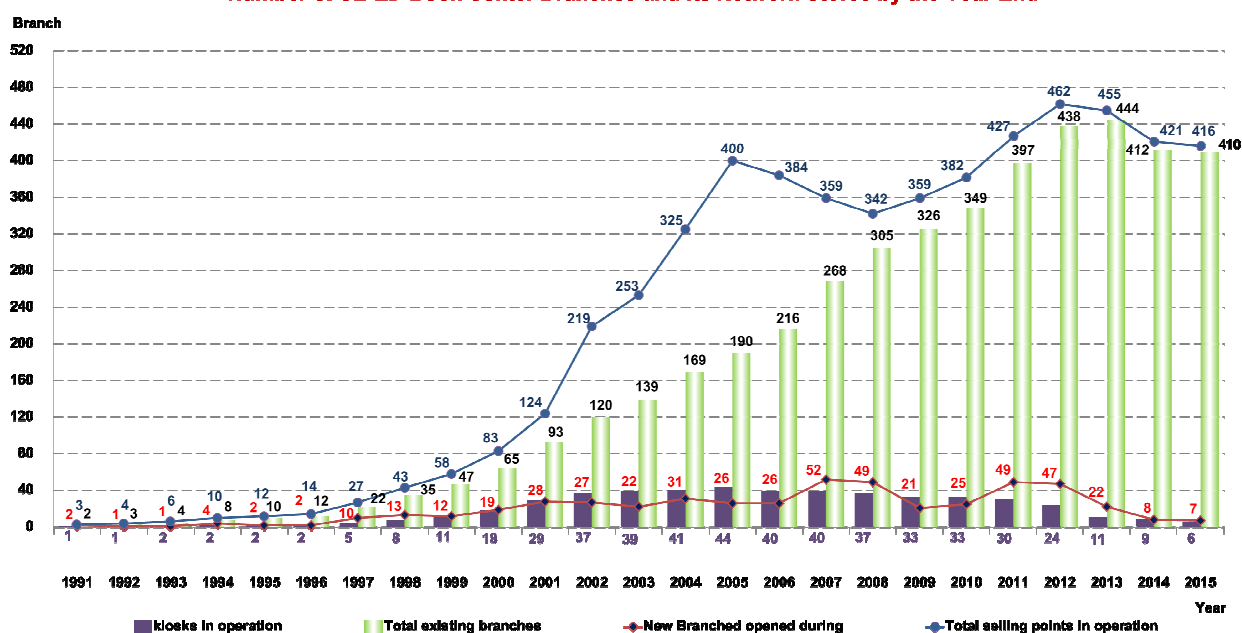
Presently, the Company is the largest book distributor to the chain bookstores. Books which were self-published by the Company is around 1,414 titles, while also help distributing 5,500 titles from other several publishers and organizations.

**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 designs and good layout plans, efficiently selling and emphasizing being located in convenient locations for people to come to buy books. The main locations are located in leading supercenters (such as Tesco Lotus, Big C, etc.) leading shopping malls (such as Siam Paragon, Central, The Mall, Robinson, Future Park, Seacon Square, provincial leading shopping centers, etc.) and education institutes (such as Ramkhamhaeng University, National Institute of Development Administration, Dhurakij Bundit University, Siam University and Srinakharinwirot prasanmit prasanmit University) in different models both in Bangkok and other provinces.

By the end of 2015, SE-ED has already opened 506 branches of SBC. From this mentioned figure, there are 410 branches in operation, with 137 branches in Bangkok and nearby provinces, and 273 branches in other provinces. With 406 bookstores operated by the Company, the other 2 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, in different formats totaling more than 6 sales and service points. Today, SE-ED Book Center is the complete chain of 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 newsstand 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 2015, there are 410 existing branches in operation. There are 137 branches in Bangkok and its vicinity and 273 branches in other provinces. This figure has included the small scale of 11 branches.*
  - *At the end of 2015, there are 403 existing branches in operation, using the brand of, SE-ED book center, 3 branches in university book centers.*
  - *At the end of 2015, there are 2 SE-ED Book Center network stores (SE-ED is responsible for all books supplied to the network stores) and there are 2 SE-ED network stores (SE-ED provides special assistance and allows the stores to choose either the name of SE-ED Book Center or SE-ED network but the shop owners can order books by themselves), and 6 kiosks.*

**5. SE-ED Learning Center** In 2006, SE-ED founded SE-ED Learning Center department for organizing all activities for kids. In September 2008, in order to provide complete services on occupational training and training in all sciences, available for the general public including youth and undergraduate students. Nowadays In addition, the Company's new business strategies included the development of two supplementary curricular aiming to increase children's potential and intelligence in mathematics and English. SE-ED provides a variety of activities as follows:

- FAN Math is a supplementary mathematics program for kindergarten 3 to primary 6 levels. Teaching and learning materials are presented in animation format.
- ACTIVE English is a supplementary English program for kindergarten 2 to primary 6 levels. Teaching and learning materials are mainly interactive multimedia and consistent with the Common European Framework of Reference for Languages (CEFR).
- SE-ED iKids' Young Thinker & Inventor Program is the new way to encourage kids to learn how to invent and create robots by themselves through multimedia and books. Moreover, this program provides kids with knowledge of Science, Technology, Engineering, and Mathematics or STEM. In the program, kids will be stimulated to systematically act out, think, analyze, and solve the problems. In addition, with this knowledge integration, this program will help kids easily apply their knowledge to their everyday lives and easily connect them to technology nowadays.
- SE-ED Kiddy Camp for 8-14 year-old kids is organized on school vacation and has many options for kids; they can choose to go camping or go day camping. The goal of the camp is to encourage kids to learn with fun, to strengthen them with knowledge, and to encourage them to be brave to learn new things. Moreover kids will able to learn science,

electronic invention, teamwork, leadership, self-study independence, basic knowledge for living, morals, and especially friendship. Kids will enjoy many activities, for example, the Young Explorer; a rally; exercises.

6. **Plearpattana School** SE-ED's proportion in the joint investment on Plearpattana School accounts for 48.97% from the registered capital and paid capital worth 169,475,500 Baht. SE-ED has cooperated on administration for providing resources and knowledge in order to establish Plearpattana School as an alternative school. Plearpattana School is expected to develop Thai youth's potential, through its flexible curriculum, to be the mainspring of the nation in the future. Plearpattana School takes children from pre-nursing through Matayom 6. Its location is on 32,000 square meters (20 Rai), the suburb of Bangkok.

**According to past three academic years, the number of Plearpattana School students each year can be seen as follows:**

(Unit : Person)

Academic year	2015	2014	2013
The number of students	1,230	1,203	1,131

7. **BaesLab Co., Ltd.** is a consulting, software and hardware designing and developing business.

## 2.2 Marketing and Competition

### Policy and Marketing

**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.

**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 [www.se-ed.com](http://www.se-ed.com), [m.se-ed.com](http://m.se-ed.com), SE-ED Application '**SE-ED Currents**' for smartphone or tablet, [www.thailandindustry.com](http://www.thailandindustry.com), [www.se-edlearning.com](http://www.se-edlearning.com), magazines, 'Arn Kho Sen', a TV program on channel One HD Digital TV.

**Sales and 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 506 branches with 410 branches still operating including 4 branches for network bookstores (as of December 31, 2015) and on [www.se-ed.com](http://www.se-ed.com) and [m.se-ed.com](http://m.se-ed.com) 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 5,800 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 and other provinces, 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, using its own transportation for distribution, the Company utilizes the "Standing Order" distribution system, a combination of consignment and non-returnable sales system. For most of booksellers in other provinces, the Company uses private transportation company for distribution, 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.

## **Competition**

**Industry Overview and Competition :** There is still the support from the government sector with the policy to campaign the years 2009 - 2018 the “decade of reading”. It is believed that there is still room for the market to expand. As a result there were more business operators entering the book and magazine publishing and bookselling businesses, causing more competitions.

In 2015, however, the book business was affected by economic stagnant. A decrease of consumers' power of purchase yielded in the decline of sales in every part of the country. Therefore the Company decided to close down unprofitable branches, adjust products proportion in stores, and promote e-commerce in order to provide more channels for customers, catching up with changing consumer trends.

**Opportunities and Threats :** Government agenda currently promotes more advanced education for its citizens to prepare them for the global challenge by setting 2009 to 2018 as ‘The Decade of Reading’. This, in turn, triggers an increase in books demand, causing a positive outlook for book business. However, people nowadays have many distractions in everyday life and tend to spend less time reading books.

Even though e-books are popular in foreign markets because of the growth in e-book reader and tablet sale, Thailand's e-book market is comparatively small. There are not many e-books in Thai language available in the market and the current Thai e-books are not as easy to read. It is expected that in Thailand it will take some time before e-books will significant affect the print book sale. However, Thai e-magazines are becoming more popular; there are already substantial e-magazine sales. The Company has adapted to the changes and prepared adequate facilities to support both e-book and print book sale and become the biggest online bookseller in the country.

**Quantity and Size of Competitors :** 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.

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.

**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, numerous

entrepreneurs show interest in joining and this causes the spread of business concentration. The proportion of 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 is the one of the major players who possess quite a large proportion of the market share.

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.

For publishing business, the Company always ranks between numbers 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.

**Substitution products :** Advances in the fields of technology, industry, and business required us to always learn new things in order to gain advantages in competition. Though communication technology and computer keep running, books are still the only medium that can be read any time and any place. It is durable and costs less money. However the Company also focuses at reading habits on smartphones and tablet devices. Its application on various platforms has been developed to be one of the choices for consumers to access knowledge regardless of formats.

**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 overall business as their market share is still not significantly large enough at present.

### **2.3 Procurements of Products and Services**

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

- 1. Books for distribution :** At present the books that are distributed to all bookstores throughout the country come from the Company's own publishing house and other around 398 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's marketing direction and have an opportunity to sell.
- 2. Books and other goods SE-ED Book Center sells directly :** SE-ED Book Center receives goods from 2 main channels: the Company's 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 of 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 30% of total selling cost, whereby the proportion of product value purchased from the 10 first largest trading partners against the cost of goods sold for the past 3 years is illustrated as follows :

(Unit: Million Baht)

Description	Year 2015		Year 2014		Year 2013	
	Value	%	Value	%	Value	%
Value of reselling products from the first 10 largest trading partners	1,082.43	39.89	1,356.37	44.93	1,173.91	34.74
Total cost of goods sold	2,713.43	100	3,018.63	100	3,379.52	100

In 2015, 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 magazine 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 a printing press, the production of books and magazines are in the responsibility of in-house work groups 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 sums. 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 has no binding obligation to buy from them in the future. In the case that these suppliers cannot 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 26.64% of the cost of products in 2015 or 1.33% 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 teams calling for meetings 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, the 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 agrees on the book, the content may be re-adjusted and formatted at a 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 meantime, the artwork team will start to design the book cover and when the finished manuscript is ready for print, the computer artwork will later take on 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 books, there will be additional step that are 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 magazines 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 computers and PC along with all other related tools and equipment, whereby all this computer technology shows sign of having higher efficiency but becoming less expensive. In addition, the editorial staffs in the team are very experienced and possess 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 a printing press, there is no need for the Company to invest in the machinery and equipment in printing. It becomes unnecessary for the Company to develop machinery and equipment. And due to the competitive environment of the 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 pollution that can affect the environment and the Company's business is not under the direct control of any government agency.

## **2.4 Undelivered Jobs**

- None -

### **3. Risk Factors**

Directors and executives of SE-EDUCATION Public Co., Ltd. are well aware of their responsibility in operating the business with good governance. In order to maximize the benefits for the Company's shareholders, they also have to manage risks in the business systematically and continuously so that risk factors such as operation risk, business risk, financial risk, production risk, will remain at an acceptable level.

Directors and executives of the Company appointed Audit Committee to supervise on the risk management and make sure that the management follows the policy and reports directly to the Company's directors so that the Company's risk management is properly controlled. However, there could be some risk factors affecting the Company and stakeholders as follows:

#### **3.1 Operation Risk**

- **Risk from problems in key operation ground :**
  - **Distribution Center and Warehouse** Most products sold in SE-ED Book Centers and distributed to other bookstores are delivered from the Company's warehouse. The warehouse is, therefore, a very important factor in business operation. In 2012, the Company started the construction of a new distribution center and warehouse and open in 2014, which will help to reduce the risk from warehouse rental.
  - **Plearpattana School Buildings** is a vital factor in the operation of the subsidiary company.

In case of natural disasters, accidents or other uncontrollable events on the Company's Distribution Center and Warehouse or Plearpattana school buildings, the business operation of the Company and its subsidiary may be unavoidably affected.

However, the Company has sought to insure all the assets and products and consistently adjust the insurance coverage to be in line with the asset value. The Company also sets up a security measure to reduce unexpected risks from disasters which might occur at the warehouse and Plearpattana school buildings.

In addition, in case there is an error in the warehouse's system, the company has developed a back-up system that will allow the warehouse to operate temporarily and still be able to deliver products from publishers and suppliers to the branches across the country.

- **Risk from Fire, Flood and Other Natural Disasters** : Being in the publishing business, the Company's assets and products can be easily damaged and broken from various causes, which can potentially harm the business operation of the Company. Even though the Company

and its subsidiary have adequate insurance coverage, the Company has always improved the precautionary measures against such dangers.

Fire risk, the automatic fire alarm and sprinkler system were installed on the ceiling of the distribution center and new warehouse. Some was installed between product shelves in order to reduce fire risk and control the fire not to expand. In addition, employees were trained to use firefighting equipment. The fire prevention manual with instructions and other detail was provided in order to enable the prompt operation.

Electricity risk, electronic equipment in the new warehouse was checked and maintained regularly to be ready to use. The lightning protection system was also installed in order to prevent the accidents from short circuit. Moreover, in case of power failure, the energy backup system was installed to reduce the risk of stopping operation.

Flood risk, the new distribution center was designed to be higher than the road level by 2.35 meters to reduce the loss from flood.

- **Risk from product loss** : As the Company operates a retail bookstore business with over four hundred branches nationwide, it has been dealing with the loss of products from theft and other causes in the similar manner to what other retail businesses have encountered.

The Company realizes the importance of establishing a proper product loss and prevention effort. The Closed-Circuit Tele-Visions (CCTV) have gradually been installed since the end of fourth quarter in 2006. The Company also established a *Loss Prevention Department* (LPD) to address the issue and set up measures to prevent the book loss specifically. This results in the significant reduction of product loss at the storefronts from 1.59% in 2006 to 0.33% and 0.31% from the sales volume of 2014 and 2015 respectively. Moreover, along with the use of CCTV, the Company has installed the electronic article surveillance system in the branches prone to thefts.

- **Risk from errors or malfunctions in computer and information technology system** : The Company and its subsidiary installed the computer and information technology system for all operation points such as the storefront selling system, distribution management system, purchasing system, and accounting and financial system. The computer and information technology system is regarded as crucial to supporting effective company operation. Therefore, errors and malfunctions of the system may have an effect over the Company's management.

Therefore, to reduce the impact of such computer and technology system errors and malfunctions at the branches, warehouse, head office and subsidiary company, the Company and its subsidiary has set up a protection and back-up system at the generally accepted standard. The Company also sets up a preparation and back-up plan for any circumstances. This includes the regular trainings in case of an unexpected event.

In addition, the Company and its subsidiary have developed a complete system with 'high availability' to support an ever increasing sales transaction, provide a virus protection system and handle a greater number of visitors to the Company's website. However, the fast-changing technology pushed the Company to continuously develop its entire networking system in order to maintain its stability and ability to support the new business expansion. In 2012, the Company changed its network system from MPLS (128/128kbps) (Multiprotocol Label Switching) to ADSL (1024/512kbps) (Asymmetric Digital Subscriber Line) to increase the networking system efficiency.

- **Risk in shortage of specialists** : Experts in the fields and specialized personnel are the most important resource of the Company's operations including the production of academic books and magazines. It is vital to search for specialist teachers who can provide knowledge for students effectively and experts who can create useful works for the Company and its subsidiary's businesses which are mostly pioneer businesses.

The Company and its subsidiary have to endure the economic crisis as well as the problem of high fuel price and inflation that results in higher cost of living problem which the Company's staff has to deal with, particularly foods and travel expenses.

From the above-mentioned problems, the management of the Company and its subsidiary realized that they had to provide support for the staff that is the most important resource. The management then organized a meeting to find a solution to alleviate the effect from continuously rising inflation for the staff so that they can continue their works for the Company and its subsidiary. The Company and its subsidiary then reviewed and adjusted the compensation structure that includes living expenses and maintenance allowance. The Company also provides annual health check-up, health insurance, accident insurance and other coverage to be at a sufficient level. The objective is to create stability for the employees and their families while supporting them throughout the state of higher living cost so that they can compete in the labor market.

Besides, the Company and its subsidiary determine to recruit potential employees to support the future growth while continue to develop the staff's academic knowledge, mental stability and provide opportunities for the employees to grow along with the Company and its subsidiary. The culture of organization is also developed to improve the employees' skills and allow them to work more comfortably.

- **Risk from renting an estate for the operation of the subsidiary company** : At present the Company's subsidiary, Plearnpattana School, is operating on Buddhamonthon 2 Road in the area of over 32,000 square meters (20 Rai). The estate is rented from the shareholder of the subsidiary under two contracts of 30-year term and worth 10 Million Baht. It is agreed in the contracts that the lessor will not sell the estate to any person without a consent from the subsidiary company. If the lessor absolutely needs to sell the estate without any alternative

measure, the lessor agrees to offer the estate to the subsidiary at the same price the lessor offers to the outside party. If the subsidiary company does not accept the offer in 60 days from the date of the offer, the lessor can sell the estate to the outside party. Nonetheless, the subsidiary company is reviewing the terms and conditions in order to sign an additional contract regarding the rental of the estate in order to reduce any possible risk.

### **3.2 Business Risk**

- **Risk from products being outdated, damaged or superseded by other media** : At present the book business has grown significantly. There are more newly released books, resulting in the competition for the limited selling space, causing a rising rate of returned books. It is more difficult to find a sale channel for returned books while damaged books also increase in number. The Company then set up an order guideline for customers and appropriate credits for purchasing orders. Special promotions and efforts are also put in place to release outdated or damaged products. Moreover, the computer technology has been developed very quickly. The sales duration of computer books in which the Company is one of the leaders, is shorter than before. Electronics media has begun to replace books in some categories and some applications. The Company has adjusted the production policy to publish books with long life cycle at a higher proportion. At the same time, the Company still publishes computers, tools and new equipment manuals but will select only top products in the market. In addition, the Company has set up special sales channels to sell slow-moving books as well as the Company websites, [www.se-ed.com](http://www.se-ed.com) and [m.se-ed.com](http://m.se-ed.com), which serve to inform customers of new books released and trendy books at particular times faster. In addition, there is the development of an application called '**SE-ED Currents**', available on smartphones or tablets, to respond to the changing consumption behaviors.

Although electronic media has been rapidly developed and the market of 'e-book' and 'e-book Reader' has opened, the Company still believes that the market will take a considerable time to change the majority of Thais behavior who are 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 a trend arrives, 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 has in place. In 2012, the Company started the e-books service while still continue to develop the computer and IT system to increase efficiency and safety in e-Book purchasing.

- **Risk in distribution channels** : Currently, a change in technology happens very fast. The competition in retail business is increasing. There is a competition to offer customers more choices, causing the 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 times, and great enough, while allowing channel development to serve the changes on a timely basis.

In the past, the Company has diversified 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. SE-ED Book Center has the shared income of 80% of the 2015 total revenue.

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 times. The Company also diversifies risk by not attaching itself or opening the bookstores in only one particular group of shopping centers. But it seeks to open stores through several different shopping center owners. Several big branches are under a long-term leasing contract 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](http://www.se-ed.com) to support the sales of books and products in the E-Commerce system. Additionally, the Company has launched its mobile website, [m.se-ed.com](http://m.se-ed.com), for mobile devices such as smart phones or tablets to allow customers more convenient alternatives to book shopping and finding a greater varieties and numbers of book titles. The Company expects that such channel will bring in a larger revenue pool for the Company in the future as the result of dramatically growing internet usage from general public. The new channel will also aid the increasing e-Book trade in the future.

- **Risk from economic recession affecting the growth of advertising industry** : Risk from economic recession is affecting the growth of the advertising industry and may actually affect the total revenue of the Company as magazines published by the Company generate its main revenue from advertisements. The Company is aware of the problem and seeks to develop new publications that focus on specific contents for specific market. In 2012, the Company has developed a digital magazine, website [www.se-edmag.com](http://www.se-edmag.com), to open up a new market because of the convenience in accessing the contents via electronic and mobile equipments. The chance of higher revenue in advertising will also increase as a result. In addition the Company has a policy of securing long-term advertising contracts with clients 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 additional revenues from organizing seminars, selling IT products, selling online advertisements on [www.thailandindustry.com](http://www.thailandindustry.com) and in digital magazines to compensate the missing revenue.

- **Risk from reselling censored and pirated books** : As some of the products such as, CDs or other publications may be stipulated and restricted by laws, some products must first obtain a 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, any arising conflicts that may lead to court cases and any possibility of protests.

The Company's editorial staff has 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 incurred to the Company if the copyright infringement occurs. This will reduce the probability of any damages caused by this problem.

The Company has a policy to completely object the sales of copyright-violated products and has organized trainings for authors and general public to understand and be more aware of the laws regarding copyright infringement. However, very few problems occur and the affected value is not significant.

- **Risk from printing industry** : As the Company has not invested in printers, the Company has no risk in this aspect and does not adversely suffer from price war in the printing industry. The Company chooses several printers to support productions so that the Company can control expenses properly to the competitive printing price offer all the time and can fix the production time duration definitely.

### **3.3 Financial Risk**

- **Risk from providing credits** : The Company still faces a risk in giving credits to trade debtors. However, the Company sets a policy to properly limit the credit and establish a system that can consistently follow up on debts from debtors. The Company revises the credit limit for debtors every year in order to change the limit to be at an appropriate level and in line with the current economic situation. The Company has a policy of giving a credit carefully and shares the debts among debtors. The Company also considers the case of possible debt loss appropriately. It is then believed that the risk from debt loss is at a low level.

- **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 has the policy to carefully select contracts to be committed to in order to prevent risks from the exchange rate.

### **3.4 Production Risk**

- **Risk from raw materials and product deficiency** : Paper is the important raw material in book 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.

### **3.5 Risks from Corruption**

- **Risk from corruption of branch employees, warehouse employees and headquarter employees** : The Company has installed security cameras at the warehouse and store branches and employed security guards to check employees and visitors of the warehouse to prevent them from stealing books from the warehouse. In addition, the Company has installed Electromagnetic poles at the store branches with high loss percentage. In the long term, the Company has planned to install more poles at every risk branches as well as increase its security measure to prevent and control internal corruption. The Company has also set up Loss Prevention Department (LPD) to apply necessary measures to stop corruption of employees at store branches. Additionally, the Company's Internal Audit and Investor Relation Department has a responsibility to investigate, control and prevent corruptions in every operation level. The department also draws up measures to prevent employees, executive staff and members of the Board of Directors to use internal information for personal benefits. The Company has ensured that the approval of every expenses, investments, and purchases has been processed according

to the guideline of the policy of the Board of Directors. In addition, every new employee will be informed of the guideline, rules and regulations of the Company's operation as stated in the Company's Ethic and Business Conducts Guideline.

- **Risk from Loss of Office Supply** : The Company has improved the issue system of materials and office supply by printing the issue document with the remaining inventory record from the central system for employees' review. The Company also uses the barcode system in controlling the stock of office supply and improving the asset transfer process between departments or employees within the same department. The asset return system is also improved to be more concise and efficient in order to prevent asset loss.

- **Risk from access to information in order to destroy or for corruption purpose** : The Company has implemented a measure to control information access by allowing employees to access the information that is relevant to their work only.

## 4. Assets Utilization in the Course of Business

### 4.1 Assets of Company and Subsidiaries

Book value of Property, Plant and Equipment and Leasehold of the Company and its subsidiary as follow :

(Unit : Million Baht)

Assets	Type	Book Value			Collateral against bank overdrafts and long-term loans		
		31/12/15	31/12/14	31/12/13	31/12/15	31/12/14	31/12/13
Land	Owner	536.43	538.65	497.20	-	-	-
Building	Owner	544.26	560.06	194.30	-	-	-
Building Decoration	Owner	98.99	114.66	146.49	-	-	-
Office Equipment	Owner	339.45	376.68	258.62	-	-	-
Vehicles	Owner	9.38	9.01	10.59	-	-	-
Work-in-Progress	Owner	0.67	7.09	505.64	-	-	-
Leasehold right on land	Area rights holder	6.03	6.37	6.70	-	-	-
Leasehold right on buildings	Area rights holder	63.29	74.60	87.41	-	-	-
<b>Total</b>		<b>1,598.50</b>	<b>1,687.12</b>	<b>1,706.95</b>	-	-	-

**Major characteristics of the fixed assets of the Company and its subsidiary** consisting of land, buildings, equipment and leasehold summarized as follows :

- The Company has 1 lease contract for office space and services at The TCIF Tower (Interlink Tower) 1858/87-90, Bangna-Trat Rd., Bangna, Bangkok. The contract's term is from March 1, 2016 to February 28, 2019, The contracts' term is 3 years, and the Company has the right to renew the contracts for 3 more years.
- The Company's lease contracts for the warehouse building (on Kingkeaw Road) which is used as the Company's warehouse and distribution center details as follow:
  - The contract's term is from December 1, 2008 to August 31, 2021, with the remaining term of 5 years and 8 months.
  - The contract's term is from October 11, 2010 to June 30, 2021, with the remaining term of 5 years and 6 months.
- The Company obtains the leasehold of space usage for 410 SBC branches limiting 1 year to 12 years, with which the contract has the maximum length of contract of 3 years 9 months left, and the Company has the right to renew the contracts for 3 more years. In general, the Company has made two types of space renting contracts that are the renting fees from the value of each branch sales, in which case the percentage rate depends upon the contract agreed between the two parties concerned and the rental rate is constant.






4. Currently the Company is the holder of 11 leaseholds for the space usage of operating bookstores in leading shopping centers, The remaining lease term is now 1 years to 11 years whereas the net book value amount as of December 31, 2015 is THB 63.29 Million.
5. The leasehold of the whole property is the benefits from the use of the property surface according to the lease contract of the subsidiary company. The property is leased from the shareholder of the subsidiary. There are two leaseholds worth 10 Million Baht. The term is 30 years. The area is approximately 32,000 square meters (20 Rai). The purpose is to operate an education business. The remaining term is 18 years. The total leasehold value as of December 31, 2015 is THB 6.03 Million.


**Intangible Assets** The main feature of the Intangible Assets is the copyrights for publishing in which the Company does direct contracts with copyright holders. These contracts are with the average duration of 3 years, which are renewed for 3 years automatically after the expiry date, or until the printout. Currently, the Company holds internal and foreign copyright contracts summarized as follows :










Copyright Contracts as of December 31, 2015

- Internal Copyright Contracts                      Total                      2,253 Copies
- Foreign Copyright Contracts                      Total                      1,081 Copies



**Trademark and Service Marks** The Company registered a trademark and service marks with the Department of Intellectual Property, Ministry of Commerce so that they Company can be protected by the Bill of Trademark B.E. 2534. Up to the present the Company had registered the following trademark and service marks :

No.	Marks's Name	Sample	Purpose	Expiration Date *
1	Trademark		- CD	March 25, 2021
			- Books - Magazines	March 25, 2021
2	SE-ED Booknet		- Bookselling Service	April 8, 2021
3	SE-ED Book Center		- Bookselling Service	April 8, 2021
			- Shirts (unless underwear and sport wear)	March 13, 2021
			- Leather Utility Bags - Fabric Utility Bags	March 13, 2021
4	SE-ED		- Book	March 13, 2021
			- Shirts (unless underwear and sport wear)	March 13, 2021
5	SE-ED BOOK CENTER		- Bookselling	March 13, 2021

No.	Marks's Name	Sample	Purpose	Expiration Date *
6	SE-ED BOOK CENTER		- Bookselling	March 13, 2021
7	SE-ED BOOK CENTER		- Leather Utility Bags	March 13, 2021
			- Fabric Utility Bags	March 13, 2021
			- Shirts (unless underwear and sport wear)	March 13, 2021
			- Bookselling	March 13, 2021
8	SE-ED BOOK CENTER		- Bookselling	March 13, 2021
9	SE-ED BOOK CENTER		- Shirts (unless underwear and sport wear)	March 13, 2021
			- Leather Utility Bags	March 13, 2021
			- Fabric Utility Bags	March 13, 2021
			- Bookselling	March 13, 2021
10	SE-ED		- Books	March 13, 2021
			- Shirts (unless underwear and sport wear)	March 13, 2021
11	SE-ED, KIDDY CAMP		- Shirts (unless underwear and sport wear) - Cap	March 13, 2021
12	SE-ED		- Utility Bags	March 13, 2021
13	SE-ED ENJOY READING		- Books - Magazines	February 16, 2021
14	SE-ED ENJOY READING		- Books - Magazines	February 16, 2021
15	SE-ED Kiddy Card		- Card	March 8, 2026


No.	Marks's Name	Sample	Purpose	Expiration Date *
16	ADD FREE MAGAZINE		- Magazines	March 13, 2021
17	ET,EXTREME TECHNOLOGY MAGAZINE		- Magazines	March 13, 2021
18	THE ABSOLUTE SOUND & STAGE		- Magazines	March 13, 2021
19	FAN MATH BY SE-ED		- Teaching Service	March 22, 2022
			- Books	March 22, 2022
			- Textbooks	
			- CD	March 22, 2022
			- DVD	
			- Management franchise service	
20	SE-ED,iKids		- Franchise service	September 12, 2023
			- Management control franchise business	
			- Education	
			- Educational institution	
			- Management the teaching and learning in the classroom	September 12, 2023
			- Education Services	
20	SE-ED,iKids		- Learning Services	
			- Teaching Service	March 22, 2022
			- Books	March 22, 2022
			- Magazines	
			- CD	March 22, 2022
			- DVD	
20	SE-ED,iKids		- Management franchise service	
			- Franchise service	
			- Management control franchise business	
			- Education	
			- Educational institution	
			- Management the teaching and learning in the classroom	September 12, 2023
20	SE-ED,iKids		- Education Services	
			- Learning Services	
			- Teaching Service	March 22, 2022
			- Books	March 22, 2022
			- Magazines	
			- CD	March 22, 2022
20	SE-ED,iKids		- DVD	
			- Management franchise service	
			- Franchise service	
			- Management control franchise business	
			- Education	
			- Educational institution	
20	SE-ED,iKids		- Management the teaching and learning in the classroom	September 12, 2023
			- Education Services	
			- Learning Services	
			- Teaching Service	March 22, 2022
			- Books	March 22, 2022
			- Magazines	






No.	Marks's Name	Sample	Purpose	Expiration Date *
21	ACTIVE ENGLISH BY SE-ED		- Teaching Service	November 10, 2023
			- Books - Magazines	November 10, 2023
			- CD - DVD - Management franchise service - Franchise service - Management control franchise business	March 22, 2022
			- Education - Educational institution - Management the teaching and learning in the classroom - Education Services - Learning Services	September 12, 2023
22	SE-ED LEARNING CENTER		- Management franchise service - Franchise service - Management control franchise business	September 12, 2023
			- Education - Educational institution - Management the teaching and learning in the classroom - Education Services - Learning Services	September 12, 2023

Remark \* The registration term of the trademark and service mark is 10 years from the date of registration and may be renewed for every 10 years.

### **Trademark and Service Marks are on registration processing**

No.	Marks's Name	Sample	Purpose	Remark
1	FAN MATH BY SE-ED		- Books - Materials used in teaching (unless tools and scientific equipment).	Under the process of advertising date on November 18, 2015

No.	Marks's Name	Sample	Purpose	Remark
2	ACTIVE ENGLISH BY SE-ED		<ul style="list-style-type: none"> <li>- Books</li> <li>- Materials used in teaching (unless tools and scientific equipment).</li> </ul>	<p>Roman alphabet "BY ENGLISH ACTIVE" license cannot be considered solely (only authorize logo) and the company had to issued a letter to showing declines the last applicant by Kor. 12 form on September 18, 2015</p>
3	SE-ED,iKids		<ul style="list-style-type: none"> <li>- Books</li> <li>- Materials used in teaching (unless tools and scientific equipment).</li> </ul>	<p>Roman alphabet "KIDS, INNOVATIVE INSPIRATION FOR KID" Slicense cannot be considered solely (only authorize logo) and the company had to issued a letter to showing declines the last applicant by Kor. 12 form on September 18, 2015</p>
4	SE-ED LEARNING CENTER		<ul style="list-style-type: none"> <li>- Books</li> <li>- Materials used in teaching (unless tools and scientific equipment).</li> </ul>	<p>Under the process of advertising date on November 18, 2015</p>

#### **4.2 Investment Policy of the Company and its Subsidiary**

The Company has a policy to invest in its subsidiary and associate companies that operate a business relevant to the Company's business so that the investment will support the Company's operation. The operation of the subsidiary and associate companies is assigned to the executives or the Company's directors with particular expertise who will act as the representatives of the Company. As of December 31, 2015 the Company's investment on the subsidiary and associate companies can be summarized as follows :

<b>Company</b>	<b>Relation</b>	<b>Type of Business</b>	<b>Paid Capital (Million Baht)</b>	<b>Share Percentage (%)</b>
SE-ED Book Center Co., Ltd.	Subsidiary	Business Consulting Company	1.00	99.99
Plearn Patt Co., Ltd.	Subsidiary	Private School (Operating Plearnpattana School)	169.48	48.97
BaesLab Co., Ltd.	Subsidiary	Consulting, software and hardware designing and developing business.	0.25	60.00
M&E Co., Ltd.	Associate	Publisher of Engineering Books and Magazines	0.40	25.00

#### **4.3 Information about Interim Assets Appraisal or Valuation**

- None -

## **5. Legal Disputes**

As of December 31, 2015 the Company and its associates did not have any lawsuit or legal disputes which may effect to company and its associates' assets more than 5% of shareholders' equity and effect the operation significantly, includes did not have any lawsuit or legal disputes from the regular business which may effect to company and its associate.

## **6. General Information and Other Significant Information**

### **6.1 General information**

#### **Name and Location of Head Office, Distribution Center and SE-ED Learning Center**

**Name of the shares issuer :** SE-EDUCATION Public Company Limited  
**Company**

Abbreviated Name : SE-ED

Head Office : 1858/87-90 Interlink Tower, 19<sup>th</sup> Floor, Bangna-Trat Road, Bangna, Bangkok 10260, Thailand.

Distribution Center and Warehouse : 118 Moo 1 Tambon Sisa Chorakhe Yai, Amphoe Bang Sao Thong, Samut Prakarn 10540, Thailand.

SE-ED Learning Center : PARADISE PARK Floor 4, 61 Srinakarin Road, Nongbon, Pravet Bangkok, Thailand 10250

Website : 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 : Company's business operation consist

- Publisher of educational books and magazines
- Book distributor
- Bookstore chain, SE-ED Book Center, and network stores (including campus bookstores and kiosks operated by the company) in Bangkok and other provinces.
- SE-ED Learning Center is an education center that provides services and activities aiming to develop potentials and aptitudes of Thai children such as supplementary Math and English courses.
- Plearnpattana School, open for pre-kindergarten to Matayom 6
- BaesLab Co., Ltd. is a consulting, software and hardware designing and developing business.

Registered No. : 0107536000285

Registered Capital : THB 391,944,529 (391,944,529 ordinary shares @ Baht 1.00 par value each)

Paid-up share capital : THB 391,944,418 (391,944,418 ordinary shares @ Baht 1.00 par value each)

**Name and Location of the juristic person which the Company held shares more than 10 percent upward**

**Name and Location of Subsidiary companies**

**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. 502  
**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  
**Registered No.** : 0105545100716  
**Registered Capital** : THB 169,475,500 (16,947,550 ordinary shares @ Baht 10.00 par value each)  
**Paid-up share capital** : THB 169,475,500 (16,947,550 ordinary shares @ Baht 10.00 par value each)  
**SE-ED holds** : 48.97% of shares

**Name** : **SE-ED Book Center Co., Ltd.**  
**Address** : 1858/87-90 Interlink Tower, 19<sup>th</sup> Floor, Bangna-Trat Road, Bangna, Bangkok 10260, Thailand  
**Tel.** : 66-2739-8000  
**Fax.** : 66-2751-5999  
**Business** : Business Consultancy  
**Registered No.** : 0105544044332  
**Registered Capital** : THB 1,000,000 (100,000 ordinary shares @ Baht 10.00 par value each)  
**Paid-up share capital** : THB 1,000,000 (100,000 ordinary shares @ Baht 10.00 par value each)  
**SE-ED holds** : 99.99% of shares

**Name** : **BaesLab Co., Ltd.**  
**Address** : 1858/87-90 Interlink Tower, 19<sup>th</sup> Floor, Bangna-Trat Road, Bangna, Bangkok  
 10260, Thailand  
**Tel.** : 66-2739-8000  
**Fax.** : 66-2751-5999  
**Business** : Provide counseling about selection and distribution of software  
**Registered No.** : 0105556066298  
**Registered Capital** : THB 1,000,000 (100,000 ordinary shares @ Baht 10.00 par value each)  
**Paid-up share capital** : THB 250,000 (100,000 ordinary shares @ Baht 2.50 par value each)  
**SE-ED holds** : 60.00% of shares

#### **Name and Location of Associated Company**

**Name** : **M & E Co., Ltd.**  
**Address** : 77/111 Sin Sathorn Tower Bldg. 26<sup>th</sup> floor, Krung Thonburi Road, Klongtongsai,  
 Klongsam, Bangkok 10600, Thailand  
**Tel.** : 66-2862-1396-9  
**Fax** : 66-2862-1395  
**Website** : [www.me.co.th](http://www.me.co.th)  
**Business** : Magazine and Book publishing for Engineer  
**Registered No.** : 0105527008994  
**Registered Capital** : THB 400,000 (4,000 ordinary shares @ Baht 100.00 par value each)  
**Paid-up share capital** : THB 400,000 (4,000 ordinary shares @ Baht 100.00 par value each)  
**SE-ED holds** : 25.00% of shares

#### **References**

**Stock Registrar** : **Thailand Securities Depository Co., Ltd.**  
**Address** : 93 The Stock Exchange of Thailand Building, 1<sup>st</sup> Floor, Ratchadaphisek  
 Road, Dindaeng, Bangkok 10400, Thailand  
**Tel.** : 66-2009-9000  
**Fax** : 66-2009-9991  
**Call center** : 66-2009-9999  
**Email** : [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)  
**Website** : <http://www.set.or.th/tsd>



**Auditor** : **Miss Pimjai Manitkajohnkit Auditor ID: 4521 and/or**  
**Miss Rungnapa Lertsuwanku Auditor ID: 3516 and/or**  
**Mr. Chayapol Suppasedtanon Auditor ID: 3972 and/or**  
**Other auditors from the same office**

**Address** : EY Office Limited  
33<sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek  
Road, Klongtoey, Bangkok 10110

**Tel.** : 66-2264-0777

**E-mail** : Ernstyoung.thailand@th.ey.com

**Website** : www.ey.com

**Legal Consultant** : **Chuan and Associates Law Office**

**Address** : 1153/44 Soi Ladprao 101, Ladprao Road, Klongjun, Bangkok,  
Bangkok 10240, Thailand

**Tel.** : 66-2731-5337 and 66-2731-5338

**Fax** : 66-2731-5759

**Bond holder**

**Representative** : - No bonds -

**6.2 Other Significant Information**

- None -

## Section 2

# Management and Corporate Governance

### 7. Assets and Shareholders

#### 7.1 No. of Registered Capital and Paid-up share Capital

##### The Company's Security

Security's Name	: SE-ED : SE-EDUCATION PUBLIC COMPANY LIMITED
Market	: SET
Industry Group	: Service
Business Category	: Media and Publishing
First Trade Date	: August 22, 1991
Authorized Capital	: THB 391,944,529; THB 1 per common share
Paid-up Capital	: THB 391,944,418; THB 1 per common share

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Registered share capital :	391,944,529	391,944,529	356,313,243
Par value:	1	1	1
Paid-up share capital :			
paid-up share capital at the beginning of the period	391,944,418	356,313,209	356,313,209
paid-up share capital at the end of the period	391,944,418	391,944,418	356,313,209
Premiums on share capital :			
premiums on share capital at the beginning of the period	149,420,557	149,420,557	149,420,557
premiums on share capital at the end of the period	149,420,557	149,420,557	149,420,557

*Unit : Baht*

## The Subsidiary's Security

Unit : Million Baht

Detail	2015			2014			2013		
	SE-ED Book Center Co., Ltd.	Plearn Patt Co., Ltd.	BaesLab Co., Ltd.	SE-ED Book Center Co., Ltd.	Plearn Patt Co., Ltd.	BaesLab Co., Ltd.	SE-ED Book Center Co., Ltd.	Plearn Patt Co., Ltd.	BaesLab Co., Ltd.
Authorized Share capital	1.00	169.48	1.00	1.00	169.48	1.00	0.10	169.48	1.00
Book value (Baht per share)	10	10	10	10	10	10	10	10	10
Issued and paid-up share capital	1.00	169.48	0.25	1.00	169.48	0.25	1.10	169.48	0.25
SE-ED holds of share	99.99	48.97	60	99.99	48.97	60	99.93	48.97	60

## Shareholders

### The lists of major shareholder

- (a) The List of the top 10 shareholders, according to article 258, Securities Exchange Commission Act (B.E. 2535), and including shareholders are under person with control power (if any) as of May 7, 2015 (latest share register closed date) are as follows :

No.	Shareholders	Number of Shares	% of Paid-up Capital
1	Mr. Taweechat Jurangkool	85,155,700	21.73
2	Mr. Wuthiphum Jurangkool	49,550,512	12.64
3	Mr. Rit Thirakomen	27,840,625	7.10
4	Mr. Pongsak Sivapatrakumpol	13,129,518	3.35
5	Yodkij Business Co., Ltd.	13,041,702	3.33
6	Mr. Thanong Chotisorayuth	12,142,247	3.10
7	Mr. Touchchai Chotisorayuth	9,361,407	2.39
8	Ms. Nanjana Poowarawan	8,507,219	2.17
9	Ms. Nawan Poowarawan	8,230,973	2.10
10	Mr. Nutch Poowarawan	6,751,340	1.71
<b>Total</b>		<b>233,693,243</b>	<b>59.62</b>

Remarks : - Paid-up capital as of May 7, 2015 amounts to THB 391,944,418 (the company's latest book closing date).

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

## Shares Distribution

Shares distribution as of May 7, 2015 (Book closing date of the last registration)

Item	Share Distribution						Total		
	Individual			Juristic individual					
	Number	Shares	%	Number	Shares	%	Number	Shares	%
Thai shareholders	4,558	367,042,532	93.64	15	18,845,985	4.81	4,573	385,888,517	98.45
Foreign shareholders	6	79,215	0.02	3	5,976,666	1.53	9	6,055,901	1.55
<b>Total</b>	<b>4,564</b>	<b>367,121,747</b>	<b>93.66</b>	<b>18</b>	<b>24,822,671</b>	<b>6.34</b>	<b>4,582</b>	<b>391,944,418</b>	<b>100.00</b>

At the last registration date, there were 4,573 Thai national shareholders totaling 385,888,517 shares (98.45%) which consist of 15 juristic persons and 4,558 individual shareholders, and 9 foreign shareholders, totaling 6,055,901 shares (1.55%), which consisted of 3 juristic persons and 6 individual shareholders.

- (b) The major shareholder who practically have material influence in prescribing the company's management policy operation.

- None -

## 7.2 Dividend Payment Policy

### Dividend Payment Policy of the Company

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 the separate financial statements by proposing that the dividends be paid on an 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.

### **Dividend Payment Policy of the Subsidiary (Plearn Patt Co., Ltd.)**

The Company can pay dividend payment from the subsidiary when the Company withholds the capital reserve of no less than 5% of the annual total profit, deducted by the accumulated deficit (if any) until the reserve capital is accounted for no less than 10% of the registered capital. The Company may not pay dividends from other sources except for the profit money. In case the Company has an accumulated deficit, the Company may not pay dividends. The dividends will be divided by the numbers of shares evenly. However, the committee may pay occasional interim dividends if the profit amount is

sufficient to appropriately do so and the committee will report it in the coming meeting. The dividend can be paid within one month from the shareholders' meeting date on the date of the committee's approval.

In addition, according to the Bill of Private Schools B.E. 2550 Section 45, the annual profits from the operation of schools in the system can be allocated by the committee as follows:

1. Schools in the system which are supported by the government allocate no more than 3% of the profit to the system's school support fund assigned by the committee.
2. No less than 10% of the profit is allocated to the capital reserve.
3. No more than 40% of the profit is allocated to the licensee.
4. In case there are other funds, the profit may be located to such funds. In case of no other funds available, the remaining profits may be allocated to the capital reserve.

### **Dividend Payment Policy of the Subsidiary (BaesLab Co., Ltd.)**

On every dividend payment, the Company must withhold the capital reserve 1 of 20 of the annual total profit from the Company business operation, unless the capital reserve will have 1 of 10 of the company registered capital or more.

### **The Company's dividend payments in the last 3 years are as follows :**

<b>Description</b>	<b>Year 2015<sup>(*)</sup></b> (19 May 2016)	<b>Year 2014</b> (Restated) (21 May 2015)	<b>Year 2013</b> (22 May 2014)
1. Net profit	63,549,618	83,779,347	73,388,000
2. No. of share	391,944,418	391,944,418	391,944,418
3. Cash Dividend per share	0.12	0.18	0.18
4. Total Dividend payment	47,033,330.16	70,549,995.24	70,549,995.24
5. Dividend payout ratio	74.01	84.21	96.13

*Remarks :* <sup>(\*)</sup> The Board of Directors' meeting no. 1/2016 had a resolution to propose to the General Shareholders Meeting to approve the dividend payment for the operation result of 2015 as cash dividend in the amount of THB 0.12 per share, rate of dividend per share which is paid from net profit after corporate tax in the financial statement for individual company is proposed by the board of directors, where by such rate will be decided at the annual general shareholder's meeting on April 21, 2016.

## 8. Management Structure

### 8.1 The Board of Directors

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

(A) **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, 2015 the Board consisted of the following 12 members:

No.	Name	Position	Type of Directors	First Appointment	Last Appointment
1	Mr. Somboon Chinsawananon	Chairman of the Board of Directors, Chairman of Recruitment and Remuneration Committees	Independent Director Non - executive Director	December 1, 1991	April 25, 2013
2	Mr. Saroch Lamlerprasertkul	Chairman of Audit Committee, Vice-Chairman of the Board of Directors	Independent Director Non - executive Director	December 22, 1999	April 25, 2013
3	Mr. Pravit Tantiwasinchai	Director, Audit Committees	Independent Director Non - executive Director	April 22, 1999	April 23, 2015
4	Mr. Kachen Benjakul	Director, Audit Committees	Independent Director Non - executive Director	June 28, 2005	April 24, 2014
5	Mr. Vorasit Pokachaiyapat	Director, Recruitment and Remuneration Committees	Independent Director Non - executive Director	May 29, 1998	April 24, 2014
6	Mr. Phairat Sittakul	Director	Non - executive Director	October 10, 1974	April 24, 2014
7	Mr. Wattana Chiengkul	Director, Recruitment and Remuneration Committees	Non - executive Director	October 10, 1974	April 25, 2013
8	Assoc. Prof. Yuen Poovarawan	Director	Non - executive Director Authorized Signing Director	October 10, 1974	April 23, 2015
9	Mr. Wutthiphum Jurangkool *	Director	Non - executive Director	February 26, 2015	-
10	Mr. Worapote Chutchaikulsi *	Director	Non - executive Director	February 26, 2015	-
11	Mr. Thanong Chotisorayuth	Director, Managing Director	Executive Director Authorized Signing Director	October 10, 1974	April 23, 2015
12	Mr. Viboolsak Udomvanich	Director, Deputy Managing Director, The Company's Secretary	Executive Director Authorized Signing Director	December 1, 1976	April 23, 2015

Remark \* The solutions of The Board of Directors Meeting No. 1/2015 had appointed Mr. Wutthiphum Jurangkool and Mr. Worapote Chutchaikulsiri to The Board of Directors on effective dated February 26, 2015 by replaced 2 directors resigned on effective dated February 3, 2015 (Mrs. Jiraporn Rungsrithong and Mr. Rafah Damrongchaitam)

The shares held by the Board of Directors in 2015 and 2014 include shares held by spouses and children under legal age. Shareholders under the Securities and Exchange Commission Act (B.E. 2535) section 258 are shown as follow:

No.	Name - Last name	Number of shares		
		December 31, 2015	December 31, 2014	Increase (Decrease) during the year
1	Mr. Somboon Chinsawananon	188,568	188,568	-
2	Mr. Saroch Lamlerprasertkul	- None -	- None -	-
3	Mr. Pravit Tantiwasinchai	- None -	- None -	-
4	Mr. Kachen Benjakul	464,640	464,640	-
	Spouse	8,591	8,591	-
5	Mr. Vorasit Pokachaiyapat	- None -	- None -	-
6	Mr. Phairat Sittakul	2,910,310	2,273,150	637,160
	Spouse	3,453,974	1,963,500	1,490,474
7	Mr. Wattana Chiengkul	4,983,133	4,983,133	-
8	Assoc. Prof. Yuen Poovarawan	1,843,538	1,843,538	-
	Spouse	1,080,686	1,080,686	-
9	Mr. Wutthiphum Jurangkool *	49,550,512	- None -	49,550,512
10	Mr. Worapote Chutchaikulsiri *	- None -	- None -	-
11	Mr. Thanong Chotisorayuth	9,818,122	9,818,122	-
	Spouse	2,324,125	2,314,125	10,000
12	Mr. Viboolsak Udomvanich	- None -	- None -	-
	Spouse	842,258	4,074,455	(3,232,197)

Remark \* The solutions of The Board of Directors Meeting No. 1/2015 had appointed Mr. Wutthiphum Jurangkool and Mr. Worapote Chutchaikulsiri to The Board of Directors on effective dated February 26, 2015.

The Directors who are authorized to sign on behalf of the Company comprise of Director, 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 decisions and supervise the operation of the Company as follows:

1. To determine the vision, mission, and strategy of the Company that includes the objective and financial target to support the stability, balance and sustainable benefit for all elements concerned. This also includes the continuous value adding to the shareholder.

2. To practice according to the laws, stipulations, and regulations associated with business activity and also shareholders' resolution, so that the 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 reports on financial status and ensure the openness, clarity, transparency, and reliability of such reports in accordance with the rules related to each department.
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 budgets for stock investments and 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 for the resolution of general shareholders.
  2. Issue of related-party transactions with the value of items needed to be approved from 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, 9 out of 12 Directors (75%) completed the Director Accreditation Program (DAP), Director Certification Program (DCP), Audit Committee Program (ACP) and Finance for Director (FFD) organized by Thai Institute of Directors Association. The Directors also attended the training course for the Corporate Secretary Development Program organized by the Listed Companies Association of Thailand.

#### **(B) The Audit Committee**

As of December 31, 2015 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 :

No.	Name	Position	Qualification	First Appointment	Last Appointment
1	Mr. Saroch Lamlerprasertkul	Chairman of Audit Committee	Independent Director with accounting or finance experience	22 Dec. 1999	9 Nov. 2015
2	Mr. Pravit Tantiwasinchai	Audit Committee	Independent Director with accounting or finance experience	22 Dec. 1999	9 Nov. 2015
3	Mr. Kachen Benjakul	Audit Committee	Independent Director with accounting or finance experience	12 Nov. 2009	9 Nov. 2015

*Mr. Wichian Rungpoonsap, Internal Audit and Investor Relations Manager, is the secretary of the Audit Committee.*

### Scope of Duties of the Audit Committee

1. Ensure the accuracy and adequacy of financial reports.
2. Ensure the suitability and effectiveness of Internal Control and Internal Audit systems and examine the independence 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 and Exchange Commission and relevant law concerning the Company's business.
4. Consider, select and propose the nomination of independent person to perform the duty of the Company's Accounting Auditor and suggest remuneration for such a person, including: attending the meeting with Accounting Auditors 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 the Security and Exchange Commission. This is to ensure that said items are reasonable and most beneficial to the Company.
6. Prepare report of Audit Committees and disclose 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 meetings with the accounting department without the presence of managing directors at the meetings, however, under their acknowledgement and Audit Committees meeting of 5/2015 on Wednesday, November 4, 2015 was a meeting between Audit Committees and Accounting Auditor without the presence of management, and 1 meeting was held.

Moreover, as the Company realized the importance of good corporate governance, one member of the Company's Audit Committee had completed Audit Committee Program (ACP) organized by Thai Institute of Directors Association.

**(C) 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 executive position and reports directly to the Board of Directors for approval, or to advise to the shareholders 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, 2015 the Recruitment and Remuneration Committees comprised of three respectable individuals, 2 from the independent Directors and 1 Director:

No.	Name	Position	Qualification	First Appointment	Last Appointment
1	Mr. Somboon Chinsawananon	Chairman of the Recruitment and Remuneration Committees	Non - executive director and an Independent Director	10 Nov. 2006	10 Nov. 2014
2	Mr. Vorasit Pokachaiyapat	Recruitment and Remuneration Committees	Non - executive director and an Independent Director	10 Nov. 2006	10 Nov. 2014
3	Mr. Wattana Chiengkul	Recruitment and Remuneration Committees	Non - executive Director	11 Nov. 2010	10 Nov. 2014

#### **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 and senior executives and also follow up on succession plans to recruit the suitable individuals for the position of high executive when the term is expired.
2. To determine methods 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 documents or individuals 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, 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 suitable candidate for Directors.
4. The Recruitment and Remuneration Committees select the best candidate to be Directors and the recruitment result nominates the name of the person who is judged as the best candidate to be the Company's Director, together with the reasons and propose it to the Board of Directors through the Company's secretary.
5. The Board of Directors selected suitable candidates who possess the right qualities as proposed by the Recruitment and Remuneration Committee and present the candidate in the shareholder's meeting for consideration.

The Recruitment and Remuneration Committees' 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 nominates 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) a number of shares according what has been specified by the 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 documents that show the ownership of shares from the security company, other documents from Stock Exchange of Thailand or other documents which show the ownership of shares, and the consent document showing the name of the nominated individual to be submitted to the secretary of the Board of Directors.
2. The nominated candidates must possess all required qualifications 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.

### **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 non-executive Directors to meet every month 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 2015, the Board of Directors met in total of 5 times with the average meeting length of 5 hours. In each meeting, there are an executive director from accounting department, executives from the related departments, and executives from Internal Audit and Investor Relations Division attending in sharing additional information and the Board of Directors agreed on joint meetings for non-executive Directors, during the Board of Directors meetings No. 4/2015 on November 9, 2015, before the Board of Directors meeting, non-executive Directors and Independent Directors convened without the management's attendance to discuss general problems of the Company's management and corporate governance, then inform the President so that the management may take due action.

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 Recruitment and Remuneration Committees held a total of 3 meetings

The Annual General Meeting of Shareholders held 1 meeting.

The details of the Board of Directors meeting and Sub-Committees Meeting in 2015 are as follows:

Name of Directors	Board of Directors' Meeting	Audit Committees' Meeting	The Recruitment and Remuneration Committees' Meeting	The General Shareholders' Meeting 2015
	Number of Meeting (4 Times)	Number of Meeting (6 Times)	Number of Meeting (3 Times)	Number of Meeting (1 Time)
1 .Mr. Somboon Chinsawananon	5/5	-	3/3	1/1
2. Mr. Saroch Lamlerprasertkul	5/5	6/6	-	1/1

3. Mr. Pravitt Tantiwasinchai	5/5	6/6	-	1/1
4. Mr. Kachen Benjakul	5/5	5/6	-	1/1
5. Mr. Vorasit Pokachaiyapat	5/5	-	3/3	1/1
6. Mr. Phairat Sittakul	5/5	-	-	1/1
7. Mr. Wattana Chiengkul	5/5	-	3/3	1/1
8. Assoc. Prof. Yuen Poovarawan	5/5	-	-	1/1
9. Mr. Wutthiphum Jurangkool	4/4	-	-	1/1
10. Mr. Worapote Chutchaikulsiri	4/4	-	-	1/1
11. Mr. Thanong Chotisorayuth	5/5	-	-	1/1
12. Mr. Viboolsak Udomvanich	5/5	-	-	1/1

*Remarks* \* The solutions of The Board of Director Meeting No. 1/2015 on February 26, 2015 had appointed Mr. Wutthiphum Jurangkool and Mr. Worapote Chutchaikulsiri to the Board of Directors, that the number of the Board of Director for A.D. 2015 meeting's plan 4 times remaining.

## **8.2 Company's Executives**

As of December 31, 2015 with the total of 18 individuals, as follows: (The executive's positions are ranked from 1 to 7 in accordance with the definition of SEC promulgation)

<b>No.</b>	<b>Name</b>	<b>Position</b>
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	Mrs. Montalee Chotisorayuth	Assistant Managing Director - SE-ED Book Center Director of SE-ED Book Center Director of Strategic Information Administration Division
4	Mrs. Karnchana Charoenwong	Assistant Managing Director - Sales and Distribution
5	Mrs. Nuchanart Kongvisaisuk	Assistant Managing Director - Magazines Director of Magazine Publishing Division
6	Ms. Sajipat Pumpuengput	Director of Financial Division
7	Ms. Aree Sae-ung	Director of Accounting Division
8	Wiroj Lackanaadisorn, Ph.D.	Director of HR Division & Organization Development Director of SE-ED Learning Center
9	Mr. Apichit Suananuntapoom	Director of Logistics

No.	Name	Position
10	Meechoke Thongsawai, Ph.D.	Director of Academic Consulting and International Business
11	Ms. Daungjai Jeenanurugk	Director of Sales and Distribution
12	Ms. Sarida Sarajan	Executive Editor, Text Books Division
13	Mrs. Kanit Promsen	Executive Editor, General Books Division
14	Ms. Phitsamai Chairat	Assistant Director in Management and Operation, SE-ED Book Center
15	Mrs. Srinuan Konsila	Assistant Director in Marketing and Products, SE-ED Book Center
16	Ms. Sodsaros Hongron	Assistant Director in Purchasing and E-Commerce, SE-ED Book Center
17	Mr. Chonlavit lamraksakiat	Assistant Director in Strategy Analysis and Business Improvement, SE-ED Book Center
18	Ms. Wipasiri Phoorithewet	Assistant Director in HR and Administration, SE-ED Book Center

## Report on changes of shares of Company's Executives on December 31, 2015

No.	Name	Number of shares		Increase (Decrease) during the year
		December 31, 2015	December 31, 2014	
1	Mr. Thanong Chotisorayuth	9,818,122	9,818,122	-
	Spouse	2,324,125	2,314,125	10,000
2	Mr. Viboolsak Udomvanich	- None -	- None -	-
	Spouse	842,258	4,074,455	(3,232,197)
3	Mrs. Montalee Chotisorayuth	2,324,125	2,314,125	10,000
	Spouse	9,818,122	9,818,122	-
4	Mrs. Karnchana Charoenwong	- None -	- None -	-
5	Mrs. Nuchanart Kongvisaisuk	1,000,088	1,437,488	(437,400)
6	Ms. Sajipat Pumpuengput	- None -	- None -	-
7	Ms. Aree Sae-ung	- None -	- None -	-
8	Wiroj Lackanaadisorn, Ph.D.	726	726	-
9	Mr. Apichit Suananuntapoom	55,555	47,555	8,000
10	Meechoke Thongsawai, Ph.D.	121,000	121,000	-
11	Ms. Daungjai Jeenanurugk	432	432	-

No.	Name	Number of shares		Increase (Decrease) during the year
		December 31, 2015	December 31, 2014	
12	Ms. Sarida Sarajan	- None -	- None -	-
13	Mrs. Kanit Promsen	47,166	152,166	(105,000)
14	Ms. Phitsamai Chairat	54,960	200,960	(146,000)
15	Mrs. Srinuan Konsila	395,548	395,548	-
16	Ms. Sodsaros Hongron	57,112	57,112	-
17	Mr. Chonlavit lamraksakiat	- None -	- None -	-
18	Ms. Wipasiri Phoorithewet	156,695	156,695	-
	Spouse	126,977	126,977	-

**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 staff 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 staff and discontinue employment of staff and employees, including the promotion, or salary adjustment. This directive excludes professional staff and employees who are employed, positioned, and punished 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 licenses 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



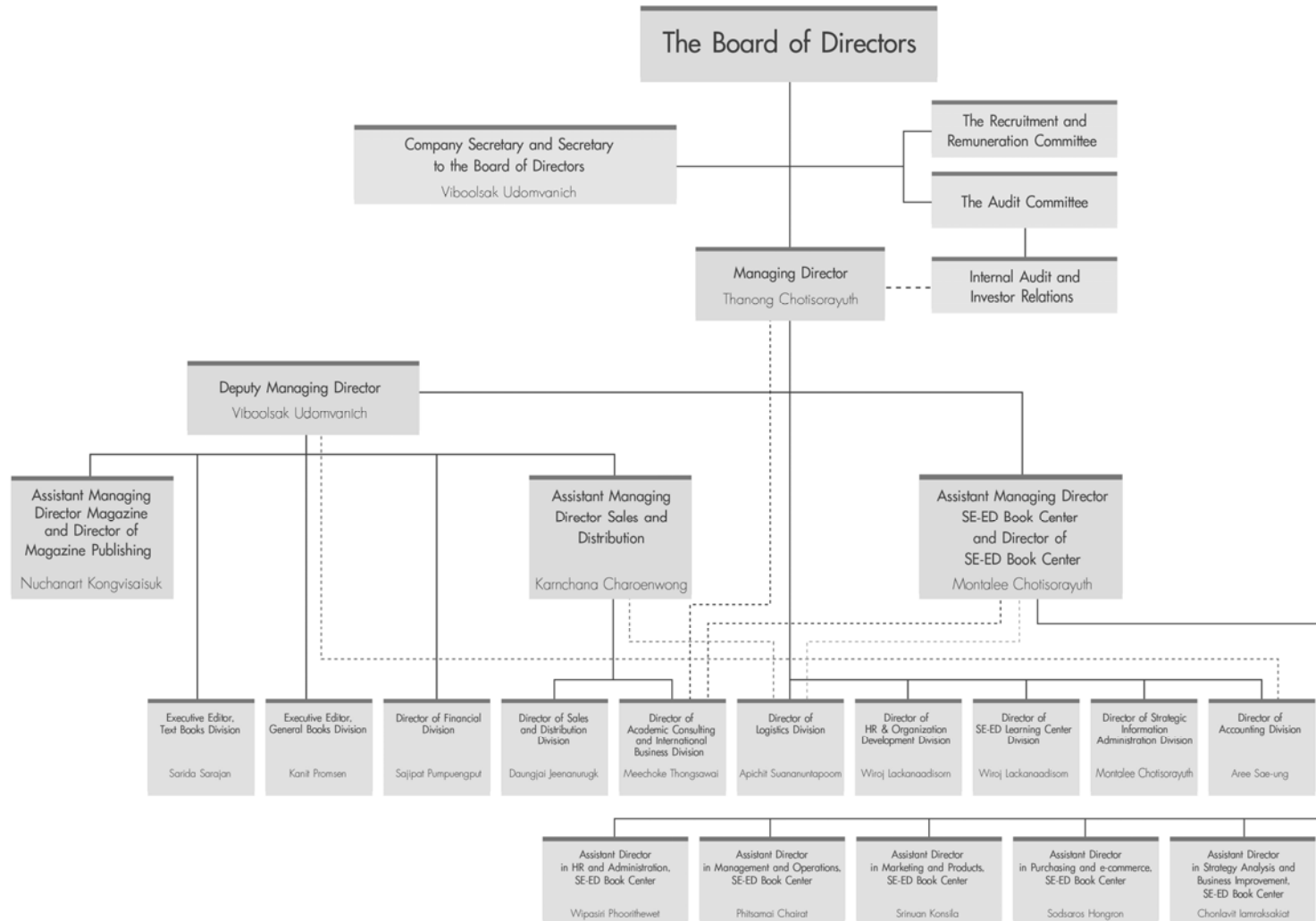
No.1, except any business in which the managing director and Authorized Directors might be in disagreement, or have some benefit from that business, or conflict with the Company or Company's subsidiaries. Conclusions should be reached when the Committee meeting includes the independent Directors. To achieve 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 directors, 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 Recruitment and Remuneration Committee.
8. The approval of over-budget item beyond what has earlier been agreed upon by the Board of Directors must be presented in the meeting of Board of Directors for considerations and approvals according the Company's regulation or stipulated laws.

The Board of Director and management of the Company have qualifications 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.

The background detail of directors and executives are as in attached document number 1.

### SE-EDUCATION Public Company Limited Organization Chart



### **8.3 Company Secretary**

**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 / Secretary to the Boards of Directors**

1. To give initial recommendations to the Directors concerning the issues of legality, regulations, and a number of different kinds of company information, and follow through to ensure that all regulations properly adhere, including the report concerning changes which are deemed significant.
2. To organize shareholders' meetings 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 have 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, investors and supervisory authority, including the dissemination of information to the interested public and other interest groups.
6. To perform any other assignments that delegated by the Board or Directors.

Moreover, the Company also realized the importance of good supervision and, the Board's secretary also completed a 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.

### **8.4 Remuneration for Directors and Executives**

#### **(1) Cash Compensation**

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 a similar industry. Moreover, the Recruitment and Remuneration Committee had proposed the remuneration policy and guidelines for considering the remuneration rate

for each committee and propose to the general shareholders' meeting to review and approve annually. 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.

**(a) Compensation for the Company's Directors:** The resolution from shareholders' general meeting number 1/2015, dated Thursday April 23, 2015, has approved the compensation for directors as in the following details:

The salary compensation consists of

- Chairman of the Board: 25,000 Baht per month.
- Independent Director and Director: 15,000 Baht per month.

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

- Allowance for Chairman for each director: 20,000 Baht per meeting.
- Allowance for 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 1/2015 approved the lump sum retirement payment for 2015 is no more than THB 5,000,000 by assigning the Recruitment and Remuneration Committees considered suitable payment allocation, and report to shareholders in the following year of the shareholders' meeting. The meeting of Recruitment and Remuneration Committees 2/2016 dated February 26, 2016 approved the allocation of lump sum retirement payment for 2015 by the amount of THB 1,411,000, which is less than the approved sum from the AGM and also less than the directors' remuneration for the operation result in 2014 (decrease 33.33%).

Remuneration for Board of Directors consisting of 12 persons as of year 2015 is in the following :

(Unit: Baht)

Name of Directors	Position	Meeting allowance			Emoluments	Remuneration (paid) from position 2015	Total
		The Board of Directors	The Audit Committee	The Recruitment and Remuneration Committee			
1. Mr. Somboon Chinsawananon	Chairman of the Board, Chairman of the Recruitment and Remuneration Committee and Independent Director	100,000	-	20,000	300,000	279,277	699,277
2. Mr. Saroch Lamertprasertkul	Chairman of Audit Committee and Vice-Chairman of the Board of Directors and Independent Director	50,000	50,000	-	180,000	209,458	489,458
3. Mr. Pravit Tantiwasinchai	Director Audit Committee and Independent Director	50,000	35,000	-	180,000	195,494	460,494
4. Mr. Kachen Benjakul	Director Audit Committee and Independent Director	50,000	28,000	-	180,000	195,494	453,494
5. Mr. Vorasit Pokachaiyapat	Director Recruitment and Remuneration Committee and Independent Director	50,000	-	14,000	180,000	167,566	411,566
6. Mr. Phairat Sittakul	Director Non-executive director	50,000	-	-	180,000	167,566	397,566
7. Mr. Wattana Chiengkul	Director and Recruitment and Remuneration Committee and None-executive director	50,000	-	14,000	180,000	167,566	411,566
8. Assoc. Prof. Yuen Poovarawan	Director and Authorized Director to sign for and bind the Company	50,000	-	-	180,000	167,566	397,566
9. Mr. Wutthiphum Jurangkool *	Director and None-executive director	40,000	-	-	151,607	-	191,607
10. Mr. Worapote Chutchaikulsi * *	Director and None-executive director	40,000	-	-	151,607	-	191,607
11. Mr. Thanong Chotisorayuth	Director, Managing Director and Authorized Director to sign for and bind the Company	50,000	-	-	180,000	167,566	397,566
12. Mr. Viboolsak Udomvanich	Director, Deputy Managing Director, Authorized Director to sign for and bind the Company and Company's Secretary	50,000	-	-	180,000	167,566	391,089
<b>Total</b>		<b>630,000</b>	<b>113,000</b>	<b>48,000</b>	<b>2,223,214</b>	<b>1,885,119</b>	<b>4,899,333</b>

Remark \* The resolutions of the Board of Directors No. 1/2015, has appointing Mr. Wutthiphum Jurangkool and Mr. Worapote Chutchaikulsiri as directors, with effect from February 26, 2015.

Remuneration for Board of Directors consisting of 2 persons was resigned between year 2015 as follow :

(Unit: Baht)

Name of Directors	Position	Meeting Allowance				Remuneration (paid) from position 2015	Total
		The Board of Directors	The Audit Committee	The Recruitment and Remuneration Committee	Emoluments		
1. Mrs. Jiraporn Rungsrihong *	Director	-	-	-	16,071.41	115,690	131,761.42
2. Mr. Rafah Damrongchaitham *	Director	-	-	-	16,071.42	115,690	131,761.42
<b>Total</b>	-	-	-	-	<b>32,142.84</b>	<b>231,380</b>	<b>263,522.84</b>

Remarks : \* The Company (SE-EDUCATION Public Company Limited) acknowledged the resignation of Mrs. Jiraporn Rungsrihong and Mr. Rafa Damrongchaitham, with effect from February 3, 2015.

#### Comparison Chart of the Directors' Compensation year 2015, 2014 and 2013

(Unit: Baht)

Compensation	2015		2014		2013	
	Number	Amount	Number	Amount	Number	Amount
Gratuity of retirement fund (paid)	12 <sup>(5)</sup>	2,116,499.00	14 <sup>(5)</sup>	2,194,030.00	13	3,656,711.00
Director's compensation	14 <sup>(3),(4)</sup>	3,046,356.84	12 <sup>(4),(5)</sup>	2,788,000.00	14 <sup>(6),(7)</sup>	2,682,483.88
<b>Total</b>		<b>5,162,855.84</b>		<b>4,982,030.00</b>		<b>6,339,194.88</b>
<b>Compensation per director per year</b>		<b>368,775.41</b>		<b>415,169.17</b>		<b>452,799.63</b>
<b>Budget for directors' compensation was approved by service business group shareholders<sup>(1)</sup></b>	<b>N/A</b>	<b>N/A</b>		<b>7,788,250.00</b>		<b>N/A</b>
<b>Average compensation of media and printing industry<sup>(2)</sup></b>	<b>N/A</b>	<b>N/A</b>	<b>1</b>	<b>470,000.00</b>	<b>1</b>	<b>617,000.00</b>

Remarks <sup>(1)</sup> Information on directors and executives compensation, average directors compensation within the same industry has been surveyed by Institute of Director Thailand.

<sup>(2)</sup> 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.

- <sup>(3)</sup> *On February 3, 2015 the Board of Directors' committee acknowledged the resignation of Mrs. Jiraporn Rungsrithong and Mr. Rafah Damrongchaitham.*
- <sup>(4)</sup> *The resolution of the Board of Director No.1/2015 has appointing Mr. Wutthiphum Jurangkool and Mr. Worapote Chutchaikulsiri as directors, with effect from February 26, 2015.*
- <sup>(5)</sup> *The AGM's solution no. 1/2014, appointed the Board of Director are Mrs. Jiraporn Rungsrithong and Mr. Rafah Damrongchaitham effective on April 24, 2014 .*
- <sup>(6)</sup> *In the Board of Directors' meeting no. 1/2013 on Wednesday, November 20, 2013, the committee acknowledged the resignation of Mr. Yongsak Damrongchaitham and Mr. Suwat Damrongchaitham , then appointed Mrs. Jiraporn Rungsrithong and Mr. Rafah Damrongchaitham as the replacement, effective on February 21, 2013.*
- <sup>(7)</sup> *On October 17, 2013 the Board of Directors' committee acknowledged the resignation of Mrs. Jiraporn Rungsrithong and Mr. Rafah Damrongchaitham.*

#### **(b) Executives' Compensation**

The Recruitment and Remuneration Committee will be a group to 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 executive 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 5 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 2015 (Baht)
Salary	14,167,332
Bonus	1,744,153
Other Remunerations :	
- Contributions for the Provident Fund	708,360
- Long-term benefits	-None-
- Other	450,000
<b>Total</b>	<b>17,069,845</b>

## (2) Other's Compensation

-None-

## 8.5 Personnel

The Company and its subsidiary has permanent employees as of December 31, as follows :

(Unit : person)

Items	2015	2014	2013
<b>SE-EDUCATION PLC * :</b>			
Head office staff	910	896	988
Branch staff	1,223	1,291	1,538
<b>Plearn Patt Co., Ltd. (Subsidiary) :</b>			
Teachers	227	218	212
Other staff	97	94	94
<b>BaesLab Co., Ltd. (Subsidiary) :</b>			
Staff	12	8	-
<b>Total</b>	<b>122,468</b>	<b>2,507</b>	<b>2,840</b>

Remarks : \* Excluding Outsourced Workers

The Company offered compensation in the forms of salary, wage, and benefits of employees (consolidated financial statements). In 2015, 2014 and 2013 the compensation accounted for a total of THB 704.21 Million, 744.23 Million and THB 743.22 Million. respectively.



The Company also has policy to compensate staff 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 staff with salary, bonuses and provident funds, it also has other welfare schemes 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, fund for employees who suffer from a disaster, living expense fund 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. It is the Company's mission to make employees happy as the Company believes that happy employees will work more effectively, with more creativity and dedication to the work, resulting in the Company's sustainable growth.

The following is the key guidelines in developing the human resources of the Company:

- **Continuous Improvement of Human Resources:** The Company has followed up on the productivity rate of the human resources using Key Performance Indicator or KPI to ensure the continuous improvement of the human resources' productivity. The Company emphasized on organizing a proper operation structure and plan for each situation, improving cost-effective operation system, providing tools and equipment to enhance performances, as well as training courses for employees to improve working skills.

One thing that the Company has believed in is the policy not to reduce or lay off employees in case of an economic crisis so that the employees can feel more confident in dedicating to their works which are mostly pioneer works.

Moreover, the Company always gives awards and bonuses for employees annually as an incentive for employees with outstanding performances.

- **Opportunity to Improve Potential and Leadership Skill with Project Leader System :** The Company has a policy to support aggressive working style of employees without having to rely on orders from leaders. With the Project Leader system Employees can use their own ideas to improve their performance and solve problems. They will be assigned a leader in a project and work with colleagues from the same department or different departments which will lead to a Cross Functional Team. Executive staff will act as a consultant.

Project Leader System can help the Company to move forward faster and be independent from the complicated control system. Employees will have a chance to

perform their potentials and work closely with executives. They can also improve their leadership skill by learning from the executives, working as a team, understanding policy logics and other work limitations.

- **Close Relation between Employees and Executives:** The Company's culture emphasizes on creating a close relationship between employees and executives without any double standard. Each employee is a part of the family and valuable to the Company. Every activity and corporation between executives and employees will go smoothly, challenging, and fun, under the family environment.

Such culture supports the Company's operation that can implement the Company's policy effectively, fast and productively. Every problem or obstacle will also be reported and solved immediately.

Employees at SE-ED Book Center branches across the country will have a chance to attend training programs at the head office regularly. The management teams also visit the branches often to give advice for continuous improvement. Moreover, the Company has used the following IT technology to bridge the communications between the employees at the branches and the head office:

- ADSL (Asymmetric Digital Subscriber Line) is the system that can connect every branch to the head office and warehouse. The communication via telephone and email becomes more convenient and can help solving problems fast.
- LCD TVs installed at SE-ED Book Center branches allow the head office to send video and audio signal to employees so they can be informed about news, product information and seasonal services. Employees will also be trained from the head office via LCD TV any time.

- **The Culture of Service Mind, Merit Mind, Volunteer Mind and No Humiliation within the Organization through Employees of All Levels:** The Company always reminds employees that the Company has no policy to support any operation that violates laws or contradicts the society's moral system. Merit Mind then becomes the working standard of the whole organization, for both the executive staff and employees. Any new projects, marketing activities or products will have to comply with this standard and the Company's good will. The Company also supports any activity that helps uplifting the merit mind of employees such as the corporation with Panyanantaram Temple to organize a mind and moral development activity that will promote positive working awareness. Employees can also apply the same awareness in their own everyday life.

Moreover, the Company also organizes trainings and seminars in 'Excellent Reactive Service or ERS' for employees. The objective is to build a service mind for customers

and colleagues. The volunteer mind is also emphasized through activities supported by the Change of Kids project. Employees can volunteer to build libraries for schools in need and donate books. They can propose the schools in their local neighborhood. This activity does not only build a volunteer mind for employees but strengthen the relationship among employees as well. Employees will feel proud in being a part of supporting children who lack opportunities to become smarter, which is also the Company's determination to 'make Smarter Thais'.

## **9. 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 customers, trading partners, competitors, society, colleagues with virtue, transparency, as role models, social responsibility, honesty, equality, rights; and right of staffs, Directors, shareholders, trading partners until it turns into the Company cultural strength, which has long been practiced ever since its establishment 41 years ago. *'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 'Smarter Thais' by developing a 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 satisfactory level.'*

Therefore, this organization's culture is the Company's strength, making the Good Corporate Governance practice to succeed much easier, faster, and more substantially. When the Stock Exchange of Thailand suggested the 15 points of principles, which later had been changed to 5 categories, for good corporate governance as general guidelines to the listed companies, the Company can adjust to build relationships with the Company's operation without much effort.

The Board of Directors has appointed the Audit Committees who are instrumental and a driving force in auditing all Company's operations and administration up to the acceptable standard and in the right direction, by revising all policies 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 a 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, 2015, none of the Board of Directors member is positioned in more than 3 listed companies. The Board of Directors and senior executive are aware of the importance of knowledge development and experience in performing of duty. The most of Directors have 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.

And Corporate Social Responsibility, the Board of Directors has arranged to prepare report on corporate social responsibility to show the determination and intention of directors, executives, and staffs to play a part of operating in business for social.

As the company stressed the importance of developing good corporate governance, the determination to participate in business transparently has resulted in 2015 as follows:

- Received SET Social Enterprise Investment Awards from The Stock Exchange of Thailand in SET Sustainability Awards 2015. This award is for the registered companies that prominently supported social enterprise and to encourage the companies and employees that had the intention of sustainably conduct business by using the business management as the key mechanism.
- The Company received the evaluation of Corporate Governance Report of Thai Listed Companies 2015, 2014 2013, 2012, 2011, 2010, 2009 and 2008 as 'excellent' or 5 stars for 8 consecutive years. The evaluation was from Thai Institute of Directors (IOD), the Stock Exchange of Thailand, and the Office of Securities and Exchange Commission. The Company is the only company from the publishing business category in the service industry to be evaluated 'excellent' for 8 consecutive years.
- The Company was assessed by the Securities and Exchange Commission, Thai Listed Companies Association, and Thai Investors Association, in the organization of the Annual General Shareholders Meeting (AGM) 2015 in the level '5 TIA' with the perfect 100 scores for 7 consecutive years (2009 - 2015). There was a total of 575 listed companies participated in the assessment of the year 2014.

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

## **9.1 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 ethics 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 2015, the Audit Committee and the Board of Directors has reviewed the Corporate Governance Policy that has been revised in the 13<sup>rd</sup> Edition since 2001.

**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 offers 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 ethics in written form and also promotes the activity that supports good ethical conduct 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 an English version of policy on Corporate Good Governance to inform investors. For the principle of good practices, and business ethics for Corporate Good Governance, please search and view the information from Investor Relations website (<http://corporate.se-ed.com>).

The Audit Committee and the Board of Directors reviewed and improved the contents in the handbook of principle of Corporate Good Governance, guidelines, ethics, and environment and social policy completely and accurately and complies to the regulations of the Security and Exchange

Commission and also follows the principle of Good Corporate Governance for listed company 2006 which is illustrated in 5 different sections which are:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Board 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 importance of promoting the duty and responsibility of Directors, executives, and staff 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 ethics, and policies on environmental and social issues to the management and staff through communication channels in a consistent fashion.

- Employee Handbook
- 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

### **Rights of Shareholders**

The Company's Board of Directors is aware of ownership rights 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 rights 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 meetings 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 importance of shareholders' rights, beginning with the date of meetings which are 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 a place where transportation is relatively convenient. Moreover, the Company proceeds to send the invitation with the details of meeting agendas, along with Directors' opinions, the details of agendas 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 procedures so that the shareholders can assign proxy on behalf of them to attend the meeting and declared the preparation of customs stamps to serve the proxy without charge. This includes the map of place for meeting for shareholders for no less than 21 days in advance before the meeting day, and also announced through daily newspaper for a minimum of 3 consecutive days, and 3 days before the meeting day, to allow time for shareholders of the incoming meeting.

### **Shareholders' Meeting**

In the shareholder's meeting of 2015, 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 additional meeting agenda, nomination of candidate for the post of managing director, as well as the advance inquiry. The Company's directors allow any inquiry to be submitted from September 30, 2014 to December 31, 2014 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 at least 3 months prior to the last date of the fiscal year. However, there was no shareholder who requested 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.

And in the shareholder's meeting of 2016, the Board of Directors has specified the date of request from September 30, 2015 to December 31, 2015, 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 at least 3 months prior to the last date of the fiscal year and the Company have illustrated the principles and methods used on the website of investor relations since September 30, 2015. 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 the shareholders' meeting, the Board of Directors has placed priority to the Shareholder's right, by sending the meeting invitation letter with meeting details, objectives and reasons, 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 the place for meeting for shareholders. and also announced through daily newspaper for a minimum of 3 consecutive days, 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 2015, the Company will openly post an invitation message, annual report for 2015 and all related documents in Thai and English version be fully released calling for a shareholders' meeting on the Company's website over 30 days in advance., and invitation message to shareholders via stock registrar in advance no less than 21 days.

### **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 suggestions that are 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 a barcode system for registration purposes to facilitate the shareholders, as well as an arrangement to print voting cards in each meeting agenda for every shareholder.

The Company prepared staff to serve shareholders in acquiring information and serve the query points. Moreover, a welcoming meal is organized for attended shareholders. The Annual General Shareholders Meeting 2015 was convened in Meeting Room C, 9<sup>th</sup> Floor, Interlink Tower (originally Nation Tower). The Company reserved sufficient parking space for the shareholders and provided maps with information about public transportation that was attached to the invitation letter.

For those shareholders who were available 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 2015, there are shareholders who request for representative authorization as:

- 2 shareholders authorized Mr. Somboon Chinsawananon, the Chairman of the Board of Directors and Independent Director
- 1 shareholder authorized Mr. Saroch Lamlerprasertkul, Vice Chairman of the Board of Director, Chairman of Audit Committee, and Independent Director
- 1 shareholder authorized Mr. Kachen Benjakul, Audit Committee and Independent Director
- 27 shareholders authorized Mr. Viboolsak Udomvanich, Director, Deputy Managing Director, and the Company's Secretary

Prior to the meeting, the Company played a DVR introducing the Company history, its annual operating results to all shareholders to learn about the Company information before the start of the meeting. There was also another video presentation about the promotion of the corporate governance related to shareholder's meetings of listed companies. Before the meeting really begins, the Chairman will explain the method of voting and counting. The counting of votes 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 allows the shareholder to authorize someone, independent Director(s), Managing Director, or Company's secretary representing 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 are 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 or more.

The Board of Directors put the emphasis on attendance of the Annual General Shareholders Meeting in order to receive questions and feedbacks. In the Annual General Shareholders Meeting 2015, 12 directors attended the meeting. However, Chairman, Managing Director, and Chairman of every subcommittee attended the meeting. The Company's executives in accounting, finance, auditing and auditors were also in attendance to answer questions of the shareholders. In addition, the Company invited a neutral auditor, Mr. Sunan Pungmaeklong from Chuan and Associates Law Office to supervise the vote counting.

**The significant agendas for shareholders' meeting are as follows :**

- **Operating result** : The Company has declared the details of the 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 biography information, education history and work experience 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's performance quality and Company's relationship.
- **Profit Allocation** : The Company supplies details on profit allocation and reserve funds, dividends regarding the 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 systems to count vote more rapidly and efficiently. The Company will collect the voting card only in case there are shareholders 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 the vote in each agenda of each shareholder's resolution regardless of whether the vote result shows on the outcome of agree or disagree.

After the meeting, the Board of Directors will allow chance for shareholders, analysts and general investors to answer to the inquiry, by having the Chairman, Sub-committee chairman, managing director, and 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**

The Company's directors assigned the secretary to disclose resolutions and voting results from the shareholders meetings on the day after through The Stock Exchange of Thailand and the Company's website. During the shareholders meeting, the company's secretary has recorded important questions, and remarks from the meeting, counting votes and concluding resolutions. The number of votes for each

agenda is clearly recorded and divided into in favor, against, and abstention. Shareholders meeting reports along with pictures and audio records will be posted on the Company's website Investor Relations (<http://corporate.se-ed.com>), within 14 days from the meeting date.

### **Equitable Treatment of 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 websites for shareholders to propose meeting agenda, lists of persons to be positioned as Directors and submit questions in advance. The Board of Directors determines the time to receive the request directly to the Company's secretary, investor relation, independent Directors or via website by proposing the meeting agenda and name of the person to be positioned as Directors at least 3 months prior to the last date of the fiscal year, 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 names of candidates 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 2014, the Board of Directors proposed the names of 5 independent Directors.
3. The Board of Directors moderate the shareholders' meeting according to 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 displaying the voting result since 2006, while preparing staff to facilitate the collection of voting cards in the meeting room, which except in the case of voting to elect Directors, the staff will collect voting cards whether they be yes, no, or absentee' votes. And after the meeting, staff 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 accurately and completely, and then 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 the meeting. Moreover, the Company also broadcasts audio and video 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 Directors by announcing to all parties concerned to be aware of role and duty to report the status of security holdings of each individual, spouse and children who hold security and whose ages are not considered sui juris and acknowledge the change in security prepared reports for each time there is a buy, sell, transfer or receive of security to the Security and Exchange Commission according to the Article 59 of Security and Exchange Commission Act. (B.E. 2535) within 3 days after the date of purchase, sell, transfer or receive the transfer of security and notify the company's secretary to inform the Board of Directors in respectively. The Company always alerts in the meeting of Board of Directors and all management committees. Moreover, the Directors and management also acknowledges the duty and responsibility as stipulated and penalty as stated in Security and Exchange Commission Act (B.E. 2535), and the Company prohibits the management who know the inside information of the Company to not violate article 241 of the already-mentioned law, including the related regulation.
7. To prevent conflict of interest, the Board of Directors carefully supervises. When there is an item that may result in a conflict of interest, the Company seeks to stipulate the policy and procedure of the 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 benefit, as follows:

**Items that may have conflict of interest:** The Company's Board of Directors carefully monitor to avoid any conflict of interest that may arise and also look into the related items, by stipulating in the policy and steps of approval for each item in written notice. Moreover, the Audit Committee proposes to the Company regarding the items that could cause conflict of interest. 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 (Fair and at Arms' Length) 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 and 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 Committee 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 abide to the regulation and have the 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 and Executive meeting. The top management of the Company have also been informed about the announcement of Securities and 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 and Exchange Commission as stipulated in the law called Securities and 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 to report to the Board of Directors for acknowledgement. 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 taking the Company's document or information for personal use, or bring outside the Company, without asking for permission. This also includes exposure of financial documents or other related documents for outsiders, 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 staff violate such rules of conduct, the penalty can be ranged from warning, fine, work suspension, work without pay or job termination.

## **Roles of Stakeholders**

The Board of Directors 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 the company and the stakeholders. The Company also

developed an employee manual about business ethics and morality. This manual is to become the regulations and rules that need to be strictly followed by directors, executive staff and every employee. It also seeks to determine the communication channels. Moreover, the Company will take care of stakeholders according to the relevant laws, and, by no means, act in violation of stakeholders' rights, which can be described as below.

Stakeholders	Policy Good Corporate Governance
<b>Shareholder(s)</b>	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.
<b>Business Partner(s)</b>	The Company will treat all business partners with fairness and equality on the basis of mutual benefit between the two parties.
<b>Competitor(s)</b>	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.
<b>Creditor(s)</b>	The Company promises to strictly abide by the contracts or condition agreed and promptly notify the partners if the agreements cannot be honored in order to find a reasonable remedy.
<b>Customer(s)</b>	The Company determines to produce products and appropriate services at the right price and is also satisfied by customers.
<b>Staff(s)</b>	The Company will support the working development and promote staff happiness.
<b>Society</b>	The Company will focus on the important of knowledge development to the children and society by strictly abided by the Company's aspiration.

Moreover, the Company has set a policy in good governance for all stakeholders through the Company's Sustainable Balance Report. As the Company considers corporate social responsibility for community and environment its main mission, the Company has focused on its corporation with every stakeholder to promote the sustainable growth of the Company. Anyhow, Environment and Society Policy of the Company can be viewed in Corporate Social Responsibilities (CSR) Section.

In 2011 there was an announcement of Safety and Health Care in the Workplace policy, Human Rights Policy, Anti-Corruption Policy, Anti-Copyright Violation Policy and other policies that may affect all interested parties. These policies will draw a clear guideline and support the business operation that is moral, just, transparent and appropriate.

The Company puts an emphasis on occupational safety and health by prioritizing employees' health and safety because employees are an invaluable asset of the Company and a key factor for the Company's sustainable growth and competing competency. In 2015, there were 5 employees in the head office, warehouse and branches that were injured and needed to take a leave 3 of which had a minor injury and 2 suffered a severe injury (that required a minimum of 3 days leave). The Company is determined to reduce the accident rate and not ignorant of any possible accidents or dangers that could

affect employees' health and wellbeing. The Company will provide support to employees who are injured or suffer from any kind of danger. The Company will also investigate the cause of injury and finds a solution to prevent the same problem from happening again.

Regarding Human Rights Policy, the Company realized every employee is entitled to work in a clean and safe environment, as well as without any human rights abuses. The Company also supports employees to perform their potential and self-esteem that are parts of organization's sustainable development. Therefore, the Company has a set of policies that every executive and employee have to abide by. The Company is committed to fairly and honestly manage remunerations, welfares, benefits, and employment conditions that are in line with same industry norms, where the Company provides higher benefits than the legal requirement. In addition to annual health check-up, the Company has also set up a provident fund in 1989 under the name 'SE-EDUCATION Registered Provident Fund'; later in 2004, the fund's name was changed to "SE-ED Rich Retirement Registered Provident Fund." and in 2015 the Company transferred provident fund to "The Registered Provident Fund CIMB-Principal Target Date Retirement" The fund aims to promote saving for that employees can have a happy retirement life. Moreover, the Company recognizes the rights and freedom of creative association; of information accessibility; and of opinion and suggestion expression to improve the organization's operation. Employees are able to file a complaint if they feel they are exploited or unfairly treated. The Company is committed to work with business partners who respect human rights and uphold laws and regulations, especially labor protection. In 2015, the Company did not receive any complaints against the human rights abuses from employees, business partners, and local communities.

Moreover, the Company encourages employees to practice and develop their knowledge and competency by introducing projects that will give employees a chance to showcase their abilities and potentials. Employees are allowed to directly present their ideas and express opinions for organization's development to the executives. However, new employees are required to attend orientation for 6 hours to gain more knowledge. Employees are also required to attend training courses for 6 hours per year to increase and improve skills and expertise in their field of work.

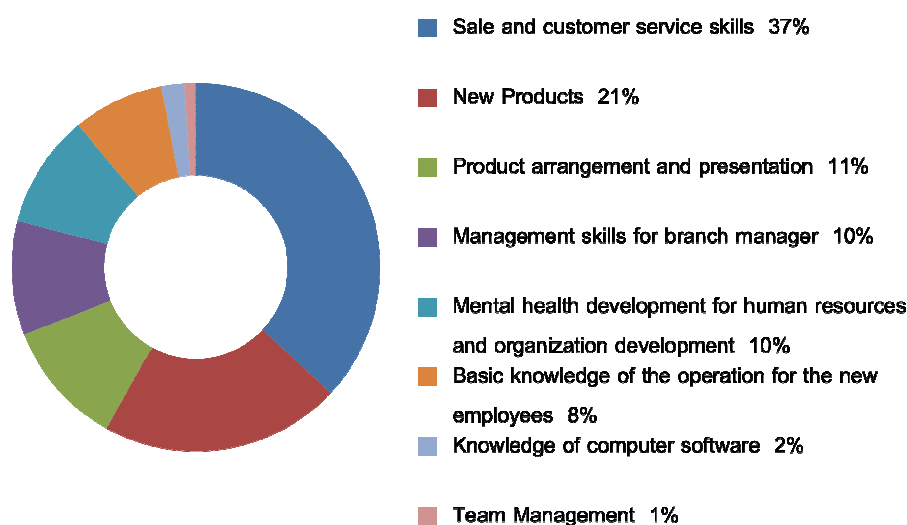
#### Employment Development Training

Level of Employee	Training Hours	Objectives
Manager	6 - 18	To develop management, personal and to receive product training through management systems: Classroom Workshop and Coaching.
Operation Staff	6 – 18	To enhance skills required in a particular field of work such as customer service and mental health development for human resources and organization development.

#### Training Courses and Employment Development in 2015



## Training Courses and Employment Development in 2015



Regarding the Anti-Bribery and Corruption Policy, the Company has formulated a policy on prohibition of bribery and corruption in any activities implemented on behalf of the Company. In case of charity donation, business gift exchange, and sponsorship, everything must be done in a transparent manner, with no hidden agenda to bribe the government and private officials into conducting illegal or inappropriate activities. The policy has been officially announced as a moral principle for all executives and employees. The Punishment Measure is also strictly implemented against the executives and the employees involving in internal fraud, bribery, and corruption. In addition, the Fraud and Corruption Assessment is annually conducted and the result is presented to the audit committee and the board committee respectively. The principles are also emphasized through training and meetings to ensure that every employee is aware of the importance of honesty. To enhance the efficiency of the policy, our employees participated in Fraud and Corruption Preventive Training offered by relevant organizations. For example, In 2015, attending “Verifying the CAC Checklist : Experience Sharing from Auditors” training held by Thai Institute of Directors and Federation of Accounting Professions.

Regarding Intellectual Property Infringement, the Company has tremendous spirit against copyright infringement. According to our policy, we do not produce, distribute or support any products of copy infringement in any circumstances. The Company also encourages and broadens understanding of intellectual property to our business partners, writers, and the general public. In 2015, the Company was not claimed to be engaged in any copy dispute with any stakeholders.

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

**For the report on any illegal activity:** The board of committee also provides procedures and a channel of copyright infringement and appeal, by post and email:

Registered mails	Independent Directors, SE-EDUCATION Public Co., Ltd. 1858/87-90, Interlink Tower Building, 19 <sup>th</sup> Floor, Bangna-Trat Road, Bangna, Bangkok, 10260
E-mail	id@se-ed.com

Employees own rights to directly inform and report corruption, code of conduct violation, and rights abuse to the directors, or their secretary, or to a department that has set up to be responsible for it. Employees are also able to express and share their opinion and suggestion about the operation of the Company. However, the Company has already set up the Department of Internal Audit and Investor Relations that is responsible for receiving all complaints from employees. Besides, employees also directly send a complaint e-mail to the Independent Directors. Every complaint and suggestion will be decided on a case-by-case basis. All complaint and those who complain will be entirely secured, therefore, there is no harm or effect on them.

In 2015, 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.

## **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, timeliness, and equal access of information to everyone.

The Board of Directors has a policy for the directors with potential of conflicts of interest to report the ownership of assets of the directors, spouses and legitimate child who has not become sui juris annually.

The Board of Directors has a policy for related transactions by allowing transactions with conventional conditions. As for transactions between the Company and its subsidiary with the directors, the executives or related parties, the transaction agreements must be what a reasonable man should achieve with any ordinary contract partner in the same situation. Any negotiation must be without influence from the directorship status or the status of an executive or a related party. The Board of Directors assigns the Audit Committee to investigate any transaction with potential conflicts of interest or any related transaction that is worth more than 2 million Baht per quarter and report to the Board of Directors' meeting in every quarter.

The Board of Directors already disclosed the role and duty of the Board of Directors and sub-committees and number of times the Directors attended the meeting under the topic 'The management', 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 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, 2015.

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

In disclosing important information of the Company both financial and non-financial, 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 the 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 - this 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 Mr. Wichian Rungpoonsap at tel. 66-2739-8000 ext. 8, 66-2739-8690, fax. 66-2739-8699, or e-mail us at : [ir@se-ed.com](mailto:ir@se-ed.com) and also click on website

<http://corporate.se-ed.com>. Moreover, the investor relation has also been a member of Thai Investor Relations Club since 2006.

In 2015, the Company presented the result of business operation both in the Company's monetary information and also non-monetary information for analysts and investors through email, website, and telephone that includes a consistent active participation with the Stock Exchange of Thailand, which can be summed up below :

- Institutional Investor inside/outside the country met with management 1 times
- Responses to e-mail, website, and telephone inquiries 32 times

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 and investors. Moreover, the Company's Board of Directors also assigned the Audit Committee and the Company's secretary to monitor the annual operation plan, budgeting, manpower, and acknowledge the work result of investor relation divisions through Investor Relation Internal Report, which collects all data from different sources, opinions, and suggestions from questionnaires collected. At the same time, the Audit committee and Company's secretary also reported to the Board of Director on a regular basis in each quarter.

### **Board Responsibilities**

The Board of Directors consists of people who are knowledgeable, competent, skillful, experienced 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 annually and also monitors, follows up and assesses the result of business management and operation to be in line with objectives and business plans working 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. In 2015, the Board of Directors has reviewed and approved the Company's vision, mission and strategy 2 times.

Moreover, the Board of Directors arrange a communication of strategy, objective, and operation result of the Company for managing director/senior executives, staff to acknowledge and understand in a corporate-wide fashion, through several mediums such as the Company's email, announcement boards, management weekly meeting, 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 set a direction and guidelines. Doing so allowed the plan to conform to the highest corporate direction and objective, which, in turn, led to all business operations of the Company, effectively heading towards a common goal.

For the act of duty for Directors, all the stated principles will be of honestly, directness and abiding by the rule of laws and regulations of the Company. By adhering to the principles for every business activity, all decisions and transactions 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, including communicating the roles, duties and responsibilities to the Directors, the management and the employees of the Company regularly.

#### **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 every month 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 2015, the Company arranged the Board Committee Meeting to discuss the important problems, with no presence of Management Division once. The Chairman informed the manager of the board afterwards.

In 2013 the Board of Directors had a resolution about the minimum attendance in the meeting; that is a minimum of two third of directors must be present. In case a director cannot attend the meeting, it is possible to use a conference call technology. This is to show that the Board of Directors will always advise the Company in its operation, supervise the works of the management, and maintain its accountability for the Company and shareholders.

Number of the Board of Directors' Meeting, the Audit Committees' Meeting, the Recruitment and Remuneration Committees' Meeting, and the Annual General Shareholders' Meeting, in 2015, already disclosed under the topic 'The management' with sub-topic 'Board of Directors'.

### **Self-Evaluation of Directors**

The Board of Directors arranged an annual self-evaluation session for individual, group, and sub-committees evaluation 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 topics, 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 evaluation of the Company's directors received the average score of 4.59 out of 5, which is considered to be in an Excellent level.
- The evaluation of the Audit Committee received the average score of 4.49 out of 5, which is considered to be in an Excellent level.
- The evaluation of the Recruitment and Remuneration Committee received the average score of 4.82 out of 5, which is considered to be in an Excellent level.
- The individual (self) evaluation of the directors received the average score of 4.29 out of 5, which is considered to be in an Excellent level.
- The individual (self) evaluation of the Audit Committee received the average score of 4.39 out of 5, which is considered to be in an Excellent level.

- The individual (self) evaluation of the Recruitment and Remuneration Committee received the average score of 4.66 out of 5, which is considered to be in an Excellent level.
- The evaluation of the Managing Director received the average score of 4.48 out of 5, which is considered to be in an Excellent level.

In addition, the Board of Directors requires all managing directors to evaluate themselves to compare with the result of operation, whereby the Board of Directors evaluate in the evaluation form which 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 is 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 is in compliance with the Company's performance and the result of each high managerial executive. The managing director will consider the suitability of compensation for a particular individual and make salary adjustments for high managerial executives on an annual basis, while also reporting the suitable compensation to the Recruitment and Remuneration Committee, and once again report to the Board of Directors.

The Company has paid a total remuneration to the Directors and executives (as defined by SEC in total of 7 individual, include Finance Director and Accounting Director) in 2015 totaling 20.28 Million Baht.

### **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 units, 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.

In 2015 the directors attended trainings to improve their knowledge and understanding in the role of a director to increase the effectiveness in their works. The details are as follows:

1. Seminar 'mai and Sustainable Branding Strategies' by The Stock Exchange Commission – 1 Director, Mr. Viboolsak Udomvanich.
2. Seminar 'Responsibilities of the Board of Directors and the management of the internal control.' by The Stock Exchange Commission – 1 Director, Mr. Saroch Lamlerprasertkul.
3. Seminar 'Building Better Board through Effective Independent Director' by Thai Institute of Directors Association (IOD) – 1 Director, Mr.Pravit Tantiwasinchai.

Currently, 9 directors out of 12 directors (75%) had attended a training in regards to directorship including Director Accreditation Program (DAP), Director Certification Program (DCP), Audit Committee Program (ACP), and Finance for Director (FFD) organized by Thai Institute of Directors (IOD), and Corporate Secretary Development Program, organized by Thai Listed Companies Association (TLCA).

**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 a succession plan for different levels of executive positions 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 cannot perform their duty.



## **9.2 Sub-Committees**

The Board of Directors appointed Directors who have 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 Committee

The details of name list, responsibility of the Board of Directors and each sub-committees, and the experience in auditing financial statements of the Audit Committee are disclosed under the topic 'The management' with sub-topic 'Board of Directors'

## **9.3 Nomination of the Board of Directors and Executives**

**Independent Director** The Board of Directors has sought 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 and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). In the Board of Directors meeting No. 3/2012, the definition of 'Independent director' was revised to be consistent with the definition from the Stock Exchange of Thailand, in 'Independent Directors Handbook' dated March 29, 2012. 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, brother, sister or 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 not or never had business relationships with the applicant, its parent company, subsidiaries, associates, major shareholders or controlling parties of the applicant in respect to holding the power which may cause an 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 the 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 and received a 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 the directors of the applicant, major shareholders or any other shareholder related to the major shareholder.
8. Do not operate a similar business with significant competition with the business of the company or subsidiaries. Do not be a significant shareholder, a director with management participation, an employee, or a consultant with regular salary, or possess more than 1% of the total shares with voting rights of other companies that operate a similar business with significant competition with the business of the company or subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.
10. After being appointed as the independent director in accordance with the conditions under the article (1) - (9), such independent director may be assigned by the board of directors to make decisions in respect to 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 and Exchange Commission (SEC) 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 Directors comes as independent Director and is the leader and meeting moderator who controls 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. The Managing director then effectively authorizes and empowers the high executives with 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.

### **Recruitment of Directors and Top Executives**

**Director Recruitment :** According to the Company's rules and regulations, the Company needs a minimum of 5 members in the Board of Directors, no less than three fourth of the members must have Thai citizenship; and no less than half of the members have a residence in the Kingdom of Thailand. The director recruitment process is 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 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, at least 3 months prior to the last date of the fiscal year. 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 candidates for Directors.
4. The Recruitment and Remuneration Committees select the best candidate to be Directors and the recruitment result and nominate the name of the 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 considers the selection of suitable candidates 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. The recruitment of each director must receive more than half of the number of votes from the present shareholders with the rights to vote.

In voting for the Directors, the vote to elect a 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 Directors 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 meetings, 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 another 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 if he or she benefits from the contract signed with the Company, or from their decrement and increment of bonds and shares of the Company and affiliates 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.

**Directors Representing Main Shareholders :** as of December 31, 2014 the Company has 2 directors who represent the main shareholders, 1 director is representatives from Mr. Taweachat Jurangkool.

#### **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 the 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 the Internal Audit team, it must first be approved by the Audit Committees.

#### **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, and in 2010 there was an adjustment in the policy that only allows directors to take a position at no more than 3 listed companies in the Stock Exchange of Thailand in order to comply with the advice 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 Directors and Independent Directors, since the Company's Board of Directors believes that the expertise in the 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 to 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.

**Balance of Power for Non-Executive Directors** : as at December 31, 2015 the Board of Directors consists of 12 members :

- Directors that are in the management team : 2 persons
- Directors that are not in the management team : 5 persons
- Independent Directors : 5 persons

Therefore, the 5 Independent Directors which are accounted for 41.17% of all Directors which is still lower than the suggestion that the Board of Directors of a listed company should consist of more than 50% of Independent Directors, according to the survey of corporate governance of Thai listed companies by Thai Institute of Directors. However, the Company's definition of an Independent Director is more strict than the definition set forth by the Office of Securities and Exchange Commission (SEC)

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

#### **9.4 Corporate Governance of Subsidiaries**

In 2003 the Company acquired 28.75% of the shares of Plearn Patt Co., Ltd. (founded on September 25, 2002) with the paid-up capital in the amount of 80,000,000 Baht. Later in 2005 the Company's share percentage increased to 48.82% with the authorized capital and paid-up capital in the amount of 170,000,000 Baht. The authorized capital and paid-up capital was decreased and remained in the amount of 169,475,500 Baht, representing the shareholding ratio of 48.97%. In the fourth quarter of 2009 Mr Thanong Chotisorayuth, Managing director, took up the position of the acting Director of Plearnpattana School and became the Director of the school in 2010 after receiving approval from the Board of Director. 2009 is also the year that the Company consolidated the financial statement of Plearn Patt Co., Ltd. (subsidiary) and the Company takes part in overseeing the operation of this business.

The Board of Directors' Meeting No.4/2012 passed a resolution to invest and set up a joint venture to facilitate the Company's digital contents business. In 2013, the Company has 60% shares in BaesLab Co., Ltd. (founded on April 22, 2013) which has the authorized capital in the amount of 1,000,000 million Baht. Mr Thanong Chotisorayuth, the Company's Managing Director, is one of the authorized signatories of BaesLab Co., Ltd. as well as has a role in overseeing its operation. The Company includes the financial statement of BaesLab Co., Ltd. (subsidiary) in the Company's consolidated financial statement in the accounting period since 2013.

Anyhow, the financial statements of the subsidiaries will be made by following the Company's accounting policy.

#### **9.5 Monitoring the Use of Inside Information**

The monitoring of policy 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 is as such : The top management of the Company have been informed about the announcement of Securities and 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 and Exchange Commission as stipulated in the law called 'Securities and Exchange 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 directors and other 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 documents or other related documents for outsiders, 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 staff 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 or job termination

### **Controlling System and Internal Audit**

**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 and investor relations unit who is capable of independently performing the check and balance. Therefore, the Board of Directors has designated that the internal audit and investor relations unit to report the results of the audit directly to the audit Committee, and is also evaluated by the audit Committee.

**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.

## **9.6 Remuneration of Auditor**

**Auditing Fee :** The Company and its associated companies have paid the auditing fee for the period of fiscal year 2015 to EY Office Limited in the amount of THB 1,370,500 (not include travelling expense for work-related task, overnight, accommodation and stock counting observation fee). 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 EY Office Limited for the fiscal year 2015

## **9.7 Compliance with good corporate governance principles in others**

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 ethics 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 2015, the Audit Committee has reviewed the principle of Corporate Good Governance that has been revised in the 13<sup>rd</sup> Edition since 2001 that 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 staff, 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.

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 (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 staff to voice the suggestion for ways to improve on the corporate good governance through Internal Audit and investor relations division. However, in the assessment of good corporate governance of Thai Listed Companies as of 2015 (namely, Corporate Governance Report of Thai Listed Companies 2015 ), the Company has been evaluated by Association of Thai Institute of Directors as follows :



### Total average score

Item	2015	2014	2013
Listed Companies in total of (%)	75	72	78
Group of Companies in SET100 (%)	84	81	88
Group of Companies in SET50 (%)	87	85	91
<b>SE-EDUCATION Public Co., Ltd. (%)</b>	<b>92</b>	<b>92</b>	<b>94</b>

### Score distributed by subjects

List of Criteria	Average Score (%)											
	Listed Companies in total			Group of Companies in SET100			Group of Companies in SET50			SE-EDUCATION Public Co., Ltd.		
Year	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Rights of Shareholders	91	87	89	95	94	95	95	95	96	<b>98</b>	<b>95</b>	<b>95</b>
Equitable Treatment of Shareholders	91	91	86	94	95	91	95	96	93	<b>98</b>	<b>98</b>	<b>95</b>
Roles of Stakeholders	70	62	68	82	76	83	86	81	91	<b>90</b>	<b>90</b>	<b>94</b>
Disclosure and Transparency	80	77	88	90	87	94	92	90	96	<b>96</b>	<b>96</b>	<b>98</b>
Board Responsibilities	66	63	64	77	74	77	79	78	80	<b>86</b>	<b>88</b>	<b>89</b>

*Remarks : In 2014, the 'Corporate Governance Report of Thai Listed Companies' criteria have been improved in alignment with the ASEAN CG Scorecard.*

### Business Ethics

The Company is committed to doing the 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 and investor relations 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, staff, 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.

Besides, in the beginning of 2011 the Company avowed the intention to join the Collective action Coalition to fight against corruption in Thailand's private sector together with Thai Institute of Directors, Thai Chamber of Commerce, Thai Banker's Association, International Chamber of Commerce and Thai Listed Companies Association. The Company avows that it will operate a transparent and legal business; it will not support corruption and will adhere to the good corporate governance principles. In addition, the Company has a policy to support employees to be a good citizen of the country and support the Company's business partners to operate a legal and transparent business with the goal to create a sustainably progressing society.

#### **Good Corporate Governance Principle that the Company Cannot Comply**

In 2015 the Company is able to follow the principles of corporate governance of Thai listed companies issued by Thai Institute of Directors. However, the Company cannot adhere to some principles as follows :

**The Board of Directors should limit the term of independent committees to a maximum of 9 years without exception; preferably the maximum term should be 6 years without exception :** As the Company's main business is retailing which requires special expertise in products such as books, the Board of Directors do not limit the term of independent directors. After consideration, it is agreed that experience and expertise in book business is needed in order to provide a policy, strategy, vision and advice for the Company's direction. Anyhow, the Board of Directors do not overlook the disclosure of the date each independent director took up the position and the length of term that each independent director has been in the office so far; this information is disclosed in the invitation to the General Shareholders Meeting so that it can be used as a reference in the meeting.

Anyhow, the Company's regulation indicates that in every general shareholders' meeting, one third of the directors need to leave the office, which is the director who has the longest term. The Company also gives an opportunity to the shareholders to nominate the person who is qualified to be appointed a director at least 3 months before the end of the accounting year. Because of the procedure that the Company follows in selecting the person to be the director, it can be said that the Company

does not overlook the suggestion to limit the term of independent directors; the independent directors are also a member of the Board of Directors, one third of which are required to leave the office every year.

**The company should form the CG Committee and Risk Management Committee :** Even though the Company does not form the CG Committee and Risk Management Committee as shown in the organizational structure, the Audit Committee consistently perform the task in checking the good corporate governance, risk management and other relevant issues under the scope of duties specified in the Audit Committee's Charter and duties assigned by the Board of Directors.

## **10. Corporate Social Responsibility**

### **10.1 Policy Overview**

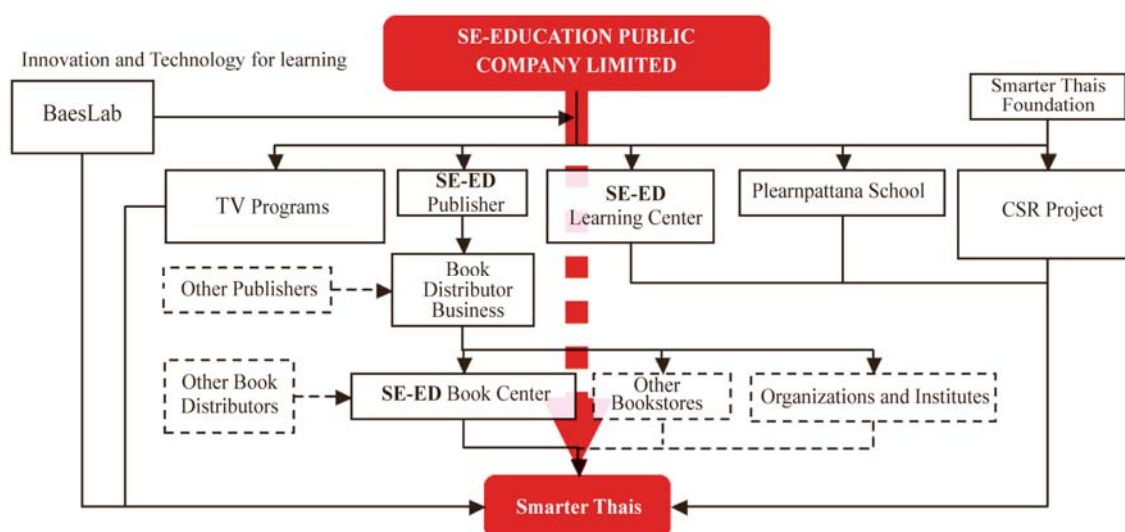
The Company was established by a group of ten electrical engineers. Each of them had experiences in knowledge promoting activities from their participation in Academic Club as a student at the Faculty of Engineering, Chulalongkorn University. They realized that Thailand needed to develop many more of academic resources but no one had been interested in the academic development. Thus, the Company was established in 1974 under the objective 'to do business in knowledge dissemination, with a view to developing the fullest potential of Thai people in areas essential to the national development'. The Company's name also emphasizes the objective. 'SE-ED' is derived from the words **S**cience, **E**ngineering and **E**Ducation because engineering, science and education are vital fields needed for the development of the country. The Company's vision and mission reflect the strong determination to be a part of Thailand's sustainable development.

**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 for Knowledge in the fields that is necessary to the development of the nation. It operates in the business that will make 'Smarter Thais' by developing the sustainable business with a continuous earning growth at the 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 satisfactory level.

### **Sustainability Framework**

The Company can sustainably operate a business that grows alongside the society while being able to survive in the long term if the executives and employees share the commitment and inspiration to drive the organization into becoming the 'knowledge provider' who makes Thai people smarter. From the past up to present, the Company has seriously operated the business along with creating new innovations to serve the mission 'to make Smarter Thais'. The Company's business operation can be summarized into the following chart :



The operation chart displays many activities that have been integrated into the Company's business operation as in the following:

- **SE-ED Publisher** : The publishing unit is responsible for publishing books, magazines and other education resources to help Thai people improve their potentials. The unit has been active since 1974.
- **Book Distribution Business** : As a distributor SE-ED has distributed good books from both inhouse publications and other publishers' to SE-ED Book Center and other bookstores across the country. The distribution unit began its operation since 1998.
- **SE-ED Book Center** : The Company's bookstore business has been in operation since 1991 with the determination to expand branches across the country, giving convenient access to knowledge and good books for Thai people. Books sold in SE-ED Book Center are of mixed varieties and exclude any books that contain inappropriate contents, encourage violence, violate laws or contradict to the moral value of Thai society.
- **SE-ED Learning Center** : The Company started organizing education camps (Computer and Nature Camps) in 1987 as a sample to interest other operators to begin providing more education camps. Later in 2002, SE-ED revived the project and transformed it to 'SE-ED Kiddy Camp' available in every school break. To support the expansion of this business line, in September 2008 the Company opened 'SE-ED Learning Center' on the 600 square meters space at *Chamchuri Square* building, the property of Chulalongkorn University. The Center's mission is to provide supplementary courses and activities for young children to improve their potentials and boost their development. Moreover, the Center has provided training courses and workshops in developing professional skills and personal performance for general public. From 2013 onwards, SE-ED Learning Center has branched out into the learning center of

mathematics, English language, and STEM education in the following programs respectively :

- The Fan Math program for kindergarten 2 – primary students.
- ACTIVE English program for kindergarten 2 – high school students.
- SE-ED iKids program for kindergarten 2 – primary students.

SE-ED Learning Center has increased its franchise branches with the belief that it would help to raise the standards of educational achievement of Thai kids. SE-ED Learning Center headquarter is located at the 4<sup>th</sup> floor Paradise Shopping Center, Srinakarin Road, Bangkok.



- **Plearnpattana School** : This is an alternative school that takes students from pre-kindergarten to Matayom 6. SE-EDUCATION PUBLIC COMPANY LIMITED is one of the founders. The school has been in operation since the 2004 academic year onwards. The school's curriculum is designed to equip students with knowledge skill, working skill and life skill that will support students to develop their full potential and become an eligible adult who possesses a voluntary mind, good moral and awareness of his/her social responsibility.





- **BaesLab** : BaesLab Co., Ltd. was formed with the objective to develop educational materials in digital formats (e.g. e-book, ePub, i-book) and to develop programs and IT facilities to support digital content management so that Thai people can access these contents effectively and use it as a part of the learning experience in the 21<sup>st</sup> century. Such programs and facilities include e-Library system, SE-ED Current, Follow me (teacher's assistant program to control and manage classroom through tablet) and Interactive Book Making Program.
- **TV Programs to Support Reading Habit** : At the present the Company is the producer of 'Arn Kho Sen', a TV program that raises awareness of the power of reading that can change the way we think and our lives. The program features celebrity guests introducing books that can get them through their life crisis and also includes a reality section that follows the lives of people who have different problems and needs. The program is broadcast on Monday – Friday from 3.55 – 4.00 p.m. on One HD Digital TV (channel 31 via digital set top box and channel 41 via TRUE box, cable box and cable TV).



- CSR Project :** The Company takes its corporate social responsibility as a part of the driving strategy and business operation. CSR, or ‘CSR in Process’, has become the core operation of the organization, in which there is no department directly responsible for CSR activities. However, the Company had been involved in many activities that required cooperation and operation to enhance the effectiveness of CSR activities. Thus the Company decided to set up CSR Department in 2009 to support the Company’s CSR activities. This department focuses on helping children and insufficient communities to access to knowledge easier by



donating books and educational media to schools in rural areas, donating book shelves to make school libraries well organized and attract students to libraries so they can improve their life-long reading habits.

- Smarter Thais Foundation** : The Company's 'Smarter Thais Foundation' was officially established on September 23, 2011. The foundation's objective is to initiate activities that support the development of Thai people's potentials that will allow them to be a valuable human asset and possess a better life quality so that they can apply their potentials in developing and driving the country to be competitive in the international community. The foundation will work closely and effectively with the Company's CSR project to help Thai people smarter and build a sustainable society.

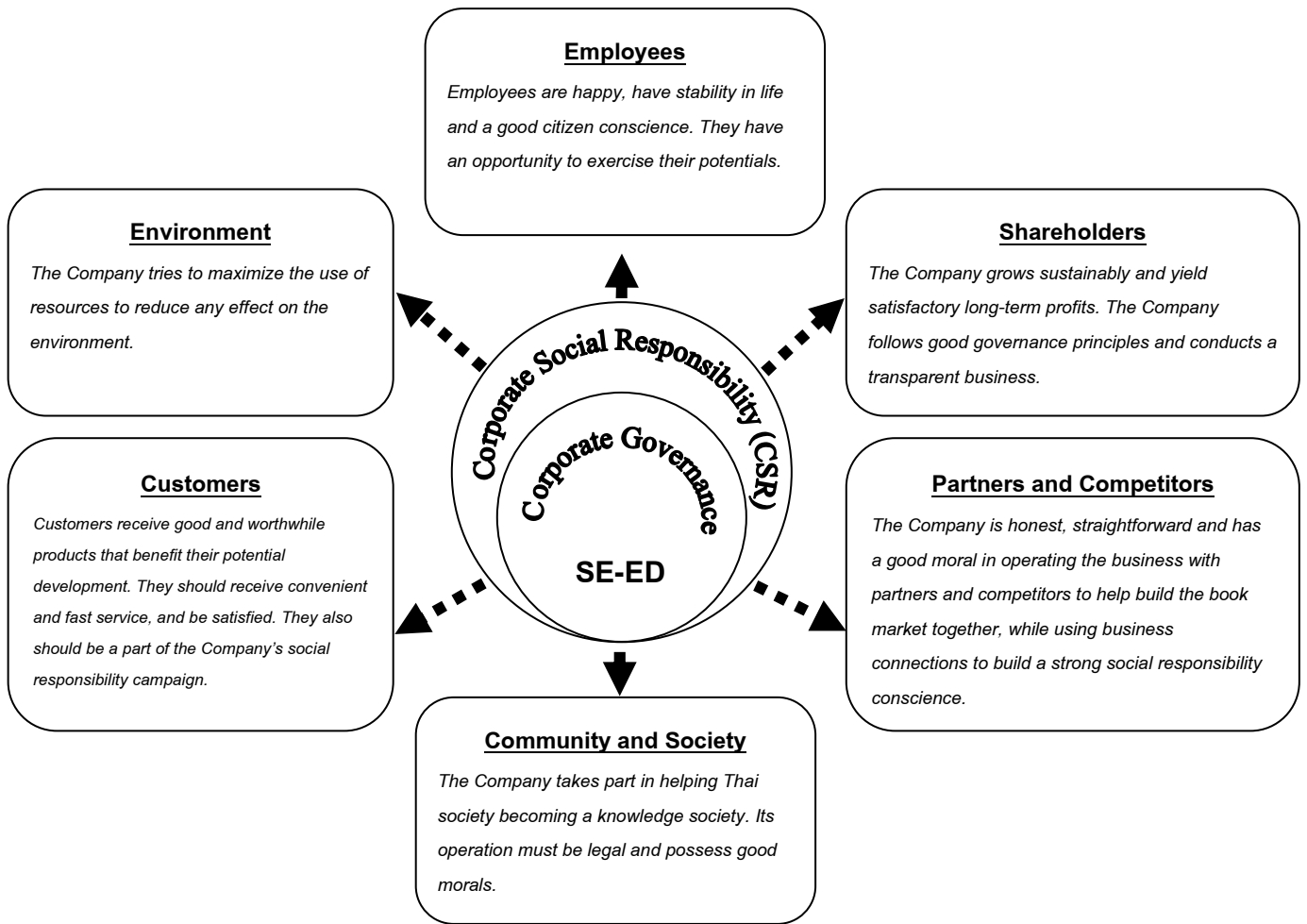
2559 In addition, Smarter Thais Foundation was considered to legally be a public charitable organization no. 916, according to the notification from the Ministry of Finance about Income Tax and Value Added Tax (notification no. 648) issued on 5<sup>th</sup> January 2016.





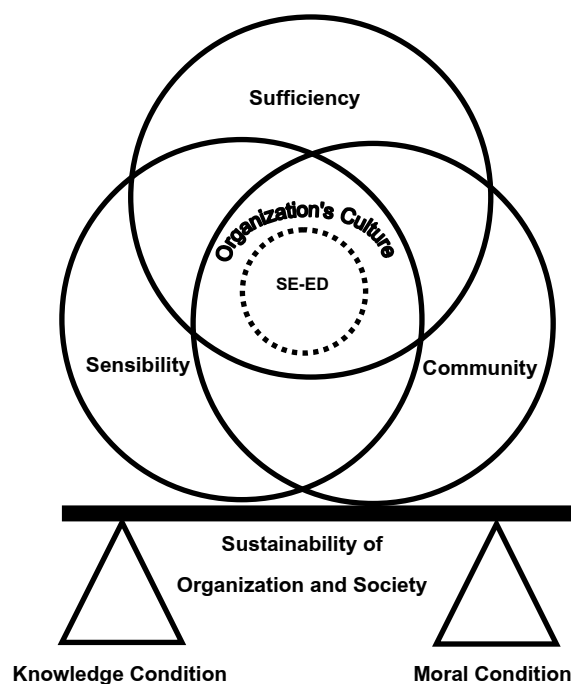
It can be concluded from the above that the Company's business operation has a role in solving major problems of the country and driving the country to a sustainable development. The Company is also the mechanism that supports the development of Thai people's potential until they can become a valuable human asset for the nation's sustainable development. As a result, the corporate social responsibility along with the faithfulness to business ethics and determination to being a good role model become the important mission that the Company has to strictly hold firm too.

The Company has adopted the principles of Corporate Responsibility and Corporate Governance, which become the Company's strategy. The Company's business operation also needs to take into account the balance satisfaction of stakeholders including customers, employees, business partners, shareholders, communities, society, and environment, which are appropriately prioritized in the following :



Moreover, the Company has adopted the principle of sufficiency economy into its business operation so that the Company can run its operation reasonably and sufficiently, with immunity. It needs to be assured that the Company has used IT information and knowledge in different areas to make operational decisions with the principles of good morals and ethics as the guideline.

Moreover, when considering the Organization's 'culture' that the Company has tried to impose on every employee, it can be found that the culture of the organization is in line with the sufficiency economy philosophy as shown in the following chart :



The Company realized that it could only maintain the sustainable operation by promoting a positive working culture for every employee. A good culture will produce shared values and positive attitudes in work and life among employees. A good organizational culture will also continuously bring about success factors that answer to the objectives and business nature of the organization. Such culture is a drive force to creating pioneer works that require strong cause, ideology and determination. It is a work that is not only creative but beneficial to the country at large. Every employee is ready to adapt to changes and listen to reasons with open mind. They focus on their productivity to make profits and sustainability for the organization and society. A culture that has been planted into the attitudes of every employee will become a common work ethic shared through team working experiences within the organization. The Company is confident that every employee is ready to apply the philosophy of sufficient economy in their own lives effectively. The organizational culture of SE-EDUCATION PUBLIC COMPANY LIMITED is illustrated in the following :

#### Operation Philosophy and Driving Force

- We will take on our ideology and turn it into our profession. We will produce creative and pioneer works with happiness because we believe that we can transform our dreams into something great for Thai society.
- We will think big, never think small.

#### Transparency and Moral Values

- We will be a good role model as a company.
- We will not cheat or violate the law. We will be fair and maintain our work ethics and social responsibility.

- We will have a moral standard in treating our customers, business partners, competitors and colleagues.

#### Adaptability

- Every rule can be changed with reason and as long as the change will improve our employees and does not cause any negative effect on the Company.
- We are ready to change anything. We will listen, think, learn, and improve for better. We will not feel humiliated and be chained to the traditional framework. We will break through any problems or obstacles.
- Nothing is perfect at SE-ED.
- Employees will be given an opportunity to work on what they truly like.

#### Personal Ethics

- Be economical, humble and self-sufficient.
- Be down to earth and treat everyone with respect.
- Spend money and resources reasonably when it is needed without being stuck to the old tradition. Every money spent is worthwhile and benefits the works. It is known as the Zero-Based Budgeting.

#### Common Values

- Be positive towards life and obstacle.
- Be understanding and believe in the goodness in people.
- Ignore showing off but care only what matters.
- Creating positive working atmosphere that encourages people to work hard and have fun with the challenging works.
- Live and love as one family.

#### Ethical Business Operation

The Company supports an effective, transparent and auditable system and emphasizes on business ethics, transparency, being exemplary, responsible and honest, equality, and rights of employees, directors and shareholders. This has become the '*strong culture of the organization*'. Starting from the Chairman, Directors, Managers and Managing Directors, everyone is the driving force to implement the Company's policy with transparency and responsibility to society. Every member in the organization, from employees, directors, and executives, is well aware of the core policy of the Company.

Every business plan for every process including operation procedures in the organization are under the balance responsibility of every stakeholder; shareholders, business partners, competitors, creditors, customers, employees, communities and society. Every employee must follow the ethical



guideline that the Company has compiled and used as the guideline to plan any operation, process and procedure.

Moreover, the Company's directors realize the importance of an effective, transparent and auditable managing system. Every employee and new employee will be informed of the Business Ethic Guideline, involving rules and regulations in operating business. The guideline helps build more confidence among shareholders, investors and all stakeholders who are the supporting and driving force towards the Company's strength, competitiveness and long-term success. The Company has undergone key activities to support good corporate governance principle:

- **Directors' Manual** : The Company believes in good corporate governance, business ethics and responsibility to society. Every director and executive must perform their duties honestly and straightforwardly. The Directors' Manual and Corporate Governance Policy are the guidelines for directors and executives to comply by the laws and the Company's regulations, to possess business ethics in performing any activities, decision-making and any transaction of the Company. The Company intends to run the business with honesty.



- **Business Ethics Guideline** : Every employee and new employee will be informed of the Business Ethic Guideline, involving rules and regulations in operating business. The guideline helps build more confidence among shareholders, investors and all stakeholders who are the supporting and driving force towards the Company's strength, competitiveness and long-term success.



- **Ethical Business Operation** : The Company has operated the business by adopting the principles of good governance. The details and information associated with stockholders and investors are available to certify the ethics and morality in business operation. Individuality is encouraged to file a complaint regarding products, insufficient service, immoral and unethical operation of board of directors and staff at [comment@se-ed.com](mailto:comment@se-ed.com), or to independent director at [id@se-ed.com](mailto:id@se-ed.com).
- **The Business Ethics and Moral Principles** : The company is determined to incorporate the business with morality and ethics. We trust in our commitment. Our business is operated under the laws and regulations with principles, values and standards, not taking advantage nor causing any inequality to business partners and customers.
- **Strong Objectives Against Rights Violation** : The company has solid regulations and policy against any the production and the distribution that considered breaching rights. We have also encouraged our partners, writers and others to understand and aware of the copyrights and rights violation. For example, the seminar entitled 'Copyrights: You Should Know' was held to publicize and promote the awareness of copyrights.

### **Anti-Corruption**

SE-EDUCATION PUBLIC COMPANY LIMITED is determined to operate a legal and transparent business, and forbid any corruption to ensure that the Company's operation is in compliance with the Corporate Governance principle. The Company has also established a policy to encourage its employees to be a good citizen, and its business partners to operate legal and transparent business. The objective is to form a corporation to maintain the sustainable progress of the society. The Company is aware that corruption poses an extreme harm to the progress of the country. Therefore, the Company has formed an anti-corruption policy as follows:

1. The Company will evaluate the risks involving the corruption within the Company, investigate and vanquish internal corruption and stand up against any form of corruption.
  - 1.1 The Company has a policy to forbid any form of bribery in any activities and operations. In case that the Company needs to give donations for charity, presents to business partners or sponsorship, everything needs to be transparent and void of any influence on government or private sector officers to be committed on any inappropriate action.
  - 1.2 The policy will be announced and publicized within the organization so that both the executives and employees can use it as a guideline to perform their duties with ethics. The Company will have a firm punishment for an executive or employee involved in internal corruption, bribery or any form of corruption.

- 1.3 The Company will emphasize these measures through trainings and meetings within the Company so that every employee is aware of the importance of honesty and that the Company is determined to follow good business guidelines.
  - 1.4 The Company will form a suitable system to prevent employees from cheating or corrupting so that the Company can maintain its good corporate governance practice and the organizational culture of being an honest, trustworthy and responsible organization.
  - 1.5 The Company will provide channels for employees or relevant parties to give a clue of corruption and guarantee the safety of informants. There will be an immediate investigation on the given clue.
2. The Company will exchange its experiences, guidelines and successes in the campaign to support an honest and transparent business operation with its business partners and other organizations so that there could be an inter-organizational corporation to prevent corruption.
  3. The Company will cooperate with other companies within the same industry, business partners and other stakeholders to form a network to support moral, lawful, and transparent business operation and participate in any anti-corruption activities.
- **Declaration to be a part of the Collective Action Coalition against Corruption (CAC) :** In the beginning of 2011, the Company has declared its intention to be a part of the Collective Action Coalition. This is the collaboration of 7 leading organizations including Thai Institutes of Directors, Thai Chamber of Commerce, Thai Bankers Association, International Chamber of Commerce, Thai Listed Companies Association, Federation of Thai Capital Market Organizations, and the Federation of Thai Industries.





## Human Rights

SE-EDUCATION PUBLIC COMPANY LIMITED is aware that every employee has possessed the human value. The Company pledges to respect the honor of every employee and guarantees that everyone will have the rights and freedom to work in a clean and safe workplace, be free from any form of harassment and suppression. The Company will also encourage the employees to express their potential and individual value that will be a part of the organization's continuous and sustainable growth.

- **Mediation Program** : The Company has always encouraged the employees to understand themselves as well as others. Therefore, the meditation program is initiated. This program has aimed to give the training to the practitioners' mind in order to aware of the consciousness, to gain insight and morality in order to purify and to consciously overcome doubts which lead to efficiently performance both at work place and in daily life.



- **Employee Value Project** : The Company intends to promote and support potential proactive activities of all its employees. We encourage our employees to develop their leadership skill and cross functional management, which anyone can offer their sub - project to improve the organization by present the project's details direct to the top executive. The executive always encourages and supports its employee to broaden their knowledge and prove their ability through their performance.



- **Communication Development Project** : The Company has developed the communication system for its branch staff at all available branches across the country and its staff at headquarters and the warehouse. Together with ADSL phone system, iPOS system which allows staff at the branches and the headquarters exchanging their mails effectively, and LCD TV to interchange important information. These systems enable its entire staff to exchange important information even though they are not in the same place.



### **Labor Practices**

The Company is aware that safety and sanitation of employees is important because employees are valuable resources and vital contribution to the growth and competitiveness.

- **Safety and Emergency Project** : The Company is aware of the safety of workplace. Thus, we continuously host fire drills and safety trainings. The facilities and safety equipments are sufficiently supplied in case of emergency.





- **Health Care Project** : The Company is aware of the importance of its entire staff and families' health. We believe if they are physically and mentally healthy, they are happy as well. Therefore, these health check-up programs are offered throughout the year.
  - Annual health check - up An appropriate list of analysis and check-ups is provided suitably for the age range of the staff. A reasonable discount for the health check-up is provided for the immediate family members as well.

- Health cover welfare this program aims to relieve its staff financial problem in case of hospital emergency admission. Special health insurance is also available for further family member with a reduced insurance rate.



- **Stability and Sustainability Life Improvement Program** : The Company is aware of the importance of its staff quality life. To assure each individual staff its quality life, various programs are in action.
  - Life Insurance Worth 24 Months of the Latest Salary. In case of unpredictable and unfortunate death, the company offers 2 years of payment providing for the family of the lost one. This will help the family to cope with and adjust to the situation.
  - Flexible Time System. The flexibility of work period enables individual staff to choose their operating hours in compatible with each individual convenience or personal business. With this system, some who may be engaged in personal business can come to work after regular working time.
  - Fund Project. To promote the saving habit, SE-ED has encouraged its employees to save money for their retirement. This project aims to assure that they will have sufficient amount of money to survive to live happily ever after the retirement.
  - Reducing Debts Project. A survey concerning debts has been conducted. After the survey, the jurist department has been assigned to aid the debtor and the creditor in making compromise. Moreover, the amount of the loan has been approved to help paying off debt so they can start their lives over.
- **The relief program gives financial support to employees suffering from natural disasters** : such as floods or rainstorms as well as other mishaps that cause major asset losses. The support will allow them to recover and return to work and live a normal life again. Moreover, the Company offers an interest-free loan to employees who have to renovate their houses that have been affected by such disasters.

## Consumer Responsibility

The executives and employees will strictly follow the below guidelines:

1. To guarantee the quality of books published by the Company and exchange the defective ones.
2. To endeavor to offer product satisfaction with most reasonable price.
3. To endeavor to treat and protect customers' information as if it was their own information.
4. To provide a channel for complaints and inquiries via from which they can promptly respond.
5. To endeavor to offer accurate, sufficient and up-to-date product information.
6. To equally treat every customers.

- **SE-ED Book Center Project** : SE-ED is determined to operate SE-ED Book Center nationwide as the provider to Thai society to fulfill the satisfaction of the customers so they can shop at the nearest store at their most convenience and to create equally opportunity for Thai people to seek for source of knowledge.



- **White Bookstore Project** : The Company has a strict policy of providing good, ethical selection of books and products. We offer a wide range and variable genres of books and our stores will have no unethical, immoral, improper or culturally unacceptable in Thai society.





- **Production of Books, Magazines, and Academic Materials Plays the Significant Role in Developing Thai Society** : From the day one until today, the company has determined to publish books, magazines, and academic materials that greatly play significant role in improving Thai society. SE-ED has provided a variety category of books; for instance, engineering, computing, management, foreign languages, dictionaries, science and innovation, kids' educational comics, science journal, technologies and industries, et cetera.



- DIY for Kids :** The Company aims to improve potentials of Thai children and youth in 3 aspects: Imagination, Inspiration and Innovation. Therefore, the Company has distributed a new product line under the name i-Kids with the objective that Thai children and youth can learn through the innovation of these products. Children can learn about what they like and suit themselves. This leads to STEM Education, which is a basic learning system in Science, Technology, Engineering and Mathematics that does not require theory memorization; children can learn from real hand-on experiments and pursue further learning in the subject with their own imagination and inspiration.



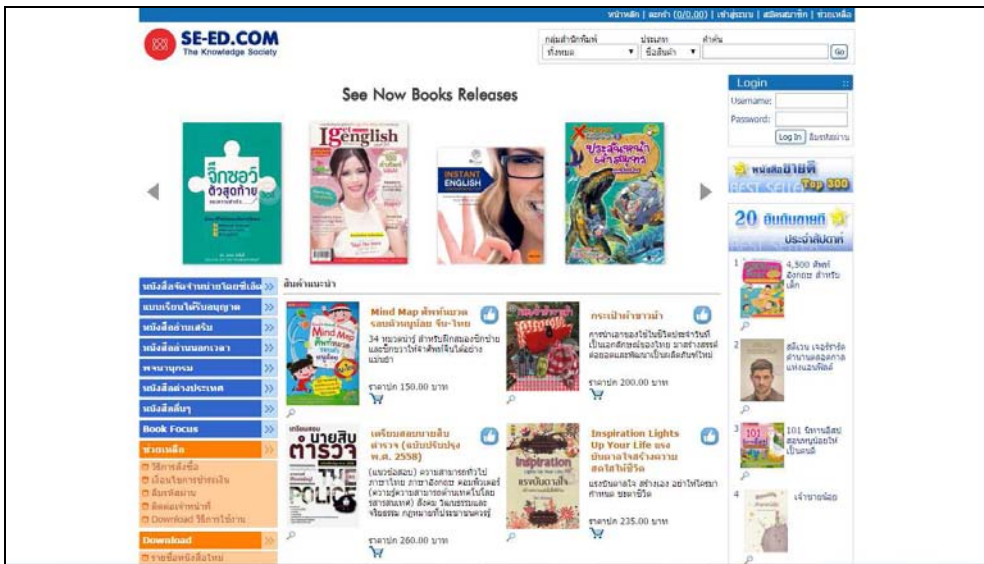
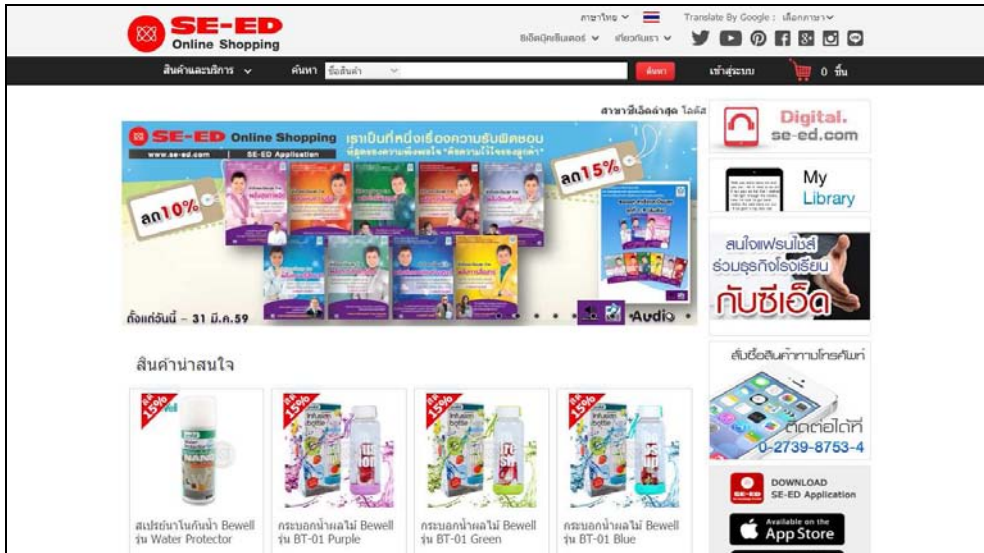




- **Developing websites supporting retail and wholesale systems** : The Company has developed and improved its websites: [www.se-ed.com](http://www.se-ed.com) and [www.se-ed.com/wholesale](http://www.se-ed.com/wholesale) in order to support retail system (e-Commerce) and wholesale system.

Nowadays, [www.se-ed.com](http://www.se-ed.com) is most visited website of the country. There are wide range of products and a variety of books for customers. Moreover, they provide the updated information about best sellers, interesting books and where to buy them. With these information, it enables customers have choices and can make a decision easier.





Additionally, the Company has launched its mobile website, m.se-ed.com, for mobile devices such as smartphones or tablets to allow customers more convenient alternatives to book shopping. The Company expects that such channel will support the increasing e-book trade in the future which is the result of the dramatically growing internet usage from general public.

- **Integral developing logistics system:** The Company has determined to develop logistics system to be highly efficient, to deliver goods to customers at low cost, and to be competitive. According to this philosophy, Thais could access the quality books quicker, and whenever they need.

Integral developing logistics system includes :

- 'Order Today, Get It Tomorrow' Project: The Company has developed and improved order picking system and www.se-ed.com under the concept of 'a small store serves as a big one'. If the customers cannot find the books they need in SE-ED Book Center, they can go over the cashier counter and request for the books. With the developed, improved IT and logistics systems, the stores can deliver the books to the customers within 24 hours at their convenient branches without a delivery fee.
- Intelligent Point of Sale System (iPOS) : The Company has developed this system to support sales performance at SE-ED Book Centers and to provide useful information on books. This helps the customers make a decision easier.



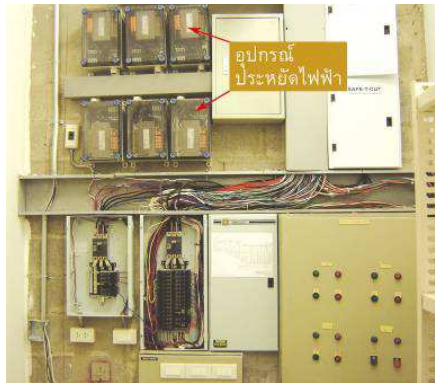
- Developing a data linking system between branches, the headquarters and the warehouse into a real time computer network. This enables an efficient, fast, accurate operation.
- Digital Assorting System: The Company has developed products distribution into a digital system. This enables a flexible distribution to efficiently deal with the market situation. In addition, this system helps reduce papers usage up to 500,000 sheets.



### Environmental

- **The natural conservation project:** SE-ED emphasizes on saving energy and resources. Thus the Company launches many campaigns and activities on saving energy and resources as follows:

- Replacing electronics in SE-ED Book Center with saving energy models.



- Changing the light switches into individual string switches in the headquarters in order to save electrical energy on unoccupied workspaces.



- Minimizing of paper usage project promoting employees to manage the important documents through electronic media (e-document) to reduce papers usage and enable faster searching.



- Saving water in the headquarters project by installing automatic piping valves in restrooms, working with the Contact Switch at toilets' doors. Valves will be turned on, if the door was closed only. This prevents wasting water.
- Power saving in the distribution and warehouse was implemented by using the T5 High Output bulbs instead of Metal halide lamps for higher space that needs more light. This implement helps reduce more than 50% of electricity usage. For normal space, the T5 fluorescent bulbs were installed, which can save electricity up to 33% when compared to normal fluorescent bulbs. In addition, the automatic light on and off system was installed in the new warehouse, which was working separately and independently, helping to use energy effectively.





### Responsibility in Community and Society

- **Genius Book Series Project** : SE-ED cooperates with the Institute for the Promotion of Teaching Science and Technology (IPST) in producing course books and development helper books that available in Mathematics, Science, Computer, Biology, Physics, and Chemistry. This includes tutoring books for an Academic Olympics.



- **Change for Kids Project** : This project enables SE-ED customers and others to participate in the donation activity through donation box at all SE-ED Book Center branches or by the donation bank account. This project will be operated under 'Smarter Thais Foundation (Khon Thai Keng Kheun Foundation)'. Every penny of the donation is determined to organize activities that aim to develop proficiency, ability and life value of Thai people. We believe that this sustainable project will result in making Thai realizing their potential for this country.



- **Total Solution to English Proficiency Project:** this program aims to lift up and develop English proficiency of Thai teachers and students to the international standard by training teachers and developing their teaching plan to align with CEFR (The Common European Framework of Reference for Languages). On the other word, this project provides how to effectively and systematically develop lesson plan. The teachers will be able to properly adapt their knowledge from this project to the Basic Education Core Curriculum B.E. 2551. To pass this project, the teachers are required to have the teaching evaluation. This would ensure how the teachers will help the learners to have Learning Achievement & Competency according to the given criteria. This project covers not only learning English language, but also learning science, mathematics, social studies, and music and art studies through English. The Primary and Secondary teachers from any units or organizations will be trained in a total-solution system for effectively teaching in classroom or flipped classroom under limited resources. By this method, Thai teachers could improve their Communicative Language Teaching and help their students improve 4-skill English or Communicative English, Academic English, English for mathematics and science for upcoming ASEAN Economic Community. In 2015, the Company was entrusted by English Language Institute, Office of the Basic Education, to create the curriculum with training for science teachers in Primary, in order to empower them in teaching science with English or English Bilingual Education Batch 2 for Primary Teachers. Since the 10 provincial training centers were set up, there are 1,200 schools or 4,000 teachers joining this project. Also the Company was entrusted by Office of the Basic Education to hold the English Placement Test for 100,000 Fifth grade students and Eighth grade students from 720 ISO schools, using Oxford English Testing. Further, more than 200 Educational Service Area Offices entrusted the Company to hold the English Proficiency test for 40,000 English teachers, using Cambridge English Placement Test Metrica which mapped with CEFR. In











- **Cooperating with National Science Museum (NSM) to build the science learning centers for children in towns :** SE-ED has a policy to encourage youth to have inspiration in Science and technology. Therefore the Company contributes support in finding the space in Shopping Malls, which are trading partners of SE-ED, to National Science Museum (NSM) for setting up the Science museums and learning centers. Moreover, the Company provides a special renting rate or renting-free for National Science Museum. Nowadays, there is one science museums and learning centers: Chamchuri Square.
- **Logistics Development to Meet Substantial Orders :** The logistics system of the company is developed and improved so all the order is promptly delivered to the customer within the very next day under the slogan 'Order Today, Get It Tomorrow'. Furthermore, this particular service helps the customers to find books and other products easier and more convenient.

### **Innovation of CSR**

SE-ED always determined to one that make Smarter Thais and satisfy all stake holders. Therefore the purpose of research, development and innovation creating conform to fulfill this determination. The Company's innovation must afford to provide benefits to book industry as a whole, to enable the easier ways to for Thais to access knowledge. The latest technology is applied to SE-ED's business operation in order to develop the operation's efficiency. Examples of innovations, which reflect to social responsibility as follows:

- **'Standing Order', Developing Distribution System project :** Being the biggest book distributor of the country, the Company sees the problems in a stock management in book industry as a whole such as inaccurate sales monitoring, complications on billing, lack of credibility and etc. Thus the Company developed the innovative distribution system called 'Standing Order'. It is the system that allows the new books be on stores without billing. This enables the stores to sell more new books. If some of the new books were best seller, the stores would fill up the stock and pay bills on the filling stock. The SE-ED employees will be fully responsible for sales checking. This, Standing Order System, gives enormous advantages to book industry. Firstly, the stores are willingly to add more new books. Secondly, Thais have better opportunities to access a variety of books. Thirdly, it reduces risks in business operating, thus the distributors and publishers can track all information about sales performance. This enables the better planning. Fourthly, it also enables the better billing system. Nowadays, this Standing Order System is accepted and adopted across the country.
- **Developing Product Management project:** SE-ED has developed the Distribution Model Program and Intelligent Automatic Reordering System (IARS) in order to manage a new books distribution and to fill up stock of SE-ED Book Centers which depends on its community's needs and its actual sales performance. This reduces risks in business operating because the

mass publishing, without information technology supporting, is not necessary. Moreover, the stable and accurate information technology allows all branches to fulfill its community's needs. This also efficiently reduces costs and opportunities loss.

- **Successfully develop the potential of Thai youth** : The Company did a research to find a guideline to help young Thai people who do not live in an English speaking environment to be able to improve their English skill significantly. In addition this practice must no increase a burden for teachers and use minimum resources. The outcome of the research shows that by reading graded readers with the extensive reading approach, the English skills of student improved significantly as well as their attitude towards English language, the inspiration to study more by themselves and the reading habit which has a crucial role in changing the student into becoming a life-time self-learners.

Consequently, the Company initiated SE-ED Enjoy Reading program in 2008. This program aimed to develop graded readers materials with the corporation from the world's leading publishers who specialize in extensive reading approach and graded readers. The program has selected many books in different levels and themes that will match the different interests of most students in the school system. Graded readers will be a tool to increase English proficiency of Thai students. From the research there will be a development of practice that can be employed in the schools across the country.

In 2009 – 2010, the Company began its research with 20 lacking schools in the elementary and secondary level. The outcome indicated a satisfactory improvement among students who read SE-ED Enjoy Reading materials with Extensive Reading Approach and toolkits from the program.

In order to magnify the outcome, the program has expanded its reach to teachers whose role can impose positive changes on children. In 2010 the program organized a training for the management staff and English teachers for over 70 school from the northern, central, southern and northeastern regions in order to prepare for an in-depth research. Every school participating would be provided SE-ED Enjoy Reading books, teachers training, teaching kits, and evaluation of English proficiency throughout one academic year.

In 2011, the Company, with the PR support from agencies of the Ministry of Education including the Office of the Basic Education Commission (OBEC) and the Office of the Private Education Commission (OPEC), organized a teacher training for over 1,000 teachers across the country. The training was under the idea of Total Solution to English Proficiency that focuses on improving the whole system with proficiency-based teaching methods. The proficiency-based methods will allow students to improve listening, speaking, reading and writing skills that can be applied in everyday communication English as well as academic English. The improvement will take place in all aspects including the curriculum development,

classroom evaluation, materials selection, teacher training, cultivation of reading habits among children, and extracurricular activities.

In 2012, the Company hosted the academic seminar for teachers to exchange ideas and teaching techniques in classroom. There were over 1,200 teachers participating. The project aims to develop teaching efficiency of teachers and English language proficiency of students through a systematic teaching model that teachers can apply in classroom. In addition, there are teachers trainings to improve teaching efficiency to the standard of 'Oxford Language Program'. Development of teachers will be evaluated by students' achievement at the determined level.

In 2013, the Company worked with the Education Area Office nationwide to provide trainings for teachers. So far there has been over 1,000 teachers attending the trainings and over 140 schools that participate in the Total Solution for English Proficiency program.

In 2014, Smarter Thais Foundation has started the project 'Improving Knowledge Management for Increasing Educational Achievement.' The purposes of this project are to comprehensively improve teaching English language, where teachers are able to effectively adjust their knowledge management plans according to their situations, and to increase teachers' abilities in teaching to effectively raise students' standards of educational achievement according to the criteria. This project is also a collection of helping tools for knowledge management planning and the developing system for teaching quality. This would help reduce Teachers' burden in teaching preparation. The total number of students in this project is 25,977 students from 120 schools.



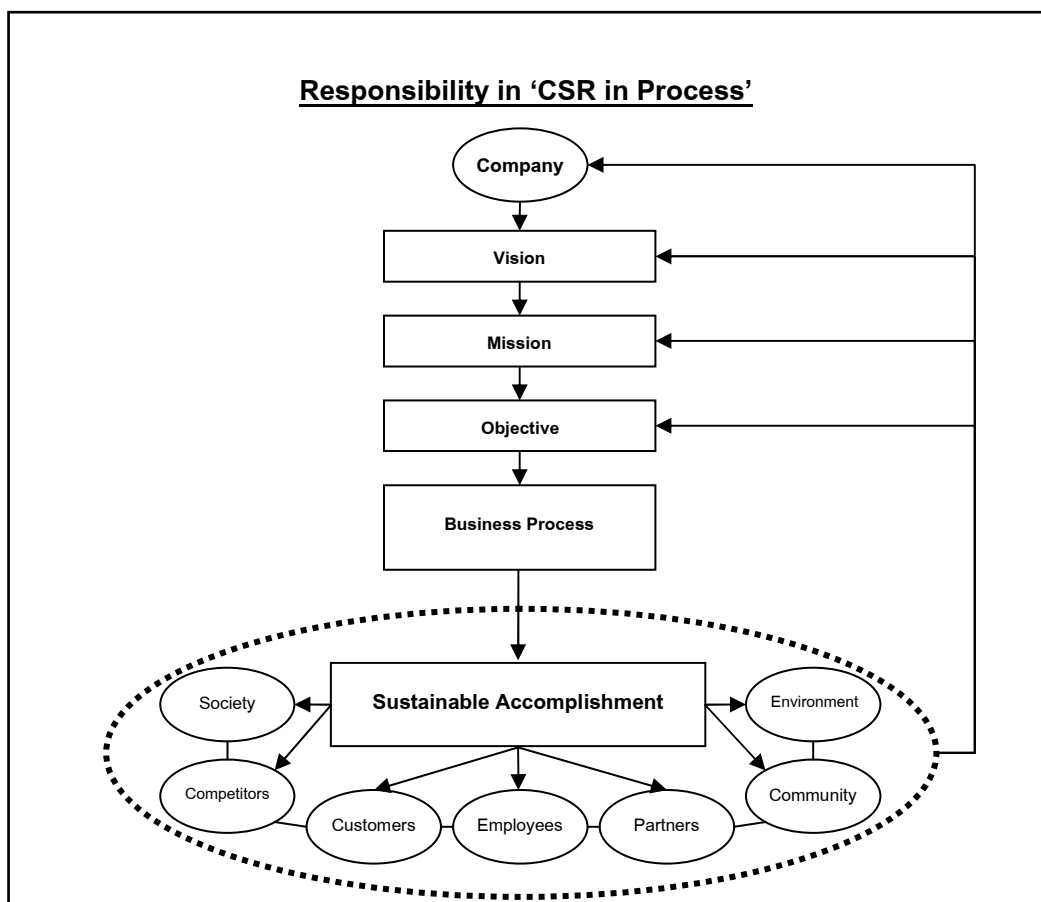


## **10.2 Operation and Reporting**

It could be said that the Company's business objective comes from the country's problem in developing the human resources and the Company's social ideology. Such objective will allow the Company, stakeholders and the whole society grow together with sustainability. From the first day of establishment the objective has been carried on and seen through with determination. It has been passed on through the culture of the Company, through the attempt to become a 'good role model' in every aspect, through the works produced and through the growth in different areas.

The Company believes that the corporate social responsibility means that the Company must operate its business with ethics. Success of the Company must go along with the improvement of society. Every stakeholder is focused and treated with balance.

To achieve the above objective, the Company must make the Corporate Social Responsibility (CSR) the work and responsibility of every employee. It is in compliance with the objective of the establishment and usual business operation. CSR must be a part of the business process. CSR must not cost more than an ordinary process. CSR must involve employees. CSR must be in the actual work process. This is the reemphasis on the Company's management philosophy that we will not do anything differently from a normal business operation. We only change the 'way of thinking' and operate the normal business with 'different methods'.



Every business of the Company is aimed to answer the original objective of establishment. Books, magazines and educational resources are produced to benefit Thai society that still needs those materials. Distributing books for our publishers give a chance to good books to be widely distributed while publishers can survive, stay stronger and be ready to produce even more good books. The increase of SE-ED Book Center to different communities allow people to have an easy access to books that are selected and displayed in a way that suits the lifestyle in each area. The development of purchasing and ordering books give an opportunity to people from anywhere in the country to learn and develop equally. Moreover, the Company has established SE-ED Learning Center to disseminate knowledge and inspire Thai people to learn and discover. The Center's activities include organizing Kiddy Camps, educational activities, training courses and seminars for general public to improve their working skills in different areas and increase their productivity. Moreover, the Company took an important role in founding and operating 'Plearnpattana School', which is an alternative school aiming to produce quality human resources for the country in the future. The school focuses on promoting knowledge skill, working skill, life skill, voluntary mind and awareness of the social responsibility.

Responsibility to society, community and environment is not just an additional work but the core of the business operation, the breath of SE-ED family who are creators, initiators and role models. Every employee in the Company is a part of this responsibility in one way or another.



The Company could be claimed to have a vital role in breaking through the overall book business and quickly expanding the market for educational resources.

The Company believes that a sustainable organization can be developed from not only the ability to yield reasonable profits and growth rate for shareholder but also from the ability to improve itself to become a good role model that create works beneficial and acknowledgeable to the society at large. The Company's employees stay happy. Environmental awareness is a part of the business operation. The Company, thus, has operated the business on the interrelation of sustainable development with society and environment, with the founding belief that 'Good Will shall lead to growth, leading to profits, to strength and eventually to sustainability'.

According to the Form 56-1, the Company annually submitted the Sustainability Report under the concept of disclosure of social responsibility to SET. The Sustainability Report was also included in the Thai and English annual reports.

### **Procedures of Corporate Social Responsibility of SE-EDUCATION PUBLIC COMPANY LIMITED**

The Company has 3 main procedures to fulfill the corporate social responsibility:

1. General CSR activities of the Company must include all stakeholders who are customers, employees, business partners (and competitors), shareholders, communities, society, and environment. Every parties must be prioritized with balance so that everyone can be fully satisfied and accomplish together.
2. The Company focuses on CSR in Process. That means any CSR activities are a part of the responsibility of every employee in order to avoid creating a burden on top of the usual routines. 'Social Responsibility' then becomes the habit of every employee.
3. The Company determines to take on the problem of the country in education and potential development of Thai people. The Company tries to find a solution to the key problems including proficiency English in, Math, Science knowledge, and implanting in Thai children desirable qualities needed for the development of the country and sustainable society.

### **Evolving to 'Smarter Thais Foundation'**

Past and present CSR activities gave the Company an opportunity to use knowledge, potential, resources and connections to help develop the country with sustainability, and competitiveness in the international community.

In order to facilitate the operation of those activities to involve corporation from people and other organizations and enlarge the scale of the activities to the national level, the Company decided to set up 'Smarter Thais Foundation' in early 2011. The objective of the foundation is to *increase the role of social*

responsibility to produce tangible effects in a large scale. This is the core strategy of the Company that needs to be invested with all available resources to see it through.

Smarter Thais Foundation will support the development of Thai people's potential in English, Math, and Science and build desirable qualities in Thai children through minor projects, mostly pilot projects, or projects that give opportunities to children in need. Any project must be able to operate in the long term with financial support from 'Changes for Kids' donation from SE-ED Book Center's customers and every Thai people. The donation will be used in Thai people's potential and value development projects.

In 2011 Smarter Thais Foundation began to promote the idea of 'replanting human values' that will give an opportunity to desperate people in society to be trained professionally and able to general products and incomes to support themselves and their families. It is a sustainable project of which the role can increase continuously.

### 10.3 Activities for Social and Environment

#### SE-EDUCATION PUBLIC COMPANY LIMITED

- **Books for Students Project by SE-EDUCATION PUBLIC COMPANY LIMITED** : this project is for underprivileged children in communities to gain access to knowledge by books and other learning media donation to rural school libraries. More than ten years Books for Students project has contributed books to students. To the end of 2015, the project donated books to 3,858 schools all over the country. The total number of books is 1.9 million, worth of THB 301 million (cover price). By 2015 only, the donation of 99,961 books was made to 328 schools and educational institutions, worth of THB 12.9 million (cover price).



● **Building Libraries for Underprivileged Schools by SE-EDUCATION PUBLIC COMPANY LIMITED**

**LIMITED** : Renovation for Underprivileged School Libraries project by SE-EDUCATION PUBLIC COMPANY LIMITED: the Company has donated book shelves and renovated In 2015, the Company had renovated 18 school libraries in Thailand as follows: in Chiangmai, Ban Pong Yang Nai School, Ban Muang Glang School, Ban Tao Boon Rueng School, Mae Pong Pracha Samukkee School, Mae Ta Krai School, Wat Kuang Singha School, and Wat Rong Wua Sri Chan Wittayakan School. Ban Mai Samakkee School in Tak, Nam Pra Samakkee in Uttaradit, Wat Sam Jun School in Suphanburi, Ban Na Nual Rat Niyom in Roi Ed, Kha Nu Wittaya School in Kamphaengpet, Rajaprachanukroe 57 School in Petchaboon, Prang Goo Wittaya School and Ban Nong Ma School in Sri Saket, Wat Buranawas School, Ban Saphan Hin School, and Ban Hoi Rak School in Nakorn Rachaseema.







# \* มอบชั้นวางหนังสือ \*



โครงการ  
หนังสือเพื่อน้อง

ร.ร.บ้านสะพานหิน อ.เทพารักษ์ จ.นครราชสีมา



# \* มอบชั้นวางหนังสือ \*



คุณชัย ไปโรงเรียน

โครงการ  
หนังสือเพื่อน้อง

ร.ร.สามัคคีวิทยา อ.สามร้อยยอด จ.กาญจนบุรี



**Smarter Thais Foundation**

- Books for students Project by Smarter Thais Foundation:** Smarter Thai Foundation supports and encourages educational development through 'Books for Students' project of SE-EDUCATION PUBLIC COMPANY LIMITED which has continuously donated books to underprivileged schools. Smarter Thais Foundation has purchased books and other learning media for charity, giving them to students and schools' libraries for better access to knowledge. From 2012 to 2015, the Foundation has donated 340,531 books to 1,685 schools, worth of THB 45.8 million (cover price). By 2015 only, the donation of 54,309 books was made to 324 schools and educational institutions, worth of THB 7.3 million (cover price).





- English Mate for Students Project by Smarter Thais Foundation:** the purpose of this project is to improve students' listening and speaking skills through movies within one year. The project was also designed to help secondary and high school students to fluently communicate in English without a foreign speaker. Students in this project will watch selected movies, the popular, inspired, and suitable for children ones. The movies list was graded according difficulty levels. The program requires the student to watch eight movies a year at least. In English Mate system, there are comprehension tests, scores collection, and Learning Management System for teachers and parents to follow-up students' progress online. Since 2014, there are 108 educational institutions or 33,002 students joining this project, worth of THB 6.1 MB. Only in 2015, there are 40 educational institutions or 14,331 students joining this project, worth of THB 2.5 MB.



- Publication of Life Quality Improvement and Sustainable Learning:** Since Smarter Thais Foundation was founded, there were donations of books, and dictionaries to students and school libraries nationwide. In 2013, Smarter Thais Foundation started their own publications by using the donation money from 'Changes for Kids by Smarter Thais Foundation'. The publications will cover various subjects that aim to improve the life quality and encourage sustainable learning of Thai people such a English, Math, Science and other necessary subjects.

In 2013, the foundation published 12 books including 'Welcome to ASEAN'; 'You Get What You Give Vol.1'; and 'Safety Books for Good Kids Series'. The published books were given to 489 schools, in the amount of 8,795 copies or THB 1.3 million. In 2014, three books were published: ASEAN Facts that Primary Kids Should Know, 100 Classic Aesop's Stories in bilingual edition, and 1400+ Thai Idioms, Proverbs, and Royal words for Primary Kids.







- **Improving Knowledge Management for Increasing Educational Achievement project** : the objectives of this project are to increase educational achievement in core subjects by improving English skills and giving learning media to schools, to help students learn to research and analyze information, and to encourage Thai kids to have reading and life-long learning habits. These are basis for schools to change their directions and to improve their ways of teaching with creativity.



In 2014, the total number of schools joining this project was 120. 60,581 books and other learning media were donated to 25,977 students in 120 schools, worth of THB 7.93 million

Only in 2015, there are 58 educational institutions or 13,694 students joining this project. 46,464 books and other learning media were donated to the following schools, worth of THB 7.6 MB.

1. With collaboration with Narathiwat Primary Educational Service Area Office II, 43 educational institutions or 6,722 students joining the project.
2. With collaboration with Kalyanamitra Schools, 15 educational institutions or 6,972 students joining the project.





- CDs for educational support and development project:** This project aims to raise awareness and promote academic activities to the public and increase the students' educational achievement. To be a self-generated income project, the CDs of the Smarter Thais Foundation are produced and available at every SE-ED Book Center across the country.



#### **10.4 Prevention of Involvement in Corruption**

The Company is determined to operate a transparent and legal business; it will resist and will not support corruption so that the Company's operation is conducted according to the principles of good corporate governance. In addition, the Company has a policy to support the employees to be a good citizen of the country as well as supporting the Company's business partners to operate a transparent and legal business with the goal to create a sustainably progressing society. The Board of Directors also issues the anti-corruption policy as disclosed in clause 10.1 Overview of Policy in Anti-Corruption. The Anti-Corruption is a part of the Company's Corporate Governance Policy that the Company has revised every year so that it is corresponding with the international standard of the principles of good corporate governance.

- **Anti-Corruption Operation** : The Company gives emphasis on carrying out the anti-corruption policy. In 2012 the Company avowed to join the Collective Action Coalition against Corruption (CAC) and always sends its staff to join the anti-corruption trainings in order to improve the knowledge about the issue.

### **Rewards of being good governance**

Since the day that SE-EDUCATION was founded, SE-ED has strongly determined to be an organization that participates in developing human resources and making 'Smarter Thais'. And every stake holders satisfy with this determination. All rewards was self-evidence that SE-ED always placed importance on being good governance. All rewards can be seen as follows :

- Received SET Social Enterprise Investment Awards from SET in SET Sustainability Awards 2015. This prize is meant for the registered companies which prominently support Social Enterprise.
- Received SET Award of Honor in Corporate Governance for the four time from SET Awards 2014. The award is for the excellence in corporate governance for 6 consecutive years.
- Received 'excellence' or 5 stars from corporate governance evaluation for 8 consecutive years (2008 - 2015).
- Was evaluated '5 TIA' in organizing the Annual General Shareholders Meeting for 7 consecutive years (2009 - 2015).
- Received Investors' Choice Award for receiving 100% scores from the evaluation of the Annual General Shareholders Meeting for 6 consecutive years (2009 - 2014).
- Received 'Board of the Year for Distinctive Practices Award 2010/2011'.
- Received 'Outstanding Corporate Social Responsibility Awards' from the SET Awards 2011.
- Achieved the Princess Cup from Her Royal Highness Prince Maha Chakri Sirindhorn for being a large organization which applied sufficiency economy philosophy with business operation (from Sufficiency Economy Contest 2<sup>nd</sup>) in 2010.
- Awarded CSR Awards 2009 - 2010 (awarded for outstanding listed company who operates responsibly toward society and environment).
- Awarded the Top Corporate Governance Report Awards 2009 - 2010 (Outstanding in Good Governance Report).
- Won Best Shareholder Treatment Awards 2008.
- Received 'Board of the Year for Distinctive Practices Award 2006/2007'.
- Awarded for 'outstanding network bookstore 2002 - 2003' and awarded for 'Excellence bookstore of the decade (year 2004)'.



## **11. Internal Control and Risk Management**

The Board of Directors and management has continued to stress the importance 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 ensures 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.

The Audit Committee has performed its duties within the framework of responsibilities assigned by the Company's Board of Directors, which is also consistent with the Stock Exchange of Thailand's stipulation. In the fiscal year 2015, there were 6 Audit Committee meetings in which attended along with the executives, auditors, accounting department and internal audit department. The remarks about the sufficiency of the internal audit system can be summarized as follows:

**Part 1 Control 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 Assessment** The Company always went through the risk assessment, both internal and external business risks. The working group consisting of the Managing Director, Deputy Managing Director, and assistant 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 Control Activities** The administrative responsibilities include authorization, considering proper credit limit to be approved by executives in each level 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 & Communication** The Company provides enough information for Directors' decisions. However, in case of the change in last updated information, the Company may not be 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 Monitoring Activities** 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 weaknesses, from effectiveness assessment, in the accounting control system.

## 12. Inter-Company Transaction

The inter-business items between The Company and its subsidiary and related individuals are shown below:

### Inter-company transaction for the year ended on December 2015, 2014 and 2013

Unit : Thousand Baht

Companies / Individuals who are related	Nature of Business	Type of Relation	Related Items	Policy of inter-price setting	Consolidated financial statements			Separate financial statements		
					2015	2014	2013	2015	2014	2013
Plearn Patt Co., Ltd.	Private School	Subsidiary Company	Interest receivable from the loan in the form of 1-year promissory note	A Bank Interest rate at MOR per annum	-	-	-	-	-	542
			Purchase Product	Mutually agreed agreement	-	-	-	-	2,268	-
			Sale Products	Market Price	-	-	-	788	663	2,637
			Account receivable	Market Price	-	-	-	-	66	28

Unit : Thousand Baht

Companies / Individuals who are related	Nature of Business	Type of Relation	Related Items	Policy of inter-price setting	Consolidated financial statements			Separate financial statements		
					2015	2014	2013	2015	2014	2013
BAES Lab.Co.Ltd.	Technology consultant	Subsidiary Company	Purchase Intangible products	Mutually agreed agreement	-	-	-	-	3,840	-
			Service expenses	Mutually agreed agreement	-	-	-	3,400	2,268	-
			Sale Products	Market Price	-	-	-	135	157	-
Smarter Thais Foundation	Foundation	The Executive Director as same	Account receivable	Market Price	1,083	787	170	1,083	787	170
Shareholder/director of subsidiary	-	Related Person	Two contracts for amortized land leasehold right, worth 10 Million Baht, with 30-year term. The approximate space in the property is 32,000 square meters.	Mutually agreed agreement	6,032	6,367	6,701	-	-	-
			Two contracts for land rental, worth 10 Million Baht, with 30-year term. The approximate space in the property is 32,000 square meters.	Mutually agreed agreement	1,101	1,101	1,101	-	-	-

Unit : Thousand Baht

Companies / Individuals who are related	Nature of Business	Type of Relation	Related Items	Policy of inter-price setting	Consolidated financial statements			Separate financial statements		
					2015	2014	2013	2015	2014	2013
Shareholder/director of subsidiary	-	Related Person	Two contracts for amortized land leasehold right, worth 10 Million Baht, with 30-year term. The approximate space in the property is 32,000 square meters.	Mutually agreed agreement	335	335	335	-	-	-
			Interest expenses from short and long term loans	5-6% per Year	30	30	542	-	-	-
M & E Co., Ltd.	Printing office company, produces technical magazines and Engineering Manuals	Associated company	Account payable	Market price	1,279	1,710	1,692	1,279	1,710	1,692
			Net purchase	Market price	-	-	-	-	-	-
			Dividend	AGM's Resolution 1/2015	-	-	-	2,000	2,000	2,000
GMM Grammy Plc.	Media and Printing	Company related with shareholders	Account payable	Market price	1,906	1,725	2,389	1,906	1,725	2,389
			Net purchase	Market price	1,474	725	10,058	1,474	725	10,058

Unit : Thousand Baht

companies / individuals who are related	Nature of Business	Type of relation	Related Items	Policy of inter-price setting	For the years ended December 31,					
					Consolidated financial statements			Separate financial statements		
					2015	2014	2013	2015	2014	2013
Bliss Publishing Co., Ltd.	Media and Printing	Company related with shareholders	Account receivable	Market price	-	-	814	-	-	814
			Account payable	Market price	-	-	-	-	-	-
			Product purchase	Market price	-	-	-	-	-	-
			Product return	Market price	-	-	4,341	-	-	4,341
Post Publishing Co., Ltd.	Media and Printing	Company related with shareholders	Account payable	Market price	-	-	4,402	-	-	4,402
			Net Purchase		-	-	5,007	-	-	5,007
Scenerio Co., Ltd.	TV Production	Company related with shareholders	Account payable	Market price	10	8	10	10	8	10
			Net Purchase	Market price	-	-	3	-	-	3
GMM TV Co., Ltd.	TV Production	Company related with shareholders	Account payable	Market price	-	8	8	-	8	8



**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 interest transfers between the Company subsidiaries, associated companies and other related companies and individuals.

The Board of Directors approved the principles and suggestion of the Office of Securities and 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 has the same commercial terms as those an ordinary person would agree to, with any unrelated counterparty under similar circumstances, on the basis of business negotiation which is without any influence 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 the Office of Securities and Exchange Commission (SEC).

## Section 3

# Financial Position and Performance

### 13. Financial Highlights

#### 13.1 Summary of Financial Statement

- **Financial Statement for year-end, as of December 31, 2015 2014 and 2013 :**

The accounting auditor has expressed non-binding opinions towards the financial statement.

The auditor is Miss Pimjai Manitkajohnkit, Miss Rungrapa Lertsuwanku and Mr. Chayapol

Supasedtanon from EY Office Limited.

## 13.2 Financial Statement

### SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

#### Statement of financial position

As at 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	131,671	102,630	160,199	86,444	98,480	126,641
Current investments	189,302	326,173	22,000	157,188	265,472	22,000
Trade and other receivables	70,419	85,400	102,149	66,361	81,658	99,031
Inventories	368,513	377,172	373,685	365,867	376,208	370,385
Other current assets	41,028	34,919	40,088	39,118	34,590	41,022
<b>Total current assets</b>	<b>800,933</b>	<b>926,295</b>	<b>698,121</b>	<b>714,977</b>	<b>856,408</b>	<b>659,079</b>
<b>Non-current assets</b>						
Restricted bank deposits and other investments	13,355	13,310	14,582	13,355	13,310	14,582
Investments in subsidiaries	-	-	-	70,305	70,317	70,482
Investments in associate	25,651	25,937	25,684	100	100	100
Property, plant and equipment	1,529,225	1,606,148	1,612,839	1,320,763	1,384,494	1,379,322
Leasehold rights on land	6,032	6,367	6,701	-	-	-
Leasehold rights on buildings	63,292	74,596	87,409	63,292	74,596	87,409
Intangible assets	7,158	9,141	7,980	7,533	9,537	7,843
Prepaid book copyright and translation fee	16,266	18,295	23,153	16,266	18,295	23,153
Rental guarantee and deposit	100,358	101,308	108,176	100,358	101,308	108,176
Deferred tax assets	19,686	18,312	14,488	20,912	19,612	14,488
Other non-current assets	6,881	2,067	330	6,805	2,022	285
<b>Total non-current assets</b>	<b>1,787,904</b>	<b>1,875,480</b>	<b>1,901,343</b>	<b>1,619,690</b>	<b>1,693,591</b>	<b>1,705,841</b>
<b>Total assets</b>	<b>2,588,837</b>	<b>2,801,775</b>	<b>2,599,464</b>	<b>2,334,667</b>	<b>2,549,999</b>	<b>2,364,920</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	-	-	100,000	-	-	100,000
Trade and other payables	968,861	1,089,275	1,264,428	961,529	1,080,363	1,258,625
Current portion of long-term loans	87,920	81,430	20,700	71,520	71,520	-
Income received in advance recognisable						
within one year	43,561	42,626	39,728	-	-	-
Income tax payable	236	10,333	7,097	-	10,333	7,097
Current portion of provision for						
long-term employee benefits	3,630	4,354	9,202	3,630	4,354	9,202
Other current liabilities	25,548	36,111	57,599	23,800	35,053	56,460
<b>Total current liabilities</b>	<b>1,129,755</b>	<b>1,264,129</b>	<b>1,498,755</b>	<b>1,060,479</b>	<b>1,201,624</b>	<b>1,431,385</b>
<b>Non-current liabilities</b>						
Income received in advance	1,932	4,155	9,079	-	-	-
Long-term loans, net of current portion	411,890	499,810	75,780	333,120	404,640	-
Provision for long-term employee benefits, net of						
current portion	43,496	39,253	36,710	39,079	36,188	34,525
Other non-current liabilities	8,128	8,525	8,641	8,128	8,525	8,625
<b>Total non-current liabilities</b>	<b>465,446</b>	<b>551,743</b>	<b>130,209</b>	<b>380,328</b>	<b>449,353</b>	<b>43,150</b>
<b>Total liabilities</b>	<b>1,595,202</b>	<b>1,815,873</b>	<b>1,628,964</b>	<b>1,440,807</b>	<b>1,650,977</b>	<b>1,474,535</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
<b>Shareholders' equity</b>						
Share capital						
Registered						
391,944,529 ordinary shares of Baht 1 each	391,945	391,945	391,945	391,945	391,945	391,945
Issued and paid-up						
391,944,418 ordinary shares of Baht 1 each	391,944	391,944	391,944	391,944	391,944	391,944
Share premium	149,421	149,421	149,421	149,421	149,421	149,421
Retained earnings						
Appropriated - statutory reserve	39,194	39,194	39,194	39,194	39,194	39,194
Unappropriated	211,567	210,281	198,971	187,766	194,034	185,907
Other components of shareholders' equity	130,330	129,485	130,331	125,535	124,429	123,918
Equity attributable to owners of the Company	922,457	920,325	909,861	893,860	899,022	890,385
Non-controlling interests of the subsidiaries	71,178	65,577	60,639	-	-	-
<b>Total shareholders' equity</b>	<b>993,636</b>	<b>985,902</b>	<b>970,500</b>	<b>893,860</b>	<b>899,022</b>	<b>890,385</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,588,837</b>	<b>2,801,775</b>	<b>2,599,464</b>	<b>2,334,667</b>	<b>2,549,999</b>	<b>2,364,920</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of income

For the year ended 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
	(Restated)			(Restated)		
<b>Revenues</b>						
Revenues from sales	4,343,306	4,768,676	5,181,366	4,340,601	4,765,634	5,180,471
Tuition fees income	153,232	143,977	127,040	-	-	-
Interest and dividend income	914	1,221	4,201	2,806	3,140	6,650
Other income	45,118	51,063	44,764	36,725	40,963	38,624
<b>Total revenues</b>	<b>4,542,570</b>	<b>4,964,937</b>	<b>5,357,372</b>	<b>4,380,133</b>	<b>4,809,737</b>	<b>5,225,744</b>
<b>Expenses</b>						
Cost of sales	2,838,915	3,124,199	3,479,396	2,835,086	3,120,202	3,479,728
Cost of tuition fees	115,952	111,325	101,049	-	-	-
Selling expenses	985,253	1,028,406	1,078,402	985,253	1,028,406	1,078,402
Administrative expenses	482,683	570,823	606,754	457,688	542,485	578,138
<b>Total expenses</b>	<b>4,422,802</b>	<b>4,834,753</b>	<b>5,265,601</b>	<b>4,278,026</b>	<b>4,691,093</b>	<b>5,136,268</b>
<b>Profit before share of profit from investments in associate, finance cost and income tax expenses</b>	<b>119,768</b>	<b>130,183</b>	<b>91,771</b>	<b>102,107</b>	<b>118,645</b>	<b>89,476</b>
Share of profit from investments in associate	1,714	2,252	1,714	-	-	-
<b>Profit before finance cost and income tax expenses</b>	<b>121,482</b>	<b>132,436</b>	<b>93,484</b>	<b>102,107</b>	<b>118,645</b>	<b>89,476</b>
Finance cost	(28,344)	(19,003)	(6,400)	(22,208)	(12,335)	(521)
<b>Profit before income tax expenses</b>	<b>93,139</b>	<b>113,433</b>	<b>87,084</b>	<b>79,899</b>	<b>106,310</b>	<b>88,955</b>
Income tax expenses	(16,627)	(22,536)	(15,567)	(16,349)	(22,530)	(15,567)
<b>Profit for the year</b>	<b>76,512</b>	<b>90,897</b>	<b>71,518</b>	<b>63,550</b>	<b>83,779</b>	<b>73,388</b>
<b>Profit attributable to</b>						
Equity holders of the Company	70,876	86,400	72,290	63,550	83,779	73,388
Non-controlling interests of the subsidiaries	5,636	4,497	(772)	-	-	-
	<b>76,512</b>	<b>90,897</b>	<b>71,518</b>			
<b>Earnings per share</b>						
Basic earnings per share						
Profit attributable to equity holders of the Company	0.18	0.22	0.18	0.16	0.21	0.19



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
		(Restated)			(Restated)	
<b>Profit for the year</b>	76,512	90,897	71,518	63,550	83,779	73,388
<b>Other comprehensive income:</b>						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Gain on changes in value of						
available-for-sale investments	1,703	1,439	1,996	1,716	971	1,996
Less: Income tax effect	(341)	(1,506)	(398)	(343)	(194)	(398)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	1,363	(67)	1,598	1,373	777	1,598
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial gain (loss)	329	(6,220)	-	386	(6,712)	-
Less: Income tax effect	77	1,342	-	77	1,342	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	406	(4,878)	-	463	(5,369)	-
<b>Other comprehensive income for the year</b>	1,769	(4,944)	1,598	1,836	(4,592)	1,598
<b>Total comprehensive income for the year</b>	78,281	85,952	73,115	65,385	79,187	74,986
<b>Total comprehensive income attributable to</b>						
Equity holders of the Company	72,679	81,014	73,888	65,385	79,187	74,986
Non-controlling interests of subsidiaries	5,601	4,938	(772)			
<b>Total comprehensive income for the year</b>	78,281	85,952	73,115			

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of changes in shareholders' equity

For the year ended 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
				Other components of equity						
				Other comprehensive income						
				Surplus (deficit)						
				on changes						
				in value of						
				available-for-sale						
				investments						
				Surplus on						
				revaluation of						
				assets						
				Total other						
				components of						
				shareholders'						
				equity						
				Total equity						
				attributable to						
				shareholders of						
				the Company						
				Equity attributable						
				to non-controlling						
				interests of						
				the subsidiaries						
				Total						
				shareholders'						
				equity						
Issued and	Share premium	Retained earnings								
paid-up		Appropriated	Unappropriated	in value of	Surplus on	Total other	Total equity	Equity attributable	Total	
share capital				available-for-sale	revaluation of	components of	attributable to	to non-controlling	shareholders'	
				investments	assets	shareholders'	the Company	interests of	equity	
						equity		the subsidiaries		
<b>Balance as at 1 January 2013</b>	356,313	149,421	35,631	204,882	(1,597)	130,917	129,320	61,311	936,878	
Profit for the year	-	-	-	72,290	-	-	-	(772)	71,518	
Other comprehensive income for the year	-	-	-	-	1,598	-	1,598	-	1,598	
Total comprehensive income for the year	-	-	-	72,290	1,598	-	1,598	(772)	73,115	
Increase in share capital from issuance of stock dividend	35,631	-	-	(35,631)	-	-	-	-	-	
Dividend paid	-	-	-	(39,594)	-	-	-	-	(39,594)	
Transferred retained earning to legal reserve	-	-	3,563	(3,563)	-	-	-	-	-	
Resulting from change in shareholding ratio of equity attributable to non-controlling interests of the subsidiaries due to the decrease in the subsidiary's share capital	-	-	-	-	-	-	-	100	100	
Trasferred surplus on revaluation of assets to retained earning	-	-	-	587	-	(587)	(587)	-	-	
<b>Balance as at 31 December 2013</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>198,971</b>	<b>-</b>	<b>130,331</b>	<b>130,331</b>	<b>60,639</b>	<b>970,500</b>	
<b>Balance as at 1 January 2014</b>	391,944	149,421	39,194	198,971	-	130,331	130,331	60,639	970,500	
Profit for the year (restated)	-	-	-	86,400	-	-	-	4,497	90,897	
Other comprehensive income for the year (restated)	-	-	-	(5,129)	960	(1,218)	(258)	442	(4,944)	
Total comprehensive income for the year	-	-	-	81,272	960	(1,218)	(258)	4,938	85,952	
Dividend paid	-	-	-	(70,550)	-	-	-	-	(70,550)	
Transferred surplus on revaluation of assets to retained earning	-	-	-	588	-	(588)	(588)	-	-	
<b>Balance as at 31 December 2014</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>210,281</b>	<b>960</b>	<b>128,524</b>	<b>129,485</b>	<b>65,577</b>	<b>985,902</b>	
<b>Balance as at 1 January 2015</b>	391,944	149,421	39,194	210,281	960	128,524	129,485	65,577	985,902	
Profit for the year	-	-	-	70,876	-	-	-	5,636	76,512	
Other comprehensive income for the year	-	-	-	435	1,368	-	1,368	(34)	1,769	
Total comprehensive income for the year	-	-	-	71,312	1,368	-	1,368	5,601	78,281	
Dividend paid	-	-	-	(70,548)	-	-	-	-	(70,548)	
Transferred surplus on revaluation of assets to retained earning	-	-	-	523	-	(523)	(523)	-	-	
<b>Balance as at 31 December 2015</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>211,567</b>	<b>2,328</b>	<b>128,002</b>	<b>130,330</b>	<b>71,178</b>	<b>993,636</b>	

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Separate financial statements							
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income			
					Surplus (deficit) on changes in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholders' equity	
<b>Balance as at 1 January 2013</b>	356,313	149,421	35,631	191,041	(1,597)	124,184	122,587	854,993
Profit for the year	-	-	-	73,388	-	-	-	73,388
Other comprehensive income for the year	-	-	-	-	1,598	-	1,598	1,598
Total comprehensive income for the year	-	-	-	73,388	1,598	-	1,598	74,986
Increase in share capital from issuance of stock dividend	35,631	-	-	(35,631)	-	-	-	-
Dividend paid	-	-	-	(39,594)	-	-	-	(39,594)
Transferred retained earnings to legal reserve	-	-	3,563	(3,563)	-	-	-	-
Transferred surplus on revaluation of assets to retained earning	-	-	-	266	-	(266)	(266)	-
<b>Balance as at 31 December 2013</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>185,907</b>	<b>-</b>	<b>123,918</b>	<b>123,918</b>	<b>890,385</b>
<b>Balance as at 1 January 2014</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>185,907</b>	<b>-</b>	<b>123,918</b>	<b>123,918</b>	<b>890,385</b>
Profit for the year (restated)	-	-	-	83,779	-	-	-	83,779
Other comprehensive income for the year (restated)	-	-	-	(5,369)	777	-	777	(4,592)
Total comprehensive income for the year	-	-	-	78,410	777	-	777	79,187
Dividend paid	-	-	-	(70,550)	-	-	-	(70,550)
Transferred surplus on revaluation of assets to retained earning	-	-	-	266	-	(266)	(266)	-
<b>Balance as at 31 December 2014</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>194,034</b>	<b>777</b>	<b>123,651</b>	<b>124,429</b>	<b>899,022</b>
<b>Balance as at 1 January 2015</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>194,034</b>	<b>777</b>	<b>123,651</b>	<b>124,428</b>	<b>899,022</b>
Profit for the year	-	-	-	63,550	-	-	-	63,550
Other comprehensive income for the year	-	-	-	463	1,373	-	1,373	1,836
Total comprehensive income for the year	-	-	-	64,013	1,373	-	1,373	65,385
Dividend paid	-	-	-	(70,548)	-	-	-	(70,548)
Transferred surplus on revaluation of assets to retained earning	-	-	-	266	-	(266)	(266)	-
<b>Balance as at 31 December 2015</b>	<b>391,944</b>	<b>149,421</b>	<b>39,194</b>	<b>187,766</b>	<b>2,150</b>	<b>123,385</b>	<b>125,535</b>	<b>893,860</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Cash flow statement

For the year ended 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
		(Restated)			(Restated)	
<b>Cash flows from operating activities</b>						
Profit before tax	93,139	113,433	87,084	79,899	106,310	88,955
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	124,173	129,782	122,549	106,560	111,677	104,907
Allowance for doubtful accounts and estimated goods return (reversal)	3,114	(2,473)	2,963	2,851	(1,307)	2,719
Adjustment from reconciliation accounts receivable	(6)	(201)	(1,204)	(6)	(201)	(1,204)
Allowance for impairment of assets (reversal)	(719)	2,427	-	(719)	2,427	-
Expense from loss of inventories	8,853	12,236	12,898	8,853	12,236	12,898
Allowance for dilapidated slow moving and loss of inventories	2,971	26,236	51,369	2,971	26,236	51,369
Share of profit from investment in associate	(1,714)	(2,252)	(1,714)	-	-	-
Gain on disposal of current investments	(3,047)	(1,482)	(4,123)	(2,122)	(1,248)	(4,123)
Expense for donation of goods and equipment	6,096	5,137	6,755	6,096	5,137	6,755
Loss from stock destruction	2,363	5,571	8,138	2,363	5,571	8,138
Provision for long-term employee benefits	8,462	6,064	1,506	6,862	4,692	939
Loss on sales and written-off equipment	2,657	9,543	4,108	2,655	9,606	4,073
Loss on impairment of investment	-	-	-	12	165	-
Amortisation of leasehold rights on land and buildings	11,639	13,148	11,762	11,304	12,813	11,427
Adjustment from clearing coupon payable	(7,742)	(5,513)	(12,612)	(7,742)	(5,513)	(12,612)
Interest expenses	28,344	18,973	6,400	22,208	12,335	521
Interest income	(914)	(1,221)	(3,846)	(806)	(1,140)	(4,295)
Dividend income	-	-	(404)	(2,000)	(2,000)	(2,404)
Profit from operating activities before changes in operating assets and liabilities	277,670	329,407	291,631	239,240	297,795	268,066

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Cash flow statement (continued)

For the year ended 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
	(Restated)			(Restated)		
<b>Operating assets (increase) decrease</b>						
Trade and other receivables	8,764	19,366	3,481	9,344	18,824	3,448
Inventories	(11,624)	(52,666)	(51,508)	(9,943)	(55,003)	(49,379)
Prepaid expenses	(988)	2,668	28,962	555	1,361	29,029
Compensation receivable from the insurance claim	3,108	57	(3,165)	3,108	57	(3,165)
Other current assets	1,027	2,398	(2,333)	978	4,968	(4,731)
Prepaid book copyright and translation fee	2,029	4,858	(642)	2,029	4,858	(642)
Rental guarantee and deposit	950	6,868	(3,418)	950	6,868	(3,418)
Other non-current assets	1,126	(1,736)	5,934	1,157	(1,736)	5,949
<b>Operating liabilities increase (decrease)</b>						
Trade and other payables	(109,892)	(182,377)	(195,541)	(108,166)	(185,491)	(194,077)
Income received in advance	(1,289)	(2,025)	12,311	-	-	
Other current liabilities	(2,822)	(15,975)	23,301	(3,512)	(15,894)	23,293
Cash paid for long-term employee benefits	(4,615)	(14,589)	(4,059)	(4,309)	(14,589)	(4,059)
Other non-current liabilities	(397)	(116)	(425)	(397)	(100)	(365)
<b>Cash flows from operating activities</b>	<b>163,047</b>	<b>96,137</b>	<b>104,529</b>	<b>131,035</b>	<b>61,918</b>	<b>69,948</b>
Cash paid for interest expenses	(28,371)	(18,918)	(6,400)	(22,235)	(12,281)	(521)
Cash paid for income tax	(34,469)	(23,288)	(36,875)	(34,356)	(23,270)	(36,875)
<b>Net cash flows from operating activities</b>	<b>100,207</b>	<b>53,932</b>	<b>61,254</b>	<b>74,443</b>	<b>26,367</b>	<b>32,552</b>
<b>Cash flows from investing activities</b>						
Decrease (increase) in current investments	141,622	(301,252)	152,509	112,122	(241,252)	152,509
Increase in investment in subsidiaries	-	-	-	-	-	(1,050)
Dividend received from associated company	2,000	2,000	2,000	-	-	-
Interest income	875	1,323	3,846	854	1,242	4,295
Dividends income	-	-	404	2,000	2,000	2,404
Decrease (increase) in restricted bank deposit and other investment	(44)	1,272	(2,004)	(44)	1,272	(2,004)
Acquisition of property and equipment	(63,810)	(126,977)	(484,635)	(59,507)	(120,726)	(478,588)
Proceeds from sales of equipment	215	1,241	520	208	1,178	488
Acquisition of intangible assets	(45)	(3,317)	(2,920)	(45)	(3,853)	(2,920)
Cash receipt from loan to subsidiary	-	-	-	-	-	15,044
<b>Net cash flows from (used in) investing activities</b>	<b>80,812</b>	<b>(425,711)</b>	<b>(330,280)</b>	<b>55,588</b>	<b>(360,138)</b>	<b>(309,821)</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Cash flow statement (continued)

For the year ended 31 December 2015, 2014 and 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
		(Restated)			(Restated)	
<b>Cash flows from financing activities</b>						
Repayment of short-term loans from financial institutions	-	(100,000)	-	-	(100,000)	-
Cash receipt from short-term loans from financial institutions	-	-	100,000	-	-	100,000
Cash receipt from long-term loans	-	529,500	21,770	-	500,000	-
Repayment of long-term loans	(81,430)	(44,740)	-	(71,520)	(23,840)	-
Increase in non-controlling interests	-	-	100	-	-	-
Dividend paid	(70,548)	(70,550)	(39,594)	(70,548)	(70,550)	(39,594)
<b>Net cash flows from (used in) financing activities</b>	<b>(151,978)</b>	<b>314,210</b>	<b>82,276</b>	<b>(142,068)</b>	<b>305,610</b>	<b>60,406</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>29,041</b>	<b>(57,569)</b>	<b>(186,749)</b>	<b>(12,036)</b>	<b>(28,161)</b>	<b>(216,863)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>102,630</b>	<b>160,199</b>	<b>346,948</b>	<b>98,480</b>	<b>126,641</b>	<b>343,504</b>
<b>Cash and cash equivalents at end of year</b>	<b>131,671</b>	<b>102,630</b>	<b>160,199</b>	<b>86,444</b>	<b>98,480</b>	<b>126,641</b>

## Supplemental cash flows information

## Non-cash transactions

## Increase in revaluation surplus on changes in

## value of available-for-sale investments

	1,703	1,439	1,996	1,716	971	1,996
Purchase of fixed assets for which cash has not been paid	10,494	7,169	866	10,641	7,174	683
Issuance of stock dividend	-	-	35,631	-	-	35,631
Actuarial gain (loss)	329	(6,220)	-	386	(6,712)	-
Transfer asset under installation to prepaid leasehold right	5,940	-	-	5,940	-	-



### 13.3 Financial Ratios (calculated from consolidated financial statements)

**table 4 : Financial ratio of 2015 2014 and 2013**

Financial ratios		Consolidated financial statements		
		2015	2014 (Restated)	2013
Return On Equity (ROE)	%	7.69	9.44	8.10
Return on Asset (ROA)	%	4.51	4.90	3.50
Debt to Equity Ratio	times	1.61	1.84	1.68
Interest Coverage Ratio	times	11.37	19.60	13.00
Dividend Payout**	%	66.36	81.65	97.59

Note:

- ROE (Return on Equity) = Net profit (Parent Company only) divided by shareholder's equity (averaged) from Parent Company only
- ROA (Return on Assets) = Net profit before financial and tax expenses divided by total assets (averaged)
- Debt to Equity ratio = total debts divided by shareholder's equity (minor shareholder's equity included)
- Debt service Coverage Ration = Net cash flows from operation activities + interest + income tax expenses divided by interest from operation and investment
- Return On Equity = Net profit (Parent Company only) divided by shareholder's equity (averaged) from Parent Company only
- Dividend payout \*\* = dividend by net profit

\*\*Dividend payout in 2015 was proposed by the Company's board committee, waiting for approval from the 2016 Annual General Meeting on April 23, 2016.

**ROE was 7.69%,  
decreased by 1.75%  
and ROA was 4.51%,  
decreased by 0.39%**

Return on Equity (ROE) was 7.69%, decreased by 1.75% while Return on Assets (ROA) was 4.51%, decreased by 0.39% due to slowdown in general retailing business. This resulted in a 12.04% decrease of sales at the end of the year or Q4/2015.

***Debt to Equity Ratio was 1.61 times, decreased by 0.23 times*** Debt to Equity Ratio decreased by 0.23 times due to payment for long-term loans from financial institution.

***Interest Coverage Ratio was 11.37 times, increased by 8.23 times*** Interest Coverage Ratio decreased by 8.23 times due to economic slowdowns and low performance on publishing business operation. In addition, the Company had paid loans with interest in the accounting period (received loans according to the contract in Q4/2014.)

## 14. Management Discussion and Analysis

### Publishing Business Situation in 2015

#### Overview

In 2015, the Company had been continually affected by economic slowdowns, a decrease of net purchasing power, and rising household debt. Rapid changes in technology, especially in digital devices and digital media, also affected the sales of print publications in every sector, aligning with the decline in the general retail business.

To alleviate the situation, the Company decided to close down 9 small unprofitable branches in 2015 and canceled the rental contract of the old warehouse, which tends to raise rental fees every year. To reduce the financial burden in the long run, the Company had the new warehouse constructed. It officially opened in 2014. As a result, the Company had long-term loans with interest from building this warehouse.

In 2015, the Company had opened new seven branches of SE-ED Book Center. The total number of active branches as of December 31, 2015 was 410 branches, included six points of sale.

The Company has opened two more branches of SE-ED Learning Center and closed seven branches. The total number of active branches as of December 31, 2015 is 21 branches. Seven branches are located in Bangkok Metropolitan Region and fourteen branches are located all over the country. There are two branches operated by the Company and 19 branches are run by franchisees.

In operation and management, the Company emphasized on good governance policies together with social and environmental responsibilities. Since the Company was the exemplar in many aspects, it was gaining honorable awards as follows:

- In SET Sustainability Awards 2015, SE-ED has won the SET Social Enterprise Investment Awards for the listed companies that prominently support social enterprise. SET Sustainability Awards 2015 was held On Friday 16th October 2015 at Professor Sangvian Indaravijaya Auditorium, the Stock Exchange of Thailand located in Ratchadaphisek Road, Bangkok. It was an unprecedented awarding ceremony in the history of SET. This ceremony was to honor and encourage all the CEOs and employees of those registered companies that prominently support social enterprise and pursue sustainability in operating the organization by applying business management as an operating mechanism.

- The IOD has appraised SE-ED to be excellent level or '5 stars' in Corporate Governance Report of Thai Listed Companies 2015, 2014, 2013, 2012, 2011, 2010, 2009, and 2008 appraisal for 8 consecutive years. The Company is the only company from the publishing business category in the service industry to be evaluated 'excellent' for 8 consecutive years.
- The Company was evaluated by the Securities and Exchange Commission, Thai Listed Companies Association, and Thai Investors Association, in the organization of the Annual General Shareholders Meeting (AGM) 2015 in the '5 TIA' level with the perfect 100 scores for 7 consecutive years (2009-2015). There was a total of 575 listed companies participated in the evaluation 2015.

***SE-ED's profit in 2015 is THB 76.51 million.***

To summarize the operation result in 2015, the Company had net profit of THB 70.88 million for the shareholders, decreased by 17.97% from last year. The factors can be itemized as follows:

- The gross revenue according to the 2015 consolidated financial statement was THB 4,542.57 million, decreased by 8.51% from last year. The gross revenue from the separate financial statement totals THB 4,380.13 million, decreased by 8.93% from last year. The decrease was a result of the declining sales of SE-ED Book Center. The same-store sales revenue decreased by 9.05% from last year.
- Sales and Management expenses decreased by 8.21% because of the following factors:
  - The rental fee and service fee of the Headquarter and branches decreased by 10.21% from termination of the rental contract of the old warehouse located on Kingkaew district. The rental fee and service fee of branches decreased because the lease contract was changed from a fixed term to a percentage of sales.
  - Employees' expenses decreased, aligning with a decreased number of the branches. Despite the fact that the provision for long-term employee benefits increased according to the new financial reporting standards by 42.24%.

- Due to the higher turnover rate of the products, the provision for slow-moving products decreased. The expenses from the provision for deteriorate and slow-moving products decreased by 88.68% thanks to special promotions.
- In addition, the Company had recorded loss from the high variation of exchange rate of GBP currency.
- As a result of getting loans at the end of 2014, the interest increased by 49.15%.

**Table 1 : Operation results of 2015 and 2014**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>2015</b>	<b>2014</b>	<b>Increase (decrease)</b>	<b>%</b>
		<b>(Restated)</b>		
Revenue from sales of goods	4,496.54	4,912.65	416.11	(8.47%)
Cost of sales	2,954.87	3,235.52	280.66	(8.67%)
<b>Gross profit</b>	<b>1,541.67</b>	<b>1,677.13</b>	<b>135.46</b>	<b>(8.08%)</b>
<b>Gross profit margin</b>	<b>34.29%</b>	<b>34.14%</b>		<b>0.15%</b>
<b>EBITDA</b>	<b>257.29</b>	<b>275.37</b>	<b>(18.07)</b>	<b>(6.56%)</b>
Net profit for major shareholders	70.88	86.40	(15.52)	(17.97%)
Net earnings per share (Baht)	0.18	0.22	(0.04)	(18.18%)

Note: EBITDA is earnings before Interest and Tax, plus Depreciation & Amortization.

**Higher margin in 2015** In 2015, gross profit was THB 1,541.67 million, decreased by THB 135.46 million or 8.08% from last year. However, gross profit margin in 2015 was THB 34.29%, increased by 0.15% from last year.

- Gross profit decreased by THB 135.46 million according to the decreased sales of 8.47% from last year. This was the result of the decreased retailing sales of 10.78% affected by the condition of the retailing business and economic slowdowns.
- However gross profit margin in 2015 was 34.29%, increased by 0.15% from last year due to an 11.18% increase of imported products and higher sales of textbooks sold to educational institutions through distribution channel.

**In 2015, cost of sales and services decreased by THB 280.66 million** Cost of sales and services according to consolidated financial statements was THB 2,954.87 million, decreased by THB 280.66 million or 8.67%, which related to the 8.47% decreased sales.

**EBITDA decreased by THB 18.07 million or 6.56%** EBITDA decreased by THB 18.07 million due to a 17.97% decrease of net profit. This was affected by the slowdown in the retail business, especially at the end of the year in Q4/2015, sales decreased by 12.04%. In addition, the Company was affected by adjusting the formula for employees' long term benefits according to new financial reporting standards which was recently enforced in 2015.

**Dividend of 2015 at the rate of THB 0.12 per share** The Company's board meeting had agreed to propose dividend for the operation result in 2015 to the annual general meeting of shareholders for approval. Dividend of 2015 will be paid at the rate of THB 0.12 per share, but not exceeded THB 47.03 million or 391,944,418 shares from net income after tax expenses, according to separate financial statements.

The list of shareholders that are entitled to receive dividend payments will be established on Wednesday 4<sup>th</sup> May 2016. According to Section 225 of the Securities and Exchange Act, the name list of shareholders will be defined by closing the share register book, suspending transfer of shares on Monday 9<sup>th</sup> May 2016. The dividend payment is due on Thursday 19<sup>th</sup> May 2016.

However, at the end of the accounting year 2015, the Company has provided the full allocation to reserve under the laws and regulations of the Company.



**Table 2 : Statement of financial position As of 31th December 2015 and 2014**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>2015</b>	<b>2014</b>	<b>Increase (decrease)</b>	<b>%</b>
		<b>(Restated)</b>		
Current assets	800.93	926.30	(125.36)	(13.53%)
Non-current assets	1,787.90	1,875.48	(87.58)	(4.67%)
<b>Total assets</b>	<b>2,588.84</b>	<b>2,801.78</b>	<b>(212.94)</b>	<b>(7.60%)</b>
Current liability	1,129.76	1,264.13	(134.37)	(10.63%)
Non-current liability	465.45	551.74	(86.30)	(15.64%)
Total liability	1,595.20	1,815.87	(220.67)	(12.15%)
Total shareholder's equity	993.64	985.90	7.73	0.78%
<b>Total liability and shareholder's equity</b>	<b>2,588.84</b>	<b>2,801.78</b>	<b>(212.94)</b>	<b>(7.60%)</b>

**Current assets  
decreased by THB  
125.36 million or  
13.53%**

Current assets decreased by THB 125.36 million as a result of investments decreased by THB 136.87 million or 41.98% from selling investments in order to pay the due long-term loans.

**Non-current assets  
decreased by THB  
87.58 million or 4.67%.**

Non-current assets decreased by THB 87.58 million as a result of leasehold decreased by THB 11.64 million and property, plant, and equipment decreased by THB 76.92 million from depreciation and annual amortization.

**Current liabilities  
decreased by THB  
134.37 million or  
10.63%**

Current liability decreased by THB 134.37 million because of the following factors:

- Trade account payables and other payables decreased by THB 120.41 million, aligning with a decrease of sales and the due settlement for major payables.
- Current portion of long – term loans increased by THB 6.49 million due to loans of subsidiaries.

**Non-current liabilities decreased by THB 86.30 million or 15.64%** Long – term loans, net of current portion decreased by THB 86.30 million because of paying off loans from financial institutions and loans from other persons of subsidiaries.

**Shareholder's equity increased by THB 7.73 million or 0.78%** Shareholder's equity increased by THB 7.73 million from the Company's profit of THB 76.51 million and dividend payoff of THB 70.55 million.

**table 3 : Statement of cash flows of 2015 and 2014**

(Unit : Million Baht)

	Consolidated financial statement			
	2015	2014 (Restated)	Increase (decrease)	%
Cash flows from (used in) operation activities	100.21	53.93	46.28	85.80%
Cash flows from (used in) investing activities	80.81	(425.71)	506.52	118.98%
Cash flows from (used in) financing activities	(151.98)	314.21	(466.19)	(148.37%)
<b>Cash flows increase (decreased)</b>	<b>29.04</b>	<b>(57.57)</b>	<b>86.61</b>	<b>150.45%</b>

**Cash flows from operation activities in 2015 was THB 100.21 million**

- Profit from operation that was cash was THB 277.67 million.
  - Net profit before income tax in 2015 was THB 93.14 million.
  - Adjustments to reconcile profit before tax was THB 184.53 million, including depreciation and amortization of THB 124.17 million, interest expenses of THB 28.34 million, amortization of leasehold on land and buildings of THB 11.64 million, cost from shrinkage of THB 8.85 million, provision for long-term employees' benefits of THB 8.46 million, loss from donation goods and equipment of THB 6.10 million, allowance for doubtful accounts and estimated goods return (reversal) of THB 3.11 million, allowance of shrinkage, depreciation, slow-moving products of THB 2.97 million, loss on equipment depreciation of THB 2.66 million,

loss from stock destruction of THB 2.36 million, adjustment from clearing coupon payable of THB (7.74) million, profit from disposal of current investments of THB (3.05) million and share of profit from investments in associate of THB (1.71) million.

- Cash increased by THB 8.76 million from a decrease of trade receivables and other receivables. Mainly they were from distribution receivable.
- Cash decreased by THB 11.62 million from an increase of inventories of new books through distribution channel. These books were for a new school semester.
- Cash decreased by THB 109.89 million, from a decrease of trade payables, aligning with a decreased sales and unprofitable bookstore closedowns.
- Cash decreased by THB 4.61 million from paying long-term benefits and prestige bonuses to employees.
- Cash decreased by THB 28.37 million from paying interest of long-term loans.
- Cash decreased by THB 34.47 million from income tax deduction of operation result of 2014 and mid-year tax of 2015.

***Cash flows from in investing activities in 2015 was THB 80.81 million.***

- Cash increased by THB 141.62 million from selling current units in mutual fund to pay off the due long-term loans.
- Cash decreased by THB 63.81 million from buying equipment. Mainly they were decoration expenses of the warehouse located on Bang Na-Trad Road km.21, computers, shelves, and so on.

***Cash flows used financing activities in 2015 was THB (151.98) million***

- Dividend payoff from operation result in 2014 was paid in May 2015 in the amount of THB 70.55 million.
- Cash decreased by THB 81.43 million from paying long-term loans.

## Information Certification

“The Company has reviewed this annual Information Disclosure document with caution and certify that the information disclosed herewith is complete, accurate and truthful. I believe that it will not cause any misunderstanding and does not omit any important information that needs to be disclosed.

Moreover, the company also hereby certify that :

1. The Financial Statement and other financial details that are summarized in this annual disclosure form represent complete and accurate information regarding the performance and the cash flow of the Company and its subsidiaries.
2. The Company maintains an effective disclosure system that will assure the Company discloses all true and important information of the Company and its subsidiaries and for ensuring compliance.
3. The Company also maintains an effective internal control system and for ensuring compliance. The Company has have communicated our internal control assessment as of December 31, 2015 to the external auditor and company's audit committee; this assessment included any default, change and misconduct which may affect the reports of the Company and its subsidiaries' financial statements.

Therefore, as evidence that these documents constitute the entire set, The company has authorized Mr. Thanong Chotisorayuth to initial all pages. If it appears that document page(s) do/does not contain Mr. Thanong Chotisorayuth's initials, The Company would regard that such document(s) has/have not been certified that the document is accurate.”

Name	Position	Signature
1. Mr. Thanong Chotisorayuth	Managing Director	_____
2. Mr. Viboolsak Udomvanich	Deputy Managing Director and Company Secretary	_____

Authorized Person	Position	Signature
Mr. Thanong Chotisorayuth	Managing Director	_____

However, the Section 89/20 \*\*\* of the Securities and Exchange Act B.E. 2535 which has been amended resulting in the Securities and Exchange Act (No.4) B.E.2551. It is stipulated that the directors and the executives shall be jointly liable to a person who traded securities of the company for any damages arising from disclosure of information of shareholders or public which contains a false statement or concealing material facts which should have been stated in the financial statement and reports concerning the financial condition and the business operation of the company or any other reports required to be disclosed under Section 56, or Section 199, whereby the liability is not limited specifically to the directors and executives whose signatures validated the correctness of information in the documents. However, if the directors or the executives can prove that, by his position, he could not have been aware of the truthfulness of the information or the lack of information which should have been stated, such person(s) may not be liable to the damages as stated in Section 89/20.

Remark : \*\*\* This is enforced only toward companies under regulation division 3/1 of the Securities and Exchange Act B.E. 2535, which was later amended in the Securities and Exchange Act (No.4) B.E.2551.

Attachment 1: Detail of Directors, Executive, Controller who work as the executive of the company and Company Secretary

**The List of Company's 28 directors and executives  
as of December 31<sup>st</sup>, 2015 are follow :**

**1. Somboon Chinsawananon**

Chairman of the Board of Directors and Chairman of Recruitment and Remuneration Committee.

Independent Director

Age 66 Years

**Date of Appoint**

- 1 Dec. 1991            Director
- 12 May 2005        Chairman of the Board of Directors
- 10 Nov. 2006        Chairman of Recruitment and Remuneration Committee

**Highest Qualification**

- Master of Management (Finance), Kellogg School of Management, Northwestern University, USA.
- B. Eng. In Engineering (Electrical), Chulalongkorn University.

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup>                    188,568 Shares (0.0481%)
- Via Director              188,568 Shares (0.0481%)
- Via Spouse                - None -
- Via Children Underage   - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- May 2005 - present        Chairman of the Board of Directors and Independent Director, SE-EDUCATION Plc.
- Nov. 2006 - present        Chairman of Recruitment and Remuneration Committee, SE-EDUCATION Plc.
- 1995 - 2005                Director and Independent Director, SE-EDUCATION Plc.
- Dec. 2009 - present        Chairman of the Board of Director, Thai Furnishing Fabric Co., Ltd.
- 1980 - present              Director, Thai Furnishing Fabric Co., Ltd.
- 2004 - 2011                A member of the Financial Institutions Policy Committee (FIPC), Bank of Thailand.
- 1995 - 1999                Deputy Managing Director, Kasikorn Bank Plc.



### Director Positions in other business

- In listed Companies
  - None -
- In non - listed Companies
  - 1 company
    - Chairman of Director, Thai Furnishing Fabric Co., Ltd.

## 2. Mr. Saroch Lamlerprasertkul

Chairman of Audit Committee and Vice-Chairman of the Board of Directors.

Independent Director

Age 53 Years

### Date of Appoint

- 22 Dec. 1999      Director
- 22 Dec. 1999      Chairman of Audit Committee
- 27 Feb. 2009      Vice-Chairman of the Board of Directors

### Highest Qualification

- MBA (Accounting), Thammasat University.
- BBA (Accounting), Thammasat University.

### Training Certified (Director Program) IOD

- Director Certification Program (DCP)
- Audit Committee Program (ACP)

### Number of shares (Proportion)

- Total<sup>(1)</sup>                      - None -
- Via Director                      - None -
- Via Spouse                      - None -
- Via Children Underage      - None -
- Via other authority control   - None -

### Relation among family within The Director and Executives

- - None -

### Working Background

- Feb. 2009 - present      Vice - Chairman of the Board of Directors, SE-EDUCATION Plc.
- Dec. 1999 - present      Chairman of Audit Committee and Independent Director, SE-EDUCATION Plc.
- Apr. 2015 - present      Managing Director, BKK All Services Co., Ltd.
- Jan. 2012 - present      Managing Director, C3 BKK Co., Ltd.
- Mar. 2012 - present      Director, Ark Holding Co., Ltd.
- Apr. 2011 - present      Director, Ark Enterprise Co., Ltd.

- 2006 - present                      Managing Director, ACT Management Co., Ltd.
- 2000 - present                      Managing Director, CAS Management Co., Ltd.

#### **Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - 6 companies
    - Managing Director, ACT Management Co., Ltd.
    - Managing Director, CAS Management Co., Ltd.
    - Managing Director, C3 BKK Co., Ltd.
    - Director, Ark Holding Co., Ltd.
    - Director, Ark Enterprise Co., Ltd.
    - Managing Director, BKK All Services Co., Ltd.

### **3. Mr. Pravit Tantiwasinchai**

Director and Audit Committee

Independent Director

Age 59 Years

#### **Date of Appoint**

- 22 Apr. 1999              Director
- 22 Dec. 1999            Audit Committee

#### **Highest Qualification**

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

#### **Training Certified (Director Program) IOD**

- Director Accreditation Program (DAP)

#### **Number of shares (Proportion)**

- Total<sup>(1)</sup>                              - None -
- Via Director                        - None -
- Via Spouse                         - None -
- Via Children Underage        - None -
- Via other authority control   - None -

#### **Relation among family within The Director and Executives**

- - None -

### Working Background

- 1999 - present                      Audit Committee and Independent Director, SE-EDUCATION Plc.
- 2012 - present                      Director, MK Restaurant Group Plc.
- 2012 - present                      Deputy Managing Director of Accounting and Finance Group,  
MK Restaurant Group Plc.
- 2006 - 2012                          Deputy Managing Director of Accounting and Finance Group,  
MK Restaurant Co., Ltd.
- 1994 - 2006                          Accounting & Financial Executive Manager, MK Restaurant Co., Ltd.

### Director Positions in other business

- In listed Companies
  - 1 company
    - Director, MK Restaurant Group Plc.
    - Deputy Managing Director of Accounting and Finance Group, MK Restaurant Plc.
- In non - listed Companies
  - None -

## 4. Mr. Kachen Benjakul

Director and Audit Committee

Independent Director

Age 38 Years

### Date of Appoint

- 28 Jun. 2005                      Director
- 12 Nov. 2009                      Audit Committee

### Highest Qualification

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

### Training Certified (Director Program) IOD

- Director Accreditation Program (DAP)

### Number of shares (Proportion)

- Total<sup>(1)</sup>                              473,231 shares (0.1207%)
- Via Director                        464,640 shares (0.1185%)
- Via Spouse                          8,591 shares (0.0022%)
- Via Children Underage        - None -
- Via other authority control    - None -

### Relation among family within The Director and Executives

- - None -

### Working Background

- Nov. 2009 - present      Audit Committee, SE-EDUCATION Plc.
- 2005 - present          Director and Independent Director, SE-EDUCATION Plc.
- 2008 - present          Consultant for Human Resources, Plearn Patt Co., Ltd.
- 2006 - 2008              Executive Director, Plearn Patt Co., Ltd.
- May 2012 - present      Audit Committee, Project Planning Service Plc.
- 2001 - 2004              Senior Equity Analyst, Government Pension Found (GPF)
- 2000 - 2001              Analyst, Government Pension Found (GPF)

### Director Positions in other business

- In listed Companies
  - 1 company
    - Audit Committee, Project Planning Service Plc.
- In non - listed Companies
  - 1 company
    - Consultant for Human Resources, Plearn Patt Co., Ltd.

## 5. Mr. Vorasit Pokachaiyapat

Director and Recruitment and Remuneration Committee.

Independent Director

Age 52 Years

### Date of Appoint

- 29 May 1998      Director
- 12 Nov. 2006      Recruitment and Remuneration Committee

### Highest Qualification

- M.S. Computer Information Systems, Bentley College, Massachusetts, USA.
- B.S. Managerial Economics and Industrial Management Carnegie-Mellon University, Pennsylvania, USA.

### Training Certified (Director Program) IOD

- Director Certification Program (DCP)

### Number of shares (Proportion)

- Total<sup>(1)</sup>                      - None -
- Via Director                - None -
- Via Spouse                  - None -
- Via Children Underage    - None -
- Via other authority control - None -

### Relation among family within The Director and Executives

- - None -

### Working Background

- May 1998 - present            Director, SE-EDUCATION Plc.
- 2005 - present                Independent Director, SE-EDUCATION Plc.
- Nov. 2006 - present         Recruitment and Remuneration Committee, SE-EDUCATION Plc.
- 1991 - present                Managing Director, Finansa Plc.
- Oct. 2015 - present         Director, M.K. Real Estate Development Plc.
- 2005 - present                Director, Prospect Co., Ltd.
- 2008 - present                Director, Palanamai Ltd.
- 1990 - 1991                  Assistant Manager Director, Chase Manhattan Bank Thailand.

### Director Positions in other business

- In listed Companies
  - 2 companies
    - Managing Director, Finansa Plc.
    - Director, M.K. Real Estate Development Plc.
- In non - listed Companies
  - 2 companies
    - Director, Palanamai Ltd.
    - Director, Prospect Co., Ltd

## 6. Mr. Phairat Sittakul

Director

Non - executive Director.

Age 66 Years

### Date of Appoint

- 17 Oct. 1974            Director

### Highest Qualification

- B. ENG. In Engineering (Electrical), Chulalongkorn University.

### Training Certified (Director Program) IOD

- Director Accreditation Program (DAP)

### Number of shares (Proportion)

- Total<sup>(1)</sup>                        6,364,284 shares (1.6238%)
- Via Director                 2,910,310 shares (0.7425%)
- Via Spouse                    3,453,974 shares (0.8812%)
- Via Children Underage    - None -
- Via other authority control - None -

### Relation among family within The Director and Executives

- - None -

### Working Background

- 1993 - present Director, SE-EDUCATION Plc.
- 1974 - 1993 Director, SE-EDUCATION Co., Ltd.
- 2005 - 2011 Independent Director, SE-EDUCATION Plc.
- May. 2005 - Nov. 2009 Audit Committee, SE-EDUCATION Plc.
- 2008 - Sep. 2010 Assistant Director of operation and maintenance of electricity generator project, Ratchaburi electricity generating Co., Ltd.
- 2002 - 2008 Level 11 Engineer, EGAT.
- 1999 - 2002 Maintenance Service Bureau - Manager, EGAT.
- 1997 - 1999 Engineer - Maintenance Service Bureau - Manager, EGAT.

### Director Positions in other business

- In listed Companies
  - None
- In non - listed Companies
  - None -

## 7. Mr. Wattana Chiengkul

Director Recruitment and Remuneration Committee

Non - executive Director

Age 63 Years

### Date of Appoint

- 10 Oct. 1974 Director
- 10 Nov. 2010 Recruitment and Remuneration Committee

### Highest Qualification

- B. Eng. In Engineering (Electrical), Chulalongkorn University.

### Training Certified (Director Program) IOD

- Director Accreditation Program (DAP)

### Number of shares (Proportion)

- Total<sup>(1)</sup> 4,983,133 shares (1.2714%)
- Via Director 4,983,133 shares (1.2714%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

### Relation among family within The Director and Executives

- - None -

### Working Background

- Nov. 2010 - present Recruitment and Remuneration Committee, SE-EDUCATION Plc.
- 1993 - present Director, SE-EDUCATION Plc.
- 2005 - Apr. 2010 Independent Director, SE-EDUCATION Plc.
- 1974 - 1993 Director, SE-EDUCATION Co., Ltd.
- 2002 - present Principal Consultant Physical Asset Management Consulting, Productivity Associates Co., Ltd.
- 1997 - 2002 Maintenance Business Development and Maintenance Engineering Manager, ABB Co., Ltd.

### Director Positions in other business

- In listed Companies
  - None -
- In non - listed Companies
  - 1 company
    - Principal Consultant Physical Asset Management, Productivity Associates Co., Ltd.

## 8. Assoc. Prof. Yuen Poovarawan

Director

Non - executive Director and Authorized Director

Age 65 Years

### Date of Appointment

- 10 Oct. 1974 Director

### Highest Qualification

- M. Eng. in Industrial Engineering and Management, Asian Institute of Technology (AIT).
- M. Eng. in Engineering (Electrical), Chulalongkorn University.
- B. Eng. In Engineering (Electrical), Chulalongkorn University.

### Training Certified (Director Program) IOD

- - None -

### Number of shares (Proportion)

- Total<sup>(1)</sup> 2,924,224 shares (0.7461%)
- Via Director 1,843,538 shares (0.4704%)
- Via Spouse 1,080,686 shares (0.2757%)
- Via Children Underage - None -
- Via other authority control - None -



**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 1993 - present Director, SE-EDUCATION Plc.
- 1974 - 1993 Director, SE-EDUCATION Co., Ltd.
- 2003 - present Consultant, Plearnpattana School, Plearnpatt Co., Ltd.
- 2011 - present Special Expert, Kasetsart University.
- 2002 - 2011 Vice - President for Information Technology, Kasetsart University.
- 1991 - 2000 Director, Office of University Computer Services, Kasetsart University.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**9. Mr. Wutthiphum Jurangkool**

Director

Non - executive Director

Age 36 Years

**Date of Appoint**

- 26 Feb. 2015 Director

**Highest Qualification**

- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University

**Training Certified (Director Program) IOD**

- Director Certification Program (DCP) 148/2011
- Finance for Director (FFD) 12/2011

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 49,550,512 shares (12.6422%)
- Via Director 49,550,512 shares (12.6422%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

### Working Background

- Feb. 2015 - Present Director, SE-EDUCATION Plc.
- Nov. 2015 - Present Director and Authorized signatory / Aspiration One Co., Ltd.
- Dec. 2014 - Present Director and Authorized signatory / AIRA & AIFUL Plc.
- Dec. 2013 - Present Director and Authorized signatory / AIRA Capital Plc.
- Feb. 2013 - Present Director and Authorized signatory / Summit Keylex (Thailand) Co., Ltd.
- Mar. 2012 - Present Director, Executive Director and Authorized signatory / AIRA Factoring Plc.
- Jan. 2002 - Present Directors Procurement of the 6 companies.
  - Summit auto body industry co., ltd.
  - Summit auto body industry co., ltd. (Plant 2)
  - Summit laemchabang auto body work co., ltd.
  - Summit laemchabang auto body work co., ltd. (Rayong Branch)
  - Summit auto tech industry co., ltd.
  - Thai auto Industry co., ltd.
  - Summit R & D Center co., ltd.
  - Summit advanced materials co., ltd

### Director Positions in other business

- In listed Companies
  - 2 Companies
    - Director and Authorized signatory, AIRA Capital Plc. / Business Finance
    - Director Executive Director and Authorized signatory, AIRA Factoring Plc. / Business Finance
- In non - listed Companies
  - 8 companies
    - Summit auto body industry co., ltd. / Automotive Part
    - Summit auto body industry co., ltd. (Plant 2) / Automotive Part
    - Summit laemchabang auto body work co., ltd. / Automotive Part
    - Summit laemchabang auto body work co., ltd. (Rayong Branch) / Automotive Part
    - Summit auto tech industry co., ltd. / Automotive Part
    - Thai auto Industry co., ltd. / Automotive Part
    - Summit R & D Center co., ltd. / Automotive Part
    - Summit advanced materials co., ltd.
    - Aspiration One Co., Ltd.
    - Summit Keylex (Thailand) Co., Ltd.



## 11. Mr. Thanong Chotisorayuth

Director and Managing Director

Executive Director and Authorized Director

Age 62 Years

### Date of Appoint

- 17 Oct. 1974      Director
- A.D. 1987        Managing Director

### Highest Qualification

- Honorary Doctorate in Business Administration, National Institute of Development Administration.
- Master of Education in Educational Administration, Chulalongkorn University.
- Bachelor Degree in Engineering (Electrical), Chulalongkorn University.

### Training Certified (Director Program) IOD

- Director Certification Program (DCP)

### Training Certified (Other institutions)

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

### Number of shares (Proportion)

- Total<sup>(1)</sup>                      12,142,247 shares (3.0980%)
- Via Director                9,818,122 shares (2.5050%)
- Via Spouse                  2,324,125 shares (0.5930%)
- Via Children Underage    - None -
- Via other authority control - None -

### Relation among family within The Director and Executives

- Mrs. Montalee Chotisorayuth's Husband.

### Working Background

- 1993 - present              Director, SE-EDUCATION Plc.
- 1987 - present              Managing Director, SE-EDUCATION Plc.
- 1974 - 1993                 Director, SE-EDUCATION Co., Ltd.
- 1985 - 1987                 Director and Deputy Managing Director Marketing-Science, SE-EDUCATION Plc.
- 2013 - present              Director, BaesLab Co., Ltd.
- 2001 - present              Director, SE-ED Book Center Co., Ltd.
- 2010 - present              Director of Plearnpattana School, Plearn Patt Co., Ltd.
- 2006 - present              Chairman of Executive Directors of Plearnpattana School, Plearn Patt Co., Ltd.

- 2003 - 2006 Director and Executive Director, Plearn Patt Co., Ltd.
- 1984 - present Director, M&E Co., Ltd.
- 2012 - present Director, MK Restaurant Group Plc.

#### **Director Positions in other business**

- In listed Companies
  - 1 company
    - Director, MK Restaurant Group Plc.
- In non - listed Companies
  - 4 companies
    - Director, SE-ED Book Center Co., Ltd.
    - Chairman of Executive Directors of Plearnpattana School, Plearn Patt Co., Ltd.
    - Director, M&E Co., Ltd.
    - Director, Baeslab Co., Ltd.

#### **12. Mr. Viboolsak Udomvanich**

Director, Deputy Managing Director and Company Secretary.

Executive Director and Authorized Director.

Age 61 Years

#### **Date of Appoint**

- 1 Dec. 1976 Director
- 1 Dec. 1976 Deputy Managing Director
- 3 Nov. 2007 Company Secretary

#### **Highest Qualification**

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

#### **Training Certified (Director Program) IOD**

- Director Accreditation Program (DAP)

#### **Training Certified (Other institutions)**

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

#### **Number of shares (Proportion)**

- Total<sup>(1)</sup> 842,258 shares (0.2149%)
- Via Director - None -
- Via Spouse 842,258 shares (0.2149%)
- Via Children Underage - None -
- Via other authority control - None -

#### **Relation among family within The Director and Executives**

- - None -

### Working Background

- 2007 - present                      Company Secretary, SE-EDUCATION Plc.
- 1993 - present                      Director, Deputy Managing Director, SE-EDUCATION Plc.
- 2003 - 2012                          Acting Assistant Managing Director of Publishing Division, SE-EDUCATION Plc.
- 1985 - 1987                          Director and Deputy Managing Director - Production, SE-EDUCATION Co., Ltd.
- 2013 - present                      Director, BaesLab Co., Ltd.
- 2003 - present                      Executive Director, Plearn Patt Co., Ltd.
- 2001 - present                      Director, SE-ED Book Center Co., Ltd.
- 3 Apr. - present                      Director, U.P.ONE Co., Ltd.
- 1992 - 2015                          Director, Unity Binding Center Co., Ltd.
- 1990 - 2014                          Director, Unity Graphics Co., Ltd.

### Director Positions in other business

- In listed Companies
  - None -
- In non - listed Companies
  - 4 companies
    - Director, SE-ED Book Center Co., Ltd.
    - Executive Director, Plearn Patt Co., Ltd.
    - Director, BaesLab Co., Ltd.
    - Director, U.P.ONE Co., Ltd.

### 13. Mrs. Montalee Chotisorayuth

Assistant Managing Director SE-ED Book Center

Age 57 Years

#### Highest Qualification

- B.S. (Education), Srinakarinwirot University

#### Training Certified (Director Program) IOD

- - None -

#### Number of shares (Proportion)

- Total<sup>(1)</sup>                              12,132,247 shares (3.0980%)
- Via Executive                      2,314,125 shares (0.5930%)
- Via Spouse                          9,818,122 shares (2.5050%)
- Via Children Underage        - None -
- Via other authority control    - None -

### Relation among family within The Director and Executives

- Mr. Thanong Chotisorayuth's wife

### Working Background

- 1996 - present                      Assistant Managing Director SE-ED Book Center, SE-EDUCATION Plc.
- 2014 - present                      Director of Strategic information Administration, SE-EDUCATION Plc.
- 1993 - present                      Director of SE-ED Book Center, SE-EDUCATION Plc.
- 2015 - present                      Director, SE-ED Book Center Co., Ltd.
- 2013 - present                      Director, BaesLab Co., Ltd.
- 1992 - 1993                          Consulting SE-ED Book Center, SE-EDUCATION Co., Ltd.
- 1993 - 1998                          Executive Editor - Education Book & Treatise Book, SE-EDUCATION Plc.
- 1984 - 1993                          Executive Editor - Editor Book, SE-EDUCATION Plc.
- 1981 - 1984                          Assistant Executive Editor - Education book, SE-EDUCATION Co., Ltd.

### Director Positions in other business

- In listed Companies
  - None -
- In non - listed Companies
  - 2 companies
    - Director, BaesLab Co., Ltd.
    - Director, SE-ED Book Center Co., Ltd.

## 14. Mrs. Karnchana Charoenwong

Assistant Managing Director Sales And Distribution

Age 58 Years

### Highest Qualification

- B.S. (Accounting), Kasetsart University

### Training Certified (Director Program) IOD

- - None -

### Number of shares (Proportion)

- Total<sup>(1)</sup>                                - None -
- Via Executive                        - None -
- Via Spouse                            - None -
- Via Children Underage            - None -
- Via other authority control       - None -

### Relation among family within The Director and Executives

- - None -



### Working Background

- 1998 - present Assistant Managing Director Sale and Distribution, SE-EDUCATION Plc.
- 1991 - 1995 Assistant Managing Director, SE-EDUCATION Plc.
- 1981 - 1991 Accounting and Financing Manager, SE-EDUCATION Plc.
- 2001 - present Director and Authorized Director to sign for bind the Company, Chakaj Co., Ltd.

### Director Positions in other business

- In listed Companies
  - None -
- In non - listed Companies
  - 1 company
    - Director, Chakaj Co., Ltd.

### 15. Mrs. Nuchanart Kongvisaisuk

Assisting Managing Director Magazine

Age 61 Years

#### Highest Qualification

- BBA. (Marketing), Ramkhamhaeng University

#### Training Certified (Director Program) IOD

- - None -

#### Number of shares (Proportion)

- Total<sup>(1)</sup> 1,000,088 shares (0.2552%)
- Via Executive 1,000,088 shares (0.2552%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

#### Relation among family within The Director and Executives

- - None -

### Working Background

- 2001 - present Assistant Managing Director - Magazines Group, SE-EDUCATION Plc.
- 2014 - present Director of Magazine Publishing, SE-EDUCATION Plc.
- 2013 - present Director, BaesLab Co., Ltd.
- 1999 - 2000 Director of Electronics and Industrial Magazine Group, SE-EDUCATION Plc.
- 1979 - 1999 Advertising Manager of Electronics Magazine Group, SE-EDUCATION Plc.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - 1 company
    - Director, BaesLab Co., Ltd.

**16. Ms. Sajipat Pumpuengput**

Director of Finance Division

Age 52 Years

**Highest Qualification**

- BBA. (Management), Sukhothai Tammatirat University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> - None -
- Via Executive - None -
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2004 - present Director of Financial Division, SE-EDUCATION Plc.
- 1991 - 2003 Financial Manager, SE-EDUCATION Plc.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**17. Ms. Aree Sae-ung**

Director of Accounting Division

Age 44 Years

**Highest Qualification**

- Certified Accounting Auditor, No. 5386

- MBA, Burapha University
- Bachelor Certificate (Audit), Thammasat University
- BBA (Accounting), Rajamangala Institute of Technology

#### **Training Certified (Director Program) IOD**

- - None -

#### **Number of shares (Proportion)**

- Total<sup>(1)</sup> - None -
- Via Executive - None -
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

#### **Relation among family within The Director and Executives**

- - None -

#### **Working Background**

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

#### **Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

#### **18. Wiroj Lackanaadisorn, Ph.D.**<sup>(2)</sup>

Director of HR & Organization Development Division.

Age 38 Years

#### **Highest Qualification**

- Doctor of Philosophy (Economics), School of Development Economics, Nation Institute of Development Administration. (International Program)
- Master of Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University.
- Bachelor of Engineering, Automotive Engineering, Faculty of Engineering, Chulalongkorn University.

#### **Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 726 shares (0.0002%)
- Via Executive 726 shares (0.0002%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2013 - present Director of SE-ED Learning Center, SE-EDUCATION Plc.
- 2003 - present Director of HR & Organization Development Division.
- 2013 - present Director, BaesLab Co., Ltd.
- 2000 - 2003 Consultant, Novo Quality services (Thailand) Co., Ltd.
- 1998 - 2000 QA. Engineering, Isuzu motor (Thailand) Co., Ltd.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - 1 company
    - Director, BaesLab Co., Ltd.

**19. Mr. Apichit Suananuntapoom<sup>(2)</sup>**

Director of Logistic Division

Age 36 Years

**Highest Qualification**

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

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 55,555 shares (0.0142%)
- Via Executive 55,555 shares (0.0142%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2004 - present Director of Logistic Division, SE-EDUCATION Plc.
- 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.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**20. Meechoke Thongsawai, Ph.D.** <sup>(2)</sup>

Director of Academic Consulting and International Business

Age 45 Years

**Highest Qualification**

- Doctor of Philosophy Degree field of study Educational Communications and Technology, Faculty of Education, Chulalongkorn University.
- Master of Business Administration, Assumption University.
- Bachelor of Business Administration, Assumption University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 121,000 shares (0.0309%)
- Via Executive 121,000 shares (0.0309%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2011 - present Director of Academic Consulting and International Business, SE-EDUCATION Plc.
- 2001 - 2011 Foreign Books Division Manager, SE-ED Book Center, SE-EDUCATION Plc.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**21. Ms. Daungjai Jeenanurugk<sup>(2)</sup>**

Director of Sales and Distribution Division

Age 47 Years

**Highest Qualification**

- Master of Economics (Business Economics) Kasetsart University, Si Racha Campus
- BBA (Accounting), Ramkhamhaeng University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 432 sharers (0.0001%)
- Via Executive 432 shares (0.0001%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2011 - present Director of Sales and Distribution Division, SE-EDUCATION Plc.
- 1999 - 2011 Distribution Division Manager, SE-EDUCATION Plc.
- 1996 - 1998 Sales and Distribution Manager, Nation Multimedia Group Plc.
- 1993 - 1996 Shop Manager, McThai Co., Ltd.
- 1991 - 1993 Accountant, Loxley Aluminum and Engineering Co., Ltd

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**22. Ms. Sarida Sarajan**<sup>(2)</sup>

Executive Editor, Text Books Division

Age 55 Years

**Highest Qualification**

- Master of Business Administration, Ramkhamhang University
- Bachelor of Arts (Political Science), Ramkhamhaeng University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> - None -
- Via Executive - None -
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2005 - present Executive Editor, Text Books Division, SE-EDUCATION Plc.
- 1999 - 2005 Managing Editor, Text Books Division, SE-EDUCATION Plc.
- 1992 - 1999 Deputy Managing Editor, Text Books Division, SE-EDUCATION Plc.
- 1983 - 1992 Assistant Managing Editor, Text Books Division, SE-EDUCATION Plc.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**23. Mrs. Kanit Promsen**<sup>(2)</sup>

Executive Editor, General Book Division

Age 48 Years

**Highest Qualification**

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Science, Plant Pathology, Chiang Mai University

**Training Certified (Director Program) IOD**

- - None -



**Number of shares (Proportion)**

- Total<sup>(1)</sup> 47,166 หุ้น (0.0120%)
- Via Executive 47,166 หุ้น (0.0120%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2005 - present Executive Editor, General Books Division, SE-EDUCATION Plc.
- 1992 - 2005 Assistant Editor and Managing Editor, General Books Division, SE-EDUCATION Plc.
- 1991 - 1992 Office Administrator, PAC RIM GROUP
- 1990 - 1991 Cultural Orientation Teacher, The American Consortium

**Director Positions in other business**

- In listed Companies  
- None -
- In non - listed Companies  
- None -

**24. Ms. Phitsamai Chairat<sup>(2)</sup>**

Assistant Director in Management and Operations, SE-ED Book Center

Age 47 Years

**Highest Qualification**

- Bachelor of Arts, ChiangMai University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 54,960 shares (0.0140%)
- Via Executive 54,960 shares (0.0140%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

### Working Background

- 2011 - present                      Assistant Director in Management and Operations, SE-ED Book Center  
SE-EDUCATION Plc.
- 1996 - 2011                        Operations Manager of SE-ED Book Center, SE-EDUCATION Plc.
- 1992 - 1995                        Store Assistant Manager SE-ED Book Center, SE-EDUCATION Plc.

### Director Positions in other business

- In listed Companies  
- None -
- In non - listed Companies  
- None -

## 25. Mrs. Srinuan Konsila<sup>(2)</sup>

Assistant Director in Marketing and Products, SE-ED Book Center

Age 45 Years

### Highest Qualification

- Bachelor of Arts, Chiang Mai University

### Training Certified (Director Program) IOD

- - None -

### Number of shares (Proportion)

- Total<sup>(1)</sup>                                395,548 shares (0.1009%)
- Via Executive                        395,548 shares (0.1009%)
- Via Spouse                            - None -
- Via Children Underage            - None -
- Via other authority control       - None -

### Relation among family within The Director and Executives

- - None -

### Working Background

- 2012 - present                      Assistant Director in Marketing and Products SE-ED Book Center,  
SE-EDUCATION Plc.
- 1996 - present                        Manager of Marketing Department, SE-ED Book Center, SE-EDUCATION Plc.
- 1994 - 1995                        Store Manager, SE-ED Book Center, SE-EDUCATION Plc.

### Director Positions in other business

- In listed Companies  
- None -
- In non - listed Companies  
- None -

**26. Ms. Sodsaros Hongron<sup>(2)</sup>**

Assistant Director in Purchasing and E-Commerce, SE-ED Book Center

Age 43 Years

**Highest Qualification**

- Master of Business Administration, National Institute of Development Administration
- Bachelor of Arts, Chiang Mai University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 57,112 shares (0.0146%)
- Via Executive 57,112 shares (0.0146%)
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2012 - present Assistant Director in Purchasing and e-Commerce, SE-ED Book Center, SE-EDUCATION Plc.
- 2006 - 2011 Manager of Purchasing and e-Commerce Department, SE-ED Book Center, SE-EDUCATION Plc.
- 1997 - 2006 Manager of Purchasing Department, SE-ED Book Center, SE-EDUCATION Plc.
- 1994 - 1997 Store Manager, SE-ED Book Center, SE-EDUCATION Plc.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**27. Mr. Chonlavit lamraksakiat<sup>(2)</sup>**

Assistant Director in Strategy Analysis and Business Improvement, SE-ED Book Center

Age 38 Years

**Highest Qualification**

- Master of Science, Applied Statistics, National Institute of Development Administration
- Bachelor of Engineering, Mechanical Engineering, Chulalongkorn University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> - None -
- Via Executive - None -
- Via Spouse - None -
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- 2012 - present Assistant Director in Strategy Analysis and Business Improvement, SE-ED Book Center, SE-EDUCATION Plc.
- 2012 - 2013 Manager of Internal Audit and Investor Relations Department, SE-EDUCATION Plc.
- 2010 - 2012 Manager of Internal Audit and Business Efficiency Development, SE-EDUCATION Plc.
- 2007 - 2010 Project Manager, Business Productivity Development, SE-ED Book Center, SE-EDUCATION Plc.

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

**28. Ms. Wipasiri Phoorithewet**

Assistant Director in HR and Administration, SE-ED Book Center

Age 46 Years

**Highest Qualification**

- Bachelor of Arts, Chiang Mai University

**Training Certified (Director Program) IOD**

- - None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 283,672 shares (0.0400%)
- Via Executive 156,695 shares (0.0724%)
- Via Spouse 126,977 shares (0.0324%)
- Via Children Underage - None -
- Via other authority control - None -

**Relation among family within The Director and Executives**

- - None -

**Working Background**

- Apr. 2015 - present Assistant Director in HR and Administration, SE-ED Book Center
- Jun. 1992 - Mar. 2015 Personel Manager of SE-ED Book Center Department

**Director Positions in other business**

- In listed Companies
  - None -
- In non - listed Companies
  - None -

- Remarks** <sup>(1)</sup> 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.
- <sup>(2)</sup> Not the executive managers defined by SEC's announcement.

Attachment 1: Detail of Directors, Executive, Controller who work as the executive of the company and Company Secretary

**The list of the Company's 28 directors and executives as of December 31<sup>st</sup>, 2015 as follows:**

Name	SE-ED	SE-ED Book Center	Plearn Patt	BaesLab	M&E
1. Mr. Somboon Chinsawananon	A J				
2. Mr. Saroch Lamlertprasertkul	B C K				
3. Mr. Pravitt Tantiwasinchai	C D				
4. Mr. Kachen Benjakul	C D		M		
5. Mr. Vorasit Pokachaiyapat	C H				
6. Mr. Phairat Sittakul	C				
7. Mr. Wattana Chiengkul	C H				
8. Assoc. Prof. Yuen Poovarawan	C		M		
9. Mr. Wutthiphum Jurangkool	C				
10. Mr. Worapote Chutchaikulsiri	C				
11. Mr. Thanong Chotisrayuth	C F G	A	C F L	A	C
12. Mr. Viboolsak Udomvanich	C F G I	C	F	C	
13. Mrs. Montalee Chotisrayuth	G			C	
14. Mrs. Karnchana Charoenwong	G				
15. Mrs. Nuchanart Kongvisaisuk	G			C	
16. Ms. Sajipat Pumpuengput	G				
17. Ms. Aree Sae-Ung	G				
18. Wiroj Lackanaadisorn,Ph.D.	E			C	
19. Mr. Apichit Suananuntapoom	E				
20. Meechoke Thongsawai,Ph.D.	E				
21. Ms. Daungjai Jeenanurugk	E				
22. Ms. Sarida Sarajan	E				
23. Mrs. Kanit Promsen	E				
24. Ms. Phitsamai Chairat	E				
25. Mrs. Srinuan Konsila	E				
26. Ms. Sodsaros Hongron	E				
27. Mr. Chonlavitt Iamraksakiat	E				
28. Ms. Wipasiri Phoorithewet	E				

Remarks    **A** = Chairman of the Board    **B** = Chairman of Audit Committee  
**C** = Director    **D** = Audit Committee    **E** = Executive  
**F** = Management director    **G** = The executives as in the definition of SEC announcement  
**H** = The Recruitment and Remuneration Committee    **I** = Company Secretary  
**J** = Chairman of recruitment and remuneration committees  
**K** = Vice-Chairman of the Board of Directors  
**L** = Chairman of the Board of Director, Plearn Patt Co., Ltd.    **M** = Consultant



## Attachment 2: Detail of Sub-company's Directors

**Detail of Sub-company's Directors**

Name	Related with SE-ED	SE-ED Book Center	Plearn Patt	BaesLab
1. Mr. Thanong Chotisorayut	Managing Director Authorized signing Director	B	B C	B
2. Mr. Viboolsak Udomvanich	Director, Deputy Managing Director and Company Secretary Authorized Director	B	C	B
3. Mrs. Nuchanart Kongvisaisuk	Executive			B
4. Mrs. Montalee Chotisorayuth	Executive	B		B
5. Mr. ViLoon Sriborirak				B
6. Wiroj Lackanaadisorn,Ph.D.	Executive			B
7. Mr. Suthipong Phanitpojamarn				B
8. Mrs. Jitra Jantrakul				B
9. Mrs. Supavadee Harnmetee			A	
10. Ms. Krongthong Boonprakong			B	
11. Mr. Silawat Susilvorn			B C	
12. Mrs. Veena Wongwaivit			B C	

**Remarks:**    **A** = Chairman of Board        **B** = Director        **C** = Executive Director

## 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 as the Committee Chairman; Mr. Pravit Tantiwasinchai, and Mr. Kachen Benjakul as the Committee members and Mr. Wichian Rungpoonsap as the secretary to the Audit Committee. Each member in the Committee possesses the qualifications required by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2015, the Audit committee held 6 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, they were well-informed and acknowledged the issues discussed in the meeting.

Audit Committee has performed the duty independently, within a certain authority and capacity limit, required by the Charter of Audit Committees, and assigned by the Board of Directors with the cooperation of all parties involved. The Audit committee understands the significance of internal audit, risk management, good corporate governance to ensure sufficient internal control, adequate and acceptable level of risk management, proper supervision, as well as proper and trustworthy financial report. The Audit Committee had a discussion with the board of management, top executives, internal auditors and auditors every quarter. The works of the Committee in the year 2015 can be summarized as follow:

**1. Review annual financial report for year 2015 :** The Audit committee has reviewed financial statements on a quarterly basis and annual financial reports for the year 2015 of the Company and its subsidiary prior to submitting the document This includes a proper, timely release of financial information, through cooperative meeting among accounting audit, management, accounting department, and internal audit department in considering the consolidated financial statement on quarterly basis and annual financial report to enquire upon complete, correct 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 auditors that the Company's financial statement is in accordance with General Accepted Accounting Principles and has disclosed the information accurately and adequately.

**2. Supervision of Good Corporate Governance :** The Audit Committee realized the importance of good governance and reviewed the good governance policy of the Company annually. The Committee also encouraged executives and employees to adopt the principle of good governance until it became

the culture of the organization. The business is operated on the moral value, transparency and social responsibility. As a result the Company was evaluated excellent in Corporate Good Governance for 8 consecutive years (2008 - 2015) by Institution of Directors (IOD). The Company also received SET Social Enterprise Investment Awards from The Stock Exchange of Thailand in SET Sustainability Awards 2015. This award is for the registered companies that prominently supported social enterprise and to encourage the companies and employees that had the intention of sustainably conduct business by using the business management as the key mechanism.

**3. Review of risk management :** In overseeing the risk management, the Committee continued to ensure that the Company and its subsidiary's risk was at an acceptable level. The Committee reviewed the Company's risk management plan 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 :** The Audit Committee had reviewed to 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 other related Government supervision agencies.

**5. Review and provide opinions toward related items and items that may post a 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 The Securities Exchange of Thailand, and the items are ordinary items that are appropriate and beneficial to the Company.

**6. Review of internal audit control assessment and internal audit :** The Committee had reviewed the Company's internal audit control to ensure that it is properly conducted and sufficiently effective for the usage of resources and business operation. The Audit Committee was reported the operation of the internal audit department in every quarter and gave advice for improvement as well as following up on the areas that need to be developed. The Audit Committee reviewed the audit plan of 2016 and realized there could be risks affected the operation and financial status of the Company. The Committee also emphasized the internal audit as a mean to enhance the business performance, increase revenues and decrease operation cost.

**7. Select and submit for appointment of auditor :** The Audit Committee performed the selection of the auditor. The Committee took into consideration the auditor's state of independence, knowledge, ability, auditing experience, auditing staff and appropriate compensation rate to be presented to the Board of Directors for the request of final approval during the Shareholders' meeting - number

1/2016, dated 24 February 2016 - by which date the decision was made with regard to the appointment of the Accounting auditor. The Accounting Audit was granted to the EY Office Limited Co., Ltd. for the year 2016.

The Audit Committee had performed the required duties in accordance with regulations stipulated by authority. Their performance was careful and sufficiently independent. They received good corporations from the management team, employees and all related parties. The Audit Committee agreed that the Company's directors, managing directors and all employees emphasized on operating effectively, productively, transparently, and reliably under the principle of good corporate governance to provide confidence for shareholders, investors and all related parties.

(Mr. Saroch Lamlertprasertkul)  
Chairman of the Audit Committee  
March 18, 2016

## 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. Wattana Chiengkul a non-executive board member. In 2015, 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 2015, the recruitment and remuneration committee presented the re-appointment of the Board of Directors and Audit Committee retiring to the consideration of the board of directors. Moreover, the committee provided a channel for minority shareholders to submit names of qualified persons for directorship to 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 the meeting after every meeting to the Board of Directors. In 2015, 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 18, 2016

## Attachment 5 : Details of head of the internal audit department

Name - Surname	Age (Years)	Highest Qualification	Relation among family within the Director and Executive	Working Background		
				Period	Position	Name of Organization / Business Name
Mr. Wichian Rungpoonsap	42	BBA (Finance), Ramkhamhaeng University	-	Aug. 2013 - present	Manager of Internal Audit and Investor Relations Department	SE-EDUCATION Plc.
				Dec. 2013 - present	Audit Committee Secretary	SE-EDUCATION Plc.
				Dec. 2546 - Aug. 2013	Area Manager, SE-ED Book Center	SE-EDUCATION Plc.
				Apr. 2000 - Dec. 2003	Assistant Store Manager, SE-ED Book Center	SE-EDUCATION Plc.





ที่ สจ.5000807

กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

## หนังสือรับรอง

ขอรับรองว่าบริษัทนี้ ได้จดทะเบียน เป็นนิติบุคคลตามกฎหมายว่าด้วยบริษัทมหาชนจำกัด เมื่อวันที่ 29 เมษายน 2536 ทะเบียนเลขที่ 0107536000285 (เดิมเลขที่ บมจ.102) ปรากฏข้อความในรายการตามเอกสารทะเบียน ณ วันออกหนังสือนี้ ดังนี้

1. ชื่อบริษัท บริษัท ซีเอ็ดดูเคชั่น จำกัด (มหาชน)
2. กรรมการของบริษัทมี 12 คน ตามรายชื่อดังต่อไปนี้
 

1. นายทอง โชติสรยุทธ	2. นายวิบูลย์ศักดิ์ อุดมวนิช
3. นายสมบูรณ์ ชินสวนานนท์	4. นายยีน ภูววรรณ
5. นายวัฒนา เชียงกุล	6. นายไพรัช สิทธิกุล
7. นายประวิทย์ ต้นดิวงษ์ชัย	8. นายวรสิทธิ์ โภคาชัยพัฒน์
9. นายสาโรช ล้ำเลิศประเสริฐกุล	10. นายคเชนทร์ เบญจกุล
11. นายวุฒิภูมิ จุฬางกูร	12. นายวรพจน์ ฉัตรชัยกุลศิริ/
3. ชื่อและจำนวนกรรมการซึ่งมีอำนาจลงลายมือชื่อแทนบริษัทคือ นายทอง โชติสรยุทธ

นายวิบูลย์ศักดิ์ อุดมวนิช นายยีน ภูววรรณ กรรมการสองในสามคนนี้ลงลายมือชื่อร่วมกันและประทับตราสำคัญของบริษัทด้วย  
ข้อจำกัดอำนาจของกรรมการ ไม่มี/

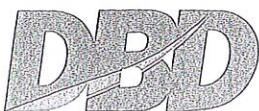
- 4.ทุนจดทะเบียน 391,944,529.00 บาท  
(สามร้อยเก้าสิบล้านเก้าแสนสี่หมื่นสี่พันห้าร้อยยี่สิบเก้าบาทถ้วน)  
ทุนชำระแล้วเป็นเงิน 391,944,418.00 บาท  
(สามร้อยเก้าสิบล้านเก้าแสนสี่หมื่นสี่พันสี่ร้อยสิบแปดบาทถ้วน)

5. สำนักงานแห่งใหญ่ ตั้งอยู่เลขที่ 1858/87-90 ถนนบางนา-ตราด แขวงบางนา เขตบางนา กรุงเทพมหานคร/

6. วัตถุประสงค์ของบริษัทมหาชน จำกัดมี 78 ข้อ ดังปรากฏในสำเนาเอกสารแนบท้ายหนังสือรับรองนี้ จำนวน 11 แผ่น โดยมีลายมือชื่อนายทะเบียนซึ่งรับรองเอกสารและประทับตรากรมพัฒนาธุรกิจการค้าเป็นสำคัญ



รับรองสำเนาถูกต้องเพื่อนำไปใช้.....  
 FORM 56-1, SE-E EDUCATION PIC.  
 วันที่...../...../.....



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์  
Department of Business Development  
Ministry of Commerce

“จัดเนจลึ โฟร์งใส ใสใจบริการ”  
Creative Services  
สายด่วน 1570 www.dbd.go.th



ที่ สจ.5000807



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

## หนังสือรับรอง

ออกให้ ณ วันที่ 9 เดือน มีนาคม พ.ศ. 2559

(นางสาววิภาวดี ศรีนครสร้อย)  
นายทะเบียน

คำเตือน : ผู้ใช้ควรตรวจสอบข้อควรทราบท้ายหนังสือรับรองฉบับนี้ทุกครั้ง

ข้อควรทราบ ประกอบด้วยหนังสือรับรอง ฉบับที่ สจ.5000807

1. กรณีที่เป็นบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทย กรรมการและผู้บริหารจะต้องมีคุณสมบัติ และไม่มีลักษณะต้องห้ามตามพระราชบัญญัติหลักทรัพย์และตลาดหลักทรัพย์ พ.ศ.2535 โปรดตรวจสอบ รายละเอียดที่สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์
2. บริษัทนี้เดิมชื่อ บริษัท ซีเอ็ดดูเคชั่น จำกัด ทะเบียนเลขที่ 0105517011526 ได้จดทะเบียนแปรสภาพเป็นบริษัทมหาชนจำกัด เมื่อวันที่ 29 เมษายน 2536/
3. นิติบุคคลนี้ได้ส่งงบการเงินปี 2557
4. หนังสือนี้รับรองเฉพาะข้อความที่ห้าง/บริษัทได้นำมาจดทะเบียนไว้เพื่อผลทางกฎหมายเท่านั้น ข้อเท็จจริงเป็นสิ่งที่ควรหาไว้พิจารณาฐานะ
5. นายทะเบียนอาจเพิกถอนการจดทะเบียน ถ้าปรากฏว่าข้อความอันเป็นสาระสำคัญที่จดทะเบียน ไม่ถูกต้อง หรือเป็นเท็จ

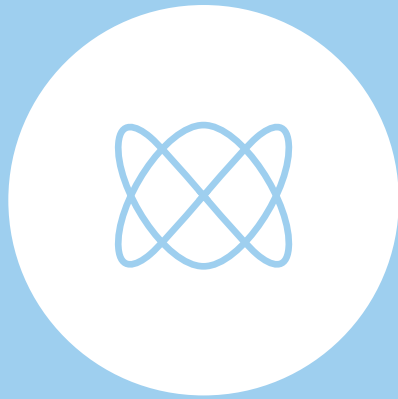


รับรองสำเนาถูกต้องเพื่อนำไปใช้.....
FORM 56-1, SE-EDUCATION PIC.
.....
ลงนามผู้มีอำนาจ.....
วันที่...../...../.....



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์  
Department of Business Development  
Ministry of Commerce

"จัดเต็ม โปร่งใส ใส่ใจบริการ"  
Creative Services  
สายด่วน 1570 www.dbd.go.th



**SE-ED**