

Form 56-1



**SE-ED**

# Annual Registration Statement 2018



**SE-EDUCATION PUBLIC COMPANY LIMITED**

# 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 **Science, Engineering and Education**. The name reflects the objective of the Company, founded 44 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 44 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 that is necessary to the development of the nation. It operates the business that will make '**Thais smarter**' 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 the happy staff, 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.

**The Company has 5 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** : publishes knowledge and educational content in various categories and audio books in the CD format, especially in a self-development category. Printing by demand is also offered.
- **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, 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 five 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 2018**

Apart from a normal business operation, the Company had some important developments and changes in 2018, 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 1 branch was opened. As in December 31, 2018 there were in the total of 357 stores, and 1 points of sales currently in operation.
  - Renovated 7 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 38 branches that cannot profitable to enhance profitability. To suit the current economic conditions.
- The Company closed SE-ED Learning Center since it was not profitable. It would help reducing operational cost of the Company.
- 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 13 years to the end of 2018, the “Books for Children” Project has donated 2.23 million of books and other learning materials to 4,803 schools. The total sum of the list prices of donated books is THB 345 MB. In 2018 only, 90,735 books were donated to 358 educational institutions nationwide. The total sum of the list prices of donated books is THB 14.45 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 2018, the Company had renovated 49 school libraries in Thailand as follows: Wangsaiwittayakhom School in Kamphaeng Phet, Banwangpongpatana School in Kamphaeng Phet , Banmaechan School (Chaingsaenprachanusad) in Chiangrai, Bankheelekdoidindaeng in Chiangrai, Banpadaeng in Chiangmai, Bannaaom School in Payao, Watthannimit School in Chonburi, Banhuaynamkhem School in Nakhon Ratchasima, Banwungsoomboon School in Nakhon Ratchasima, Bannonggradnoy School in Nakhon Ratchasima, Bannongbualuang School in Nakhon Ratchasima, Ban Nonkummitrapap 210 School in Nakhon Ratchasima, Banwungyaitong School in Nakhon Ratchasima, Watprommarat School in Nakhon Ratchasima, Banhuaysompoy School in Chiangmai, Bansubkrok School in Saraburi, Wattansean School in Saraburi, Bankaengnoi School in Chanthaburi, Banwangpla School in Chanthaburi, Bansattatapong School in Chanthaburi, Bankhaoyaichum School in Rayong, Bannontong School in Nakhon Ratchasima, Teparak Ratchawittayakom School in Nakhon Ratchasima, Bankhokgrabue school in Nakhon Ratchasima, Nabokhamwittayakhom School in Kamphaeng Phet, Wattiangpimolmuk School in Chachoengsao, Bannonghin School in Nakhon Pathom, Wat-pho-ngam School in Nakhon Pathom, Watkathing School in Chanthaburi, Watpromsakorn School in Sing Buri, Tripracha Phattanasuksa School in Chaiyaphum, Bannonsomboon School in Buriram, Bansirumsamakee School in Nakhon Ratchasima, Chumchannongbubkok (Thongwittayanukul) School in Chaiyaphum, Banrangkratai “Piriyaarachawittayakarn” School in Kanjanaburi, Bannongtapang School in Kanjanaburi , Banwanglan School in Kanjanaburi, Watkhaodin School in Chachoengsao, Bansathan School in Payao, Banrongha School in Payao, Banwangmaidang School in Chanthaburi, WatThongtour School in Chanthaburi, Samaekhao Witayakhan School in Chachoengsao, Banplayklong20 School in Chachoengsao, Watphaidumwittayakhom School in Chachoengsao, Watprachabumrunkit School in Chachoengsao, Watkoksumrong School in Suphanburi and Banpangmai School in Nakhon Ratchasima.
- In the 23<sup>rd</sup> National Book Expo during October 17-28, 2018 at the National Queen Sirikit Convention Center with the concept of “Read Out Loud,” the visitor number had dropped from the previous last year. Since digital technologies were trending, the customer behavior had

changed. The bestselling and highlight titles from SE-ED's booth were At the Street Corner, Long Tun Man, and Speak Visually: How to Pitch and Present. The bestselling categories were tutoring books, financial books, self-development books, and psychological books.

- The IOD has appraised SE-ED to be excellent (5 stars) level in Corporate Governance Report of Thai Listed Companies 2018 appraisal for 11 consecutive years (2008 - 2018). The Company is the only company from the publishing business category in the service industry to be evaluated 'excellent' for ~~40~~ 11 consecutive years.

### **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 ration 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. Later on the Board of Directors Meeting No. 4/2018 on November 9, 2018 the agenda of ceasing a joint venture between the Company and SE-ED Book Center Co., Ltd. Was approved together with shutting down SE-ED Book Center Co., Ltd. on December 19, 2018. Currently, it was in the progress of liquidation.

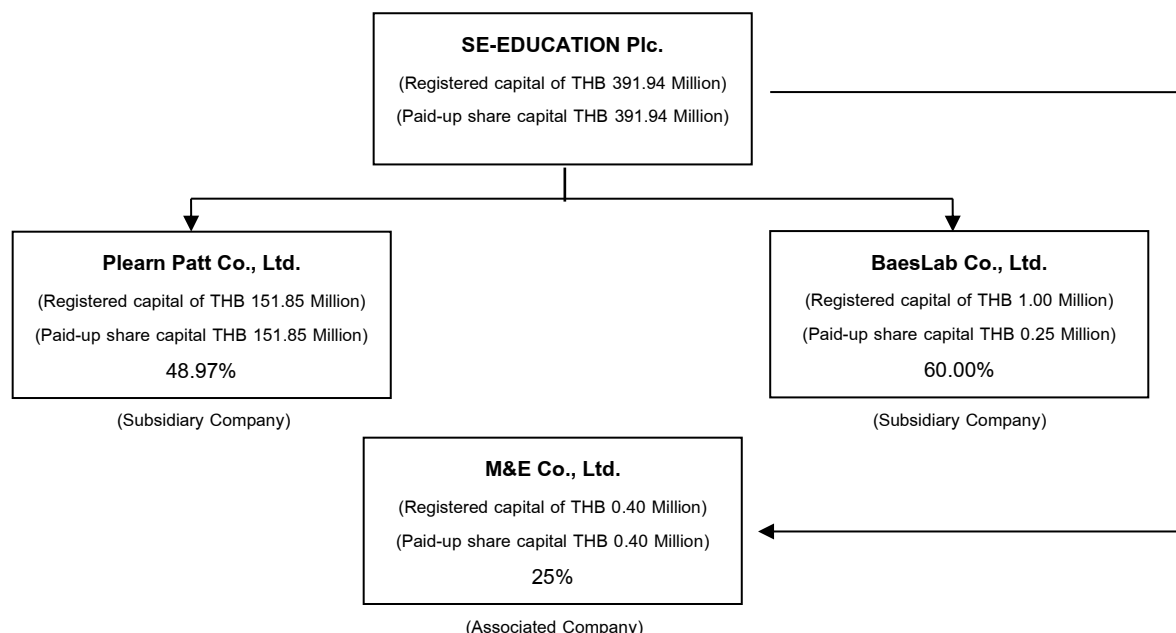
In 2003 the Company acquired 28.75% of the shares of Plearn Patt Co., Ltd. (founded on September 25, 2002) with the paid-up capital in the amount of 80,000,000 Baht. Later in 2005 the Company's share percentage increased to 48.82% with the authorized capital and paid-up capital in the

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 Chotisrayuth, 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. Later on May 18, 2017, Plearnpatt Co., Ltd. had lowered its capital from THB 169,475,500 with THB 10 per share to THB 151,850,500 with THB 8.96 per share.

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	March 11, 2019		May 4, 2017		May 9, 2016	
	No. of share	%	No. of share	%	No. of share	%
<b>Jurangkool Group</b>	<b>193,396,412</b>	<b>49.34</b>	<b>164,354,912</b>	<b>41.93</b>	<b>50,740,012</b>	<b>38.46</b>
Mr. Taweecat Jurangkool	97,950,000	24.99	97,950,000	24.99	97,950,000	24.99
Mr. Wuthiphum Jurangkool	51,550,512	13.15	51,550,512	13.15	49,550,512	12.64
Mr. Natthapol Jurangkool	40,656,400	10.37	11,614,900	2.96	-	-
Mrs. Hathairat Jurangkool	3,200,000	0.82	3,200,000	0.82	3,200,000	0.82
Mr. Sunsum Jurangkool	39,500	0.01	39,500	0.01	39,500	0.01
<b>Poovarawan Group</b>	<b>25,964,456</b>	<b>6.43</b>	<b>25,964,456</b>	<b>6.62</b>	<b>25,964,456</b>	<b>6.62</b>
Ms. Nawan Poovarawan	8,230,973	2.10	8,230,973	2.10	8,230,973	2.10
Ms. Nanjana Poovarawan	7,343,919	1.87	8,093,919	2.07	8,093,919	2.07
Mr. Nutch Poovarawan	6,715,340	1.71	6,715,340	1.71	6,715,340	1.71
Assoc. Prof. Yuen Poovarawan	1,843,538	0.47	1,843,538	0.47	1,843,538	0.47
Ms. Wanna Poovarawan	1,080,686	0.28	1,080,686	0.28	1,080,686	0.28
<b>Chotisorayuth Group</b>	<b>24,284,421</b>	<b>6.21</b>	<b>4,173,821</b>	<b>6.17</b>	<b>4,173,821</b>	<b>6.17</b>
Mr. Thanong Chotisorayuth	9,818,122	2.50	9,818,122	2.50	9,818,122	2.50
Mr. Touchchai Chotisorayuth	9,361,407	2.39	9,361,407	2.39	9,361,407	2.39
Mr. Thanachote Chotisorayuth	2,710,967	0.69	2,670,167	0.68	2,670,167	0.68
Mrs. Montalee Chotisorayuth	2,324,125	0.59	2,324,125	0.59	2,324,125	0.59
Ms. Chotiga Chotisorayuth	110,600	0.03	-	-	-	-
<b>Mr. Rit Thirakomen</b>	<b>18,759,566</b>	<b>4.79</b>	<b>27,840,625</b>	<b>7.10</b>	<b>27,840,625</b>	<b>7.10</b>
<b>DBS BANK LTD</b>	<b>18,377,800</b>	<b>4.69</b>	<b>18,845,000</b>	<b>4.81</b>	<b>5,445,000</b>	<b>1.39</b>

**Major shareholders of Plearn Patt Co., Ltd. as of December 31, 2018 are as follows:**

Major Shareholder	2018		2017		2016	
	No. of share	%	No. of share	%	No. of share	%
1. SE-EDUCATION Plc.	8,300,000	48.97	8,300,000	48.97	8,300,000	48.97
2. Mr. Rit Thirakomen	2,000,000	11.80	2,000,000	11.80	2,000,000	11.80
3. RAK LUKE GROUP Co., Ltd.	700,000	4.13	700,000	4.13	700,000	4.13
4. Mr. Wasin Donrudech	415,000	2.45	415,000	2.45	-	-
5. Ms. Krongtong Bunprakong	410,000	2.42	410,000	2.42	400,000	2.36

**Major shareholders of BaesLab Co., Ltd. as of December 31, 2018 are as follows:**

Major Shareholder	2018		2017		2016	
	No. of share	%	No. of share	%	No. of share	%
1. SE-EDUCATION Plc.	60,000	60.00	60,000	60.00	60,000	60
2. Mr. Preecha Boonsong	32,500	32.50	32,500	32.50	-	-
3. Mrs. Jitra Jandrakul	7,500	7.50	7,500	7.50	7,500	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					
			2018		2017		2016	
			Revenue	%	Revenue	%	Revenue	%
Income from Business								
- Retails <sup>1</sup>	The Company	100	2,364,086	69.90	2,778,907	73.74	3,229,343	75.32
- Wholesale <sup>2</sup>	The Company	100	732,680	21.66	704,962	18.71	777,168	18.13
Kiddy Camp	The Company	100	7,620	0.23	7,482	0.20	21,209	0.49
<b>Total</b>			<b>3,104,386</b>	<b>91.79</b>	<b>3,518,350</b>	<b>93.36</b>	<b>4,075,360</b>	<b>95.05</b>
Income from education fee, service and sales	Subsidiary	48.97	201,764	5.97	183,000	4.86	171,519	4.00
Others	The Company and its Subsidiary	N/A	77,369	2.29	71,591	1.90	44,854	1.05
Inter-Company Transaction	The Company and its Subsidiary	N/A	-1,470	-0.04	-4184	-0.11	-4,184	-0.10
<b>Total Revenue</b>			<b>3,382,049</b>	<b>100</b>	<b>3,768,757</b>	<b>100</b>	<b>4,287,549</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 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 2018, 2017 and 2016 represents 9.67, 7.75% and 7.79% of sales revenue respectively.

<sup>3</sup> Kiddy Camp - revenue from SE-ED Kiddy Camp.

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

**1. 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. 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 762 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 1,686 titles, while also help distributing 3,262 titles from other several publishers and organizations.

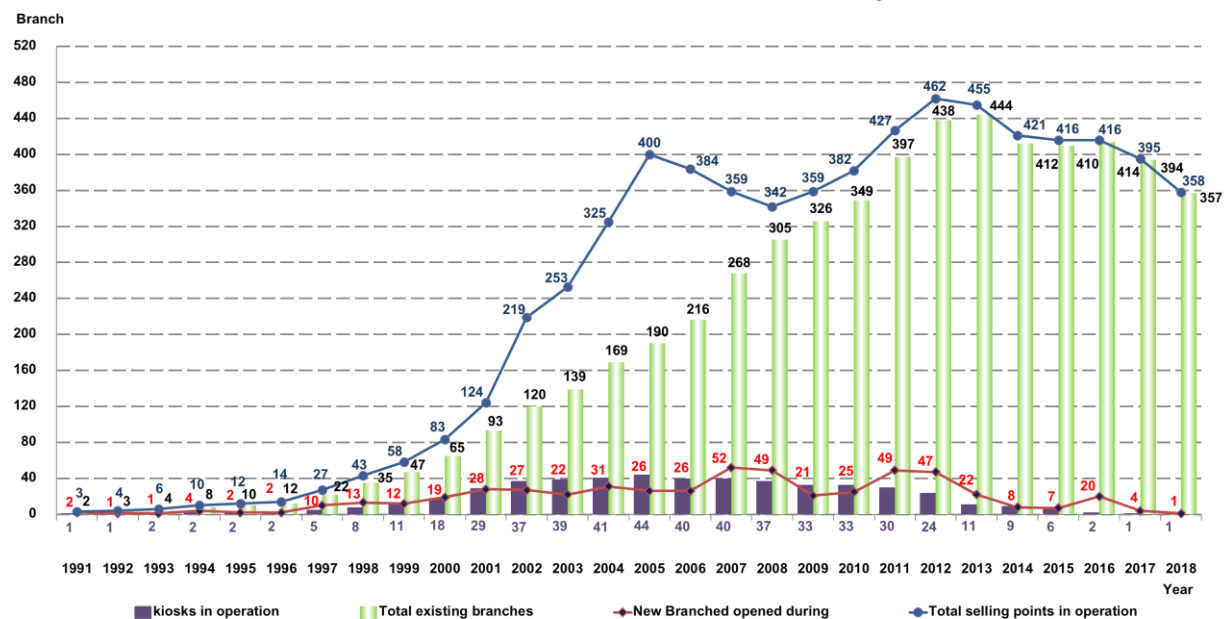
- 3. Bookstore Business (SE-ED Book Center or SBC)** SE-ED operates SE-ED Book Center and network stores and "University bookstores" all located both in Bangkok and other provinces, including managing space in the selling areas in different models.

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 Central, The Mall, Robinson, Future Park, Seacon Square, provincial leading shopping centers, etc.) and education institutes (such as National Institute of Development Administration, Siam University and Srinakharinwirot prasanmit prasanmit University) in different models both in Bangkok and other provinces.

By the end of 2018, SE-ED has already opened 531 branches of SBC. From this mentioned figure, there are 357 branches in operation, with 113 branches in Bangkok and nearby provinces, and 244 branches in other provinces. With 354 bookstores operated by the Company, the other 1 branch is designated as SE-ED Book Center Network Bookstores (SE-ED Book Center fully supports the shops, as a book distributor supplying the books) and 1 branch is SE-ED Network Bookstores. (SE-ED does not fully support, since the shop owners can order books by themselves). total 1 sale and 1 service point. 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 2018, there are 357 existing branches in operation. There are 113 branches in Bangkok and its vicinity and 244 branches in other provinces. This figure has included the small scale of 3 branches.
  - At the end of 2018, there are 1 SE-ED Book Center network stores (SE-ED is responsible for all books supplied to the network stores) and there is 1 SE-ED network store (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 1 kiosk.

#### 4. SE-ED Kiddy Camp

The Company had designed the learning model to enhance problem-solving skills for young generation and students through various activities as follows:

- 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 be 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.

5. **Plearnpattana School** SE-ED's proportion in the joint investment on Plearnpattana School accounts for 48.97% SE-ED has cooperated on administration for providing resources and knowledge in order to establish Plearnpattana School as an alternative school. Plearnpattana School is expected to develop Thai youth's potential, through its flexible curriculum, to be the mainspring of the nation in the future. Plearnpattana School takes children from pre-nursing through Matayom 6.

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

(Unit : Person)

Academic year	2018	2017	2016
The number of students	1,282	1,243	1,261

6. **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.

**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) for smartphone or tablet for being channel and support marketing activities.

**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 531 branches with 357 branches still operating including 2 branches for network bookstores (as of December 31, 2018) 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 Wholesale Customers:** This group of customers is accounted for around 762 different stores.
  - For Books 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.

### **Competition**

**Industry Overview and Competition:** In 2018, 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:** During 2018-2019, the Thai government issued the tax policy "Shop Chuay Chart " for Individual income tax deduction, economic expansion, in general, is one of the

positive factors to publishing business. However, customer's behavior recently had changed, they would spend more time with distractors. It was likely to spend less time in reading in the future.

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:** While the Company as the market leader 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. But as a 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 posses 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 tittles 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 318 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 department of SE-ED Book Center in charge of consideration and selection of products for sales in the Company bookstores.

**Partnership Code** the Company intensely focused in selecting its business alliances and would like ensure that selecting process and business partners were treated equally and fairly. The Company always realized the importance of working with credible, ethical, professional, being social and environmental awarenences, and free from breaching any labor and environment laws partners. These requirements were stipulated in its procurement contract. The Company also emphasized on encouraging and supporting anti-corruption with its business partners and worked closely to develop business.

To operate its business, the Company strictly conformed with the Trade Competition Act B.E.2549 which its regulations and criteria between the retailer, producer, and distributor based on the Trade Competition Act B.E.2542. To operate its business smoothly according the said Act, the Company and its business partners had agreed to revise the contract template to be more precise and detailed. The Company treated its business partners as we shared ownership. For the Company's special requirements can be listed as follows:

1. The business partner must have financial creditability and potential to grow up along with the Company in the long run. The production process must be considerate of society and environment according the related law and regulations.
2. The business partner must produce and distribute the quality goods without copyright or trademark infringement. All accounts can be inspected.
3. The business partner must be supportive in promotions and after sale service for customer.

**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 2018		Year 2017		Year 2016	
	Value	%	Value	%	Value	%
Value of reselling products from the first 10 largest trading partners	809.58	41.12	846.78	38.56	927.43	35.99
Total cost of goods sold	1,968.97	100	2,196.18	100	2,577.01	100

In 2018, 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 published by the Company are the responsibility of the book publishing 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 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 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 28.80% of the cost of products in 2018 or 1.62% 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.

For book 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.

**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 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.

The Board of Directors appointed to the Audit Committees to supervise on the risk management. Thus, the Board of Risk Management Committee was formed and consisted of the management of the Company and reports directly to the Audit Committee 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.
- **Plearnpattana 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 Plearnpattana 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 Plearnpattana 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 lightening 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 0.30%, 0.29% and 0.22% from the sales volume of 2016, 2017 and 2018 respectively. Moreover, along with the use of CCTV, the Company has installed the electronic article surveillance system in the branches to prevent shoplifting. This included monthly running random inspection on the stocks of best selling books.

- **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. There were employee trainings within the Company to enhance knowledge related to his/her work and share knowledge among attendees.

- **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.

- **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) by rented 22,400 square meters (14 Rai) from the shareholder of the subsidiary. The estate is rented from the shareholder of the subsidiary under two contracts of 30-years 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.

- **Risk of Data Loss from Source codes & Libraries in Projects of the Company's Subsidiaries:** BaesLab Co., Ltd. the Company's subsidiary, was responsible for consultant services, designing and selling software and hardware developed by BaesLab. Version Control System - VCS was adopted in source coding and versions. A Private Repository service from Github.com was chosen due to its popularity and abilities which enables working in team and tools for following-up any problem-solving process.

### **3.2 Business Risk**

- **Risk from products being outdated, damaged, and superseded by other media and from customer behavior tending to spend more time on social networking:** 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) 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 76% of the 2018 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 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 in Capital Management** The Company has set the instructions and financial amount of capital to investing in asset and companies by investing in a low-risk, short-term securities, especially in debt securities. With the Company's limitation, if the financial amount of capital is high, it must be approved by the Board of Directors of the Company.

- **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.

## 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		
		31/12/18	31/12/17	31/12/16	31/12/18	31/12/17	31/12/16
Land	Owner	908.43	905.48	534.17	711.31	712.17	-
Building	Owner	662.10	687.76	527.78	505.40	519.37	-
Building Decoration	Owner	67.90	89.11	101.48	-	-	-
Office Equipment	Owner	131.54	151.60	319.40	-	-	-
Vehicles	Owner	3.90	6.63	8.68	-	-	-
Work-in-Progress	Owner	3.04	4.57	0.83	-	-	-
Leasehold right on land	Area rights holder	5.81	6.10	5.70	-	-	-
Leasehold right on buildings	Area rights holder	40.04	50.79	62.08	-	-	-
<b>Total</b>		<b>1,822.76</b>	<b>1,902.04</b>	<b>1,560.12</b>	<b>1,216.71</b>	<b>1,231.54</b>	<b>-</b>

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

1. The Company has 1 lease contract for office space and services at The Interlink Tower 1858/87-90, Debaratna Rd., Bangna Tai, Bangna, Bangkok. The contract's term is from March 1, 2019 to February 28, 2022, The contracts' term is 3 years, and the Company has the right to renew the contracts for 3 more years.
2. 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 2 years and 8 months.
  - The contract's term is from October 11, 2010 to June 30, 2021, with the remaining term of 2 years and 6 months.
3. The Company obtains the leasehold of space usage for 357 SBC branches limiting 1 year to 18 years, with which the contract has the maximum length of contract of 18 years 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 5 months to 18 years whereas the net book value amount as of December 31, 2018 is THB 40.04 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), rented from the shareholder 22,400 square meters (14 Rai). The purpose is to operate an education business. The remaining term is 15 years. The total leasehold value as of December 31, 2018 is THB 5.8 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, 2018

- Internal Copyright Contracts Total 2,186 Copies
- Foreign Copyright Contracts Total 1,385 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	March 25, 2021
			- Magazines	
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	March 13, 2021
4	SE-ED		- Fabric Utility Bags	
			- Book	March 13, 2021
			- Shirts (unless underwear and sport wear)	March 13, 2021

No.	Marks's Name	Sample	Purpose	Expiration Date *
5	SE-ED BOOK CENTER		- Bookselling	March 13, 2021
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	March 22, 2022
			- CD	March 22, 2022
			- DVD	March 22, 2022
			- Management franchise service - Franchise service - Management control franchise business	September 12, 2023
20	SE-ED, iKids		- Education - Educational institution - Education Services - Learning Services	September 12, 2023
			- Materials used in teaching except tools and scientific equipment.	September 12, 2023
			- Teaching Service	March 22, 2022
			- Books	March 22, 2022
			- Magazines	March 22, 2022
			- CD	March 22, 2022
20	SE-ED, iKids		- DVD	March 22, 2022
			- Materials used in teaching (unless tools and scientific equipment).	September 12, 2023
			- Management franchise service - Franchise service - Management control franchise business	September 12, 2023



No.	Marks's Name	Sample	Purpose	Expiration Date *
			<ul style="list-style-type: none"> <li>- Education</li> <li>- Educational institution</li> <li>- Education Services</li> <li>- Learning Services</li> </ul>	September 12, 2023
21	ACTIVE ENGLISH BY SE-ED		- Teaching Service	November 10, 2023
			<ul style="list-style-type: none"> <li>- Books</li> <li>- Magazines</li> </ul>	November 10, 2023
			<ul style="list-style-type: none"> <li>- CD</li> <li>- DVD</li> </ul>	March 22, 2022
			<ul style="list-style-type: none"> <li>- Management franchise service</li> <li>- Franchise service</li> <li>- Management control franchise business</li> </ul>	September 12, 2023
			<ul style="list-style-type: none"> <li>- Education</li> <li>- Educational institution</li> <li>- Education Services</li> <li>- Learning Services</li> </ul>	September 12, 2023
22	SE-ED LEARNING CENTER		<ul style="list-style-type: none"> <li>- Management franchise service</li> <li>- Franchise service</li> <li>- Management control franchise business</li> </ul>	September 12, 2023
			<ul style="list-style-type: none"> <li>- Education</li> <li>- Educational institution</li> <li>- Management the teaching and learning in the classroom</li> <li>- Education Services</li> <li>- Learning Services</li> </ul>	September 12, 2023
			<ul style="list-style-type: none"> <li>- Book</li> <li>- Materials used in teaching except tools and scientific equipment.</li> </ul>	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	Expiration Date *
1	SE-ED		- Wholesale and Retail of Book Products	Registered on November 20, 2018.  And now Verifying Synonyms Word on January 14, 2018.
2	se-ed inspiration starts here		- Wholesale and Retail of Book Products	Registered on November 20, 2018.  And now Verifying Synonyms Word on January 14, 2018.
3	se-ed inspiration starts here		- Wholesale and Retail of Book Products	Registered on November 20, 2018.  And now Verifying Synonyms Word on January 14, 2018.

**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, 2018 the Company's investment on the subsidiary and associate companies can be summarized as follows:

Company	Relation	Type of Business	Paid Capital (Million Baht)	Share Percentage (%)
Plearn Patt Co., Ltd.	Subsidiary	Private School (Operating Plearnpattana School)	151.85	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, 2018 the Company and to 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 and Distribution 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, Debaratna Road, Bangna Tai, Bangna, Bangkok 10260, Thailand.

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

Website : www.se-ed.com

Tel. : 66-2826-8000

Fax. : 66-2826-8999

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.
- 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 151,850,048 (16,947,550 ordinary shares @ Baht 8.96 par value each)  
**Paid-up share capital** : THB 151,850,048 (16,947,550 ordinary shares @ Baht 8.96 par value each)  
**SE-ED holds** : 48.97% of shares

**Name** : **BaesLab Co., Ltd.**  
**Address** : 1858/87-90 Interlink Tower, 19<sup>th</sup> Floor, Debaratna Road, Bangna Tai, Bangna, Bangkok 10260, Thailand.  
**Tel.** : 66-2826-8000  
**Fax.** : 66-2826-8999  
**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, Klongtonsai, Klongsarn, Bangkok 10600, Thailand  
**Tel.** : 66-2862-1396  
**Fax** : 66-2862-1395  
**Website** : 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  
 Website : <http://www.set.or.th/tsd>

**Auditor** : Ms. Rosaporn Decharkom Auditor ID: 5659 and/or  
 Ms. Sumana Punpongsanon Auditor ID: 5872 and/or  
 Ms. Pimjai Manitkajornkit Auditor ID: 4521 and/or  
 Mr. Chayapon 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](mailto:Ernstyoung.thailand@th.ey.com)  
 Website : [www.ey.com](http://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

*Unit : Baht*

	2018	2017	2016
Registered share capital :	391,944,529	391,944,529	391,944,529
Par value:	1	1	1
Paid-up share capital :			
paid-up share capital at the beginning of the period	391,944,418	391,944,418	356,313,209
paid-up share capital at the end of the period	391,944,418	391,944,418	391,944,418
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



### The Subsidiary's Security

Detail	2018		2017		2016	
	Plearn Patt Co., Ltd.	BaesLab Co., Ltd.	Plearn Patt Co., Ltd.	BaesLab Co., Ltd.	Plearn Patt Co., Ltd.	BaesLab Co., Ltd.
Authorized Share capital	151.85	1.00	169.48	1.00	169.48	1.00
Book value (Baht per share)	8.96	10	10	10	10	10
Issued and paid-up share capital	151.85	0.25	151.85	0.25	169.48	0.25
SE-ED holds of share	48.97	60	48.97	60	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 March 11, 2019 (latest share register closed date) are as follows :

No.	Shareholders	Number of Shares	% of Paid-up Capital
<b>1</b>	<b>Jurangkool Group</b>	<b>193,396,412</b>	<b>49.34</b>
	Mr. Taweechat Jurangkool	97,950,000	24.99
	Mr. Wuthiphum Jurangkool	51,550,512	13.15
	Mr. Natthapol Jurangkool	40,656,400	10.37
	Mrs. Hathairat Jurangkool	3,200,000	0.82
	Mr. Sunsum Jurangkool	39,500	0.01
<b>2</b>	<b>Poovarawan Group</b>	<b>25,964,456</b>	<b>6.62</b>
	Ms. Nawan Poovarawan	8,230,973	2.10
	Ms. Nanjana Poovarawan	7,343,919	1.87
	Mr. Nutch Poovarawan	6,715,340	1.71
	Assoc. Prof. Yuen Poovarawan	1,843,538	0.47
	Ms. Wanna Poovarawan	1,080,686	0.28
<b>3</b>	<b>Chotisorayuth Group</b>	<b>24,284,421</b>	<b>6.21</b>
	Mr. Thanong Chotisorayuth	9,818,122	2.50
	Mr. Touchchai Chotisorayuth	9,361,407	2.39
	Mr. Thanachote Chotisorayuth	2,710,967	0.69
	Mrs. Montalee Chotisorayuth	2,324,125	0.59
	Ms. Chotiga Chotisorayuth	110,600	0.03

No.	Shareholders	Number of Shares	% of Paid-up Capital
4	Mr. Rit Thirakomen	18,759,566	4.79
5	DBS BANK LTD	18,377,800	4.69
6	Mr. Pongsak Sivapatrakumpol	13,129,518	3.35
7	<b>Sittakul Group</b>	<b>10,279,857</b>	<b>2.62</b>
	Ms. Vanwimol Siitakul	5,141,188	1.31
	Mr. Phairat Siitakul	2,910,310	0.74
	Mr. Vitawat Sittakul	1,390,879	0.35
	Ms. Patcharawan Sittakul	837,480	0.21
8	Mr. Ratchapon Pitisukdanont	6,843,524	1.75
9	UOB KAY HIAN PRIVATE LIMITED	5,000,000	1.28
10	Mr. Niti Aosatanukrau	4,421,219	1.13
<b>Total</b>		<b>319,747,573</b>	<b>81.58</b>

- Remarks : - Paid-up capital as of March 11, 2019 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 March 11, 2019 (Book closing date of the last registration)

Item	Share Distribution						Total		
	Individual			Juristic individual					
	Number	Shares	%	Number	Shares	%	Number	Shares	%
Thai shareholders	3,254	365,032,474	93.14	8	3,261,158	0.83	3,262	368,293,632	93.97
Foreign shareholders	5	63,015	0.01	3	23,587,771	6.02	8	23,650,786	6.03
Total	3,259	365,095,489	93.15	11	26,848,929	6.85	3,270	391,944,418	100.00

At the last registration date, there were 3,262 Thai national shareholders totaling 368,293,632 shares (93.97%) which consist of 8 juristic persons and 3,254 individual shareholders, and 8 foreign shareholders, totaling 23,650,786 shares (6.03%), which consisted of 3 juristic persons and 5 individual shareholders.

- (b) The major shareholder who practically have material influence in prescribing the company's management policy operation is Mr. Wutthiphum Jurangkool, the Board of Director and the Recruitment & Remuneration Committees, was hereby approved in Board of Director Meeting No. 4/2018 on November 9, 2018 to be the one of the Authorized Directors with two persons out of these three persons can sign together to authorize. It was effective as of December 3, 2018 (the registered date with the registrar of Department of Business Development, Ministry of Commerce.)

## **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. However, the dividend payment is subject to change depending on operating performance, financial position, liquidity, the need for working capital, investment and business expansion plans, suitability, and other factors relating to the Company's operations and management. This is contingent upon the condition that it will result in the maximum benefit of the shareholders as the Board of Directors deems appropriate. With respect to annual dividend, after the resolution of the Board of Directors to pay dividend, the Board shall submit to the shareholders for an approval at the Shareholders Annual General Meeting. Except the interim dividend, the Board is able to approve to pay an interim dividend and will report to the shareholders at the next 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:**

Description	Year 2018 *	Year 2017	Year 2016 (May 18, 2017)
1. Net profit (Loss)	13,886,024	(28,681,834)	5,038,006
2. No. of share	391,944,418	391,944,418	391,944,418
3. Cash Dividend per share	Omit	Omit	0.01
4. Total Dividend payment	-	-	3,919,444
5. Dividend payout ratio	-	-	77.80

*Remarks :* \* The Board of Directors' meeting no. 1/2019 had a resolution to propose to the General Shareholders Meeting to approve omitted dividend payment for the operation result of 2018, where by such omitted dividend payment will be decided at the annual general shareholder's meeting No. 1/2019 on April 25, 2019.

## 8. Management Structure

### 8.1 The Board of Directors

The Board of Directors consists of 3 Boards: The Board of Directors, The Audit Committees and the Recruitment & Remuneration Committees. 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 now the Board consisted of the following 9 members:

No.	Name	Position	Type of Directors	First Appointment	Last Appointment
1	Mr. Kasemsant Weerakun	Chairman of The Board of Directors	Independent Director	November 9, 2018	-
2	Mr. Wutthiphum Jurangkool	Director, Recruitment & Remuneration Committees	Non - executive Director Authorized Signing Director	February 26, 2015	April 20, 2017
3	Mr. Viboolsak Udomvanich	Director, Deputy Managing Director, The Company's Secretary	Executive Director Authorized Signing Director	December 1, 1976	April 19, 2018
4	Assoc. Prof. Yuen Poovarawan	Director	Non - executive Director Authorized Signing Director	October 10, 1974	April 19, 2018
5	Mr. Pravit Tantiwasinchai	Director, Chairman of Audit Committees	Independent Director	April 22, 1999	April 19, 2018
6	Mr. Worapote Chutchaikulsiri	Director, Audit Committees	Independent Director	February 26, 2015	April 20, 2017 -
7	Mr. Kachen Benjakul	Director, Chairman of Recruitment & Remuneration Committees, Audit Committees	Independent Director Non - executive Director	June 28, 2005	April 20, 2017
8	Mr. Thanong Chotisorayuth	Director	Non - executive Director	October 10, 1974	April 19, 2018
9	Mr. Phairat Sittakul	Director	Non - executive Director	October 10, 1974	April 21, 2016

#### The resignation of Directors during A.D. 2018 as below;

No.	Name	Position	Type of Directors	Effective Date
1	Mr. Somboon Chinsawananon	Chairman of the Board of Directors, Recruitment & Remuneration Committees	Independent Director Non - executive Director	March 1, 2018
2	Mr. Vorasit Pokachaiyapat	Director, Recruitment & Remuneration Committees	Independent Director Non - executive Director	March 1, 2018

The shares held by the Board of Directors in 2018 and 2017 include shares held by spouses and minor children. Shareholders under the Securities and Exchange Commission Act (B.E. 2535) section 258 are shown as follow:

No.	Name - Last name	December 31, 2018		December 31, 2017		Increase (Decrease) during the year
		Number of shares	%	Number of shares	%	
1	Mr. Kasemsant Weerakun	-	-	-	-	-
2	Mr. Wutthiphum Jurangkool	51,550,512	13.15	51,550,512	13.15	-
3	Mr. Viboolsak Udomvanich	-	-	-	-	-
	Spouse	123	-	14,123	-	(14,000)
4	Assoc. Prof. Yuen Poovarawan	1,843,538	0.47	1,843,538	0.47	-
	Spouse	1,080,686	0.28	1,080,686	0.28	-
5	Mr. Pravitt Tantiwasinchai	-	-	-	-	-
6	Mr. Worapote Chutchaikulsi	-	-	-	-	-
7	Mr. Kachen Benjakul	464,640	0.12	464,640	0.12	-
	Spouse	8,591	-	8,591	-	-
8	Mr. Thanong Chotisrayuth	9,818,122	2.50	9,818,122	2.50	-
	Spouse	2,324,125	0.59	2,324,125	0.59	-
9	Mr. Phairat Sittakul	2,910,310	0.74	2,910,310	0.74	-
	Spouse	5,141,188	1.31	3,453,974	0.88	1,687,214
<b>Total Number of shares by Director</b>		<b>66,587,122</b>	<b>16.99</b>	<b>66,587,122</b>	<b>16.99</b>	<b>-</b>
<b>Total Number of shares by Director &amp; related legal person by SEC 258</b>		<b>75,141,835</b>	<b>19.17</b>	<b>73,468,621</b>	<b>18.74</b>	<b>1,673,214</b>

The Directors who are authorized to sign on behalf of the Company are the Directors who was appointed to be the authorized signatories from the Board of Directors, 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, 8 out of 9 Directors (88.88%) completed the Director Accreditation Program (DAP), Director Certification Program (DCP) 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 Committees**

The Audit Committees consisted of the following 3 members and 1 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. Pravitt Tantiwasinchai	Chairman of Audit Committees	Independent Director with accounting or finance experience	December 22, 1999	November 10, 2017
2	Mr. Kachen Benjakul	Audit Committees	Independent Director with accounting or finance experience	November 12, 2009	November 10, 2017
3	Mr. Worapote Chutchaikulsiri	Audit Committees	Independent Director with accounting or finance experience	February 27, 2018	-

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. Reassure that the Company has the proper, suffice, and effective risk assessment and management.
4. Ensure the Company's practice is in compliance with regulation Security and Exchange Commission and relevant law concerning the Company's business.
5. 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.
6. 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.
7. 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 proper, suffice, and effective risk assessment and management system.
  - (d) 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,
  - (e) an opinion on the suitability of an auditor,
  - (f) an opinion on the transactions that may lead to conflicts of interests,

- (g) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
- (h) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.
- (i) 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.

8. 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 1 Director 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 4/2018 on Thursday, November ~~4~~ 8, 2018 was a meeting between Audit Committees and Accounting Auditor without the presence of management, and 1 meeting was held.

**(C) The Recruitment & Remuneration Committees** are appointed by the Board of Directors. Their duty is to search and recruit individuals to be the board of director, the selection process must be based on both consideration of the director pool and on the board skill matrix, which set up to encourage diversity in not only sexes, but also knowledge, ability, experience, leadership and vision in the Company. Furthermore, any crucial skills that the existing Board of Directors misses will be considered in selecting. The qualifications of the Board of Directors must be in line with the Company's business strategies while the selection process must be transparent 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.

The Recruitment and Remuneration Committees comprised of 2 respectable individuals, 1 from the independent Director and 1 Director:

No.	Name	Position	Qualification	First Appointment	Last Appointment
1	Mr. Kachen Benjakul	Chairman of Recruitment & Remuneration Committees	Independent Director	February 27, 2018	November 9, 2018
2	Mr. Wutthiphum Jurangkool	Recruitment & Remuneration Committees	Non - executive Director Authorized Signing Director	August 15, 2017	November 9, 2018

#### **Scope of Duties of the Recruitment and Remuneration Committees**

1. To short-list and select the candidates to be appointed in the position of Managing Director, Deputy Managing Director and senior executives in financial & accounting 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 Managing Director, Deputy Managing Director and senior executives in financial & accounting 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 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 and Employees.
5. 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 and Employees.
6. Review the scope of authority of the Company to be practically reasonable and submit it to the Committees for their approval.
7. To have legitimate power in calling for documents or individuals related to the case in point for consideration.
8. 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 & 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 & 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 & Remuneration Committees begin the search and consider suitable candidate for Directors.
  4. The Recruitment & 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 & 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 & Remuneration Committees – that is to have the proportion of minimum share with no less than 5 percent of paid-up stocks 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 & 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 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 2018, the Company arranged the Board of Directors Meeting to discuss the important problems, with no presence of Management Division once. The Chairman informed the manager of the board afterwards.

In 2018, 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.

The audit committees had a total of 5 meetings, with 4 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 2018 are follows;

Name of Directors	The Board of Directors' Meeting	The Audit Committees' Meeting	The Recruitment & Remuneration Committees' Meeting	The General Shareholders' Meeting 2018
	Number of Meeting (5 Times)	Number of Meeting (5 Times)	Number of Meeting (3 Times)	Number of Meeting (1 Time)
1. Mr. Kasemsant wearakun	1/1 <sup>(1)</sup>	-	-	-
2. Mr. Wutthiphum Jurangkool	3/5	-	3/3	1/1

Name of Directors	The Board of Directors' Meeting	The Audit Committees' Meeting	The Recruitment & Remuneration Committees' Meeting	The General Shareholders' Meeting 2018
	Number of Meeting (5 Times)	Number of Meeting (5 Times)	Number of Meeting (3 Times)	Number of Meeting (1 Time)
3. Mr. Viboolsak Udomvanich	4/5	-	-	1/1
4. Assoc. Prof. Yuen Poovarawan	5/5	-	-	1/1
5. Mr. Pravit Tantiwasinchai	5/5	5/5	-	1/1
6. Mr. Worapote Chutchaikulsi	4/5	4/4 <sup>(2)</sup>	-	1/1
7. Mr. Kachen Benjakul	4/5	5/5	2/2 <sup>(3)</sup>	1/1
8. Mr. Thanong Chotisorayuth	5/5	-	-	1/1
9. Mr. Phairat Sittakul	4/5	-	-	1/1

- Remarks :
- (1) Appoint Mr. Kasemsant Weerakun Replace Mr. Somboon Chinsawananon, effective on November 9, 2018 onward and the meeting remain from the meeting plan in 2018 is 1 times.
  - (2) Appoint Mr. Worapote Chutchaikulsi in the Audit Committees, effective on February 27, 2018 onward and the meeting remain from the meeting plan in 2018 are 4 times.
  - (3) Appoint Mr. Kachen Benjakul in the Recruitment & Remuneration Committees in position The Chairman of Recruitment & Remuneration Committees, effective on February 27, 2018 onward and the meeting remain from the meeting plan in 2018 are 2 times.

## 8.2 Company's Executives

As of December 31, 2018 with the total of 18 individuals, as follows: (All executives are in accordance with the definition of SEC promulgation)

No.	Name	Position
1	Mr. Viboolsak Udomvanich	Director / Deputy Managing Director / Authorized director to sign for and bind the company / Company's Secretary
2	Ms. Sajipat Pumpuengput	Director of Financial Division
3	Ms. Aree Sae-ung	Director of Accounting Division
4	Ms. Daungjai Jeenanurugk	Head of Business Unit SE-ED Book Center / Head of Business Unit Sale & Distribution Division / Director of Sales & Distribution Division
5	Mrs. Kanit Promsen	Head of Business Unit Books Division / Executive Editor, General Books Division
6	Ms. Sarida Sarajan	Executive Editor, Text Books Division
7	Meechoke Thongsawai, Ph.D.	Director of Academic Consulting & International Business Division

No.	Name	Position
8	Mr. Apichit Suananuntapoom	Director of Logistics
9	Mr. Chonlavit Iamraksakiat	Director of Strategic Information Administration Division
10	Mr. Paiboon Chanvalaiporn	Director of HR & Organization Development Division

**The retired of Executive during A.D. 2018 as below;**

No	Name	Position	Effective Date
1	Mr. Thanong Chotisorayuth	Director / Managing Director, Authorized director to sign for and bind the company	December 1, 2018
2	Mrs. Montalee Chotisorayuth	Assistant Managing Director of SE-ED Book Center	October 1, 2018
3	Mrs. Nuchanart Kongvisaisuk	Assistant Managing Director of Magazines	August 1, 2018
4	Wiroj Lackanaadisorn,Ph.D.	Director of HR Division & Organization Development	December 31, 2018

**Report on changes of shares of Company's Executives on December 31, 2018**

No.	Name	Number of Shares		Increase (Decrease) during the year
		December 31, 2018	December 31, 2017	
1	Mr. Viboolsak Udomvanich	- None -	- None -	-
	Spouse	123	14,123	(14,000)
2	Ms. Sajipat Pumpuengput	- None -	- None -	-
3	Ms. Aree Sae-ung	- None -	- None -	-
4	Ms. Daungjai Jeenanurugk	432	432	-
5	Mrs. Kanit Promsen	7,166	7,166	-
6	Ms. Sarida Sarajan	- None -	- None -	-
7	Meechoke Thongsawai,Ph.D.	121,000	121,000	-
8	Mr. Apichit Suananuntapoom	55,555	55,555	-
9	Mr. Chonlavit Iamraksakiat	- None -	- None -	-
10	Mr. Paiboon Chanvalaiporn	- None -	- None -	-

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

1. To administer Company affairs, follow objectives and obligations, including procedures and resolutions issued by the Committee and assume authority to direct all professional 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.

### **8.3 Management Committee**

Currently, the driving group of the Company, which play an important role in planning and running strategies according to the Board of Directors and the management, consisted of two groups as follows:

**(a) The scope of responsibilities of the Change Management**

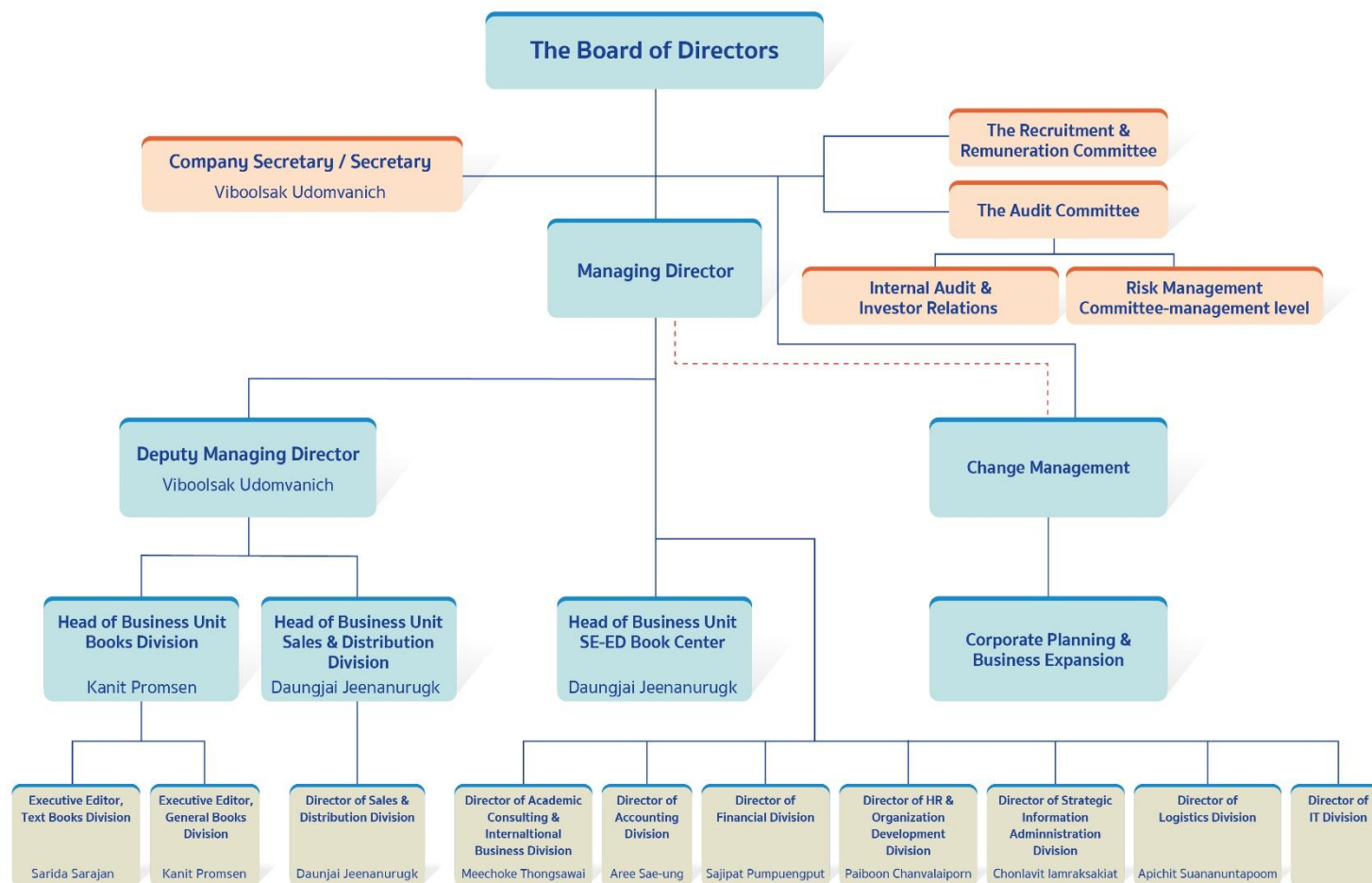
1. To execute the policies of the Company according to the direction planned by the Board of Directors in order to drive the real change to happen speedily.
2. To plan the strategic business plan for its business cores and develop new businesses.
3. To present the organizational development plans in both organization structure and human resources in order to enhance potential in running business for present day and for the future.

**(b) The scope of responsibilities of the Corporate Planning and Business Expansion (CPBE)**

1. To operate business under guidance and directions of the Change Management
2. Plan the business strategies of the business cores and new businesses in the future under policies and directions from the Board of Directors, the management, and business lines of the Company in order to develop business in a solid, reasonable, fast way, conforming to the directions and main strategies of the Company.
3. Develop the Company's projects in response to business's growth and changes by using innovation, technology and creativity to enhance business potential.
4. Operate the organization under the Company's policies and guidance from the Board of Directors to drive and empower the human resources in the Company and change the organization in a concrete way.

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 1/2018, dated Thursday April 19, 2018, 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 1/2018, the Director Compensation of the 2018 was approved at the amount of THB 5 million in total and Nomination and Remuneration Committee was appointed to properly allocate and notify the shareholders about the allocation in the Shareholder Meeting next year. For the second Meeting of Nomination and Remuneration Committee of the 2019 on February 15, 2019, it was agreed to omit the Director Compensation of the 2018.

The total of the Director Compensation of the 2018, 2017 and 2016

Item (S)	Operating Result		
	2018	2017	2016
The Director Compensation in total (THB)	Omitted	Omitted	1,411,000
The Director Compensation Limit approved by shareholders(THB)	5,000,000	5,000,000	5,000,000

Remuneration of the Board of Directors consisting for 9 persons as of year 2018 are in the following:

(Unit: Baht)

Name of Directors	Position	Meeting allowance			Emoluments	Remuneration from 2017 operation (paid in 2018)	Total
		The Board of Directors	The Audit Committees	The Recruitment & Remuneration Committees			
1. Kasemsant Weerakun	Chairman of the Board of Directors Independent Director	20,000	-	-	43,333	-	63,333
2. Mr. Wutthiphum Jurangkool	Director Recruitment & Remuneration Committees None-executive Director Authorized Director to sign for and bind the Company	30,000	-	7,000	180,000	-	217,000
3. Mr. Viboolsak Udomvanich	Director Deputy Managing Director Authorized Director to sign for and bind the Company Company's Secretary	40,000	-	-	180,000	-	220,000
4. Assoc. Prof. Yuen Poovarawan	Director Authorized Director to sign for and bind the Company	50,000	-	-	180,000	-	230,000
5. Mr. Pravit Tantiwasinchai	Director Chairman of Audit Committees Independent Director	50,000	40,000	-	180,000	-	270,000
6. Mr. Worapote Chutchaikulsiri	Director Audit Committees Independent Director	40,000	21,000	-	180,000	-	241,000
7. Mr. Kachen Benjakul	Director Chairman of Recruitment & Remuneration Committees Audit Committees Independent Director	40,000	28,000	7,000	180,000	-	255,000
8. Mr. Thanong Chotisrayuth	Director Non-executive Director	50,000	-	-	180,000	-	230,000
9. Mr. Phairat Sittakul	Director Non-executive Director	40,000	-	-	180,000	-	220,000
<b>Total</b>		<b>360,000</b>	<b>89,000</b>	<b>14,000</b>	<b>1,483,333</b>	<b>-</b>	<b>1,946,333</b>

## The Remuneration of Director's resignations during A.D. 2018 as below;

(Unit: Baht)

Name of Directors	Position	Meeting allowance			Emoluments	Remuneration from 2017 operation (paid in 2018)	Total
		The Board of Directors	The Audit Committee	The Recruitment & Remuneration Committees			
1. Mr. Somboon Chinsawananon	Chairman of the Board of Directors Chairman of the Recruitment & Remuneration Committees Independent Director	-	-	-	50,000	-	50,000
4. Mr. Vorasit Pokachaiyapat	Director Recruitment & Remuneration Committees Independent Director	10,000	-	-	30,000	-	40,000
<b>Total</b>		<b>10,000</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>90,000</b>

## Comparison Chart of the Directors' Compensation year 2018, 2017 and 2016

(Unit: Baht)

Compensation	2018		2017		2016	
	Number	Amount	Number	Amount	Number	Amount
Gratuity of retirement fund (paid)	11	-	12	-	12	1,391,094.00
Director's compensation	11 <sup>(3)</sup>	2,036,333	12 <sup>(4)</sup>	2,887,419.35	12	2,921,000.00
<b>Total</b>		<b>2,036,333</b>		<b>2,887,419.35</b>		<b>4,312,094.00</b>
<b>Compensation per director per year</b>		<b>185,121</b>		<b>240,618.28</b>		<b>359,341.16</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>7,353,352.00</b>
<b>Average compensation of media and printing industry<sup>(2)</sup></b>		<b>N/A</b>		<b>N/A</b>		<b>430,000.00</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.

- (3) Including remuneration of director's resignation during A.D. year 2018 are below;
- Mr. Somboon Chinsawananon, Effective date on March 1, 2018 onward.
  - Mr. Vorasit Pokachaiyapat, Effective date on March 1, 2018 onward.
- (4) The total of the Compensation of the resignation's directors during A.D. 2017 year as below;
- Mr. Wattana Chiwengkul, effective date August 15, 2017 onward.
  - Mr. SarochLamlertprasertkul, effective date December 23, 2017 onward.

#### (b) Executives' Compensation

The Recruitment & 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 & Remuneration Committees 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.

As of December 31, 2018, 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 11 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 2018 (Baht)
Salary	18,854,893
Bonus	
Other Remunerations :	
- Contributions for the Provident Fund	936,739
- Long-term benefits	2,570,320
- Other	629,676
<b>Total</b>	<b>22,991,628</b>

- Remark : Including Compensation of retired 's executives during A.D. year 2018 are below;
- Mr. Thanong Chotisorayuth, Effective date on December 1, 2018 onward.
  - Mrs. Montalee Chotisorayuth, Effective date on October 1, 2018 onward.
  - Mrs. Nuchanart Kongvisaisuk, Effective date on August 1, 2018 onward.

**(2) Other's Compensation**

-None-

**8.5 Personnel**

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

(Unit : person)

Items	2018	2017	2016
<b>SE-EDUCATION PLC * :</b>			
Head office staff	678	743	866
Branch staff	1,018	1,063	1,155
<b>Plearn Patt Co., Ltd. (Subsidiary) :</b>			
Teachers	230	224	220
Other staff	104	103	96
<b>BaesLab Co., Ltd. (Subsidiary) :</b>			
Staff	9	9	11
<b>Total</b>	<b>2,039</b>	<b>2,142</b>	<b>2,348</b>

Remarks : \* Excluding Outsourced Workers

The Company offered compensation in the forms of salary, wage, and benefits of employees (consolidated financial statements). In 2018, 2017 and 2016 the compensation accounted for a total of THB 576.16, THB 648.34 Million and THB 688.01 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 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.

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 44 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, 2018, 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 2018, in winning Corporate Governance Report of Thai Listed Companies in 2018 as an “excellent” or “five-star” listed company assessed by Thai Institute of Directors (IOD), Stock Exchange of Thailand (SET), and Securities and Exchange Commission, Thailand (SEC). The Company was the only one listed company from service industry under publishing business classified in a level of “excellence” for 11 years consecutively (2008 - 2018).

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 2018, the Audit Committees and the Board of Directors has reviewed the principle of Corporate Governance Policy that has been revised in the 16<sup>th</sup> Edition since 2001, seeks to add and improve the principle of corporate good governance in a much clearer and more coverage.

### **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 2018, 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, 2017 to December 31, 2017 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 any shareholder propose new meeting agendas on nominating a candidate for a new Director. One of the shareholders nominated one person for this position, but their stock after consolidation was lower than 5% and disqualified to be the candidate. For Q&A session, the shareholders can submit their questions until the day of the Annual General Meeting of the Shareholders.

And in the shareholder's meeting of 2019, the Board of Directors has specified the date of request from September 30, 2018 to December 31, 2018, 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, 2018. However, there was no shareholder who requested additional meeting agenda, nomination of candidate for the managerial position. For Q&A session, the shareholders can submit their questions until the day of the Annual General Meeting of the Shareholders.

### **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 2018, the Company will openly post an invitation message, annual report for 2018 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 2018 was convened in Meeting Room 11A, Interlink Tower 9<sup>th</sup> Floor. (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 2018, there are shareholders who request for representative authorization as:

- 2 shareholders authorized Mr. Pravitt Tantiwasinchai, Chairman of Audit Committees and Independent Director.
- 1 share shareholder authorized Mr. Worapote Chutchaikulsiri, Audit Committees and Independent Director.
- 17 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) 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 2018, 7 out of 8 (87.50%) directors attended the meeting. However, Acting Chairman of the Board of Directors, Managing Director, and Chairman of every subcommittee attended the meeting. The Company's executives in accounting, finance, internal auditor and auditors were also in attendance to answer questions of the shareholders. In addition, the Company invited a neutral auditor, Ms. Prasoppon Jaroenphon 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, disagree, abstention and invalid ballot immediately.

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 which agree, disagree abstention and invalid ballot. 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 2018, the Board of Directors proposed the names of 3 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 minor children who hold security 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 minor children - 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.

<b>Stakeholders</b>	<b>Policy Good Corporate Governance</b>
<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.

Stakeholders	Policy Good Corporate Governance
<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, paying its attention on safety and sanitation in workplace, will operate its businesses based on safety and sanitation of its employees. The Company is well aware of that employees are true high-value resources and the key success in expanding the Company's growth and sustaining its competitive abilities. In 2018, from the head quarter, warehouse and branches sections, there were two employees are minor injured from work. Apart from these, there were no serious injuries which caused to take a sick leave more than three days. The Company decided to reduce the risk of accidents at work by not ignoring any accidents or unsafe situations affected health and safety of its employees. The Company will help its employees and tackle the problems immediately. To prevent the accidents to happen again, the investigation and resolution will take place accordingly.

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,

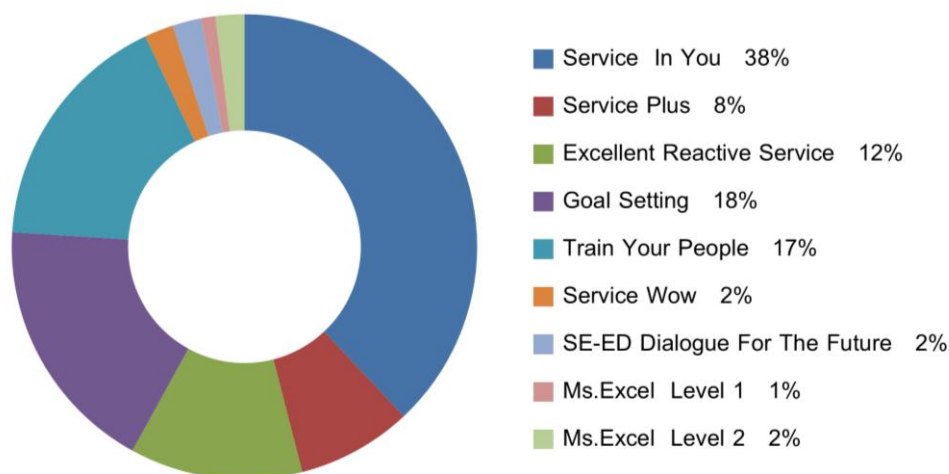
and employment conditions that are in line with same industry norms, where the Company provides higher benefits than the legal requirement. In addition to annual health check-up, the Company has also set up a provident fund in 1989 under the name 'SE-EDUCATION Registered Provident Fund'; later in 2004, 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 2018, 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
Executive	12	Encourage cooperation within a team and cultivate inspiration and insightful vision to the employees.
Manager	6	Develop manager skills in goal setting, strategic planning, SWOT analyzing, SMART Action Planning, individual and team management, training, and team relationships promoting.
Operation Staff	6 – 12	Develop customer service skills in interacting with customer, introducing products, giving product info and suggestions, promoting sales performance, and using Microsoft Office program.

### Training Courses and Employment Development in 2018



Regarding the Anti-Bribery and Corruption Policy, the Company has intention to operate its business transparently and legally in order to be one of the exemplar companies in Thailand. To align with corporate governance (CG), the Company pledged not to participate or support any kinds of corruption. Further, the Company not only supports every employee to live and behave legally as a good citizen of Thailand, but also supports its business partners to operate their businesses transparently and legally. By this, the Company created the network of cooperation in industrial level to develop business procedures transparently and legally. Since the Company is truly aware that corruption is the great obstacle in developing the country and national security, its anti-corruption policy in writing is launched to be guidance in its operating businesses, the Company was certified to be a member of the Private Sector Collective Action Coalition against Corruption Council as of August 2017. 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.

Regarding Intellectual Property Infringement, the Company has tremendous spirit against copyright infringement, the Company clearly announced its determination to strictly follow the Intellectual Property law and will never commit any violation on rights, patents, trademarks, or software. In 2018, 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 Directors 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, Debaratna Road, Bangna Tai, 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 2018, 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 minor children 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 Committees consisting of non-management Directors to supervise the quality of the financial report and internal control, as well as the opinions of the Audit Committees regarding this issue. Comments concerning this matter appear in the report of the Audit Committees, 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, 2018.

**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. 66-2826-8000 ext. 8, 66-2826-8690, fax. 66-2826-8699, 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 2018, 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, have no local investor and foreign investor asked to meet up the management.

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 2018, 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 2018, the Company arranged the Board of Directing Meeting to discuss the important problems, with no presence of Management Division once. The Chairman informed to the managing Director 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 & Remuneration Committees' Meeting, and the Annual General Shareholders' Meeting, in 2018, 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 Board of Directors received the average score of 4.38 out of 5, which is considered to be in an Excellent level.
- The evaluation of the Audit Committee received the average score of 4.30 out of 5, which is considered to be in an Excellent level.
- The evaluation of the Recruitment & Remuneration Committees received the average score of 4.00 out of 5, which is considered to be in a Good level.
- The individual (self) evaluation of the directors received the average score of 4.25 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 4.14 out of 5, which is considered to be in a Good level.
- The individual (self) evaluation of the Recruitment and Remuneration Committee received the average score of 3.89 out of 5, which is considered to be in a Good level.
- The evaluation of the Managing Director received the average score of 3.51 out of 5, which is considered to be in a Good 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 & Remuneration Committees will receive additional remuneration according to the increased volume of work.

**The Remuneration of managing director:** The Recruitment & Remuneration Committees 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 & Remuneration Committees will submit the Board of Directors for consideration and approval.

**The Remuneration of high managerial executives:** The Recruitment & Remuneration Committees 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 & Remuneration Committees, 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 13 individual, include Finance Director and Accounting Director) in 2018 totaling 26.24 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 2018 have no directors attended trainings to improve their knowledge and understanding in the role of a director to increase the effectiveness in their works.

Currently, 8 directors out of 9 directors (88.88%) had attended a training in regards to directorship including Director Accreditation Program (DAP), Director Certification Program (DCP) 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 Committees
2. The Recruitment & Remuneration Committees

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 & 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 & 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 & 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 from Major Shareholders:** as of December 31, 2018. The company had one director representing from Major Shareholders is Mr. Wutthiphum Jurankool, Director, Recruitment & Remuneration Committees and Authorized Director.

#### **Recruitment of Managing Director and Executives**

For the position of Managing Director Deputy Managing Director and senior executive in financial & accounting, 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 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 current the Board of Directors consists of 8 members:

- Directors that are in the management team : 1 persons
- Directors that are not in the management team : 4 persons
- Independent Directors : 4 persons

Therefore, the 4 Independent Directors which are accounted for 44.44% 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 Chotisrayuth, 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. On May 18, 2017. The Subsidiary had decrease in registered capital from 169,475,500 Baht, Baht 10 par value each to 151,850,500 Baht, Baht 8.96 par value each.

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 minor children - 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, 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 2017 to EY Office Limited in the amount of THB 1,580,000 (not include travelling expense for work-related task, overnight, accommodation and stock counting observation fee). The Auditor had no 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 2018.

### 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 th

clear direction to be used by all executives and staffs. In 2018, the Audit Committee has reviewed the principle of Corporate Good Governance that has been revised in the 16<sup>th</sup> Edition since 2001 that seeks to add and improve the principle of corporate good governance in a much clearer and more coverage.

The 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 2018 (namely, Corporate Governance Report of Thai Listed Companies 2018), the Company has been evaluated by Association of Thai Institute of Directors as follows:

#### **Total average score**

Item	2018	2017	2016
Listed Companies in total of (%)	81	80	78
Group of Companies in SET100 (%)	88	87	86
Group of Companies in SET50 (%)	91	90	88
<b>SE-EDUCATION Public Co., Ltd. (%)</b>	<b>91</b>	<b>90</b>	<b>90</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	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Rights of Shareholders	94	93	92	96	96	96	97	97	96	<b>88</b>	<b>88</b>	<b>88</b>
Equitable Treatment of Shareholders	92	92	92	95	95	95	97	97	96	<b>98</b>	<b>98</b>	<b>98</b>
Roles of Stakeholders	80	78	74	88	87	85	91	91	89	<b>89</b>	<b>89</b>	<b>89</b>
Disclosure and Transparency	85	84	82	93	91	91	95	94	93	<b>95</b>	<b>95</b>	<b>98</b>
Board Responsibilities	72	71	68	82	80	79	86	85	82	<b>89</b>	<b>88</b>	<b>87</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 2017, the Company getting Certified to be the Companies of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since August 2017.

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

In 2018 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 as shown in the organizational structure, the Audit

Committee consistently perform the task in checking the good corporate governance 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**

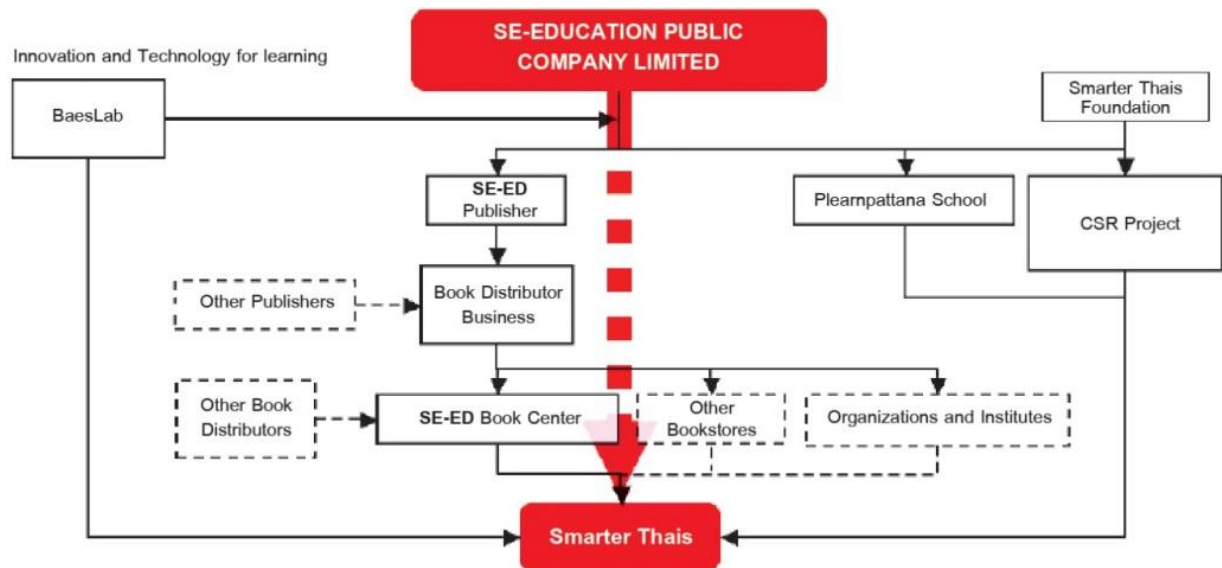
The Company was established by a group of ten electrical engineers. Each of them had experiences in knowledge promoting activities from their participation in Academic Club as a student at the Faculty of Engineering, Chulalongkorn University. They realized that Thailand needed to develop many more of 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 Science, Engineering and EDucation 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 that is necessary to the development of the nation. It operates the business that will make 'Thais smarter' 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 the happy staff, 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 Thais smarter'. 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 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 in house 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.
- **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.

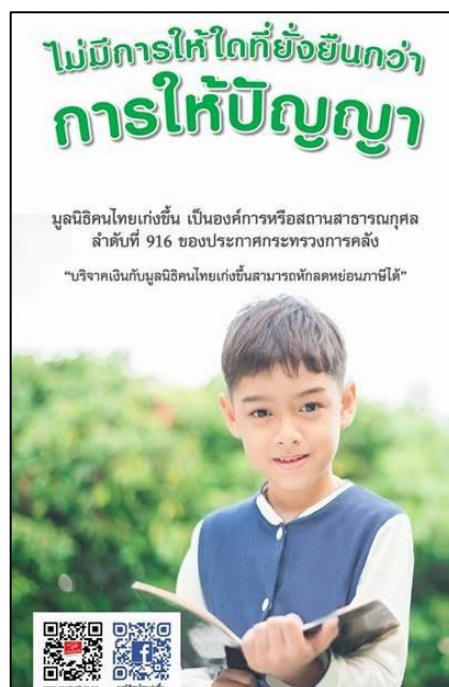


- **BaesLab:** BaesLab Co., Ltd. was formed with the objective to develop educational materials in digital formats (e.g. e-book, ePub, i-book) and to develop programs and IT facilities to support digital content management so that Thai people can access these contents effectively and use it as a part of the learning experience in the 21<sup>st</sup> century. Such programs and facilities include e-Library system, Follow me (teacher's assistant program to control and manage classroom through tablet) and Interactive Book Making Program.
- **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.



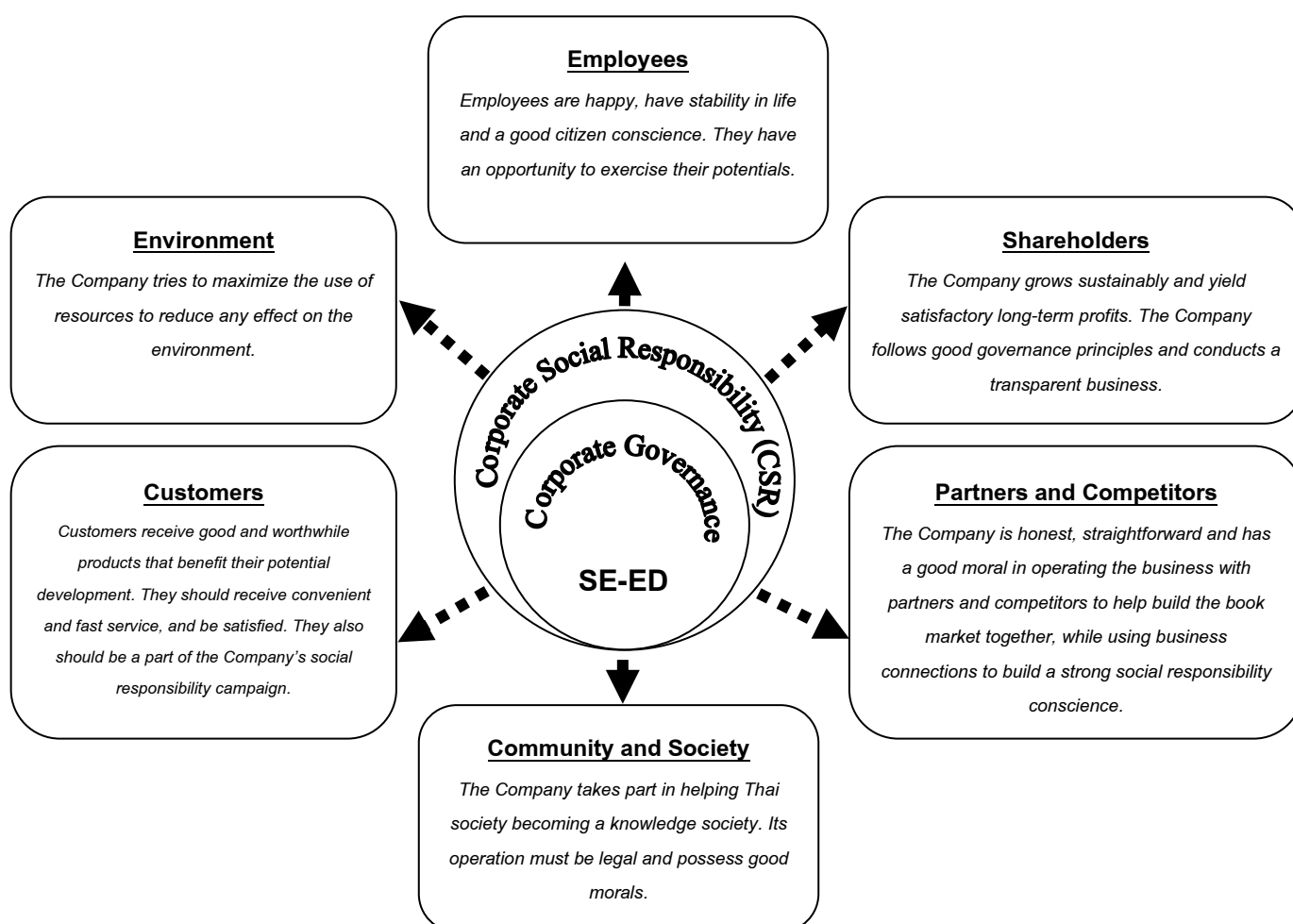
- Smarter Thais Foundation:** The Company's 'Smarter Thais Foundation' was officially established on September 23, 2011. The foundation's objective is to initiate activities that support the development of Thai people's potentials that will allow them to be a valuable human asset and possess a better 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.

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.

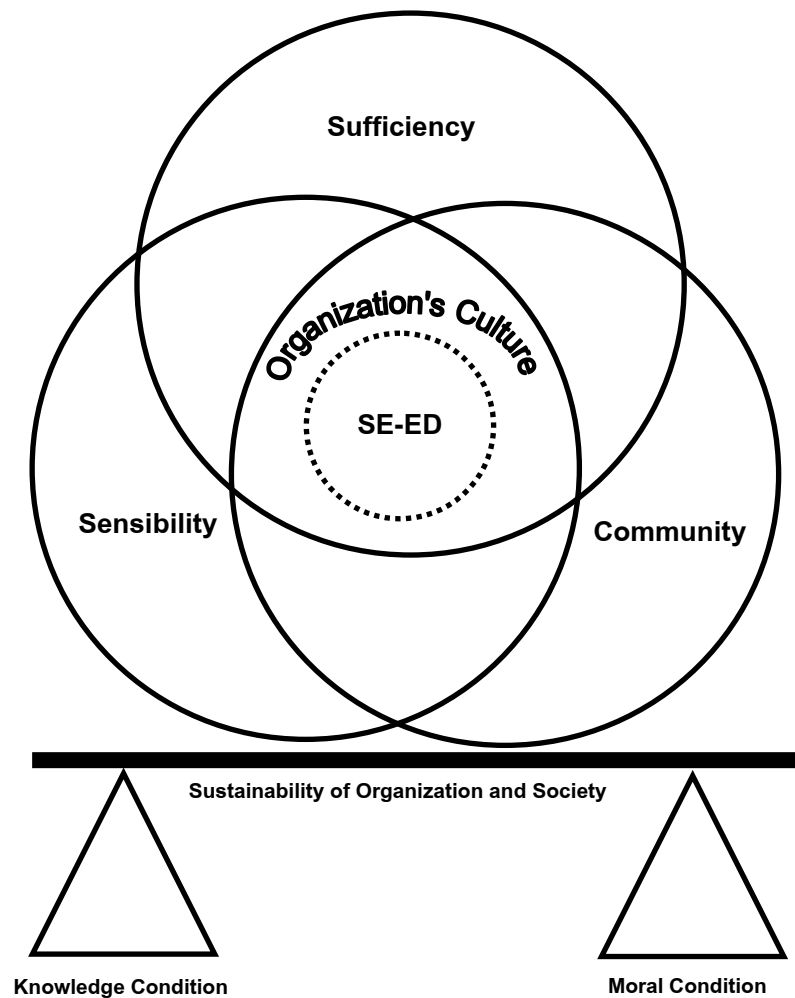
The Company has adopted the principles of Corporate Responsibility and Corporate Governance, which become the Company's strategy. The Company's business operation also needs to take into account the balance satisfaction of stakeholders including customers, employees, business partners, shareholders, 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 clearly announced its determination to strictly follow the Intellectual Property law and will never commit any violation on rights, patents, trademarks, or software.

### **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 corporate 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 8 leading organizations including Thai Institute of Directors, Thai Chamber of Commerce, Thai Bankers Association, International Chamber of Commerce, Thai Listed Companies Association, Federation of Thai Capital Market Organizations, the Federation of Thai Industries, and Tourism Council of Thailand. The Board of Director had reviewed the management system to align with Collective Action Coalition against corruption (CAC) And the Company was certified to be a member of the Private Sector Collective Action Coalition against Corruption Council as of August 18, 2017.



## **Human Rights**

SE-EDUCATION PUBLIC COMPANY LIMITED is aware that every employee has possessed the human value. The perspective 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.

- **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**

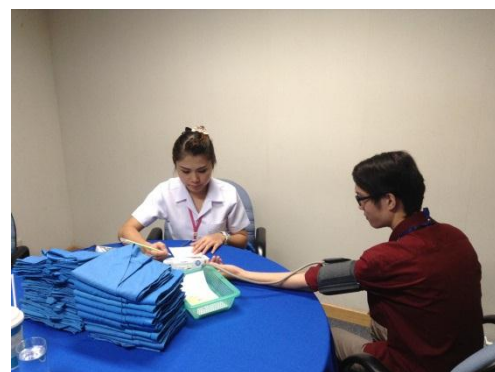
The Company is aware that safety and sanitation of employees is important because employees are valuable resources and vital contribution to the growth and competitiveness.

- **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.
  - **Provident 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.



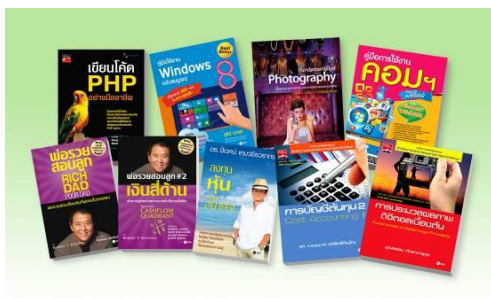
- **SE-ED Book Center Project:** SE-ED is determined to operate SE-ED Book Center nationwide as the provider to Thai society to fulfill the satisfaction of the customers so they can shop at the nearest store at their most convenience and to create equally opportunity for Thai people to seek for source 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, and Academic Materials Plays the Significant Role in Developing Thai Society:** From the day one until today, the company has determined to publish books, 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.



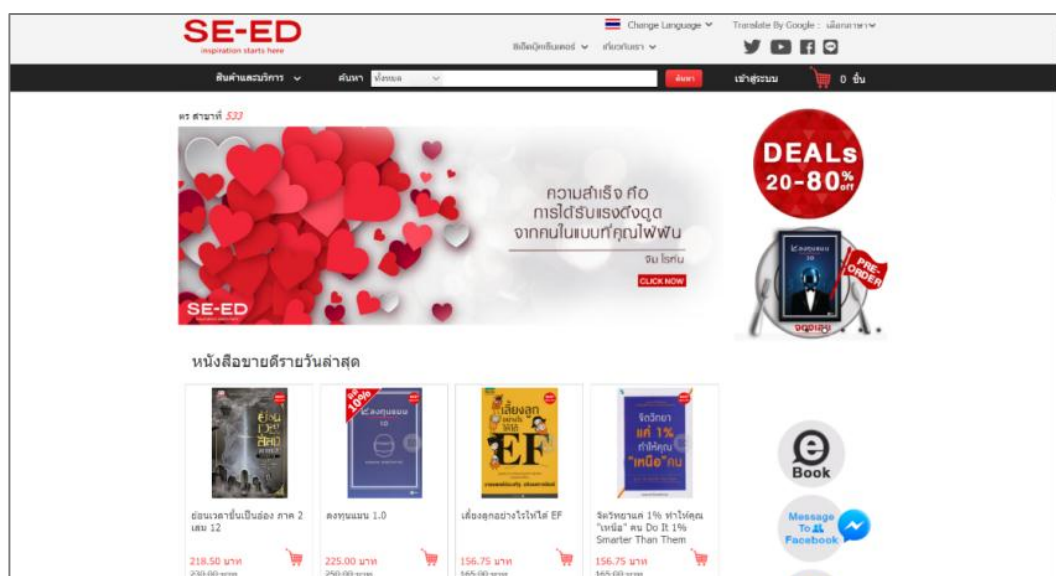


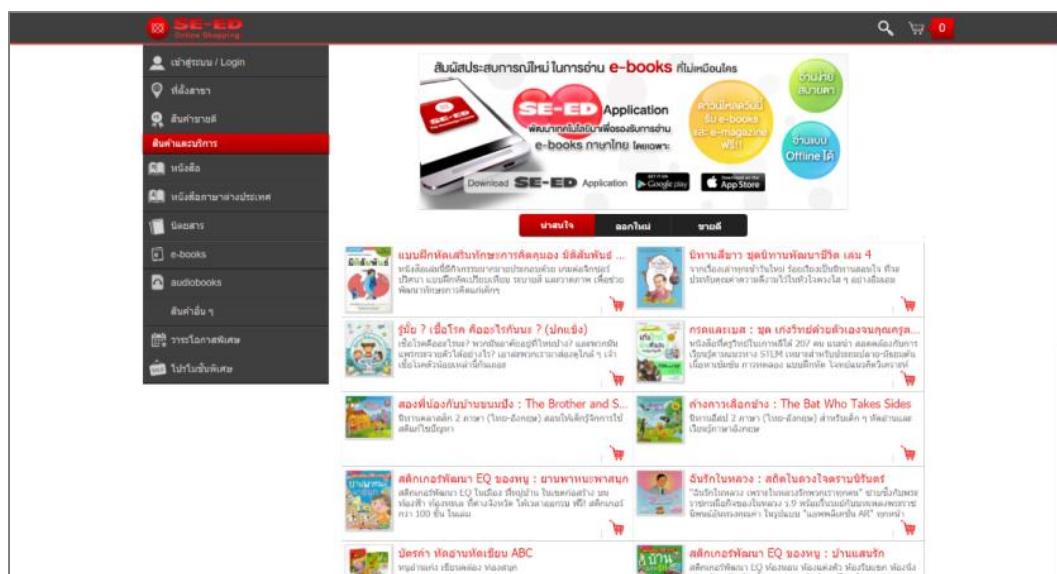


- Developing websites supporting retail and wholesale systems:** The Company has developed and improved its websites: [www.se-ed.com](http://www.se-ed.com) and [www.se-ed.com/wholesale](http://www.se-ed.com/wholesale) in order to support retail system (e-Commerce) and wholesale system.

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](http://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.

## **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:

- 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.
- The distribution center had joined the Save Energy Project with Department of Alternative Energy Development and Efficiency (DEDE) by replacing T5, T5 High Output light bulbs to LED light bulbs since 2017. As a result, the Company had cut the electricity bill by more than 20% in general.
- The digital distribution system of the Distribution Center enabled a more flexible sorting system to efficiently handle all express book requests and accommodate changes in the market. Moreover, this system helped reducing paper use in the process up to 500,000 sheets per month.







### **Responsibility in Community and Society**

- “Big-Hearted Reader” Project: With our slogan of “determination to help and promote knowledge throughout Thai society,” we would like more students to access books. In 2018, the Company started the project called “Big-Hearted Reader”. It was a project where the reader can pick and choose all new books to donate to 1,000 schools in different communities next to SE-ED Book Center branches around the county. The project reflected the idea of “giving is infinity” and all parties can be happy from the part that they participated:
  - The readers or customers played the part in passing out knowledge in the form of books with reasonable budget. The Company selected books that were suitable for students to be available with special prices. The reader can buy these books and drop them at the pickup points provided in front of the bookstores. If they like, the customers can write down a message to cheer up students in those schools with paper the Company provided.
  - The employees also were the part of this project and passed knowledge to communities by nominating schools for donation. This would help encouraging the employees to be proud of themselves.
  - Schools and students received donated books which were useful for enhancing their skills and knowledge. Moreover those books were filtered to be suitable for the students.



- **“60 Years Old: Too Cool to Retire” Project:** As the Company’s direction always aligned with the country’s development goals and the Company always emphasized on its social responsibility, the Company and Department of Employment had started a project called “60 Years Old: Too Cool to Retire” in response to the coming ageing society which is one of the national problems. The Company realized that the elder population from various fields of work are valuable. They are equipped with solving-problem skills, prudence, and responsibility. They can be regarded as a role model and inspiration to their co-workers. The Company therefore kept continuing this project from 2017.

To apply for a bookseller in “60 Years Old: Too Cool to Retire” Project, the applicants shall be over 60 years old and graduate at least in lower secondary school level. The Company had previously employed the elder and found that they were caring, hard workers. They valued the process of introducing books to the customers. In addition, the Company had taken working conditions of the elder into its consideration and provided any facilities for them to work efficiently.



- **A cooperation project:** between the Company and Educational & Vocational Institutes: As the Company always determines to improve vocational skills in a young generation, the Company has cooperated with Office of the Vocational Education Commission (VEC) to employ vocational students to be a trainee, in order to prepare and improve the right skills and knowledge needed in the labour market. This also increased opportunity for getting hired to be an official employee of the firm that is being trained to. During a training, a trainee will get paid and fringe benefits as agreed.



- **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 is a continuous project with its goal to improve teacher and student's English proficiency to the international standards. The project provides academic services including teacher trainings, consultancy on learning media and learning management according to CEFR (The Common European Framework of Reference for Languages), and innovation on English teaching combining with learning media for more efficient teaching. Teachers can apply their knowledge from this program to the basic education core curriculum of B.E. 2551 in their classroom. In evaluation of teachers' English



teaching development, the desirable outcome is standardizable learning achievement and competency of the student. Also, the program curriculum based on CLT (Communication Language Teaching) would enhance communicative English skills in four aspects: listening, speaking, reading, and writing along with academic English skills for science and mathematic and other subjects with English program.

Currently, Thailand's national policy on education emphasized on improving English proficiency. The Company strongly agreed with that and put priority in English learning by operating the Cambridge Assessment English Authorized Exam Centre. (code no.TH455) It was the centre for Cambridge English Language Assessment certified internationally to conduct an assessment for organizations, educational institutes, and individuals, which aligned with the Education Ministry's policy on standardized assessing for English proficiency according to CEFR. This assessment covered four skills was standardized and internationally approved by various units from both public and private sectors.

### Innovation of CSR

SE-ED always determined to one that make Thais smarter 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:

- Audio Book Project:** Since technology keeps advancing, inevitably reader behavior is affected and it keeps changing. To cope with changing, the Company has converted some print books into "audio books" or "digital audio files" in the MP3 format to be available on CDs, DVDs, and for downloading. The Company selected the interesting content from bestselling business books for this audio book project. The audio book can reach every targeted reader, especially senior customers, customers with vision impairments, customers who listen to the CDs while driving. The audio books in the CD format are available in SE-ED Book Center and other bookstores. Both online downloading and CD/DVD copies can be purchased through the Company's e-commerce channel.





- 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 had studied and found that reading English graded readers with the extensive reading concept can significantly develop English skills in young learners. The Company therefore had started the SE-ED: ENJOY READING in 2007. English graded readers have various genres and levels. The Company had started a pilot project with deprived schools. The result indicated that the graded readers yielded a satisfied achievement in lifting up student's English proficiency. The Company therefore expanded the scope of study by holding the school's management and English teacher trainings across the country. With Thailand's Office of Basic Education Commission (OBEC) and Office of Private Education Commission (OPEC) helped in promoting and informing to schools, the Company held a teacher training with the concept of "Total Solution to English Proficiency". The goals of training were to lift up achievements of a whole system. Also, the Company supported the "Smarter Thais Foundation" to start the project called "Learning Management Development for Increasing Learning Achievements" with the goal to develop English teaching in a complete range. It expected the teachers to be able to adjust

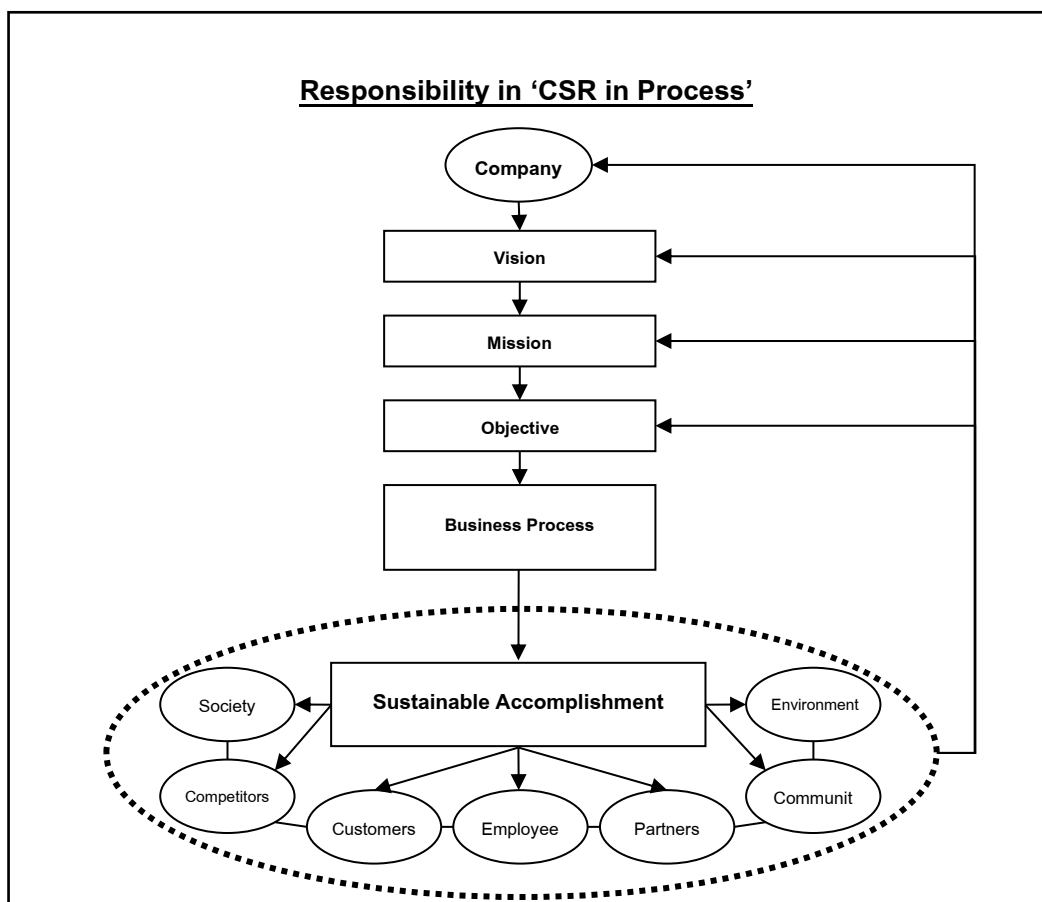
their learning management for their own classrooms and to develop their teaching capacities to raise the students' academic achievements according to advised guideline. This project also consisted of assisting tools for learning management and the specific quality development systems, in order to elevate teacher's burden.

## **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 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 organized activities via the 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 13 years Books for Students project has contributed books to students. To the end of 2018, the project donated books to 4,803 schools all over the country. The total number of books is 2.23 million, worth of THB 345 million (cover price). By 2018 only, the donation of 90,735 books was made to 221 schools and educational institutions, worth of THB 14.45 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 2018, the Company had renovated 49 school libraries in Thailand as follows: Wangsaiwittayakhom School in Kamphaeng Phet, Banwangpongpatana School in Kamphaeng Phet , Banmaechan School (Chaingsaenprachanusad) in Chiangrai, Bankheelekdoidindaeng in Chiangrai, Banpadaeng in Chiangmai, Bannaaom School in Payao, Watthannimit School in Chonburi, Banhuaynamkhem School in Nakhon Ratchasima, Banwungsoomboon School in Nakhon Ratchasima, Bannonggradnoy School in Nakhon Ratchasima, Bannongbualuang School in Nakhon Ratchasima, Ban Nonkummitrapap 210 School in Nakhon Ratchasima, Banwungyaitong School in Nakhon Ratchasima, Watprommarat School in Nakhon Ratchasima, Banhuaysompoy School in Chiangmai, Bansubkrok School in Saraburi, Wattansean School in Saraburi, Bankaengnoi School in Chanthaburi, Banwangpla School in Chanthaburi, Bansattatapong School in Chanthaburi, Bankhaoyaichum School in Rayong, Bannontong School in Nakhon Ratchasima, Teparak Ratchawittayakom School in Nakhon Ratchasima, Bankhokgrabue school in Nakhon Ratchasima, Nabokhamwittayakhom School in Kamphaeng Phet, Wattiangpimolmuk School in Chachoengsao, Bannonghin School in Nakhon Pathom, Wat-pho-ngam School in Nakhon Pathom, Watkathing School in Chanthaburi, Watpromsakorn School in Sing Buri, Tripracha Phattanasuksa School in Chaiyaphum, Bannonsomboon School in Buriram, Bansirurumsamakee School in Nakhon Ratchasima, Chumchannongbubkok (Thongwittayanukul) School in Chaiyaphum, Banrangkratai “Piriyaaprachawittayakarn” School in Kanjanaburi, Bannongtapang School in Kanjanaburi , Banwanglan School in Kanjanaburi, Watkhaodin School in

Chachoengsao, Bansathan School in Payao, Banrongha School in Payao, Banwangmaidang School in Chanthaburi, WatThongtour School in Chanthaburi, Samaekhao Witayakhan School in Chachoengsao, Banplayklong20 School in Chachoengsao, Watphaidumwittayakhom School in Chachoengsao, Watprachabumrunangkit School in Chachoengsao, Watkoksumrong School in Suphanburi and Banpangmai School in Nakhon Ratchasima.





### 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 2018, the Foundation has donated 786,108 books to 3,225 schools, worth of THB 125 million (cover price). By 2018 only, the donation of 71,434 books was made to 144 schools and educational institutions, worth of THB 11.20 million (cover price).



- **“Raising Learning Achievements by Smarter Thais Foundation” Project:** This Project was one of the continuous projects from 2014 and fully operated by Smarter Thais foundation since 2015. It was a cooperation between Smarter Thais Foundation and a group of schools with determination to improve their teaching capability beyond impoverished limits and/or the same old teaching framework in order to concretely increase learning achievements. The massively scalable process was applied in this project in search of the best practice for teachers to easily follow in a short time with limited resources. The Foundation sought the methods and techniques for training the teachers and academic departments. All techniques and methods were meant to solve learning problems that Thai education was still struggling with, for example, reading and writing skills, critical thinking skills, English communication skills, mathematic skills for everyday life, innovation skills, and required characteristics and attitudes for 21<sup>st</sup> century.

For working plan in 2018, the Foundation still actively operated and expanded to more schools across the country. On August 4, 2018 Smarter Thai Foundation, Association of Capital Market Academy (ACMA), and Mae Fah Luang University had signed the memorandum of understanding (MOU) to start a pilot project of Raising Learning Achievements Under Limited Resources with nine primary schools in Chiang Rai province. There were around 1,800 students in this project. The foundation took charge of the school's management and teachers training, following up, and giving guidances.



#### **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, and the Company was certified to be a member of the Private Sector Collective Action Coalition against Corruption Council as of August 18, 2017 by the Thai Institute of Directors (IOD)

#### **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 'Thais smarter'. 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 'excellence' or 5 stars from corporate governance evaluation for 11 consecutive years (2008 – 2018). From Thai Institute of Directors (IOD).
- Won an Outstanding Investor Relations Award in SET Awards 2017 by Stock Exchange of Thailand (SET).
- Received an Honor Trophy for being a private organization with excellence in Corporate Social Responsibility from Ministry of Social Development and Human Security (MSDHS) in the 15<sup>th</sup> Anniversary of MSDHS. (2017).
- Won the 6<sup>th</sup> Tara Award (2017), a prize for individuals or organizations with a heart of bodhisatta and perform a good deed for society in a micro level (family, community, and local) and in a macro level (Thai and international societies).
- 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 times from SET Awards 2014. The award is for the excellence in corporate governance for 6 consecutive years.

- Was evaluated '5 TIA' in organizing the Annual General Shareholders Meeting for 7 consecutive years (2009 – 2015). From Thai Investors Association (TIA).
- Received Investors' Choice Award for receiving 100% scores from the evaluation of the Annual General Shareholders Meeting for 6 consecutive years (2009 - 2014). From Thai Investors Association (TIA).
- Received 'Board of the Year for Distinctive Practices Award 2010/2011'. From Thai Institute of Directors (IOD).
- 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'. From Thai Institute of Directors (IOD).
- 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 Committees 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 2018, there were 5 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 Committees 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:

Unit : Thousand Baht

Companies / Individuals who are related	Nature of Business	Type of Relation	Related Items	Policy of inter- price setting	For the year ended 31 December 2018					
					Consolidated Financial Statements			Separate Financial Statements		
					2018	2017	2016	2018	2017	2016
Plearn Patt Co., Ltd.	Private School	Subsidiary Company	Purchase of goods	Mutually agreed agreement	-	-	-	6	-	11
			Sales of goods	Market price	-	-	-	609	608	653
			Trade receivables	Market price	-	-	-	4	6	-
BaesLab Co., Ltd.	Technology Consultant	Subsidiary Company	Purchase Intangible's goods	Mutually agreed agreement	-	-	-	-	-	-
			Service Fee - Payables	Mutually agreed agreement	-	-	-	417	2,133	3,531
			Service Fees - Receivables	Market price	-	-	-	224	-	251
Smarter Thais Foundation	Foundation	Identical Executive Directors	Trade receivables	Market price	-	8,396	13,440	3,353	8,396	13,440
			Purchase of goods	Market price	-	6	-	-	6	43
			Trade payables	Market price	-	-	-	-	-	23
			Sales of goods	Market price	-	-	-	-	-	28,394

Unit : Thousand Baht

Companies / Individuals who are related	Nature of Business	Type of Relation	Related Items	Policy of inter- price setting	For the year ended 31 December 2018					
					Consolidated Financial Statements			Separate Financial Statements		
					2018	2017	2016	2018	2017	2016
Shareholder / Director of subsidiary	-	Related person	<b>Assets – Land leasehold right</b>  <i>In 2017, had 2 contracts for amortized land leasehold right, worth 10 Million Baht, with 30-years term. The approximate space in the property is 22,400 square meters. (In 2016 - 2015, had 2 contracts for amortized land leasehold right, worth 10 Million Baht, with 30-years term. The approximate space in the property is 32,000 square meters.)</i>	Mutually agreed agreement	5,810	6,095	5,696	-	-	-
			<b>Expense – Land Rental</b>  <i>In 2017, had 2 contracts for land rental, worth 10 Million Baht, with 30-years term. The approximate space in the property is 22,400 square meters. (In 2016 - 2015, had 2 contracts for land rental, worth 10 Million Baht, with 30-years term. The approximate space in the property is 32,000 square meters.)</i>	Mutually agreed agreement	1,015	1,006	1,211	-	-	-



Unit : Thousand Baht

Companies / Individuals who are related	Nature of Business	Type of Relation	Related Items	Policy of inter- price setting	For the year ended 31 December 2018					
					Consolidated Financial Statements			Separate Financial Statements		
					2018	2017	2016	2018	2017	2016
Shareholder / Director of subsidiary	-	Related person	Expense - amortized land leasehold right  - In 2017, had 2 contracts for amortized land leasehold right, worth 10 Million Baht, with 30-years term. The approximate space in the property is 22,400 square meters. (In 2016 - 2015, had 2 contracts for amortized land leasehold right, worth 10 Million Baht, with 30-years term. The approximate space in the property is 32,000 square meters.)	Mutually agreed agreement	285	282	336	-	-	-
			Interest expenses from short and long term loans	5 – 6% per year	60	47	30	-	-	-
M & E Co., Ltd.	Printing office company, produces technical magazines and Engineering Manuals	Associated company	Account payable	Market price	-	-	-	-	-	-
			Dividend	AGM's Resolution No. 1/2560	1,000	-	-	1,000	1,000	1,500

Unit : Thousand Baht

Companies / Individuals who are related	Nature of Business	Type of Relation	Related Items	Policy of inter- price setting	For the year ended 31 December 2018					
					Consolidated Financial Statements			Separate Financial Statements		
					2018	2017	2016	2018	2017	2016
GMM Grammy Plc. and company related	Media and Printing	Company Related with shareholders	Account payable	Market Price	1,508	1,141	2,210	1,508	1,141	2,210
			Net purchase	Market Price	485	1,975	578	485	1,975	578
Scenerio Co., Ltd.	TV Production	Company Related with shareholders	Account payable	Market Price	-	-	10	-	-	10

**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, 2018, 2017 and 2016 :**

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

The auditor is Ms. Pimjai Manitkajohnkit Ms. Rosaporn Decharkom and Ms. Sumana Punpongsanon from EY Office Limited.

## 13.2 Financial Statement

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

#### Statement of financial position

As at 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	139,466	145,865	159,057	85,531	94,320	92,917
Current investments	-	18,883	97,806	-	18,883	72,806
Trade and other receivables	62,951	79,027	85,126	57,945	73,681	80,523
Short-term loan to subsidiary	-	-	-	1,800	1,800	3,000
Inventories	335,089	324,830	403,332	330,432	318,496	397,218
Other current assets	54,338	51,954	88,734	51,548	48,495	86,590
	<b>591,844</b>	<b>620,558</b>	<b>834,056</b>	<b>527,256</b>	<b>555,675</b>	<b>733,054</b>
Non-current assets held for sale	-	50,432	-	-	50,432	-
<b>Total current assets</b>	<b>591,844</b>	<b>670,990</b>	<b>834,056</b>	<b>527,256</b>	<b>606,107</b>	<b>733,054</b>
<b>Non-current assets</b>						
Restricted bank deposits and other investments	13,413	13,394	13,374	13,413	13,394	13,374
Investments in subsidiaries	-	-	-	70,295	70,295	70,295
Investment in associate	25,339	25,912	25,950	100	100	100
Property, plant and equipment	1,776,902	1,844,562	1,491,005	1,510,772	1,570,739	1,295,530
Leasehold rights on land	5,810	6,095	5,696	-	-	-
Leasehold rights on buildings	40,042	50,789	62,084	40,042	50,789	62,084
Intangible assets	3,617	3,910	5,516	3,495	4,232	5,869
Prepaid book copyright and translation fee	17,599	15,691	17,179	17,599	15,691	17,179
Rental guarantee and deposit	89,951	98,608	100,755	89,951	98,608	100,755
Deferred tax assets	131	15	22,754	-	-	23,830
Other non-current assets	9,502	9,666	10,506	9,102	9,444	10,402
<b>Total non-current assets</b>	<b>1,982,306</b>	<b>2,068,642</b>	<b>1,754,820</b>	<b>1,754,769</b>	<b>1,833,292</b>	<b>1,599,419</b>
<b>Total assets</b>	<b>2,574,150</b>	<b>2,739,631</b>	<b>2,588,876</b>	<b>2,282,026</b>	<b>2,439,398</b>	<b>2,332,473</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	826,276	914,575	1,023,590	810,980	904,655	1,014,577
Income received in advance recognisable						
within one year	57,248	53,644	46,367	-	-	-
Current portion of long-term loans	60,408	279,008	93,090	60,408	269,008	71,520
Income tax payable	391	327	318	-	-	-
Current portion of provision for						
long-term employee benefits	5,793	8,598	8,832	5,793	8,598	8,443
Other current liabilities	29,243	44,121	71,868	24,095	35,211	69,826
<b>Total current liabilities</b>	<b>979,359</b>	<b>1,300,273</b>	<b>1,244,064</b>	<b>901,277</b>	<b>1,217,472</b>	<b>1,164,366</b>
<b>Non-current liabilities</b>						
Income received in advance, net of current portion	9,298	15,857	772	-	-	-
Long-term loans, net of current portion	204,842	56,750	318,250	148,192	-	261,600
Provision for long-term employee benefits, net of						
current portion	55,326	63,796	57,391	48,486	57,970	51,399
Deferred tax liabilities	50,623	50,818	-	46,152	46,062	-
Other non-current liabilities	9,057	8,346	7,438	8,001	8,346	7,438
<b>Total non-current liabilities</b>	<b>329,146</b>	<b>195,567</b>	<b>383,851</b>	<b>250,832</b>	<b>112,378</b>	<b>320,437</b>
<b>Total liabilities</b>	<b>1,308,505</b>	<b>1,495,840</b>	<b>1,627,914</b>	<b>1,152,109</b>	<b>1,329,851</b>	<b>1,484,803</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
<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						
- The Company	39,194	39,194	39,194	39,194	39,194	39,194
- Subsidiary	632	632	-	-	-	-
Unappropriated	213,053	145,234	175,114	178,188	111,524	143,938
Other components of shareholders' equity	382,026	428,873	127,532	371,169	417,464	123,172
Equity attributable to owners of the Company	1,176,270	1,155,299	883,206	1,129,917	1,109,548	847,670
Non-controlling interests of the subsidiaries	89,374	88,493	77,756	-	-	-
<b>Total shareholders' equity</b>	<b>1,265,644</b>	<b>1,243,792</b>	<b>960,962</b>	<b>1,129,917</b>	<b>1,109,548</b>	<b>847,670</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,574,150</b>	<b>2,739,631</b>	<b>2,588,876</b>	<b>2,282,026</b>	<b>2,439,398</b>	<b>2,332,473</b>

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of income

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
<b>Revenues</b>						
Revenues from sales	3,117,513	3,524,028	4,078,112	3,104,385	3,518,350	4,075,360
Tuition fees income	187,166	173,137	164,584	-	-	-
Interest and dividend income	1,241	1,281	1,250	9,420	5,552	2,425
Other income	76,128	70,310	43,603	67,530	61,975	36,385
<b>Total revenues</b>	<b>3,382,049</b>	<b>3,768,757</b>	<b>4,287,549</b>	<b>3,181,335</b>	<b>3,585,877</b>	<b>4,114,171</b>
<b>Expenses</b>						
Cost of sales	2,032,012	2,298,548	2,702,466	2,021,493	2,292,737	2,699,731
Cost of tuition fees	140,496	131,689	124,619	-	-	-
Selling and distribution expenses	759,806	842,135	939,202	759,675	842,003	939,142
Administrative expenses	414,332	500,380	477,829	375,947	468,522	449,833
<b>Total expenses</b>	<b>3,346,646</b>	<b>3,772,752</b>	<b>4,244,116</b>	<b>3,157,114</b>	<b>3,603,262</b>	<b>4,088,707</b>
<b>Profit (loss) before share of profit from investment</b>						
in associate, finance cost and income tax	35,402	(3,995)	43,433	24,221	(17,385)	25,464
Share of profit from investment in associate	1,007	962	1,799	-	-	-
<b>Profit (loss) before finance cost and income tax</b>	<b>36,409</b>	<b>(3,033)</b>	<b>45,231</b>	<b>24,221</b>	<b>(17,385)</b>	<b>25,464</b>
Finance cost	(14,866)	(19,457)	(23,773)	(11,869)	(14,908)	(18,339)
<b>Profit (loss) before income tax</b>	<b>21,543</b>	<b>(22,489)</b>	<b>21,458</b>	<b>12,351</b>	<b>(32,293)</b>	<b>7,126</b>
Income tax revenues	1,868	3,702	(2,110)	1,535	3,611	(2,088)
<b>Profit (loss) for the year</b>	<b>23,411</b>	<b>(18,787)</b>	<b>19,348</b>	<b>13,886</b>	<b>(28,682)</b>	<b>5,038</b>
<b>Profit (loss) attributable to</b>						
Equity holders of the Company	14,615	(25,702)	12,365	13,886	(28,682)	5,038
Non-controlling interests of the subsidiaries	8,797	6,915	6,983			
	<b>23,411</b>	<b>(18,787)</b>	<b>19,348</b>			
<b>Earnings per share</b>						
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Com	0.04	(0.07)	0.03	0.04	(0.07)	0.01



## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
<b>Profit (loss) for the year</b>	23,411	(18,787)	19,348	13,886	(28,682)	5,038
<b>Other comprehensive income:</b>						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Loss on changes in value of						
available-for-sale investments	(7)	(61)	(3,075)	(7)	(61)	(2,620)
Less: Income tax effect	1	12	615	1	12	524
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(5)	(49)	(2,460)	(5)	(49)	(2,096)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial gain (loss)	7,852	(144)	(2,862)	8,110	-	(2,432)
Changes in revaluation of assets	-	386,810	-	-	368,161	-
Less: Income tax effect	(1,622)	(77,362)	332	(1,622)	(73,632)	332
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income	6,230	309,304	(2,529)	6,488	294,529	(2,100)
<b>Other comprehensive income for the year</b>	6,225	309,255	(4,989)	6,483	294,479	(4,196)
<b>Total comprehensive income for the year</b>	29,636	290,468	14,359	20,369	265,798	842
<b>Total comprehensive income attributable to</b>						
Equity holders of the Company	20,971	276,013	7,781	20,369	265,798	842
Non-controlling interests of subsidiaries						
<b>Total comprehensive income for the year</b>	8,665	14,455	6,578			
	29,636	290,468	14,359			

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of changes in shareholders' equity

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the parent's shareholders											
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity					Total
						Other comprehensive income					
						Surplus					
						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	
			Appropriated - statutory reserve	Unappropriated							
			The Company	Subsidiary							
Balance as at 1 January 2016	391,944	149,421	39,194	-	211,567	2,329	128,002	130,330	922,457	71,178	993,636
Profit for the year	-	-	-	-	12,365	-	-	-	12,365	6,983	19,348
Other comprehensive income for the year	-	-	-	-	(2,310)	(2,274)	-	(2,274)	(4,585)	(405)	(4,989)
Total comprehensive income for the year	-	-	-	-	10,055	(2,274)	-	(2,274)	7,781	6,578	14,359
Dividend paid	-	-	-	-	(47,033)	-	-	-	(47,033)	-	(47,033)
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	524	-	(524)	(524)	-	-	-
Balance as at 31 December 2016	391,944	149,421	39,194	-	175,114	55	127,477	127,532	883,206	77,756	960,962
Balance as at 1 January 2017	391,944	149,421	39,194	-	175,114	55	127,477	127,532	883,206	77,756	960,962
Loss for the year	-	-	-	-	(25,702)	-	-	-	(25,702)	6,915	(18,787)
Other comprehensive income for the year	-	-	-	-	(71)	(49)	301,835	301,785	301,715	7,540	309,255
Total comprehensive income for the year	-	-	-	-	(25,773)	(49)	301,835	301,785	276,013	14,455	290,468
Dividend paid	-	-	-	-	(3,919)	-	-	-	(3,919)	-	(3,919)
Subsidiary paid dividend to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(3,718)	(3,718)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	632	(632)	-	-	-	-	-	-
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	444	-	(444)	(444)	-	-	-
Balance as at 31 December 2017	391,944	149,421	39,194	632	145,234	5	428,868	428,873	1,155,299	88,493	1,243,792
Balance as at 1 January 2018	391,944	149,421	39,194	632	145,234	5	428,868	428,873	1,155,299	88,493	1,243,792
Profit for the year	-	-	-	-	14,615	-	-	-	14,615	8,797	23,411
Other comprehensive income for the year	-	-	-	-	6,362	(5)	-	(5)	6,357	(132)	6,225
Total comprehensive income for the year	-	-	-	-	20,977	(5)	-	(5)	20,971	8,665	29,636
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Subsidiary paid dividend to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(7,784)	(7,784)
Transferred surplus on revaluation of assets to retained earning	-	-	-	-	46,842	-	(46,842)	(46,842)	-	-	-
Balance as at 31 December 2018	391,944	149,421	39,194	632	213,053	-	382,026	382,026	1,176,270	89,374	1,265,644

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

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

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

## Separate financial statements

	Issued and paid-up share capital		Retained earnings		Other components of equity				
					Other comprehensive income				
					Surplus		Total other components of shareholders' equity		Total shareholders' equity
					on changes in value of available-for-sale investments	Surplus on revaluation of assets			
	Share premium	- Statutory reserve	Unappropriated						
Balance as at 1 January 2016	391,944	149,421	39,194	187,766	2,150	123,385	125,535	893,860	
Profit for the year	-	-	-	5,038	-	-	-	5,038	
Other comprehensive income for the year	-	-	-	(2,100)	(2,096)	-	(2,096)	(4,196)	
Total comprehensive income for the year	-	-	-	2,938	(2,096)	-	(2,096)	842	
Dividend paid	-	-	-	(47,033)	-	-	-	(47,033)	
Transferred surplus on revaluation of assets to retained earning	-	-	-	267	-	(267)	(267)	-	
Balance as at 31 December 2016	391,944	149,421	39,194	143,938	55	123,118	123,172	847,670	
Balance as at 1 January 2017	391,944	149,421	39,194	143,938	55	123,118	123,172	847,670	
Loss for the year	-	-	-	(28,682)	-	-	-	(28,682)	
Other comprehensive income for the year	-	-	-	-	(49)	294,529	294,479	294,479	
Total comprehensive income for the year	-	-	-	(28,682)	(49)	294,529	294,479	265,798	
Dividend paid	-	-	-	(3,919)	-	-	-	(3,919)	
Transferred surplus on revaluation of assets to retained earning	-	-	-	188	-	(188)	(188)	-	
Balance as at 31 December 2017	391,944	149,421	39,194	111,524	5	417,459	417,464	1,109,548	
Balance as at 1 January 2018	391,944	149,421	39,194	111,524	5	417,459	417,464	1,109,548	
Profit for the year	-	-	-	13,886	-	-	-	13,886	
Other comprehensive income for the year	-	-	-	6,488	(5)	-	(5)	6,483	
Total comprehensive income for the year	-	-	-	20,374	(5)	-	(5)	20,369	
Transferred surplus on revaluation of assets to retained earning	-	-	-	46,289	-	(46,289)	(46,289)	-	
Balance as at 31 December 2018	391,944	149,421	39,194	178,188	-	371,169	371,169	1,129,917	

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Cash flow statement

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
<b>Cash flows from operating activities</b>						
Profit (loss) before tax	21,543	(22,489)	21,458	12,351	(32,293)	7,126
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	100,265	111,639	120,694	84,040	95,103	102,975
Reversal of allowance for doubtful accounts and estimated goods return	(120)	(309)	(4,230)	(563)	(504)	(4,309)
Adjustment from reconciliation accounts receivable	(626)	(165)	(105)	(626)	(165)	(105)
Allowance for impairment of assets (reversal)	(323)	2,016	(1,235)	(323)	2,016	(1,235)
Expense from loss of inventories	7,949	6,345	11,088	7,949	6,345	11,088
Allowance for loss of inventories, dilapidated and slow moving (reversal)	(25,327)	7,976	2,343	(25,327)	7,970	2,343
Provision for impairment of investment	580	-	-	-	-	11
Expense for donation of goods and equipment	6,568	11,115	8,805	6,568	11,115	8,805
Provision for long-term employee benefits	3,417	16,069	19,707	2,661	16,045	18,173
Share of profit from investment in associate	(1,007)	(962)	(1,799)	-	-	-
Gain on disposal of current investments	(845)	(1,345)	(4,640)	(845)	(1,345)	(4,230)
Loss from stock destruction	7,699	23,212	10,024	7,699	23,212	10,024
Loss on sales and written-off equipment	5,181	3,038	4,273	4,512	2,596	4,052
Gain on sales of land	(9,568)	-	-	(9,568)	-	-
Amortised of leasehold rights on land and buildings	11,032	11,578	11,563	10,746	11,296	11,227
Loss on written-off leasehold right on land	-	2,818	-	-	-	-
Adjustment from clearing coupon payable	-	(6,394)	-	-	(6,394)	-
Adjustment from clearing long outstanding payable	(2,750)	(1,192)	(3,573)	(2,750)	(1,192)	(3,573)
Interest expenses	14,866	19,457	23,773	11,869	14,908	18,339
Interest income	(1,241)	(1,281)	(1,250)	(950)	(983)	(925)
Dividend income	-	-	-	(8,470)	(4,569)	(1,500)
Profit from operating activities before changes in operating assets and liabilities	137,293	181,124	216,896	98,975	143,159	178,284
Operating assets (increase) decrease						
Trade and other receivables	16,822	13,468	(10,372)	16,925	14,405	(9,748)
Inventories	(7,577)	29,855	(67,079)	(8,826)	30,081	(63,610)
Prepaid expenses	1,044	1,196	(1,268)	516	2,326	(1,106)
Advance payment for purchasing books	-	37,400	(37,400)	-	37,400	(37,400)
Other current assets	(3,524)	(5,899)	(8,996)	(3,718)	(5,837)	(8,920)
Prepaid book copyright and translation fee	(1,908)	1,488	(913)	(1,908)	1,488	(913)
Rental guarantee and deposit	8,657	2,148	(397)	8,657	2,148	(397)
Other non-current assets	164	839	(3,624)	342	957	(3,597)

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Cash flow statement (continued)

For the year ended 31 December 2018 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016
Operating liabilities increase (decrease)						
Trade and other payables	(85,879)	(109,279)	50,599	(91,451)	(110,023)	48,807
Income received in advance	(2,954)	22,362	1,646	-	-	-
Cash paid for long-term employee benefits	(6,838)	(10,042)	(3,472)	(6,838)	(9,319)	(3,472)
Advance received for purchasing books	1,788	(43,295)	44,226	1,788	(43,295)	44,226
Other current liabilities	2,083	7,135	5,668	5,846	267	5,373
Other non-current liabilities	711	908	(691)	(345)	908	(691)
Cash flows from operating activities	59,882	129,409	184,821	19,963	64,664	146,836
Cash received from tax refund	6,983	5,992	-	6,859	5,992	-
Cash paid for interest expenses	(14,909)	(19,438)	(23,795)	(11,913)	(14,890)	(18,360)
Cash paid for income tax	(6,888)	(9,013)	(4,150)	(6,706)	(8,809)	(4,150)
<b>Net cash flows from operating activities</b>	<b>45,068</b>	<b>106,950</b>	<b>156,877</b>	<b>8,204</b>	<b>46,957</b>	<b>124,326</b>
<b>Cash flows from investing activities</b>						
Increase in restricted bank deposits and other investments	(19)	(19)	(20)	(19)	(19)	(20)
Decrease in current investments	19,722	80,206	93,061	19,722	55,206	85,993
Decrease in short-term loan to subsidiary	-	-	-	-	1,200	(3,000)
Dividend received	1,000	1,000	1,500	8,470	4,569	1,500
Interest income	1,241	1,410	1,208	950	997	879
Cash received from advanced deposit	-	16,000	-	-	16,000	-
Proceeds from sales of equipment	1,922	375	1,723	1,892	363	1,710
Proceeds from sales of land	44,000	-	-	44,000	-	-
Cash paid for purchase of property and equipment	(41,040)	(132,390)	(81,275)	(31,598)	(55,834)	(76,175)
Cash paid for purchase of intangible assets	-	(5)	(166)	-	(5)	(166)
Cash paid for acquisition of leasehold right	-	(3,499)	(10,020)	-	-	(10,020)
<b>Net cash flows from (used in) investing activities</b>	<b>26,825</b>	<b>(36,922)</b>	<b>6,011</b>	<b>43,416</b>	<b>22,477</b>	<b>700</b>
<b>Cash flows from financing activities</b>						
Repayment of short-term loans from financial institutions	(30,000)	(100,000)	(100,000)	(30,000)	(100,000)	(100,000)
Cash received from short-term loans from financial institution	30,000	100,000	100,000	30,000	100,000	100,000
Cash received from other short-term loan	300	-	-	-	-	-
Repayment of other short-term loan	(300)	-	-	-	-	-
Cash received from long-term loans	-	10,550	-	-	-	-
Repayment of long-term loans	(70,508)	(86,132)	(88,470)	(60,408)	(64,112)	(71,520)
Dividend paid	(7,783)	(7,638)	(47,033)	-	(3,919)	(47,033)
<b>Net cash flows used in financing activities</b>	<b>(78,291)</b>	<b>(83,220)</b>	<b>(135,503)</b>	<b>(60,408)</b>	<b>(68,031)</b>	<b>(118,553)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,398)</b>	<b>(13,192)</b>	<b>27,386</b>	<b>(8,789)</b>	<b>1,402</b>	<b>6,474</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>145,865</b>	<b>159,057</b>	<b>131,671</b>	<b>94,320</b>	<b>92,917</b>	<b>86,444</b>
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>139,466</b>	<b>145,865</b>	<b>159,057</b>	<b>85,531</b>	<b>94,320</b>	<b>92,917</b>
	-	-	-	-	-	-
<b>Supplemental cash flows information</b>						
Non-cash transactions						
Recognised loss in revaluation surplus on changes in value of available-for-sale investments	7	(61)	(3,075)	7	(61)	(2,620)
Decrease (increase) in trade Payable	(2,376)	246	4,151	(2,181)	82	4,263
Surplus on revaluation of assets	-	386,810	-	-	368,161	-
Actuarial loss	7,852	(144)	(2,862)	8,110	-	(2,432)
Decrease in deposit received from sale of land	(16,000)	-	-	(16,000)	-	-
Transferred land and building to non-current assets held for sale	-	50,432	-	-	50,432	-

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

**table 4 : Financial ratio of 2018 2017 and 2016**

		Consolidated financial statements		
		2018	2017	2016
Financial ratios				
Return On Equity (ROE)	%	1.25	(2.52)	1.37
Return on Asset (ROA)	%	1.37	(0.11)	1.68
Debt to Equity Ratio	times	1.03	1.20	1.69
Interest Coverage Ratio	times	10.67	10.78	10.29

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 = Profit from operating activities before changes in operating assets + interest + income tax expenses divided by interest from operation and investment

**ROE was 1.25%**

**increased by 3.77%**

**while ROA was 1.37%**

**increased by 1.48 %**

Return on Equity (ROE) was 1.25% increased by 3.77% while Return on Assets (ROA) was 1.37% increased by 1.48%, aligning with improving operating performance.

**Debt to Equity Ratio**

**was 1.03 times,**

**decreased by 0.26**

**times**

Debt to Equity Ratio of the shareholder which decreased by 0.17 times due to paying long-term liabilities which was due.

**Interest Coverage**

**Ratio was 10.67 times,**

**decreased by 0.11**

**times**

Interest Coverage Ratio decreased by 0.11 times due to a decrease of cash from operational margin and a decrease of interest in accordance with the principle portion.

## 14. Management Discussion and Analysis

### Publishing Business Situation in 2018

#### **Overview**

In the year of 2018, the Company was getting well adapted in every aspect, especially in the following aspects:

- Better product management to have a more effective turnover rate, yielding a decrease of expenses from reserving for the slow-turnover goods
- Better product ratio in the bookstores which meet the needs of main targeted customers of each branch, resulting in better profitability
- Better creative marketing promotions regarding the Government's national policy on shopping which was one of the factors that improved the Company's operational performance. Also, shutting unprofitable 37 branches and continuously financial cutbacks make better expense control for the Company. As of 31 December, 2018 the 355 branches are active.
- The new market penetration like the institute market, and the products for improving students' potential received clearly better response than in 2017. It allows the Company to meet the institutes' needs more precisely. The mentioned products are the course books from Oxford University Press with its curriculum in improving English teachers and criteria for evaluating 4 skills of CEFR (Cambridge Assessment), including the digital self-learning media for improving English proficiency which are available anywhere and anytime.

#### **SE-ED's profit in 2018 is THB 14.61 million.**

The Company's performances can be summarized as follows:

- **The total revenue** from the consolidated financial statement decreased by 10.26% from the previous year. The total revenue from the separate financial statement decreased by 11.28% which primarily caused by the revenue from the Company's retail business declined due to customer traffic lessened and customers spent more time on social media for information, negatively affected retail business in overall. Also, this decrease of sales was affected by closing down unprofitable branches



- **The selling and administrative expenses** decreased by 12.54% due to better stock management, improved working performance, and well costs and expenses control.
- **Finance cost** decreased by THB 4.59 million because the Company paid the long-term loan on time.

**Table 1 : Operation results of 2018 and 2017**

(Unit : Million Baht)

<b>Consolidated financial statement</b>				
	<b>2018</b>	<b>2017</b>	<b>Increase (decrease)</b>	<b>%</b>
Revenue from sales of goods	3,304.68	3,697.17	(392.49)	(10.62%)
Cost of sales	2,172.51	2,430.24	(257.73)	(10.61%)
Gross profit	1,132.17	1,266.93	(134.76)	(10.64%)
<b>Gross profit margin</b>	<b>34.26%</b>	<b>34.27%</b>		<b>(0.01%)</b>
<b>EBITDA</b>	<b>147.71</b>	<b>120.18</b>	<b>27.53</b>	<b>22.91%</b>
<b>Profit (loss) attributable to</b>				
Equity holders of the Company	14.61	(25.70)	40.31	156.85%
Net earnings per share	0.04	(0.07)	0.11	157.14%

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

**Margin decreased  
or 0.01%**

In 2018, gross profit was THB 1,132.17 million, decreased by THB 134.76 million or 10.64% from the previous year due to a decrease in sales. Gross margin in 2018 was 34.26%, decreased by 0.01% from the previous year due to marketing promotions to draw in customers.

**cost of sales and  
services decreased by  
THB 257.73 million**

Cost of sales and services according to consolidated financial statements is THB 2,172.51 million, decreased by THB 257.73 million or 10.61% in accordance with the decline of sales.

**EBITDA increased by  
THB 27.53 million or  
22.91%**

EBITDA increased by THB 27.53 million as a result of net profit increased by THB 40.31 million, due to improved inventory management and a decrease of long-term benefits for employees since the branches were closed in the past three years. Also, the Company gained profit from selling the Company's previous land and property.

**Table2: Statement of financial position As at 31 December 2018 and 31 December 2017**

(Unit : Million Baht)

<b>Consolidated financial statement</b>				
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>Increase (decrease)</b>	<b>%</b>
Current assets	591.84	670.99	(79.15)	(11.80%)
Non-current assets	1,982.31	2,068.64	(86.33)	(4.17%)
<b>Total assets</b>	<b>2,574.15</b>	<b>2,739.63</b>	<b>(165.48)</b>	<b>(6.04%)</b>
Current liability	979.36	1,300.27	(320.91)	(24.68%)
Non-current liability	329.15	195.57	133.58	68.30%
Total liability	1,308.51	1,495.84	(187.33)	(12.52%)
Total shareholder's equity	1,265.64	1,243.79	21.85	1.76%
<b>Total liability and shareholder's equity</b>	<b>2,574.15</b>	<b>2,739.63</b>	<b>(165.48)</b>	<b>(6.04%)</b>

**Current assets**

Current assets decreased by THB 79.15 million as follows:

**decreased by THB****79.15 million or 11.80%**

- Non-current assets held for sale decreased by THB 50.43 million from selling the Company's previous land and property.
- Temporary investments decreased by THB 18.88 million or 100% by selling for paying long-term loans.

**Non-current assets****decreased by THB****86.33 million or 4.17%**

Non-current assets decreased by THB 86.33 million from accounting depreciation of lands, buildings, and equipment in 2018.

**Current liability****decreased by THB****320.91 million or****24.68%**

Current liability decreased by THB 320.91 million incurred from long term loans re-classification.

**Non-current liability****increased by THB****133.58 million or****68.30%**

Non-current liabilities increased by THB 133.58 million from reclassifying to a long-term loan class, resulting from receiving the letter of indulgence regarding terms and conditions in retaining financial ratio in the last quarter.

**Shareholder's equity** Shareholder's equity increased by THB 21.85 million due to the profits.  
**increased by THB**  
**21.85 million or 1.76%**

**Table 3 : Statement of cash flows of 2018 and 2017**

<b>Consolidated financial statement</b>				
(Unit : Million Baht)				
	<b>2018</b>	<b>2017</b>	<b>Increase (decrease)</b>	<b>%</b>
Cash flows from (used) operation activities	45.07	106.95	(61.88)	(57.86%)
Cash flows from (used) investing activities	26.82	(36.92)	63.74	(172.64%)
Cash flows from (used) financing activities	(78.29)	(83.22)	4.93	5.92%
<b>Cash flows (decreased)</b>	<b>(6.40)</b>	<b>(13.19)</b>	<b>6.79</b>	<b>51.48%</b>

**Cash flows from operation activities in 2018 was THB 45.07 million**

The net cash flows from operation in the amount of THB 45.07 million came from:

- Profit in the form of cash from operation was THB 137.29 million.
- Operational assets decreased THB 13.68 million due to payment received from educational receivables.
- Operational liabilities decreased by THB 91.09 million due to a decrease of trade payables, which aligned with a decline of sales.
- Cash decreased by THB 14.91 million from paying an interest of the long-term loans.

**Cash flows from investing activities in 2018 was THB 26.82 million.**

- Cash increased by THB 44 million from selling the Company's previous land and property.
- Cash increased by THB 19.72 million from selling short-term investments.
- Cash decreased by THB 41.04 million from purchasing equipment: book shelves, computer tools, and electrical tools.
- Provident fund gained from the associate company M&E in the amount of THB 1 million.

**Cash flows used in financing activities in 2018 was THB (78.29) million**

- Cash decreased from repaying to financial institutions by THB 70.51 million.
- Cash decreased from paying dividend in the amount of THB 7.78 million due to the operation of Plearn Patt Co., Ltd. the Company's subsidiary company.

## 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, 2017 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."

<b>Name</b>	<b>Position</b>	<b>Signature</b>
1. Mr. Viboolsak Udomvanich	Deputy Managing Director and Company Secretary	_____
2. Mr. Wutthiphum Jurangkool	Director	_____

<b>Authorized Person</b>	<b>Position</b>	<b>Signature</b>
Mr. Viboolsak Udomvanich	Deputy Managing Director and Company Secretary	_____

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 18 directors and executives are follow:**

**1. Mr. Kasemsant Weerakun**

Chairman of the Board of Directors

Independent Director

Age 55 Years

**Appoint Date / Lastest**

- November 9, 2018                      Director and Chairman of the Board of Directors

**Highest Qualification**

- Researcher, Osaka University (Japanese Government Scholarship) Osaka University
- Master of Economics, Thammasat University (English Program)
- Bachelor of Economics, Thammasat University

**Training Certified (Director Program) IOD**

- Director Accreditation Program (DAP)

**Number of Shares (Proportion)**

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

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

- - None -

**Working Background**

- 9 Nov 2018 - present                      Chairman of the Board of Directors and Independent Director, SE-EDUCATION Plc.
- 29 Jan 2015 - present                      Director, Advance Life Assurance Plc.
- 4 Nov 2014 - present                      Chairman of Audit Committee, Siam City insurance Plc.
- 29 Sep 2014 - present                      Independent Director, Siam City insurance Plc.

**Director Positions in other business**

- In Listed Companies

Total 2 companies

- Chairman of Audit Committee and Independent Director, Siam City insurance Plc.
- Director, Advance Life Assurance Plc.

- In non - listed Companies

- None -

## 2. Mr. Wutthiphum Jurangkool

Director, Recruitment & Remuneration Committees

Non - executive Director and Authorized Director

Age 39 Years

### Date of Appoint

- 26 Feb 2015 Director
- 15 Aug 2017 Recruitment & Remuneration Committees
- 9 November 2018 Authorized 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> 51,550,512 shares (13.1525%)
- By Director 51,550,512 shares (13.1525%)
- By Spouse - None -
- By Children Underage - None -
- By other authority control - None -

### Relation among family within The Director and Executives

- None -

### Working Background

- 1 Dec 2018 - present Authorized Director, SE-EDUCATION Plc.
- 15 Aug 2017 - present Recruitment & Remuneration Committee, SE-EDUCATION Plc.
- Feb 2015 - Present Director, SE-EDUCATION Plc.
- Nov 2018 - present Director, NokScoot Airlines Co., Ltd.
- Jan 2018 - Present Director and Authorized signatory / Thai steel cable 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
  - 4 Companies
    - Director and Authorized signatory, AIRA Capital Plc. / Business Finance
    - Director Executive Director and Authorized signatory, AIRA Factoring Plc. / Business Finance
    - Director and Authorized signatory / AIRA & AIFUL Plc.
    - Director and Authorized signatory, Thai Steel Cable Plc. / Business Automotive
- In non - listed Companies
  - 9 companies
    - NokScoot Airlines Co., Ltd.
    - 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.

### **3. Mr. Viboolsak Udomvanich**

Director, Deputy Managing Director and Company Secretary.

Executive Director and Authorized Director.

Age 64 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> 123 shares (0.0001%)
- By Director - None -
- By Spouse 123 shares (0.0001%)
- By Children Underage - None -
- By 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 - 2018 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
  - 3 companies
    - Executive Director, Plearn Patt Co., Ltd.
    - Director, BaesLab Co., Ltd.
    - Director, U.P.ONE Co., Ltd.

#### 4. Assoc. Prof. Yuen Poovarawan

Director

Non - executive Director and Authorized Director

Age 68 Years

##### Date of Appoint

- 10 Oct 1974          Director
- 27 Feb 2014        Authorized 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%)
- By Director                              1,843,538 shares (0.4704%)
- By Spouse                                1,080,686 shares (0.2757%)
- By Children Underage                - None -
- By other authority control           - None -

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

- None -

##### Working Background

- 27 Feb 2014 - present          Authorized Director, SE-EDUCATION Plc.
- 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 -

Director and Chairman of Audit Committees  
Independent Director  
Age 62 Years

- 22 Apr 1999      Director
- 22 Dec 1999      Audit Committee
- 23 Dec 2017      Chairman of Audit Committees

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

- Director Accreditation Program (DAP)

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

- None -

▪ 23 Dec 2017 - present	Chairman of Audit Committees, SE-EDUCATION Plc.
▪ 22 Dec 1999 present	Audit Committee, SE-EDUCATION Plc.
▪ 22 Apr 1999 - present	Director and Independent Director, SE-EDUCATION Plc.
▪ 2012 - present	Director, MK Restaurant Group Plc.
▪ 2012 - 2016	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.

- In listed Companies
  - 1 company
    - Director, MK Restaurant Group Plc.
- In non - listed Companies
  - None -

Age 59 Years

- 26 Feb 2015      Director
- 27 Feb 2018      Audit Committee

- MA. Executive Master of Accountancy, Chulalongkorn, University
- BA. Accountancy, Thammasat University

- Director Accreditation Program (DAP)

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

- None -

▪ 27 Feb 2018 - present	Audit Committee
▪ 1 Jan 2018 - present	Independent Director
▪ 2015 - present	Director, SE-EDUCATION Plc.
▪ 2014 - 2015	Director, Summit Corporation Co. Ltd.
▪ 2007 - 2012	Director, International Casting Product Co., Ltd.
▪ 2006 - 2012	Vice-President, Finance & Accounting, Somboon Advance Technology Plc.
▪ 2004 - 2006	Vice-President, Finance & Administration, Somboon Advance Technology Plc.
▪ 2002 - 2004	Executive Director, Bangkok Spring Industrial Co., Ltd.

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

## 7. Mr. Kachen Benjakul

Director, Audit Committee and The Chairman of Recruitment & Remuneration Committees

Independent Director

Age 41 Years

### Date of Appoint

- 28 Jun 2005                      Director
- 12 Nov 2009                      Audit Committee
- 27 Feb 2018                      Recruitment & Remuneration Committee
- 9 November 2018                Chairman of Recruitment & Remuneration Committees

### 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%)
- By Director                          464,640 shares (0.1185%)
- By Spouse                            8,591 shares (0.0022%)
- By Children Underage            - None -
- By other authority control       - None -

### Relation among family within The Director and Executives

- None -

### Working Background

- 9 Nov 2018 - present              The Chairman of the Recruitment & Remuneration Committee, SE-EDUCATION Plc.
- 27 Feb 2018 - present              Recruitment & Remuneration Committee, SE-EDUCATION Plc.
- 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 Fund (GPF)
- 2000 - 2001                        Analyst, Government Pension Fund (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.

**8. Mr. Thanong Chotisorayuth**

Director

Non - executive Director

### Age 65 Years

**Date of Appoint**

- 10 Oct 1974 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%) |
| ▪ By Director                | 9,818,122 shares (2.5050%)  |
| ▪ By Spouse                  | 2,324,125 shares (0.5930%)  |
| ▪ By Children Underage       | - None -                    |
| ▪ By other authority control | - None -                    |

### Relation among family within The Director and Executives

- - None -

## Working Background

- 1993 - present Director, SE-EDUCATION Plc.
- 1987 - 30 Nov 2018 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 - 2018 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 Executive Director, Plearn Patt Co., Ltd.



- 2003 - present                      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
  - 3 companies
    - Director, Chairman of Executive Directors, Executive Director of Plearnpattana School, Plearn Patt Co., Ltd.
    - Director, M&E Co., Ltd.
    - Director, BaesLab Co., Ltd.

#### **9. Mr. Phairat Sittakul**

Director

Non - executive Director.

Age 69 Years

#### **Date of Appoint**

- 10 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%)
- By Director                              2,910,310 shares (0.7425%)
- By Spouse                              5,141,188 shares (1.3117%)
- By Children Underage              - None -
- By 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 -

#### **10. Ms. Sajipat Pumpuengput**

Director of Finance Division

Age 55 Years

#### **Highest Qualification**

- BBA. (Management), Sukhothai Tammatirat University

#### **Training Certified (Executive Program) / IOD Program**

- None -

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

- Total<sup>(1)</sup>      - None -
- By Executive      - None -
- By Spouse      - None -
- By Children Underage      - None -
- By 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 -

**11. Ms. Aree Sae-ung**

Director of Accounting Division

Age 47 Years

**Highest Qualification**

- Certified Accounting Auditor, No. 5386
- MBA, Burapha University
- Bachelor Certificate (Audit), Thammasat University
- BBA (Accounting), Rajamangala Institute of Technology

**Training Certified (Executive Program) / IOD Program**

- None -

**Number of shares (Proportion)**

- Total<sup>(1)</sup> - None -
- By Executive - None -
- By Spouse - None -
- By Children Underage - None -
- By 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 -

**12. Ms. Daungjai Jeenanurugk**

Head of Business Unit SE-ED Book Center, Head of Business Unit Sales & Distribution Division

Director of Sales & Distribution Division

Age 50 Years

**Highest Qualification**

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

**Training Certified (Executive Program) / IOD Program**

- None -

**Number of shares (Proportion)**

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

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

- None -

**Working Background**

- 6 Sep 2018 - present Head of Business Unit SE-ED Book Center, SE-EDUCATION Plc.
- 6 Sep 2018 - present Head of Business Sales & Distribution Division, SE-EDUCATION Plc.
- 2011 - present Director of Sales & 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 -

**13. Mrs. Kanit Promsen**

Head of Business Unit Books Division and Executive Editor, General Book Division

Age 51 Years

**Highest Qualification**

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

**Training Certified (Executive Program) / IOD Program**

- MINI MBA, University of Thai Chamber of Commerce
- MINI MBA, Chulalongkorn University

**Number of shares (Proportion)**

- Total<sup>(1)</sup> 7,166 shares (0.0120%)
- By Executive 7,166 shares (0.0120%)

- By Spouse - None -
- By Children Underage - None -
- By other authority control - None -

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

- None -

#### **Working Background**

- 6 Sep 2018 - present Head of Business Unit Books Division, SE-EDUCATION Plc.
- 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 -

#### **14. Ms. Sarida Sarajan**

Executive Editor, Text Books Division

Age 58 Years

#### **Highest Qualification**

- Master of Economics (M.ECon.), Ramkhamhaeng University
- Master of Business Administration (M.B.A), Ramkhamhaeng University
- Bachelor of Arts (Political Science), Ramkhamhaeng University

#### **Training Certified (Executive Program) / IOD Program**

- None -

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

- Total<sup>(1)</sup> - None -
- By Executive - None -
- By Spouse - None -
- By Children Underage - None -
- By 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 -

**15. Meechoke Thongsawai, Ph.D.**

Director of Academic Consulting and International Business

Age 48 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 (Executive Program) / IOD Program**

- None -

**Number of shares (Proportion)**

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

#### 16. Mr. Apichit Suananuntapoom

Director of Logistic Division

Age 39 Years

#### Highest Qualification

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

#### Training Certified (Executive Program) / IOD Program

- None -

#### Number of shares (Proportion)

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



**17. Mr. Chonlavit Iamraksakiat**

Director of Strategic Information Administration Division

Age 41 Years

**Highest Qualification**

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

**Training Certified (Executive Program) / IOD Program**

- None -

**Number of shares (Proportion)**

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

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

- None -

**Working Background**

- 1 Nov 2018 - present Director of Strategic Information Administration Division, SE-EDUCATION Plc.
- 2012 - 31 Oct 2018 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 -

**18. Mr. Paiboon Chanvalaiporn**

Director of HR &amp; Organization Development Division

Age 54 years

**Highest Qualification**

- Master Degree in Public Administration, Burapha University
- Bachelor Degree in Business Administration, Sukhothai Thammathirat University

**Training Certified Executive Program / IOD Program**

- - None -

**Number of shares (Proportion)**

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

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

- - None -

**Working Background**

- 1 Oct 2018 - present Director of HR & Organization Development Division, SE-EDUCATION Plc.
- 1 Dec 2016 - 30 Sep 2018 HR & GA Manager, Jinpao Precision Industry Co., Ltd.
- 1 May 1990 - 30 Nov 2016 Human Resources Manager, Philips Electronics (Thailand) Ltd.

**Director Positions in other business**

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

**Ramarks** <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.

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

**The list of the Company's 18 directors and executives as follows:**

Name	SE-ED	Plearn Patt	BaesLab	M&E
1. Mr. Kasemsant Weerakun	<b>A</b>			
2. Mr. Wutthiphum Jurangkool	<b>C H</b>			
3. Mr. Viboolsak Udomvanich	<b>C F G I</b>	<b>F</b>	<b>C</b>	
4. Assoc. Prof. Yuen Poovarawan	<b>C</b>	<b>M</b>		
5. Mr. Pravit Tantiwasinchai	<b>B C</b>			
6. Mr. Worapote Chutchaikulsiri	<b>C D</b>			
7. Mr. Kachen Benjakul	<b>C D H</b>	<b>M</b>		
8. Mr. Thanong Chotisorayuth	<b>C</b>	<b>C F L</b>	<b>A</b>	<b>C</b>
9. Mr. Phairat Sittakul	<b>C</b>			
10. Ms. Sajipat Pumpuengput	<b>G</b>			
11. Ms. Aree Sae-Ung	<b>G</b>			
12. Ms. Daungjai Jeenanurugk	<b>G</b>			
13. Mrs. Kanit Promsen	<b>G</b>			
14. Ms. Sarida Sarajan	<b>G</b>			
15. Meechoke Thongsawai,Ph.D.	<b>G</b>			
16. Mr. Apichit Suananuntapoom	<b>G</b>			
17. Mr. Chonlavit Iamraksakiat	<b>G</b>			
18. Mr. Paiboon Chanvalaiporn	<b>G</b>			

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	Plearn Patt	BaesLab
1. Mr. Thanong Chotisorayut	Managing Director Authorized signing Director	B C	B
2. Mr. Viboolsak Udomvanich	Director, Deputy Managing Director and Company Secretary Authorized Director	C	B
3. Mrs. Supavadee Harnmetee		A	
4. Ms. Krongthong Boonprakong		B	
5. Mr. Silawat Susilvorn		B C	
6. 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 Committees which consists of 3 independent Directors, where 3 of the Directors possess the direct knowledge and understanding or experience in accounting or finance, each member in the Committee possesses the qualifications required by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2018, the Audit committees held 5 meetings. Moreover, The Audit committees 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 Committees 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 committees 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 Committees had a discussion with the board of management, top executives, internal auditors and auditors every quarter. The works of the Committee in the year 2018 can be summarized as follow:

**1. Review annual financial report for year 2018:** The Audit committees has reviewed financial statements on a quarterly basis and annual financial reports for the year 2018 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 committees 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 Committees 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 11 consecutive years (2008 – 2018) by Institution of Directors (IOD).

**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 Committees 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 Committees 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 2019 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. Selection and proposal of the Auditor:** The Audit Committees selected the Auditor by considering the Auditor's integrity, competency in auditing, all staff members of the auditors in his/her office, and the appropriate compensation. On the February 22, 2019, the Audit Committees had selected and proposed to designate the Auditor from Dharmniti Auditing Co., Ltd. to be the Company's in the Annual General Shareholders' Meeting No. 1/2019, in order to get approval.

The Audit Committees 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 Committees 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. Pravit Tantiwasinchai)  
Chairman of the Audit Committees  
March 11, 2019

## **Recruitment & Remuneration Committee's Report**

The recruitment & 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. In 2018, the recruitment & remuneration committees members held 3 meetings.

On the recruitment of directors and executives, the recruitment & remuneration committees 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 2018, the recruitment & remuneration committees presented the re-appointment of the board of directors and the Recruitment & remuneration committees 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 & remuneration committees acted with circumspection, prudence, and independence for the maximum benefit of the stakeholders.

(Mr. Kachen Benjakul)

Chairman of Recruitment & remuneration committees

March 11, 2019



## 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	45	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.



**SE-ED**