

Form 56-1

SE-ED

inspiration starts here

Annual Registration Statement 2019

SE-EDUCATION PUBLIC COMPANY LIMITED

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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, 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**.

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 :

1. The Company aimed to open the branches in each province to cover the country and be the bookstore with the most branches. This went along with the branch innovation plan. To differentiate its bookstores, the new branches would use a modern yet localized design. The digital technology would be employed to improve the products and operation in the branches in order to be the leading knowledge provider.

2. The Company developed its e-commerce to be more effective and innovative since the website had been visited most and had the most various books available. The Company aimed to be the life-long learning center.
3. The Company developed and customized book, e-book, audiobook and videobook to suit the new generation's way of life which rapidly changes and to be inspiration to others.
4. The Company improved the operation process and services according to the new needs of educational market by offering learning material suitable for educational institutes.
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;
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 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.

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 audiobooks 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.

In 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.

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).

Because the SE-ED Learning Center was not profitable anymore, the Company closed down the center in 2018 in order to cut down its operational cost.

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 2019

Apart from a normal business operation, the Company had some important developments and changes in 2019, as in the following:

- The Company 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:

- Renovated 3 branches were modernized to have a more attractive look.
- Closed 41 branches that cannot profitable to enhance profitability. To suit the current economic conditions.
- The IOD has appraised SE-ED to be excellent (5 stars) level in Corporate Governance Report of Thai Listed Companies 2019 appraisal for 12 consecutive years (2008 – 2019). The Company is the only company from the publishing business category in the service industry to be evaluated 'excellent' for 12 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. The Board of Directors' Meeting 4/2018 on November 9, 2018 approved to terminate the joint venture and register the liquidation of SE-ED Book Center, Co., Ltd. and the procedure had been completed on June 20, 2019.

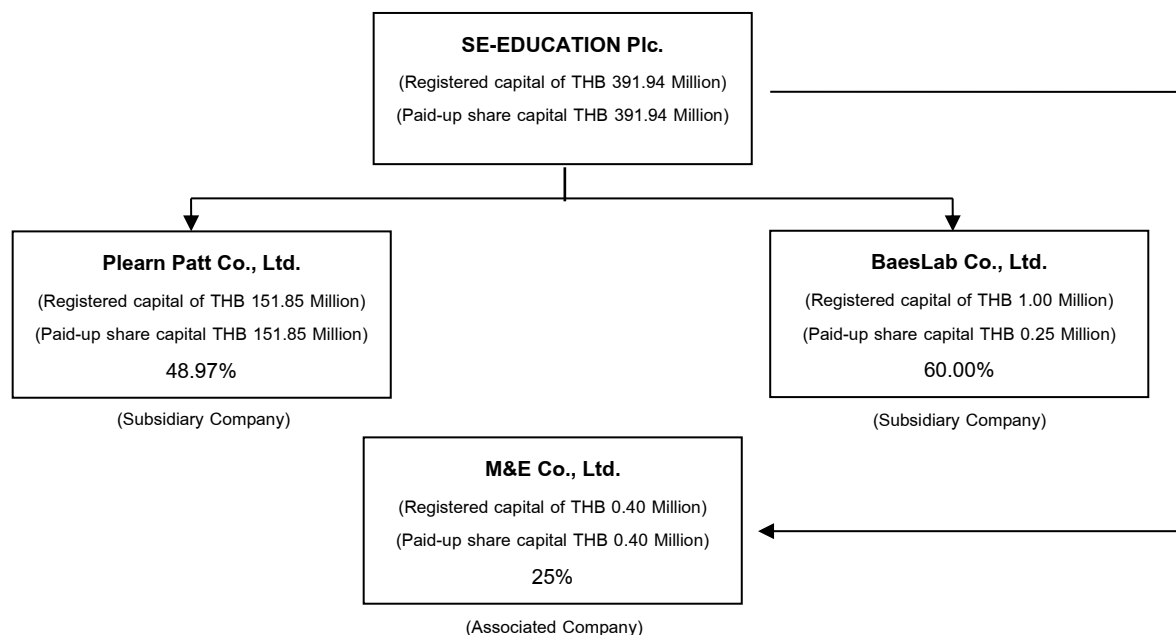
In 2003 the Company acquired 28.75% of the shares of Pleam Patt Co., Ltd. (founded on September 25, 2002) with the paid-up capital in the amount of 80,000,000 Baht. Later in 2005 the Company's share percentage increased to 48.82% with the authorized capital and paid-up capital in the amount of 170,000,000 Baht. The authorized capital and paid-up capital was decreased and remained in the amount of 169,475,500 Baht, representing the shareholding ratio of 48.97%. In the fourth quarter of 2009 Mr. Thanong Chotisorayuth,

Managing director, took up the position of the acting Director of Plearnpattana School and became the Director of the school in 2010 after receiving approval from the Board of Director. 2009 is also the year that the Company consolidated the financial statement of Plearn Patt Co., Ltd. (subsidiary) and the Company takes part in overseeing the operation of this business. 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**



Major shareholders of Plearn Patt Co., Ltd. as of December 31, 2019 are as follows:

Major Shareholder	2019		2018		2017	
	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	442,000	2.61	415,000	2.45	415,000	2.45
5. Mrs. Tida Pitaksinsuk	420,000	2.48	400,000	2.36	400,000	2.36

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

Major Shareholder	2019		2018		2017	
	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

The details of change of major shareholders disclose under the topic '7. Assets and Shareholders'.

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					
			2019		2018		2017	
			Revenue	%	Revenue	%	Revenue	%
Income from Business								
- Retails ¹	The Company	100	2,036,877	67.27	2,364,086	69.90	2,778,907	64.81
- Wholesale ²	The Company	100	706,802	23.34	740,300	21.91	739,443	17.25
Total			2,743,679	90.62	3,104,386	91.87	3,518,350	82.06
Income from education fee, service and sales	Subsidiary	48.97	203,001	6.70	198,884	5.89	183,000	4.27
Others	The Company and its Subsidiary	N/A	81,265	2.68	77,369	2.29	71,591	1.67
Inter-Company Transaction	The Company and its Subsidiary	N/A	-142	0.00	-1,470	-0.04	-3,518	-0.07
Total Revenue			3,027,803	100	3,379,169	100	4,287,546	100

Remarks : ¹ Retails - revenue from SE-ED Book Center and e-commerce

² Wholesale - revenue from book published sales volume of distributed to bookstores and other sales channels: such as education institutions and library etc.

¹ and ² - total sales of Company's own publications in 2019, 2018 and 2017 represents 10.17%, 9.93% and 7.79% of sales revenue respectively.

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

- Books** Currently, SE-ED is one of the largest book publishers in Thailand, publishing books for bookstores nationwide. The Company pioneered in publishing knowledge books in several fields; such as administration/ management, self-development, psychology, engineering in various fields, youth development books, language and dictionary, parenting, food and health, maps, non-book products (e.g. CD) which help to promote the development in many aspects.
- 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 539 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 1st 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 1,740 titles, while also help distributing 2,785 titles from other several publishers and organizations.

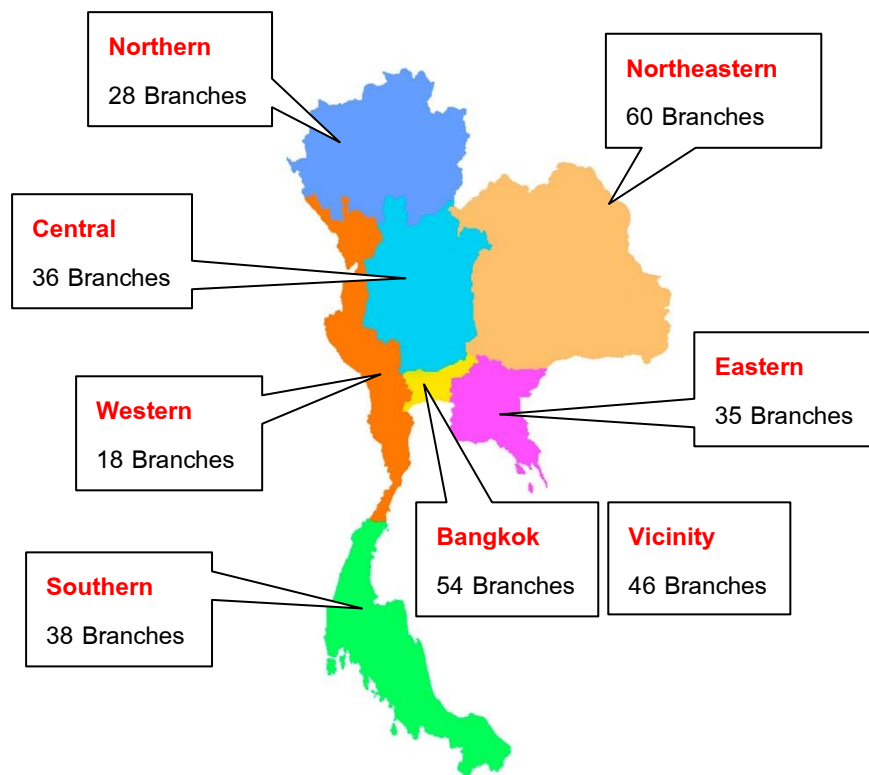
- 3. Bookstore Business (SE-ED Book Center)** SE-ED operates SE-ED Book Center and network stores and "University bookstores" all located both in Bangkok and other provinces, including managing space in the selling areas in different models.

SE-ED Book Centers designed 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 2019, SE-ED has already opened 531 branches of SBC. From this mentioned figure, there are 315 branches in operation, with 100 branches in Bangkok and nearby provinces, and 215 branches in other provinces. With 314 bookstores operated by the Company, the other 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. Today, SE-ED Book Center is the complete chain of bookstores with the highest sales in Thailand.

The number of SE-ED Book Center as of December 31, 2019

Total 315 Branches



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 years-old kids is organized on school vacation and has many options for kids; they can choose to go camping or go day camping. The goal of the camp is to encourage kids to learn with fun, to strengthen them with knowledge, and to encourage them to be brave to learn new things. Moreover kids will able to learn science, electronic invention, teamwork, leadership, self-study independence, basic knowledge for living, morals, and especially friendship. Kids will enjoy many activities, for example, the Young Explorer; a rally; exercises.

- 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	2019	2018	2017
The number of students	1,298	1,282	1,243

- 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, 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 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. **Whole-sale customers:** The publishers who have the retail network across the country.

Competition

Industry Overview and Competition: In 2019, 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: In 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 through out the country come from the Company's own publishing house and other 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 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 awareneses, 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 2019		Year 2019		Year 2017	
	Value	%	Value	%	Value	%
Value of reselling products from the first 10 largest trading partners	739.34	42.04	809.58	41.12	846.78	38.56
Total cost of goods sold	1,758.52	100	1,968.97	100	2,196.18	100

In 2019, 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 19.71% of the cost of products in 2019 or 1.53% 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

The Board of Directors of SE-Education Public Company (Limited) was well aware of the responsibilities it takes to run a good-governance operation in order to maximize the benefits to the shareholders of the Company. Thus, the Company systematically and continuously provided the risk management of its operation to reduce all risks to be in the acceptable level, for example, business risk, operational risk, financial risk, and legally and regulation risk.

The Board of Directors of the Company therefore assigned the Audit Committee to manage all risks. By this Audit Committee, an operational level committee was set up which included the high-level executives of the Company. All matters reported to the Audit Committee to make sure that the Company has a proper, acceptable risk management. However, there were possible risk factors that should be considered as follows:

3.1 Operational Risk

- **Risk from the Conflicts over the Important Operational Place**

- **The Distribution Center and Warehouse** All of the Company's publications and consigned products were solely stored at its Distribution Center and Warehouse at Bangna-Trad Rd., km.21 and then distributed to the SE-ED Book Center Branches, general bookstores, and other institutes. Therefore, the warehouse was an important place for operating business of the Company.
- **Plearnpattana School** accounted as an important place to operate the business of its subsidiary company. Currently, the subsidiary company located on Phutthamonthon Sai 2 Rd., and covered 20 rai. The 14 rai rented from one of the shareholder of the subsidiary company and had two contracts valued THB 10 MB in total and covered 30 year period for an educational purpose. The terms and conditions in said contracts enforced the landlord not to sell or rent the land to any parties without the consent from the subsidiary company. In case the landlord was in utmost need and absolutely cannot find the solution, the landlord must to offer the subsidiary company first at the same price offered to other parties. If the subsidiary fails to accept the said offer within 60 days from the first day receives the notice, the landlord can precede with the transaction with other parties. Nevertheless, the subsidiary company had reconsidered to revise the terms and conditions of above contracts in order to prevent the expected risk in the future.

The Company had strongly emphasized on its prevention policy and raising awareness about place management better than rectifying the situation when damage is done. For the risk from natural disasters, accidents or other unforeseeable causes, it will definitely affect the operation of the Company and its subsidiary company. Therefore, the Company had insured the

assets and goods thoroughly and regularly adapt the insurance limit to align with the value of the goods.

Further, the Company had developed the spare working system when the warehouse system is down or unable to work. Also, the ability to temporarily open the warehouse was enhanced in order to receive the goods from publishers and distributors and distribute them all over 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.

To reduce any risk from fire and to limit the fire spread, the new distribution center and warehouse had been equipped with the automatic fire alarm system and the automatic sprinkler system on the ceiling and between the shelves aisles. Further, the Company provided the employees the annual basic firefighting and evacuation fire drill training, along with the manual of fire safety emergency plan. Also, the protocol and responsible team had been assigned in case of fire emergency.

To reduce any risk from power failure, the uninterruptable power supplies had been provided in order to eliminate waste of operational time. Also, the preventive maintenance system had been employed to check up on the transformers, consumer units, and the uninterruptable power supplies.

- **Risk from IT System and Computer System Problems Nowadays, IT system and** computers were widely brought in as the important tools to business operation and competition. It also needed the constant risk management of security and system protection in order to operate smoothly and efficient.

Therefore, the Company issued the policy to govern IT system and practice guideline for usage, control, and security. To reduce and prevent any mistakes or computer system problems in the branches, warehouse, headquarter, and subsidiary company, trainings on technologies, social media responsibility, and computer regulations were provided to the employees.

Moreover, the Company and subsidiary company had developed the whole system to have a high availability which was a system to support larger transactions and high number of website visitors, including the anti-virus system. Since technologies changed rapidly, the Company would keep updating the whole system to be steady and ready to support the business expansion. In 2012, the Company had upgraded the network from Multiprotocol Label Switching or MPLs

(128/128kbps) to Asymmetric Digital Subscriber Line or ADSL (1024/512kbps). The connection efficiency had improved greatly as a result.

- **Risk of Lacking of Specialists** Human resources with a specific set of skills were important to the Company and subsidiary company. Publication and teaching aspects or even in business creation aspect were needed because all the current businesses the Company and subsidiary company operated were from the start.

To continuously enhance potential and efficiency of human resources, the Company had reviewed the compensation of its employees to align with the average in the same industry in terms of salary, bonus, benefit, and training. Moreover, the Company planned to make employees can work as substitutes for themselves. The manual guide of the important roles will be provided for the new employees to easily learn and understand their tasks.

3.2 Business Risk

- **Risk from Replaceable Products and Reading Behavior Changes** The Company's policy had been updated to develop and produce digital content, for example, e-book and audiobook. Currently they are available in many online channels.

To increase sales channels and reach the online customers, the Company's website: www.se-ed.com and SE-ED application provide are for a faster and more convenient access to product information and marketing activities.

- **Risk from Copyright Infringements** Since the Company strongly supports the ant copyright infringement policy, all foreign books will be licensed legally with the proprietors and checked the right availabilities in the territory before proceeding. Also, the Company always acquires the agreement and/or permission letter for any licensed content and illustrations.

Further, the authors or proprietors are required to enter the contract to legally confirm and grant the rights of the content to the Company to publish, distribute, and deliver a consignment.

3.3 Financial Risk

- **Risk from Bad Debts of Uncollectible Account Receivables** The Company's policy on the credit limit of its clients was to inspect their financial status based on the Company's standard. To adjust the credit limit aligning with current economic situation, the Company employed the debt recovery system and annually reviewed the clients' statuses and credit limits.

- **Risk from Foreign Exchange Rate** Since the Company had entered the contract to be an exclusive distributor of ELT books of Oxford University Press (OUP) and acquired the rights to

distribute and sell said books in Cambodia, Laos, and Indonesia, the Company exposed to risk of exchange rate volatilities. It was obligated and inevitable to buy and sell in the foreign currencies. In order to reduce risk of the Company to be at an acceptable level, the Company issued the policy entering into a forward contract with the banks and always approving by the Management.

3.4 Production Risk

- **Risk from Material Shortage in Publication** In order to adequate stocking up for production in a reasonable price, the Company always has the publication plan in advance and keeps update on the price trends of material.

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		
		31/12/19	31/12/18	31/12/17	31/12/19	31/12/18	31/12/17
Land	Owner	906.38	908.43	905.48	710.44	712.17	712.17
Building	Owner	650.98	662.10	687.76	491.44	505.40	519.37
Building Decoration	Owner	48.31	67.90	89.11	-	-	-
Office Equipment	Owner	105.50	131.54	151.60	-	-	-
Vehicles	Owner	4.33	3.90	6.63	-	-	-
Work-in-Progress	Owner	5.90	3.04	4.57	-	-	-
Leasehold right on land	Area rights holder	5.52	5.81	6.10	-	-	-
Leasehold right on buildings	Area rights holder	30.32	40.04	50.79	-	-	-
Total		1,757.24	1,822.76	1,902.04	1,201.88	1,216.71	1,231.54

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

- The Company has 1 lease contract for office space and services at The 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.
- 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 1 year and 8 months.
 - The contract's term is from October 11, 2010 to June 30, 2021, with the remaining term of 1 year and 6 months.
- The Company obtains the leasehold of space usage for 314 SBC branches limiting 1 year to 16 years 8 months 30 days, with which the contract has the maximum length of contract of 16 years 8 months 30 days 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 10 leaseholds for the space usage of operating bookstores in leading shopping centers, The remaining lease term is now 1 month to 16 years 8 months 30 days whereas the net book value amount as of December 31, 2019 is THB 38.67 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 14 years. The total leasehold value as of December 31, 2019 is THB 5.5 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, 2019



- Internal Copyright Contracts Total 2,438 Copies
- Foreign Copyright Contracts Total 1,454 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
			- Fabric Utility Bags	
4	SE-ED		- 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	
			- CD	March 22, 2022
			- DVD	
			- Management franchise service	September 12, 2023
			- Franchise service	
			- Management control franchise business	
			- Education	September 12, 2023
			- Educational institution	
			- Education Services	
			- Learning Services	
			- Materials used in teaching except tools and scientific equipment.	September 12, 2023

No.	Marks's Name	Sample	Purpose	Expiration Date *
20	SE-ED,iKids		- Teaching Service	March 22, 2022
			- Books - Magazines	March 22, 2022
			- CD - 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
			- Education - Educational institution - Education Services - Learning Services	September 12, 2023
21	ACTIVE ENGLISH BY SE-ED		- Teaching Service	November 10, 2023
			- Books - Magazines	November 10, 2023
			- CD - DVD	March 22, 2022
			- Management franchise service - Franchise service - Management control franchise business	September 12, 2023
			- Education - Educational institution - Education Services - Learning Services	September 12, 2023
			- Materials used in teaching except tools and scientific equipment.	September 12, 2023

No.	Marks's Name	Sample	Purpose	Expiration Date *
22	SE-ED LEARNING CENTER		<ul style="list-style-type: none"> - Management franchise service - Franchise service - Management control franchise business 	September 12, 2023
			<ul style="list-style-type: none"> - Education - Educational institution - Management the teaching and learning in the classroom - Education Services - Learning Services 	September 12, 2023
			<ul style="list-style-type: none"> - Book - Materials used in teaching except tools and scientific equipment. 	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		<ul style="list-style-type: none"> - Wholesale and Retail of Book Products 	Advertised on February 24, 2020
2	SE-ED inspiration starts here		<ul style="list-style-type: none"> - Wholesale and Retail of Book Products 	Order to advertise on January 31, 2020 Non-possessory right of wording " Raeng Ban Dan Jai Rerm Ton Ti Ni" because it's general wording.
3	SE-ED inspiration starts here		<ul style="list-style-type: none"> - Wholesale and Retail of Book Products 	Order to advertise on January 31, 2020 Non-possessory right of wording "inspiration starts here" because it's general wording.

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, 2019 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, 2019 the Company and its associates did not have any lawsuit or legal disputes which may effect to company and its associates' assets more than 5% of shareholders' equity and effect the operation significantly, includes did not have any lawsuit or legal disputes from the regular business which may effect to company and its associate.

6. General Information and Other Significant Information

6.1 General information

Name and Location of Head Office 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, 19th 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

- Operate bookstores which consist of SE-ED Book Center and network stores and various university bookstores in Bangkok and other provinces as well as the network and sales area in various forms
- Distribute books for both published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
- Book, 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
- Plearnpattana School, which operates a private school offering courses for students from pre-kindergarten to Matayom 6.
- BaesLab Co., Ltd., which operates in consulting, provision and distribution of software and hardware 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, 19th 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. 26th 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, 1st 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. Nanaphat Wannasomboon Auditor ID: 7793 and/or
 Mr. Peradate Pongsathiansak Auditor ID: 4752 and/or
 Ms. Sulalit Ardsawang Auditor ID: 7517 and/or
 the other auditors from Dharmniti Auditing Co., Ltd. to be the auditor of
 SE-EDUCATION PUBLIC COMPANY LIMITED
 Address : Dharmniti Auditing Co., Ltd.
 178 Dharmniti Building, 6th - 7th Floor, Soi Permsap (Prachachuen 20),
 Prachachuen Road, Bangsue, Bangkok 10800
 Telephone : (66) 0-2596-0500
 Fax : (66) 0-2596-0539
 E- Mail : group@dharmniti.co.th
 Website : www.daa.co.th

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

	2019	2018	2017
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	2019		2018		2017	
	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	151.85	1.00	151.85	1.00
Book value (Baht per share)	8.96	10.00	8.96	10.00	8.96	10.00
Issued and paid-up share capital	151.85	0.25	151.85	0.25	151.85	0.25
SE-ED holds of share	48.97	60.00	48.97	60.00	48.97	60.00

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 12, 2020 (latest share register closed date) are as follows :

No.	Shareholders	March 12, 2020		March 11, 2019		March 14, 2018	
		Number of Shares	%	Number of Shares	%	Number of Shares	%
1	Jurangkool Group	209,356,412	53.41	193,396,412	49.34	164,354,912	41.93
	Mr. Taweechat 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	51,550,512	13.15
	Mr. Natthapol Jurangkool	44,671,300	11.40	40,656,400	10.37	11,614,900	2.96
	Mrs. Hathairat Jurangkool	15,145,100	3.86	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
2	Poovarawan Group	25,214,456	6.43	25,214,456	6.43	26,377,756	6.73
	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	7,343,919	1.87	8,507,219	2.17
	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
3	Chotisorayuth Group	24,325,421	6.20	24,325,421	6.20	26,497,946	6.76
	Mr. Thanong Chotisorayuth	9,818,122	2.50	9,818,122	2.50	12,142,247	3.10
	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	2,710,967	0.69	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	110,600	0.03	-	-

No.	Shareholders	March 12, 2020		March 11, 2019		March 14, 2018	
		Number of Shares	%	Number of Shares	%	Number of Shares	%
4	Sittakul Group	10,279,857	2.61	10,279,857	2.61	8,592,643	2.18
	Ms. Vanwimol Siitakul	5,141,188	1.31	5,141,188	1.31	3,453,974	0.88
	Mr. Phairat Siitakul	2,910,310	0.74	2,910,310	0.74	2,910,310	0.74
	Mr. Vitawat Sittakul	1,390,879	0.35	1,390,879	0.35	1,390,879	0.35
	Ms. Patcharawan Sittakul	837,480	0.21	837,480	0.21	837,480	0.21
5	DBS BANK LTD	18,377,800	4.69	18,377,800	4.69	18,845,000	4.80
6	Mr. Pongsak Sivapatrakumpol	13,129,518	3.35	13,129,518	3.35	13,129,518	3.35
7	Mr. Ratchapon Pitisukdanont	6,843,524	1.75	6,843,524	1.75	6,843,524	1.75
8	Mr. Rit Thirakomen	5,899,525	1.51	18,759,566	4.79	27,840,625	7.10
9	UOB KAY HIAN PRIVATE LIMITED	5,000,000	1.28	5,000,000	1.28	-	-
10	Mr. Niti Aosatanukrau	4,421,219	1.13	4,421,219	1.13	4,421,219	1.13
	Total	322,847,532	82.37	319,747,773	81.57	296,903,143	75.73

Remarks : - Paid-up capital as of March 12, 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 12, 2020 (Book closing date of the last registration)

Item	Share Distribution						Total		
	Individual			Juristic individual					
	Number	Shares	%	Number	Shares	%	Number	Shares	%
Thai shareholders	3,058	365,225,925	93.19	8	3,067,704	0.78	3,066	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

- (b) The major shareholder who practically have material influence in prescribing the company's management policy operation is Mr. Wutthiphum Jurangkool, Director, Recruitment & Remuneration Committee, and being the one of the Authorized Signing Director with three persons out of these two persons can sign together to authorize

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 2019 *	Year 2018	Year 2017
1. Net profit (Loss)	2,916,286	13,886,024	(28,681,834)
2. No. of share	391,944,418	391,944,418	391,944,418
3. Cash Dividend per share	Omit	Omit	Omit
4. Total Dividend payment	-	-	-
5. Dividend payout ratio	-	-	-

Remark : * The Board of Directors' meeting no.1/2020 had a resolution to propose to the General Shareholders Meeting to approve omitted dividend payment for the operation result of 2019, where by such omitted dividend payment will be decided at the annual general shareholder's meeting No. 1/2020 on April 23, 2020.

8. Management Structure

8.1 The Board of Directors

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

(A) The Board of Directors has the duty to make recommendations and to draw Company policy, working strategy and other visions of the Company's operation. As of now the Board consisted of the following 10 members:

No.	Name	Position	Type of Directors	First Appointment	Last Appointment
1	Mr. Kasemsant Weerakun	Chairman of The Board of Directors, Authorized Signing Director	Independent Director	November 9, 2018	April 25, 2019
2	Mr. Wutthiphum Jurangkool	Director, Authorized Signing Director, Recruitment & Remuneration Committee	Non - executive Director	February 26, 2015	April 25, 2019
3	Mr. Worapote Chutchaikulsiri	Director, Authorized Signing Director, Deputy Managing Director, Chief Financial Officer	Executive Director	February 26, 2015	April 20, 2017
4	Mr. Rungkan Paisitpanichtrakul	Director, Authorized Signing Director, Deputy Managing Director, Company Secretary	Executive Director	August 16, 2019	-
5	Mr. Pravit Tantiwasinchai	Director, Chairman of Audit Committee	Independent Director	April 22, 1999	April 19, 2018
6	Mr. Kachen Benjakul	Director, Chairman of Recruitment & Remuneration Committee, Audit Committee	Independent Director	June 28, 2005	April 20, 2017
7	Asst.Prof.Tippawan Pinvanichkul Ph.D.	Director, Audit Committee	Independent Director	August 16, 2019	-
8	Mr. Phairat Sittakul	Director	Non - executive Director	October 10, 1974	April 25, 2019
9	Assoc. Prof. Yuen Poovarawan	Director	Non - executive Director	October 10, 1974	April 19, 2018
10	Mr. Thanong Chotisorayuth	Director	Non - executive Director	October 10, 1974	April 19, 2018

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

No.	Name	Position	Type of Directors	Effective Date
1	Mr. Viboolsak Udomvanich	Director, Authorized Signing Director, Deputy Managing Director, Company Secretary	Executive Director	August 2019

The shares held by the Board of Directors in 2019 and 2018 include shares held by spouses and minor children. Shareholders under the Securities and Exchange Commission Act (B.E. 2535) section 258 are shown as follows:

No.	Name - Last name	December 31, 2019		December 31, 2018		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. Worapote Chutchaikulsiri	-	-	-	-	-
4	Mr. Rungkan Paisitpanichtrakul	1,000,000	0.26	1,000,000	0.26	-
5	Mr. Pravit Tantiwasinchai	-	-	-	-	-
6	Mr. Kachen Benjakul	464,640	0.12	464,640	0.12	-
	Spouse	8,591	-	8,591	-	-
7	Asst.Prof.Tippawan Pinvanichkul Ph.D.	-	-	-	-	-
8	Mr. Phairat Sittakul	2,910,310	0.74	2,910,310	0.74	-
	Spouse	5,141,188	1.31	5,141,188	1.31	-
9	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	-
10	Mr. Thanong Chotisorayuth	9,818,122	2.50	9,818,122	2.50	-
	Spouse	2,324,125	0.59	2,324,125	0.59	-
Total Number of shares by Director		67,587,122	17.24	66,587,122	17.24	-
Total Number of shares by Director & related legal person by SEC 258		76,141,712	19.43	76,141,712	19.43	-

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 - four 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 10 Directors (80%) completed the Director Accreditation Program (DAP), Director Certification Program (DCP), Finance for Director (FFD), Advanced Audit Committee Program (AACP) and Company Reporting Program (CRP) organized by Thai Institute of Directors Association.

(B) The Audit Committee

The Audit Committee 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. Pravit Tantiwasinchai	Chairman of Audit Committee	Independent Director with accounting or finance experience	December 22, 1999	November 10, 2019
2	Assoc.Prof.Tippawan Pinvanichkul	Audit Committee	Independent Director with accounting or finance experience	August 16, 2019	November 10, 2019
3	Mr. Kachen Benjakul	Audit Committee	Independent Director with accounting or finance experience	November 12, 2009	November 10, 2019

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 Committee and disclose the information in the Company's Annual Report under which the report be signed by the Audit Committee 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 Committee.

Recruitment, Appointment and Term of Audit Committee

The Company's Board of Directors appointed the Audit Committee as proposed by the Recruitment & Remuneration Committee 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 Committee whose term is expired is permitted to be re-appointed to the position once again.

(C) The Recruitment & Remuneration Committee 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 & Remuneration Committee 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 Committee	Independent Director	February 27, 2018	November 9, 2018
2	Mr. Wutthiphum Jurangkool	Recruitment & Remuneration Committee	Non - executive Director	August 15, 2017	November 9, 2018

Scope of Duties of the Recruitment & Remuneration Committee

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 & Remuneration Committee

The Board of Directors appointed Recruitment & Remuneration Committee for 2 years 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 Committee 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 Committee 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 Committee begin the search and consider suitable candidate for Directors.
4. The Recruitment & Remuneration Committee 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 & Remuneration Committee and present the candidate in the shareholder's meeting for consideration.

The Recruitment & Remuneration Committee 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 Committee – 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 had a policy 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.

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.

In 2019, the Board of Directors met in total of 4 times with the average meeting length of 5 hours. In each meeting, the percentage of all the Board of Directors attended the meeting was 94 % and each Director was 95 % attending rate per year, there are an executive director from accounting division, executives from the division, and executives from Internal Audit & Investor Relations Division attending in sharing additional information, and the Board of Directors agreed on joint meetings for non-executive Directors, during the Board of Directors meetings no. 4/2019 on November 8, 2019, before the Board of Directors meeting, non-executive Directors and Independent Directors convened without the management's attendance to discuss general problems of the Company's management and corporate governance, then inform the President so that the management may take due action.

The Audit Committee 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 and the internal audit department without the presence of management division at the meetings, and Audit Committee meeting of 4/2019 on Wednesday, November 6, 2019 was a meeting between Audit Committee, internal audit division and auditor without the presence of management division once.

The Recruitment & Remuneration Committee held a total of 5 meetings

The Annual General Meeting of Shareholders held 1 meeting.

The details of the Board of Directors meeting and Sub-Committees Meeting in 2019 are follows:

Name of Directors	The Board of Directors' Meeting	The Audit Committee' Meeting	The Recruitment & Remuneration Committee' Meeting	The General Shareholders' Meeting 2019
	Number of Meeting (4 Times)	Number of Meeting (5 Times)	Number of Meeting (5 Times)	Number of Meeting (1 Time)
1. Mr. Kasemsant wearakun	4/4	-	-	1/1
2. Mr. Wutthiphum Jurangkool	3/4	-	5/5	0/1
3. Mr. Worapote Chutchaikulsiri	4/4	2/2 ⁽²⁾	-	1/1
4. Mr. Rungkan Paisitpanichtrakul	1/1 ⁽¹⁾	-	-	-
5. Mr. Pravit Tantiwasinchai	4/4	5/5	-	1/1
6. Mr. Kachen Benjakul	4/4	5/5	5/5	1/1
7. Asst.Prof.Tippawan Pinvanichkul Ph.D.	1/1 ⁽¹⁾	1/1 ⁽³⁾	-	-
8. Mr. Phairat Sittakul	4/4	-	-	0/1
9. Assoc. Prof. Yuen Poovarawan	3/4	-	-	1/1
9. Mr. Thanong Chotisorayuth	4/4	-	-	1/1

Remarks : ⁽¹⁾ Appoint Mr. Rungkan Paisitpanichtrakul and Asst.Prof.Tippawan Pinvanichkul to fulfill the position vacated earlier, effective on August 16, 2019 onward and the meeting remain from the meeting plan in 2019 is 1 time.

⁽²⁾ Mr. Worapote Chutchaikulsiri resigned from the Audit Committee, effective on August 8, 2019 onward and during held the position he attended the meeting complete.

⁽³⁾ Appoint Asst.Prof.Tippawan Pinvanichkul Replace Mr. Worapote Chutchaikulsiri, effective on August 16, 2019 onward and the meeting remain from the meeting plan in 2019 is 1 time.

8.2 Company's Executives

Currently with the total of 16 individuals, as follows: (The executive's positions are ranked from 1 to 7 in accordance with the definition of SEC promulgation)

No.	Name	Position
1	Mr. Worapote Chutchaikulsiri	Director / Authorized Signing Director / Deputy Managing Director Chief Financial Officer
2	Mr. Rungkan Paisitpanichtrakul	Director / Authorized Signing Director / Deputy Managing Director Company Secretary
3	Ms. Sajipat Pumpuengput	Director of Financial Division
4	Ms. Aree Sae-ung	Director of Accounting Division
5	Mrs. Kanit Promsen	Head of Business Unit Books Division
6	Ms. Daungjai Jeenanurugk	Head of Business Unit Sale & Distribution Division
7	Mrs. Passpunnee Mahayos	Head of Business Digital Business
8	Ms. Sarida Sarajan	Executive Editor, Text Books Division
9	Ms. Pornpimon Tangsakul	Executive Editor, General Books Division
10	Mr. Kriwot Rojprasertsoot	Director of Digital Content Division
11	Mr. Chakaj Luechakiattisak	Director of STEM Education
12	Meechoke Thongsawai, Ph.D.	Director of Academic Consulting & International Business Division
13	Ms. Sawan Pipoosananont	Director of Corporate Marketing Division
14	Mr. Uthai Sakuludomkan	Director of Logistics Division
15	Mr. Paiboon Chanvalaiporn	Director of HR & Organization Development Division
16	Mr. Chonlavit Iamraksakiat	Director of Strategic Information Administration Division

The retired of Executive during A.D. 2019 as below:

No	Name	Position	Effective Date
1	Mr. Viboolsak Udomvanich	Deputy Managing Director	August 16, 2019
2	Mr. Apichit Suananuntapoom	Director of Logistics	May 1, 2019

Report on changes of shares of Company's Executives on December 31, 2019

No.	Name	Number of Shares		Increase (Decrease) during the year
		December 31, 2019	December 31, 2018	
1	Mr. Worapote Chutchaikulsiri	- None -	- None -	-
2	Mr. Rungkan Paisitpanichtrakul	1,000,000	1,000,000	-
3	Ms. Sajipat Pumpuengput	- None -	- None -	-
4	Ms. Aree Sae-ung	- None -	- None -	-
5	Mrs. Kanit Promsen	7,166	7,166	-
6	Ms. Daungjai Jeenanurugk	432	432	-
7	Mrs. Passpunnee Mahayos	- None -	- None -	-
8	Ms. Sarida Sarajan	- None -	- None -	-
9	Ms. Pornpimon Tangsakul	274,791	274,791	-
10	Mr. Kriwoot Rojprasertsoot	62	62	-
	Spouse	56	56	-
11	Mr. Chakaj Luechakiattisak	7,906	7,906	-
12	Meechoke Thongsawai, Ph.D.	121,000	121,000	-
13	Ms. Sawan Pipoosananont	- None -	- None -	-
14	Mr. Uthai Sakuludomkan	- None -	- None -	-
15	Mr. Paiboon Chanvalaiporn	- None -	- None -	-
16	Mr. Chonlavit Iamraksakiat	- 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 & 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

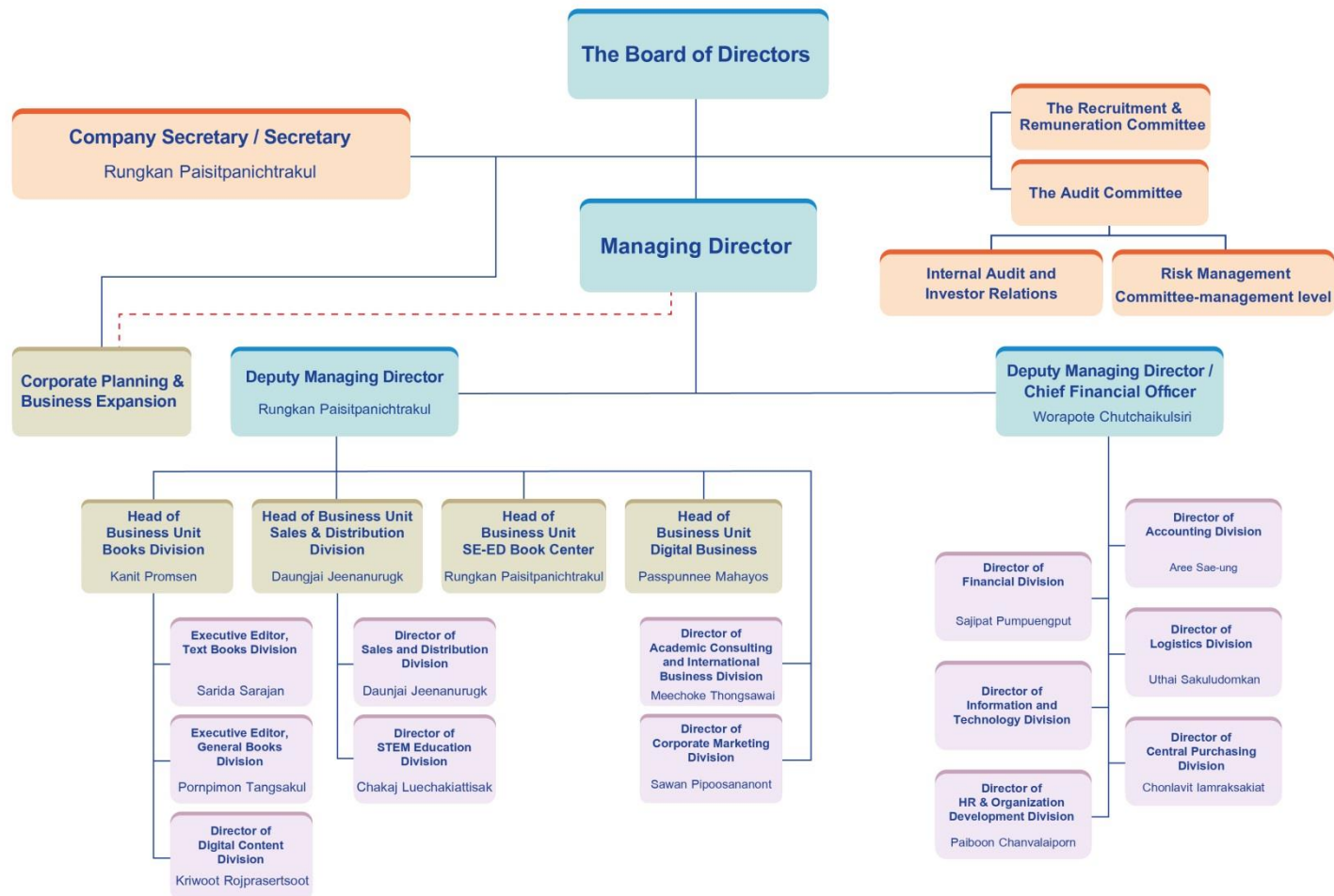
Currently, the driving group of the Company, which play an important role in planning and running strategies according to the Board of Directors and the management, as follows:

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



8.4 Company Secretary

Company Secretary / Secretary to the Boards of Directors: The Board of Directors' Meeting No. 3/2562 on August 16, 2019 appointed Mr. Rungkan Paisitpanichtrakul, a Director, to be the Company's secretary whose completed a training course called "Fundamentals for Corporate Secretaries class no. 2/2019" by The Thai Listed Companies Association 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 of Directors.

8.5 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 1/2019, dated Thursday April 25, 2019, 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 1/2019, the Director Compensation of the 2019 was approved at the amount of THB 5 million in total and Recruitment & Remuneration Committee was appointed to properly allocate and notify the shareholders about the allocation in the Shareholder Meeting next year. For the second Meeting Recruitment & Remuneration Committee of the 2020 on February 21, 2020, it was agreed to omit the Director Compensation of the 2019.

The total of the Director Compensation of the 2019, 2018 and 2017

Item (S)	Operating Result		
	2019	2018	2017
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 10 persons as of year 2019 are in the following:

(Unit: Baht)

Name of Directors	Position	Meeting allowance			Emoluments	Remuneration from 2019 operation (paid in 2019)	Total
		The Board of Directors	The Audit Committee	The Recruitment & Remuneration Committee			
1. Kasemsant Weerakun	Chairman of the Board of Directors Independent Director	80,000	-	-	300,000	-	380,000
2. Mr. Wutthiphum Jurangkool	Director Authorized Signing Director Recruitment & Remuneration Committee None-executive Director	30,000	-	21,000	180,000	-	231,000
3. Mr. Worapote Chutchaikulsiri	Director Authorized Signing Director Deputy Managing Director Chief Financial Officer	40,000	14,000 (*)	-	180,000	-	234,000
4. Mr. Rungkan Paisitpanichtrakul	Director Authorized Signing Director Deputy Managing Director Company Secretary	10,000	-	-	67,742	-	77,742
5. Mr. Pravit Tantiwasinchai	Director Chairman of Audit Committee Independent Director	40,000	40,000	-	180,000	-	260,000
6. Mr. Kachen Benjakul	Director Chairman of Recruitment & Remuneration Committee Audit Committee Independent Director	40,000	28,000	30,000	180,000	-	278,000
7. Asst.Prof.Tippawan Pinvanichkul Ph.D.	Director Audit Committee	10,000	7,000	-	67,742	-	84,742
8. Mr. Phairat Sittakul	Director Non-executive Director	40,000	-	-	180,000	-	220,000
9. Assoc. Prof. Yuen Poovarawan	Director Non-executive Director	30,000	-	-	180,000	-	210,000
10. Mr. Thanong Chotisorayuth	Director Non-executive Director	40,000	-	-	180,000	-	220,000
Total		360,000	89,000	51,000	1,695,484	-	2,195,484

Remark : (*) Mr. Worapote Chutchaikulsiri resigned from the Audit Committee, effective on July 8, 2019 onward.

The Remuneration of Director's resignations during A.D. 2019 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 Committee			
1. Mr. Viboolsak Udomvanich	Director Deputy Managing Director Authorized Signing Company Secretary	30,000	-	-	112,258	-	142,258
Total		30,000	-	-	112,258	-	142,258

(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.

The Compensation of managing director: The Recruitment & Remuneration Committee will evaluate the performance of each managing director so as to consider the remuneration of managing director according to specified criteria. Once the evaluation of managing director is finalized, the Recruitment & Remuneration Committee will submit the Board of Directors for consideration and approval.

For the Compensation of top executives, the Recruitment & Remuneration Committee will determine the criteria and structure of executive compensation, which will consider them according to the principle and policy specified by the Board of Directors and also in accordance with the Company performance as well as the performance of each director. The managing director will be the person to consider the appropriateness in identifying the compensation of each individual staff and also the annual pay-rise of salary for high executives, and report all the reasonable compensation increase to the Board of Directors for later acknowledgment.

As of December 31, 2019, 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 6 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 2019 (Baht)
Salary	6,615,635
Bonus	-
Other Remunerations :	
- Contributions for the Provident Fund	250,102
- Long-term benefits	-
- Other	351,995
Total	7,217,733

Remark : Including Compensation of retired 's executives during A.D. year 2019 are below;

- Mr. Viboolsak Udomvanich, Effective date on August 16, 2019 onward.

The Company has paid a total remuneration to the Directors and executives (as defined by SEC in total of 8 individual, include Finance Director and Accounting Director) in 2019 totaling 10.58 Million Baht.

(2) Other Remunerations

The expenses of seminars, trainings in IOD Curriculum and other related institutes.

8.6 Personnel

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

(Unit : person)

Items	2019	2018	2017
SE-EDUCATION PLC * :			
Head office staff	638	678	743
Branch staff	836	1,018	1,063
Plearn Patt Co., Ltd. (Subsidiary) :			
Teachers	239	230	224
Other staff	101	104	103
BaesLab Co., Ltd. (Subsidiary) ** :			
Staff	-	9	9
Total	1,814	2,142	2,348

Remarks : * Excluding Outsourced Workers

** Stop to operate the business since April 2019.

The Company offered compensation in the forms of salary, wage, and benefits of employees (consolidated financial statements). In 2019, 2018 and 2017 the compensation accounted for a total of THB 540.03 Million, THB 578.22 Million and THB 648.34 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:

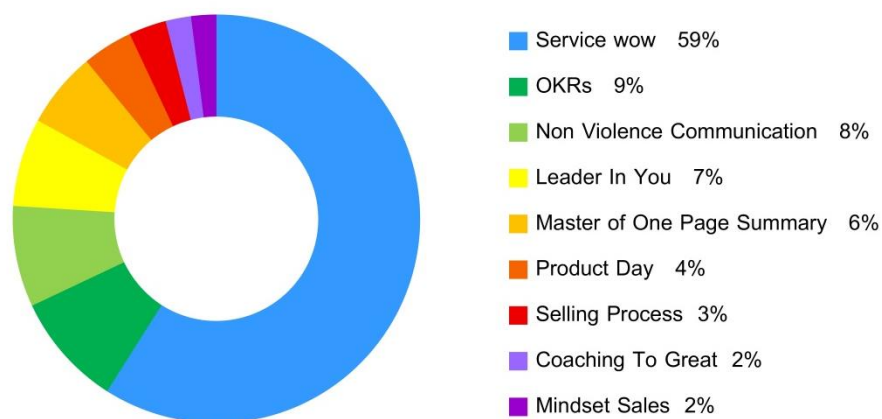
- Continuous Improvement of Human Resources:** The Company has followed up on the productivity rate of the human resources using Key Performance Indicator or KPI to ensure the continuous improvement of the human resources' productivity. The Company emphasized on organizing a proper operation structure 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. 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	18	To set and achieve the goals of every unit to align with the organization's. To drive the Company to achieve those goals.
Manager	12	To set the goals of his/her unit. To encourage his/her leadership. To build effective communication and presentation skills.

Level of Employee	Training Hours	Objectives
Operation Staff	6	To develop his/her job training skills. To increase strong customer service mindset for creating excellent customer relationships. To be able to provide product's info and give recommendations to customer. To effectively increase sales.

Employee Training Programs in 2019



- 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 / LED TV 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 / LED 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 "Service Wow" 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 Board of Directors has appointed the Audit Committee 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.

As the company stressed the importance of developing good corporate governance, the determination to participate in business transparently has resulted in 2019, in winning Corporate Governance Report of Thai Listed Companies in 2019 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 12 years consecutively (2008 - 2019).

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.

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 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 2019, 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, 2018 to December 31, 2018 directly to Company's secretary, investor relation division, or through website, by proposing the meeting agenda, and name of person for the position as directors at least 3 months prior to the last date of the fiscal year.

However, there was no shareholder who requested additional meeting agenda, nomination of candidate for the managerial position. For the advance inquiry, the Company has allowed the acceptance of inquiry till the day of shareholders' meeting.

And in the shareholder's meeting of 2020, the Board of Directors has specified the date of request from September 30, 2019 to December 31, 2019, 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, 2019.

However, there was no shareholder who requested additional meeting agenda, nomination of candidate for the managerial position. For the advance inquiry, the Company has allowed the acceptance of inquiry till the day of shareholders' meeting.

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 2019, the Company will openly post an invitation message, annual report for 2019 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 2019 was convened in Meeting Room 11A, Interlink Tower 9th 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 the Company's secretary to attend the meeting and vote in representation.

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 2019, 7 out of 9 (77.78%) 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, Mr. Somjit Kanokseriwong 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 2019, the Board of Directors proposed the names of 4 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.

Stakeholders	Policy Good Corporate Governance
Shareholder(s)	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.
Business Partner(s)	The Company will treat all business partners with fairness and equality on the basis of mutual benefit between the two parties.
Competitor(s)	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.
Creditor(s)	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.
Customer(s)	The Company determines to produce products and appropriate services at the right price and is also satisfied by customers.
Staff(s)	The Company will support the working development and promote staff happiness.
Society	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.

Cases of Workplace Accidents in 2019

Nature of Accident	No. of Injured Person (s)
Slightly injured without leaving	1 person
Injured with three-day leaving or less	- none -
Injured with leaving more than three days	1 person

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. The Company has also set up a provident fund to promote saving for that employees can have a happy retirement life, annual health check-up, Provide financial support to employees affected by natural disasters etc. In 2019, the Company did not receive any complaints against the human rights abuses from employees, business partners, and local communities.

The Company also supported the employees to improve and strengthen their knowledge and potential. The further details of these trainings were shown in the item No.8 the Management Structure, the sub item employee development.

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 2019, 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 th 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.

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 Committee consisting of non-management Directors to supervise the quality of the financial report and internal control, as well as the opinions of the Audit Committee regarding this issue. Comments concerning this matter appear in the report of the Audit Committee, already shown in the annual report.

The Board of Directors considers overall internal control of SE-EDUCATION Public Co., Ltd. to be satisfactory, and is trustworthy for the reliability of the financial statement of SE-EDUCATION Public Co., Ltd. as on December 31, 2019.

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 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 2019 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

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.

The Board of Directors already disclosed the role and duty of the Board of Directors and sub-committee and number of times the Directors attended the meeting under the topic '8. The management'.

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 4.53 out of 5, which is considered to be in an Excellent level.
- The evaluation of the Audit Committee received the average score of 4.61 out of 5, which is considered to be in an Excellent level.
- The evaluation of the Recruitment & Remuneration Committee received the average score of 4.45 out of 5, which is considered to be in an Excellent level.
- The individual (self) evaluation of the directors received the average score of 4.62 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 4.53 out of 5, which is considered to be in an Excellent level.

- The individual (self) evaluation of the Recruitment & Remuneration Committee received the average score of 4.17 out of 5, which is considered to be in a Good level.

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 2019 the directors attended trainings to improve their knowledge and understanding in the role of a director to increase the effectiveness in their works, the details are follow;

1. Joined the seminar in the program "Preparing and Understanding for apply the Auditor quality management and Audit office to enforce" by Asst.Prof.Tippawan Pinvanichkul Ph.D.
2. Joined the seminar in the program "TFRS16 LEASE" by Asst.Prof.Tippawan Pinvanichkul Ph.D.
3. Joined the seminar in the program "Thai Accounting Standards class no. 2/2019" by Asst.Prof.Tippawan Pinvanichkul Ph.D.
4. Observational study and International conference at the Nantes, France, "IASP Word Conference 2019, THE 4th INDUSTRIAL REVOLUTION : AREAS OF INNOVATION AND SCIENCE PARKS AS KEY BOOSTERS FOR A SUCCESSFUL TRANSITION", Asst.Prof.Tippawan Pinvanichkul Ph.D.
5. Joined the seminar in the program "All TFRS in 2019 class no. 2/2019 (sub-course 602)" by Asst.Prof.Tippawan Pinvanichkul Ph.D.
6. Joined the seminar in the program "Actuarial Valuation of Employee Benefits" by Asst.Prof.Tippawan Pinvanichkul Ph.D.

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. The sub-committee reported each of the result of meeting and assignment to the Board of Directors on a regular basis, including the report on operations result to inform shareholders in the annual report.

Presently, the Company has 2 sub-committees, consisting of:

1. The Audit Committee
2. The Recruitment & Remuneration Committee

The details of name list, responsibility of the Board of Directors and each sub-committees, and the experience in auditing financial statements of the Audit Committee are disclosed under the topic '8. 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 Committee 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 Committee 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 Committee 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 4 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, 2019. The company had one director representing from Major Shareholders is Mr. Wutthiphum Jurankool, Director, Recruitment & Remuneration Committee and Authorized Signing 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 Committee.

Policy for the Company's Directors and Executives in other firms

In 2007, the Audit Committee 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 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 10 members:

- Directors that are in the management team : 2 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 Chotisorayuth, Managing director, took up the position of the acting Director of Plearnpattana School and became the Director of the school in 2010 after receiving approval from the Board of Director. 2009 is also the year that the Company consolidated the financial statement of Plearn Patt Co., Ltd. (subsidiary) and the Company takes part in overseeing the operation of this business. 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 Committee 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 2019 to Dharmniti Auditing Co., Ltd. in the amount of THB 1,200,000 (excluding traveling/accommodation fees, and expenses in witnessing the stock counting). The Auditor doesn't have any relation with the Company other than auditing service only.

Other Service Fee: The Company and its associated companies don't pay any other service fee to Dharmniti Auditing Co., Ltd. for the fiscal year 2019.

9.7 Compliance with good corporate governance principles in others

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 2019 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: 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

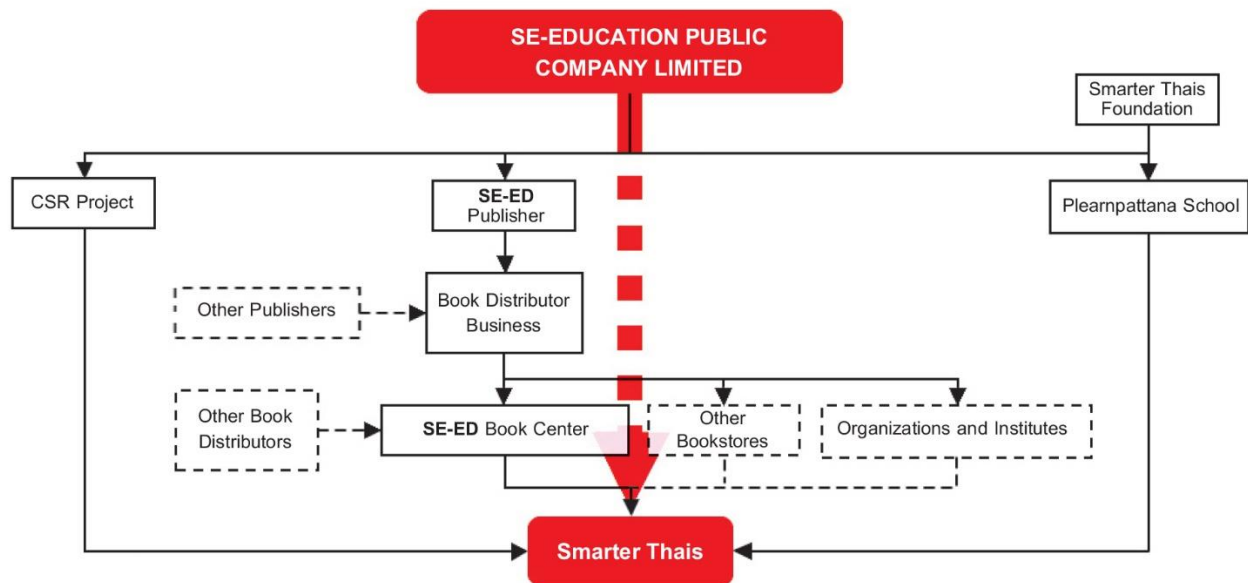
The Company was established by a group of ten electrical engineers. Each of them had experiences in knowledge promoting activities from their participation in Academic Club as a student at the Faculty of Engineering, Chulalongkorn University. They realized that Thailand needed to develop many more of 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:

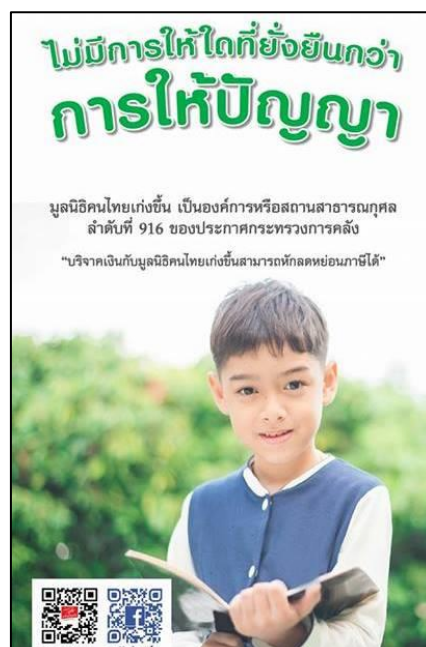
- **SE-ED Publisher:** The publishing unit is responsible for publishing books and other education resources to help Thai people improve their potentials. The unit has been active since 1974.
- **Book Distribution Business:** As a distributor SE-ED has distributed good books from both in house publications 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.



- **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

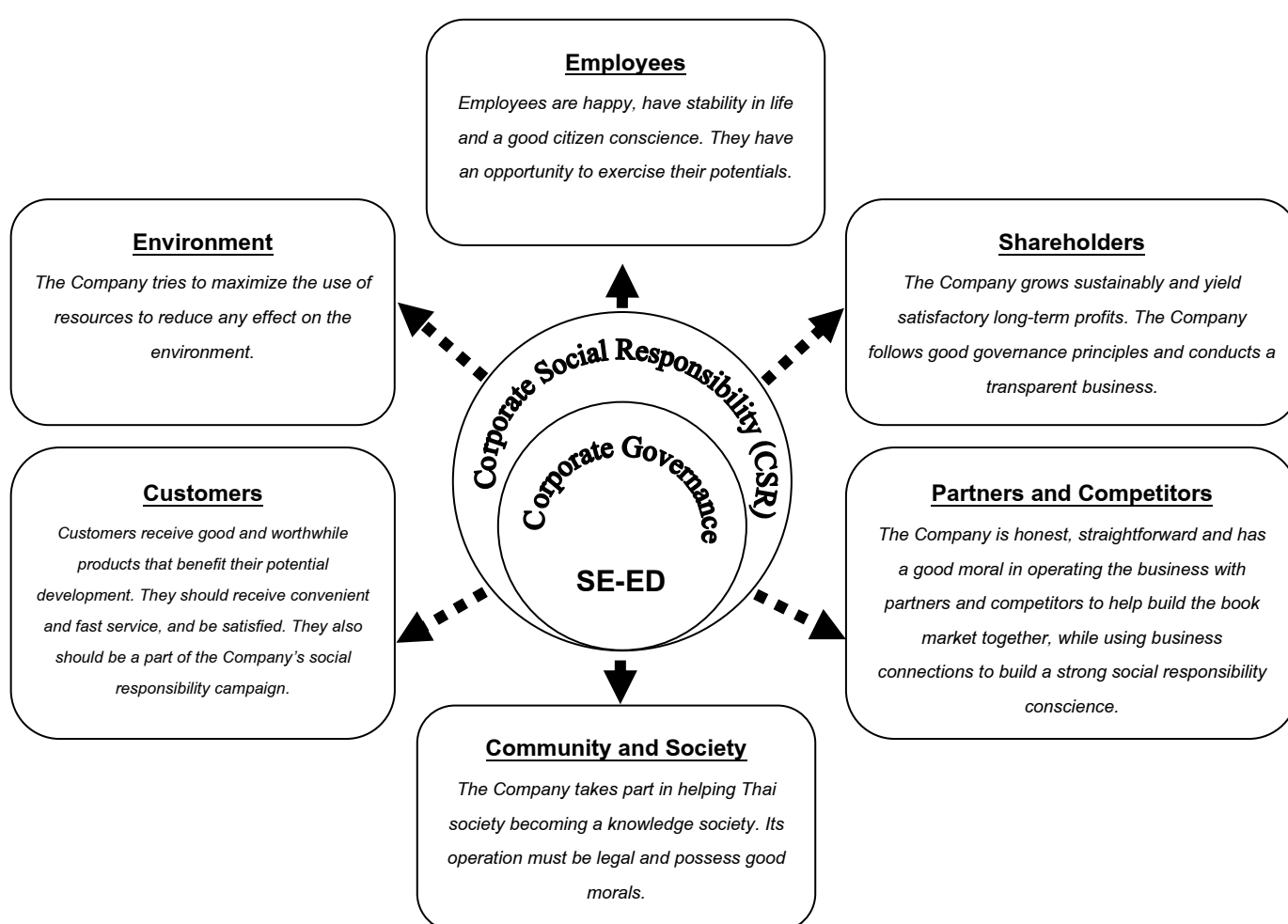
foundation will work closely and effectively with the Company's CSR project to help Thai people smarter and build a sustainable society, can be competitive in the international community. The foundation will work closely and effectively with the Company's CSR project to help Thai people smarter and build a sustainable society, mostly pilot projects, or projects that give opportunities to children in need 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 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 5th January 2016.



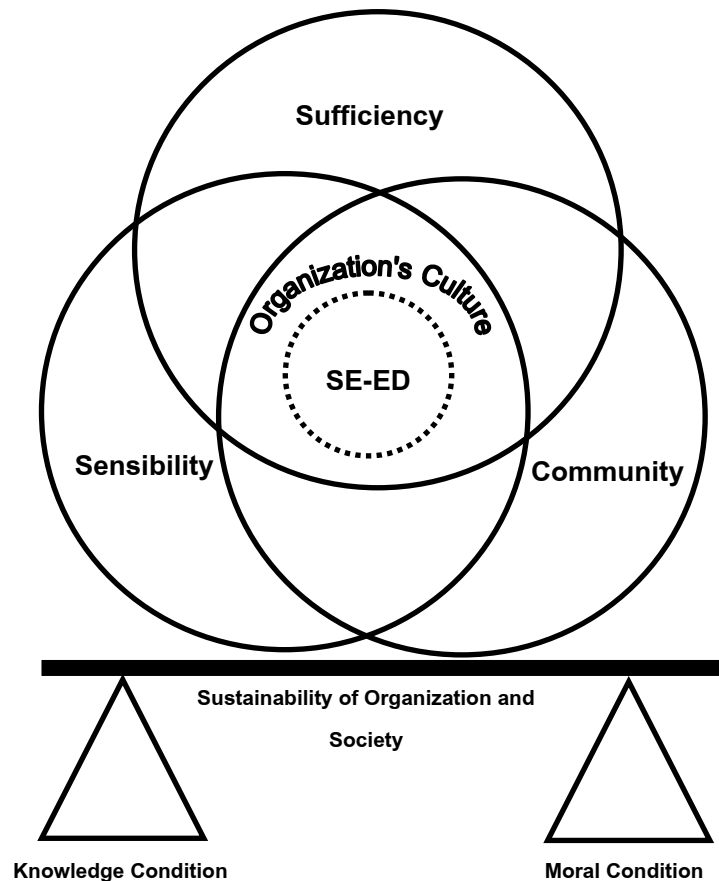
It can be concluded from the above that the Company's business operation has a role in solving major problems of the country and driving the country to a sustainable development. The Company is also the mechanism that supports the development of Thai people's potential until they can become a valuable 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

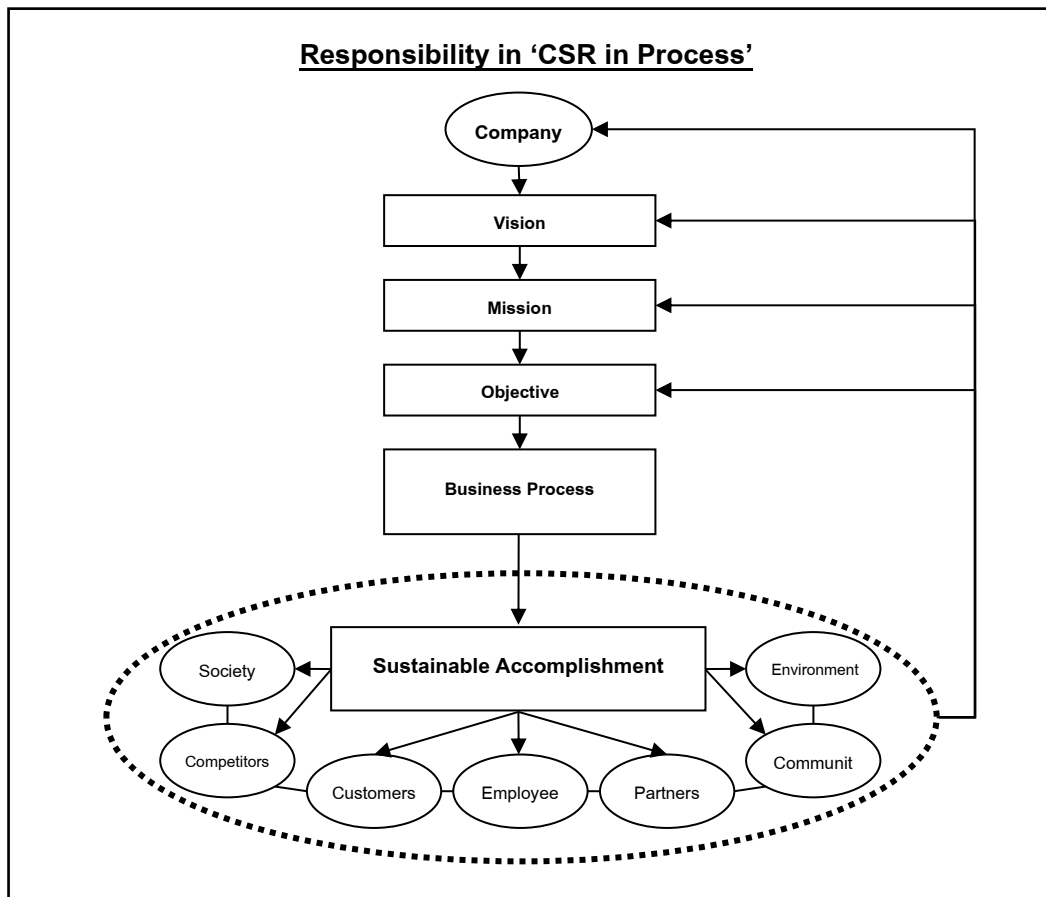
- Be positive towards life and obstacle.
- Be understanding and believe in the goodness in people.
- Ignore showing off but care only what matters.
- Creating positive working atmosphere that encourages people to work hard and have fun with the challenging works.
- Live and love as one family.

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.

10.3 Activities for Social and Environment

Library for Employees Project

The Company had a commitment to “empower Thais’ potential and skills” by encouraging its employees to read. To access all the books easily and conveniently, the Company provided the library in the head quarter and distribution center for its employees. Further, the employees can borrow the books. It was for the employees to improve their skills together with their families.





Books and Media Production for Country's Development

Since the establishment until now, the Company unwaveringly fixed to its policy to produce books and media which help country's development. To be specific, the publications and innovation will benefit the youth as the resources for finding their own paths. This would lead to the basic learning method called STEM Education (integrating Science, Technology, Engineering and Mathematics in learning). The young learners will not only learn theories but also get hand on practice. They can apply this method to their ideas, imagination, and inspiration in the future.

Audiobook 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 "audiobooks" 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 audiobook project. The audiobook can reach every targeted reader, especially senior customers, customers with vision impairments, customers who listen to the CDs while driving. The audiobooks 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.



QR BOOK HIGHLIGHT

To help the customer decide quicker and easier, the Company had developed the system to shortly introduce books via QR Code and it was available in English, central Thai dialect, northern Thai dialect, northern-east Thai dialect, and southern dialect. This system also showed the reviews from all around the country.



White Bookstore

The Company has bookstores 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. Have 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.



Improving English Proficiency of Thai Youth

The Company had researched that reading an English graded reader under the concept of an extensive reading can significantly help the young learner to improve their English proficiency. Therefore, the Company started the project called SE-ED: Enjoy Reading in 2008 according to the research. In this project, books with various genres and levels were provided. The Company experimented this project with poor schools first. As a result, the achievement in improving English proficiency was in a satisfactory level. Then the Company expanded to train the key persons and English language teachers across the country. With endorsement from Office of the Basic Education Commission (OBEC) and Office of the Private Education Commission (OPEC), the Company held the teacher trainings under the concept "Total Solution to English Proficiency", aiming to uplift a whole education system.

For the teacher assessment, the students' learning achievement and competency will be measured. The objectives are to develop and improve the learning management system where teachers can effectively

teach English language by Communication Language Teaching (CLT). The four English learning skills (listening, speaking, reading, and writing) will be greatly improved when using CLT with academic English learning, for example, science, mathematics and other subjects.

“Raising Learning Achievements by Smarter Thais Foundation” Project:

This Project 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 21st century. In 2019, the Smarter Thais Foundation visited and followed up with the students' learning achievements from 9 schools in this project.



Developing websites supporting retail and wholesale systems:

With technological advances in communication nowadays and increasing trust in online purchasing, online shopping was growing greatly. The Company therefore developed its website: www.se-ed.com and m.se-ed.com to accommodate the new requirements: faster, easily searching and shopping. Online and offline shopping systems are integrated. Also, the e-book management system was upgraded to support its publisher partners and turn into a channel for independent writers to present and sell their work directly to the customer in both print and e-book formats.

Further, to expand to e-book market and satisfy rapid growth of e-book readers, the Company increased the number and variety of e-books from its publishing house and other publishers.

Integral developing logistics system:

The Company strongly paid attention to develop its logistics system to distribute the products effectively. The Company also emphasized on the resources and power consumption by employing power saving campaigns. For example, digitalizing the distribution process can save 500,000 sheets of paper per month and limiting lights where they were only needed.



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.

Building Libraries for Underprivileged Schools:

Renovation for Underprivileged School Libraries project by SE-EDUCATION PUBLIC COMPANY LIMITED: the Company has donated book shelves and renovated In 2019, the Company had renovated 79 school libraries in Thailand

Cultivating a Reading Society project

- **“Pay Less, Read More”** Project is encouraging reading habits in students in primary and secondary levels by paying for the books in installments. With this way, the young learners can read as much as they want. They can go to the nearest branches of SE-ED Book Centers to join this project. Moreover, this project included the members of The Government Pension Fund of Thailand (GPF) and will be expanded to include more members in the future.
- **“Friend of SE-ED : the most enjoyable job for teenagers”** It was the first time ever in Thailand for the event like “Friend of SE-ED” to look for the great inspiring reader. The winner would be the first Brand Ambassador of SE-ED and have the one year privilege with complimentary books. The Company opened up for applicants not older than 18 years old. The applicants can participate by sharing their passion in reading and their inspiration to inspire other readers.
- **The Greatest Readers in “Read A Thon by SE-ED” event** : This event was the competition starting from midday to midnight with the candidates more than 215 candidates from every corner of the country, divided into 43 teams. All these candidates were “The Greatest Readers” that will lead the bookworm society together with SE-ED.

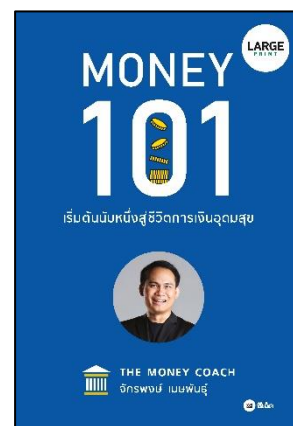
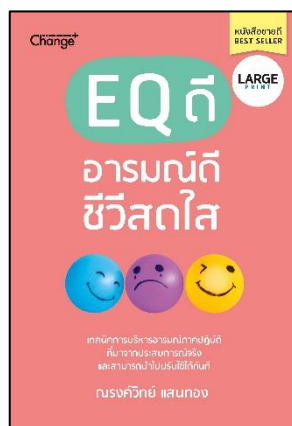
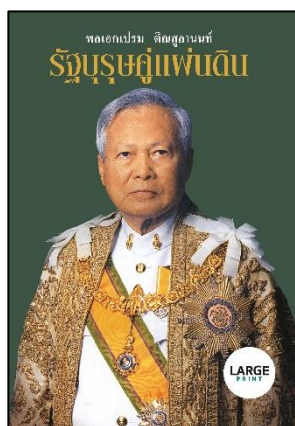


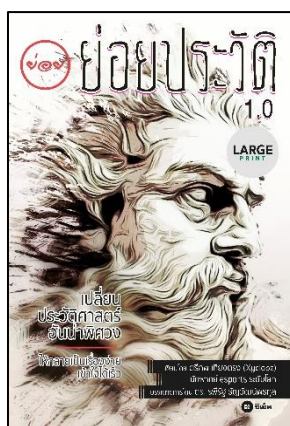
- **Read for Books “Reading is Giving” through Bookmobile “Red Truck Red Troop”** Books are knowledge resources. The reason why SE-ED created the bookmobile was to be the trucks with an easy access to books and learning material under the concept of Reading is Giving. Reading is Giving means the more you read, the more you give. It was the donation to all the libraries nationwide without any charges. The readers can turn their time reading books into a point. Every 10 minutes of reading equals one point and 10 points can be converted to one book for donation. The books which the Company donated were from the partner publishers in Thailand with various genres of books. SE-ED was responsible for book selection for each library. Therefore, the “Red Truck Red Troop” was practical medium that can approach the target readers directly.





- The Large Print Project** : Thailand was entering the aging society. In order to support the elders and people who have eyesight problems to easily read more books, SE-ED started the Large Print Project. The Large Print Project was the book with a larger font. They were the books that already published. The Company also used eye-friendly papers for printing. The elders would be comfortable reading this edition and they can read longer.





10.4 Corruption-connected Protection

The Company had strongly determined to legally conduct the business with transparency to be a good role model. Also, the Company had committed not to support all kinds of corruption in order to align with the Corporate Governance (CG). Apart from this, the Company had the policies to encourage the employees to be a good citizen of the nation, transparently operate business, and encourage business partners to do the same. The Company had tried its full capabilities to create a network in an industrial level to move forward businesses together without corruption. The Company was fully concerned that corruption is the great danger and threat to the country development and the obstacle to the maintenance of the country. Therefore, the Company issued an “Anti-Corruption Policy” to be its protocol operation.

Anti-Corruption Policy

The Directors and employees of the Company are prohibited to engage in any kinds or any forms of corruption in every business activities both directly and indirectly. In case of charity, business gifts exchange or sponsor, the Company must operate it transparently without intentions to exchange of reciprocal benefits or to convince the government officers or private units to operate inappropriately. By this, the Company has thoroughly defined the procedures against corruption with a mean to regularly review these procedures in order to be consistent with changes in business, rules, regulations, and law.

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 a good governance

- Was evaluated **Excellence or 5 Stars**, from corporate governance evaluation for 12 consecutive years (2008 – 2019). From Thai Institute of Directors (IOD).
- **Outstanding Investor Relations Award**, in SET Awards 2017 by Stock Exchange of Thailand (SET).
- **Honor Trophy for being a private organization with excellence in Corporate Social Responsibility**, from Ministry of Social Development and Human Security (MSDHS) in the 15th Anniversary of MSDHS. (2017).
- **The 6th Tara Award (2017)**, a prize for individuals or organizations with the Heart of Bodhisattva and perform a good deed for society in a micro level (family, community, and local) and in a macro level (Thai and international societies).
- **SET Social Enterprise Investment Awards**, from SET in SET Sustainability Awards 2015.
- **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).
- **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).
- **Board of the Year for Distinctive Practices Award 2006/2007 and 2010/2011**, from Thai Institute of Directors (IOD).
- **Outstanding Corporate Social Responsibility Awards**, from the SET Awards 2011.
- **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 2nd) in 2010.
- **CSR Awards 2009 – 2010**, (awarded for outstanding listed company who operates responsibly toward society and environment).
- **The Top Corporate Governance Report Awards 2009 – 2010**, (Outstanding in Good Governance Report).
- **Best Shareholder Treatment Awards 2008**
- **Outstanding network bookstore 2002 – 2003**
- **Excellence bookstore of the decade (year 2004)**

11. Internal Control and Risk Management

The Board of Directors and management has continued to stress the importance of internal control, by emphasizing on the adequate internal control system for business operation to maximize management as well as assets monitoring, reduction in possible errors, the Company's damage prevention, financial management, risk management, operation supervision, which reasonably ensures that the Company can operate as expected and maximized the added value in long run. In addition, The Board of Directors has made certain that all operations are within the rules and regulations stipulated by the laws to prevent any possible damage to the Company.

The Audit Committee has performed its duties within the framework of responsibilities assigned by the Company's Board of Directors, which is also consistent with the Stock Exchange of Thailand's stipulation. In the fiscal year 2019, 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 Committee has found that there were not any significant weaknesses, from effectiveness assessment, in the accounting control system.

12. Inter-Company Transaction

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

The Company had significant business transactions with related parties. These parties are directly or indirectly related through common shareholding and/or directorship. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

The related companies include the following:

Company	Relationship
SE-ED Book Center Co.,Ltd.	Subsidiary company by direct shareholders (Completion of liquidation on June 20, 2019)
Plearn Patt Co.,Ltd.	Subsidiary company by direct shareholders
BaesLab Co., Ltd.	Subsidiary company by direct shareholders
M AND E Co., Ltd.	Associated company by direct shareholders

The significant transactions with related parties for the years ended December 31, 2019 and 2018, can be summarized as follows:

Transfer Pricing Policy		Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
<u>Transactions in the statements of income</u>					
<u>Subsidiary companies</u>					
Sales of goods	Market price	-	-	141,933	608,976
Service expenses	Mutually agreed				
	agreement	-	-	117,196	422,784
Interest income	MOR per annum	-	-	86,282	129,600
Service revenue	Mutually agreed				
	agreement	-	-	76,682	224,299
Dividend income	As declared	-	-	-	7,470,000
<u>Transactions in associate company</u>					
Dividend income	As declared	-	-	1,000,000	1,000,000
<u>Related companies</u>					
Service revenue	Mutually agreed				
	agreement	4,260,950	201,869	4,260,950	201,869
Purchases of goods	Market price	3,056,024	484,753	3,056,024	484,753
<u>Shareholder and directors of subsidiary companies</u>					
Lease land	Mutually agreed				
	agreement	1,116,555	1,015,050	-	-
Amortised leasehold rights on land	Mutually agreed				
	agreement	285,259	285,258	-	-
Interest expenses	5% - 6% per annum	60,000	60,000	-	-

As at December 31, 2019 and 2018 Significant outstanding balances with related companies are as follow:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Outstanding balances at the statements of financial position</u>				
<u>Subsidiary companies</u>				
Trade and other receivables	-	-	14,925	25,846
Short-term loans	-	-	-	1,800,000
Interest receivable	-	-	-	32,666
Prepaid expenses	-	-	-	436,257
<u>Related companies</u>				
Trade and other receivables	1,495,068	3,353,197	1,495,068	3,353,197
Trade payable	1,137,794	1,508,183	1,137,794	1,508,183
<u>Shareholder and directors of subsidiary companies</u>				
Leasehold rights on land	5,524,264	5,809,523	-	-

Short-term loans to subsidiary which is due within 1 year. The subsidiary obtained such loan for the purpose of funding product development. Interest is charged at MOR per annum of a commercial bank.

Directors and management's benefits

For the years ended December 31, 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

	Baht			
	Consolidated financial		Separate financial statements	
	statements			
	2019	2018	2019	2018
Short-term employee benefits	22,982,402	18,703,382	19,737,210	15,846,113
Post-employment benefits	2,332,510	231,676	2,166,378	85,386
Total	25,314,912	18,935,058	21,903,588	15,931,499

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:**

The accounting auditor has expressed non-binding opinions towards the financial statement.
The auditor is Ms. Nanaphat Wannasomboon from Dharmniti Auditing Co., Ltd.

- **Financial Statement for year-end, as of December 31, 2017 and 2016:**

The accounting auditor has expressed non-binding opinions towards the financial statement.
The auditor are Ms. Pimjai Manitkajohnkit and Ms. Rosaporn Decharkom 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
Assets						
Current assets						
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
	591,844	620,558	834,056	527,256	555,675	733,054
Non-current assets held for sale	-	50,432	-	-	50,432	-
Total current assets	591,844	670,990	834,056	527,256	606,107	733,054
Non-current assets						
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
Total non-current assets	1,982,306	2,068,642	1,754,820	1,754,769	1,833,292	1,599,419
Total assets	2,574,150	2,739,631	2,588,876	2,282,026	2,439,398	2,332,473

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
Liabilities and shareholders' equity						
Current liabilities						
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
Total current liabilities	979,359	1,300,273	1,244,064	901,277	1,217,472	1,164,366
Non-current liabilities						
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
Total non-current liabilities	329,146	195,567	383,851	250,832	112,378	320,437
Total liabilities	1,308,505	1,495,840	1,627,914	1,152,109	1,329,851	1,484,803

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
Shareholders' equity						
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	-	-	-
Total shareholders' equity	1,265,644	1,243,792	960,962	1,129,917	1,109,548	847,670
Total liabilities and shareholders' equity	2,574,150	2,739,631	2,588,876	2,282,026	2,439,398	2,332,473

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
Revenues						
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
Total revenues	3,382,049	3,768,757	4,287,549	3,181,335	3,585,877	4,114,171
Expenses						
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
Total expenses	3,346,646	3,772,752	4,244,116	3,157,114	3,603,262	4,088,707
Profit (loss) before share of profit from investment						
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	-	-	-
Profit (loss) before finance cost and income tax	36,409	(3,033)	45,231	24,221	(17,385)	25,464
Finance cost	(14,866)	(19,457)	(23,773)	(11,869)	(14,908)	(18,339)
Profit (loss) before income tax	21,543	(22,489)	21,458	12,351	(32,293)	7,126
Income tax revenues	1,868	3,702	(2,110)	1,535	3,611	(2,088)
Profit (loss) for the year	23,411	(18,787)	19,348	13,886	(28,682)	5,038
Profit (loss) attributable to						
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			
	23,411	(18,787)	19,348			
Earnings per share						
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
Profit (loss) for the year	23,411	(18,787)	19,348	13,886	(28,682)	5,038
Other comprehensive income:						
<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)
Other comprehensive income for the year	6,225	309,255	(4,989)	6,483	294,479	(4,196)
Total comprehensive income for the year	29,636	290,468	14,359	20,369	265,798	842
Total comprehensive income attributable to						
Equity holders of the Company	20,971	276,013	7,781	20,369	265,798	842
Non-controlling interests of subsidiaries						
Total comprehensive income for the year	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			Total other components of shareholders'	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders'		
										on changes in value of	
			The Company	Subsidiary	Unappropriated	available-for-sale investments	assets	equity			
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

					Other components of equity			
					Other comprehensive income			
					Surplus			
					on changes		Total other	
	Issued and		Retained earnings		in value of	Surplus on	components of	Total
	paid-up		Appropriated		available-for-sale	revaluation of	shareholders'	shareholders'
	share capital	Share premium	- Statutory reserve	Unappropriated	investments	assets	equity	equity
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
Cash flows from operating activities						
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 (revrsal)	(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)
Net cash flows from operating activities	45,068	106,950	156,877	8,204	46,957	124,326
Cash flows from investing activities						
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)
Net cash flows from (used in) investing activities	26,825	(36,922)	6,011	43,416	22,477	700
Cash flows from financing activities						
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)
Net cash flows used in financing activities	(78,291)	(83,220)	(135,503)	(60,408)	(68,031)	(118,553)
Net increase (decrease) in cash and cash equivalents	(6,398)	(13,192)	27,386	(8,789)	1,402	6,474
Cash and cash equivalents at beginning of year	145,865	159,057	131,671	94,320	92,917	86,444
Cash and cash equivalents at end of year (Note 7)	139,466	145,865	159,057	85,531	94,320	92,917
	-	-	-	-	-	-
Supplemental cash flows information						
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)

Consolidated financial statement				
	2018	2017	Increase (decrease)	%
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%)
Gross profit margin	34.26%	34.27%		(0.01%)
EBITDA	147.71	120.18	27.53	22.91%
Profit (loss) attributable to				
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& 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)

Consolidated financial statement				
	31 December 2018	31 December 2017	Increase (decrease)	%
Current assets	591.84	670.99	(79.15)	(11.80%)
Non-current assets	1,982.31	2,068.64	(86.33)	(4.17%)
Total assets	2,574.15	2,739.63	(165.48)	(6.04%)
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%
Total liability and shareholder's equity	2,574.15	2,739.63	(165.48)	(6.04%)

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

(Unit : Million Baht)

	Consolidated financial statement			
	2018	2017	Increase (decrease)	%
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%
Cash flows (decreased)	(6.40)	(13.19)	6.79	51.48%

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. Rungkan Paisitpanichtrakul to initial all pages. If it appears that document page(s) do/does not contain Mr. Rungkan Paisitpanichtrakul's initials, The Company would regard that such document(s) has/have not been certified that the document is accurate."

Name	Position	Signature
1. Mr. Worapote Chutchaikulsiri	Deputy Managing Director and Chief Financial Officer	_____
2. Mr. Rungkan Paisitpanichtrakul	Deputy Managing Director and Company Secretary	_____

Authorized Person	Position	Signature
Mr. Rungkan Paisitpanichtrakul	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 24 directors and executives are follow:

1. Mr. Kasemsant Weerakun

Chairman of the Board of Directors

Independent Director

Age 56 years old

Appoint Date / Lastest

November 9, 2018 / April 25, 2019 Director, Chairman of the Board of Directors Independent Director

Highest Qualification

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

Director Training Certified

Training Certified (Director Program) IOD : Director Accreditation Program (DAP)

Number of Shares (Proportion)

- Total⁽¹⁾ - 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

- 16 Aug 2019 - present Authorized Signing Director, SE-EDUCATION Plc.
- 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 - 19 Dec 2019 Chairman of Audit Committee, Siam City insurance Plc.
- 29 Sep 2014 - 19 Dec 2019 Independent Director, Siam City insurance Plc.

Director Positions in other business

- In Listed Companies
Total 1 company
- In non - listed Companies
- None -

2. Mr. Wutthiphum Jurangkool

Director, Recruitment & Remuneration Committees

Non - executive Director and Authorized Director

Age 40 years old

Date of Appoint / Lasttest

- 26 Feb 2015 / April 25, 2019 Director

Highest Qualification

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

Director Training Certified

- Training Certified (Director Program) IOD:
 - Director Certification Program (DCP) 148/2011
 - Finance for Director (FFD) 12/2011

Number of shares (Proportion)

- | | |
|------------------------------|------------------------------|
| ▪ Total ⁽¹⁾ | 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.
- Jun 2019 - present Director and Chief Executive Director, Nok Airlines 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 2014 - Present Director and Authorized signatory, Factory Depot Supply Co., Ltd.
- 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
 - Total 4 companies
- In non - listed companies
 - Total 10 companies

3. Mr. Worapote Chutchaikulsiri

Director, Authorized Signing Director, Deputy Managing Director, Chief Financial Officer

Executive Director

Age 60 years old

Date of Appoint / lastest

- February 26, 2015 / April 20, 2017 Director

Highest Qualification

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

Director Training Certified

- Training Certified (Director Program) IOD : Director Accreditation Program (DAP)
- Thailand Securities Institute (TSI) The Stock Exchange of Thailand (SET) : CFO's Orientation Course for New IPOs Class No. 4/2563

Number of shares (Proportion)

- Total⁽¹⁾ - 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

- 26 Feb 2020 - present Chief Financial Officer, SE-EDUCATION Plc.
- 16 Aug 2019 - present Authorized Signing Director, SE-EDUCATION Plc.

- 10 Aug 2019 - present Deputy Managing Director, SE-EDUCATION Plc.
- 2015 - present Director, SE-EDUCATION Plc.
- 27 Feb 2018 - 5 July 2019 Audit Committee
- 1 Jan 2018 - 5 July 2019 Independent Director
- 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.

Director Positions in other business

- In listed companies
 - None -
- In non - listed companies
 - None -

4. Mr. Rungkan Paisitpanichtrakul

Director, Authorized Signing Director, Deputy Managing Director,
Executive Director
Age 44 years old

Date of Appoint / lastest

- August 16, 2019 / August 16, 2019 Director

Highest Qualification

- Master Degree in Telecommunication Management, Webster University, Saint Louis, Missouri, USA.
- Bachelor Degree in Political Science, Major Public Administration, Thammasat University.

Director Training Certified

- Training Certified (Director Program) IOD : - None -
- Thai Listed Companies Association : Fundamentals for Corporate Secretaries class no. 2/2019

Number of shares (Proportion)

- Total⁽¹⁾ 1,000,000 share (0.2551%)
- By Director 1,000,000 share (0.2551%)
- By Spouse - None -
- By Children Underage - None -
- By other authority control - None -

Relation among family within The Director and Executives

- None -

Working Background

- 26 Feb 2020 - present Chief Financial Officer, SE-EDUCATION Plc.
- 16 Aug 2019 - present Authorized Signing Director, SE-EDUCATION Plc.
- 16 Aug 2019 - present Director, SE-EDUCATION Plc.
- 16 Aug 2019 - present Company's Secretary, SE-EDUCATION Plc.
- 10 Aug 2019 - present Deputy Managing Director, SE-EDUCATION Plc.
- 1 Oct 2019 - present Head of Business Unit SE-ED Book Center, SE-EDUCATION Plc.
- 1 May 2016 - present Advisor to Executive Director, Summit Corporation Co., Ltd.
- 2013 - present Managing Director, Rattana Jarutat Co., Ltd.
- 1 Jan 2005 - 30 Apr 2016 Business Development Director, Summit Windmill Golf Club Co., Ltd.

Director Positions in other business

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

5. Mr. Pravit Tantiwasinchai

Director and Chairman of Audit Committee

Independent Director

Age 63 years old

Date of Appoint / Lastest

- April 22, 1999 / 19 April, 2018 Director

Highest Qualification

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

Director Training Certified

- Training Certified (Director Program) IOD : Director Accreditation Program (DAP)

Number of shares (Proportion)

- Total⁽¹⁾ - 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

- 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.

Director Positions in other business

- In listed companies
 - Total 1 company
- In non - listed companies
 - None -

6. Mr. Kachen Benjakul

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

Independent Director

Age 42 years old

Date of Appoint / Lastest

- 28 Jun 2005 / April 20, 2017 Director

Highest Qualification

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

Director Training Certified

- Training Certified (Director Program) IOD : Director Accreditation Program (DAP)

Number of shares (Proportion)

- Total⁽¹⁾ 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
 - Total 1 company
- In non - listed companies
 - Total 1 company

7. Asst.Prof.Tippawan Pinvanichkul Ph.D.

Director and Audit Committee

Independent Director

Age 54 years old

Date of Appoint / lastest

- August 16, 2019 / August 16, 2019 Director

Highest Qualification

- Ph.D. in Management of Technology, Asian Institute of Technology (AIT)
- M.B.A. in Management of Technology, Asian Institute of Technology (AIT)
- B.A. in Accounting, Thammasat University

Director Training Certified

- Training Certified (Director Program) IOD :
 - Advanced Audit Committee Program (AACP)
 - Company Reporting Program (CRP)

Number of shares (Proportion)

- Total⁽¹⁾ - 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

- 16 Aug 2019 - present Director, SE-EDUCATION Plc.
- 16 Aug, 2019 - present Director, SE-EDUCATION Plc.
- 16 Aug, 2019 - present Independent Director, SE-EDUCATION Plc.
- 8 Feb, 2018 - 29 Nov2018 Independent director of SMEs Bank
- 2015 - present Committee member and Treasurer of Thai Business Incubators and Science Park Association
- Jul 24, 2014 - present Director of Nawawiwat Co., Ltd.
- 2013 - present Independent Director and Audit committee of Mudman Plc.
- 2009 - present Advisor of Baker Tilly (Thailand) Co., Ltd.

Director Positions in other business

- In listed companies
 - None -
- In non - listed companies
 - None -

8. Mr. Phairat Sittakul

Director

Non - executive Director.

Age 70 years old

Date of Appointment / Lastest

- 10 Oct. 1974 / 25 Apr 2019 Director

Highest Qualification

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

Director Training Certified

- Training Certified (Director Program) IOD : Director Accreditation Program (DAP)

Number of shares (Proportion)

- Total⁽¹⁾ 8,051,498 shares (2.0542%)
- 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 -

9. Assoc. Prof. Yuen Poovarawan

Director

Non - executive Director

Age 69 years old

Date of Appointment / Lastest

- 10 Oct 1974 / 19 Apr 2018 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.

Director Training Certified

- Training Certified (Director Program) IOD : - None -

Number of shares (Proportion)

- Total⁽¹⁾ 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

- 1993 - present Director, SE-EDUCATION Plc.
- 27 Feb 2014 - 9 Aug 2019 Authorized Signing 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 -

10. Mr. Thanong Chotisorayuth

Director

Non - executive Director

Age 66 years old

Date of Appoint / Lastest

- 10 Oct 1974 / 19 Apr 2018 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.

Director Training Certified

- Training Certified (Director Program) IOD : Director Certification Program (DCP)
- Capital Market Academy (CMA) : Executive MBA Class 3

Number of shares (Proportion)

- Total⁽¹⁾ 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
 - Total 1 company
- In non - listed companies
 - Total 3 companies

11. Ms. Sajipat Pumpuengput

Director of Finance Division

Age 56 years old

Highest Qualification

- BBA. (Management), Sukhothai Tammatirat University

Training Certified (Executive Program) / IOD Program

- None -

Number of shares (Proportion)

- Total⁽¹⁾ - 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 -

12. Ms. Aree Sae-ung

Director of Accounting Division

Age 48 years old

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⁽¹⁾ - 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 -

13. Mrs. Kanit Promsen

Head of Business Unit Books Division

Age 52 years old

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⁽¹⁾ 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. Daungjai Jeenanurugk

Head of Business Unit Sales & Distribution Division

Age 51 years old

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⁽¹⁾ 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 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 -

15. Mrs. Passpunnee Mahayos

Head of Business Digital Business

Age 50 years old

Highest Qualification

- Master Degree of Applied Statistics, NIDA
- Bachelor Degree of Science, Mahidol University

Training Certified (Executive Program) / IOD Program

- - None -

Number of shares (Proportion)

- Total⁽¹⁾ - 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

- 28 Oct 2019 - present Head of Business Digital Business, SE-EDUCATION Plc.
- 1 Feb 2015 - 31 Dec 2015 Managing Director, Oriental City Group Co., Ltd.
- 19 Sep 2013 - 15 Jan 2015 Chief Executive Officer, GHL ePayments Co., Ltd.
- 1 Aug 2011 - 15 Jan 2015 Chief Operating Officer, GHL (Thailand) Co., Ltd.

Director Positions in other business

- In listed companies
 - None -
- In non - listed companies
 - None -

16.Ms. Sarida Sarajan

Executive Editor, Text Books Division

Age 58 59 years old

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⁽¹⁾ - 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 -

17. Ms. Pornpimon Tangsakul

Executive Editor, General Books Division

Age 49 years old

Highest Qualification

- Animal Husbandry, Faculty of Agriculture, Kasetsart University

Training Certified (Executive Program) / IOD Program

- None -

Number of shares (Proportion)

- Total⁽¹⁾ 274,791 shares (0.0701%)
- By Executive 274,791 shares (0.0701%)
- By Spouse - None -
- By Children Underage - None -
- By other authority control - None -

Relation among family within The Director and Executives

- None -

Working Background

- 1 Jul 2019 - present Executive Editor, General Books Division, SE-EDUCATION Plc.
- 1 Jan 2014 - 30 Jun 2019 Freelance
- 1 Apr 1992 - 30 Dec 2013 Managing Editor, SE-EDUCATION Plc.

Director Positions in other business

- In listed companies
 - None -
- In non - listed companies
 - None -

18. Mr. Kriwoot Rojprasertsoot

Executive Editor, Text Books Division

Age 45 years old

Highest Qualification

- Bachelor of Telecommunications Engineering - King Mongkut's Institute of Technology Ladkrabang

Training Certified (Executive Program) / IOD Program

- None -

Number of shares (Proportion)

- Total⁽¹⁾ - 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

- Apr 2019 - present Director of Digital Content Division, SE-EDUCATION Plc.
- Feb 2015 - Mar 2019 Director of R&D of Innovation Educational Project & Director of Magazines Division, SE-EDUCATION Plc.

Director Positions in other business

- In listed companies
- None -
- In non - listed companies
- None -

19. Mr. Chakaj Luechakiattisak

Director of STEM Education

Age 51 years old

Highest Qualification

- Bachelor Degree of Science in Industrial Education (Electrical Engineering),
King Mongkut's Institute of Technology North Bangkok

Training Certified (Executive Program) / IOD Program

- None -

Number of shares (Proportion)

- Total⁽¹⁾ 7,906 shares (0.0020%)
- By Executive 7,906 shares (0.0020%)
- By Spouse - None -
- By Children Underage - None -
- By other authority control - None -

Relation among family within The Director and Executives

- None -

Working Background

- 1 Jan 2019 - present Director of STEM Education in Sales & Distribution department, SE-EDUCATION Plc.
- 1 Jan 2017 - 31 Dec 2018 Director of STEM Education in Magazines department, SE-EDUCATION Plc.
- 1 Jan 1997 - 1 Dec 2016 Special Book Editor, SE-EDUCATION Plc.
- 1 Jan 2536 - 11 Dec 1996 Editor of HOBBY ELECTRONICS Magazine, SE-EDUCATION Plc.

Director Positions in other business

- In listed companies
 - None -
- In non - listed companies
 - None -

20. Meechoke Thongsawai, Ph.D.

Director of Academic Consulting and International Business

Age 49 years old

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⁽¹⁾ 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 -

21. Ms. Sawan Pipoosananont

Director of Corporate Marketing Division

Age 46 years old

Highest Qualification

- Master of Public Administration (MPPM), NIDA
- Bachelor of Communication Arts, Chulalongkorn University

Training Certified (Executive Program) / IOD Program

- None -

Number of shares (Proportion)

- Total⁽¹⁾ - 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

- Jun 2019 - present Director of Corporate Marketing Division, SE-EDUCATION Plc.
- Feb 2015 - present Director, Me Prime Co. Ltd.
- 19 Apr 2001 - Jan 2015 Executive Editor, Post International Media Co. Ltd.

Director Positions in other business

- In listed companies
- None -
- In non - listed companies
- None -

22. Mr. Uthai Sakuludomkan

Director of Corporate Marketing Division

Age 46 years old

Highest Qualification

- M.Eng. (Engineering Management), Kasetsart University
- Bachelor of Engineering in Electronics Engineering, King Mongkut's Institute Technology Ladkrabang

Training Certified (Executive Program) / IOD Program

- None -

Number of shares (Proportion)

- Total⁽¹⁾ - 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

- 10 Jun 2019 - present Director of Logistics, SE-EDUCATION Plc.
- Aug 2017 - Mar 2019 Supply Chain Specialist, True Distribution & Sale Co., Ltd.
- Feb 2013 - July 2017 Planning & Logistics Development Section Head, Green Spot Co., Ltd.
- Oct 2004 - Jan 2013 Distribution Center Section Head, Green Spot Co., Ltd.
- Jun 1997 - Sept 2004 Product Engineer & Design Engineer, Sony Technology (Thailand) Co., Ltd.

Director Positions in other business

- In listed companies
- None -
- In non - listed companies
- None -

23. Mr. Paiboon Chanvalaiporn

Director of HR & Organization Development Division

Age 55 years old

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⁽¹⁾ - 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 -

24. Mr. Chonlavit Iamraksakiat

Director of Central Purchasing Division

Age 42 years old

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⁽¹⁾ - 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

- 16 Sep 2019 - present Director of Central Purchasing Division
- 1 Nov 2018 - present Director of Strategic Information Administration Division, SE-EDUCATIO 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 -

Ramark ⁽¹⁾ 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 24 directors and executives as follows:

Name	SE-ED	Plearn Patt	BaesLab	M&E
1. Mr. Kasemsant Weerakun	A			
2. Mr. Wutthiphum Jurangkool	C H			
3. Mr. Worapote Chutchaikulsi	C F			
4. Mr. Rungkan Paisitpanichtrakul	C F I			
5. Mr. Pravit Tantiwasinchai	B C			
6. Mr. Kachen Benjakul	C D H	M		
7. Asst.Prof.Tippawan Pinvanichkul Ph.D.	C D			
8. Mr. Phairat Sittakul	C			
9. Assoc. Prof. Yuen Poovarawan	C	M		
10. Mr. Thanong Chotisorayuth	C	C F L	A	C
11. Ms. Sajipat Pumpuengput	G			
12. Ms. Aree Sae-Ung	G			
13. Mrs. Passpunnee Mahayos	G			
14. Ms. Daungjai Jeenanurugk	G			
15. Mrs. Kanit Promsen	G			
16. Ms. Sarida Sarajan	E			
17. Ms. Pornpimon Tangsakul	E			
18. Mr. Kriwoot Rojprasertsoot	E			
19. Mr. Chakaj Luechakiattisak	E			
20. Meechoke Thongsawai,Ph.D.	E			
21. Ms. Sawan Pipoosanant	E			
22. Mr. Uthai Sakuludomkan	E			
23. Mr. Paiboon Chanvalaiporn	E			
24. Mr. Chonlavit lamraksakiat	E			

Remarks **A** = Chairman of the Board **B** = Chairman of Audit Committee
C = Director **D** = Audit Committee **E** = Executive
F = Management director **G** = The executives as in the definition of SEC announcement
H = The Recruitment and Remuneration Committee **I** = Company Secretary
J = Chairman of recruitment and remuneration committee
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. Mrs. Supavadee Hammetee		A	
3. Ms. Krongthong Boonprakong		B	
4. Mr. Silawat Susilvorn		B C	
5. Mrs. Veena Wongwaivit		B C	

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

Audit Committee's Report

The Board of Directors of **SE - EDUCATION Public Company Limited** resolved in the appointment of the Company's Audit Committee which consists of 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 2019, the Audit committee held 5 meetings. Moreover, The Audit committee also held 1 internal meeting among committee members, independent members, and higher executives involving in accounting, finance, internal audit, in absence of management directors, but, they were well-informed and acknowledged the issues discussed in the meeting.

Audit Committee has performed the duty independently, within a certain authority and capacity limit, required by the Charter of Audit Committee, and assigned by the Board of Directors with the cooperation of all parties involved. The Audit committee understands the significance of internal audit, risk management, good corporate governance to ensure sufficient internal control, adequate and acceptable level of risk management, proper supervision, as well as proper and trustworthy financial report. The Audit Committee had a discussion with the board of management, top executives, internal auditors and auditors every quarter. The works of the Committee in the year 2019 can be summarized as follow:

1. Review annual financial report for year 2019: The Audit committee has reviewed financial statements on a quarterly basis and annual financial reports for the year 2019 of the Company and its subsidiary prior to submitting the document This includes a proper, timely release of financial information, through cooperative meeting among accounting audit, management, accounting department, and internal audit department in considering the consolidated financial statement on quarterly basis and annual financial report to enquire upon complete, correct practice of generally accepted accounting principle, the selection of accounting policy, and proper openness, including the utilizing the observation suggestions from accounting auditor to improve and correct the preparation of the Company's financial statement. The Audit committee agreed with accounting auditors that the Company's financial statement is in accordance with General Accepted Accounting Principles and has disclosed the information accurately and adequately.

2. Supervision of Good Corporate Governance: The Audit Committee realized the importance of good governance and reviewed the good governance policy of the Company annually. The Committee also encouraged executives and employees to adopt the principle of good governance until it became the culture of the organization. The business is operated on the moral value, transparency and social

responsibility. As a result the Company was evaluated excellent in Corporate Good Governance for 12 consecutive years (2008 – 2019) 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 committee agreed that the Company has risk management at an acceptable level.

4. Review of abiding of Security and Exchange laws, as well as the regulations stipulated by Stock Exchange of Thailand, and also other related laws related to the Company such as Revenue Code, and Public Company Act: The Audit Committee had reviewed to ensure that law and related regulations of stock exchange of Thailand and other concerned business units are properly abided. Based on the audit committee' 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 committee agreed that the Company has disclosed information completely and correctly as said in the regulations of The Securities Exchange of Thailand, and the items are ordinary items that are appropriate and beneficial to the Company.

6. Review of internal audit control assessment and internal audit: The Committee had reviewed the Company's internal audit control to ensure that it is properly conducted and sufficiently effective for the usage of resources and business operation. The Audit Committee was reported the operation of the internal audit department in every quarter and gave advice for improvement as well as following up on the areas that need to be developed. The Audit Committee reviewed the audit plan of 2020 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 Committee 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 26, 2020, the Audit Committee 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. 1/2020, in order to get approval.

The Audit Committee had performed the required duties in accordance with regulations stipulated by authority. Their performance was careful and sufficiently independent. They received good corporations from the management team, employees and all related parties. The Audit Committee agreed that the Company's directors, managing directors and all employees emphasized on operating

effectively, productively, transparently, and reliably under the principle of good corporate governance to provide confidence for shareholders, investors and all related parties.

(Mr. Pravit Tantiwasinchai)
Chairman of the Audit Committee
March 11, 2020

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 2019, the Recruitment & Remuneration Committee members held 5 meetings.

On the recruitment of directors and executives, the Recruitment & Remuneration Committee has proceeded to search and recruit suitable candidates in accordance with the criteria set by the board of directors and does not violate the regulations stipulated by supervisory authority. In 2019, the Recruitment & Remuneration Committee presented the re-appointment of the board of directors and the Audit Committee retiring to the consideration of the board of directors. Moreover, the committee provided a channel for minority shareholders to submit names of qualified persons for directorship to considered by the committee.

In setting the remuneration for the board of directors, the executives, and employees, details of which have been declared in the annual report, the committee has considered the remuneration that is commensurate with their responsibility, skills, performance and taken into account the economic conditions and peer factors.

The Recruitment & Remuneration Committee acted with circumspection, prudence, and independence for the maximum benefit of the stakeholders.

(Mr. Kachen Benjakul)

Chairman of Recruitment & Remuneration Committee

March 11, 2020

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	46	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

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