

SISB

ANNUAL REPORT 2018

www.sisb.ac.th

SISB PUBLIC COMPANY LIMITED
498/12, Soi Ramkhamhaeng 39 (Tepkeela 1),
Wangthonglang, Wangthonglang, Bangkok 10310 Thailand



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SISB Public Company Limited



SISB is a leading provider and manager of premium Singapore International Schools in Thailand providing K-12 education (Kindergarten to 12th grade). Founded in 2001, SISB currently owns and manages five campuses in Thailand, which adopt the Singapore and UK curricula as the foundation for teaching and learning. The SISB name is inspired by its first campus, the Singapore International School of

Bangkok (2001), the first Singapore International School that was established in Thailand which pioneered the Singapore education curriculum. All five campuses provide a standardised curriculum underscored by the principles of the Singapore education system and consistently deliver high quality education that many have come to trust of SISB.

SISB Pracha Uthit is the first International School in Thailand formally appointed by the Singapore Examinations and Assessment Board (SEAB) as the official examination centre for the Singapore International Primary School Examination (iPSLE) since 2006. The school is also an approved centre certified by Cambridge International Examinations (CIE) to conduct the IGCSE, AS and A Levels examinations. SISB Pracha Uthit is certified by the Ministry of Education of



China as a Hanban centre to conduct Chinese proficiency tests for students, fully accredited by the Council of International Schools (CIS), an esteemed recognition for quality international schools worldwide as well as the New England Association of Schools & Colleges (NEASC). Recognised by The Duke of Edinburgh's International Award Scheme, SISB is an Independent Operator for the world's leading youth achievement award programme.

Through a broad-based and unique multi-lingual curriculum, SISB offers effective learning environments, opportunities and challenges to foster students as lifelong learners and future leaders. The SISB community is inspired by a global outlook and enriched by cultural diversity. SISB has established its reputation as a trusted brand for quality education in Thailand and continues to grow as an organisation dedicated to providing world-class education.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders

This year marks the 18th anniversary of the incorporation of SISB and its commitment to the main objective of the continuous development and improvement of education in Thailand to meet international standards. The Company has achieved sustained growth in its business of holding licences to establish international schools providing formal education under the Private Schools Act.

The objective of listing the Company's shares on the Stock Exchange of Thailand is to raise funds that are necessary for the improvement and upgrading of standards of education for our schools to meet international standards.

The Board of Directors will put in place internal control systems and monitor compliance in accordance with the relevant rules and regulations of regulatory authorities, including the principles of good corporate governance and with corporate social responsibility.

On behalf of the Board of Directors, I would like to express my appreciation to our shareholders, the Executive Committee, Management and the officers and stakeholders of the Company. The Company will conduct its business and provide collaboration with the aim to improve its schools to meet international standards of education for the best interests of Thailand in the future.



Nontigorn Kanchanachitra
Chairman

MESSAGE FROM THE CEO



Dear Shareholders

LANDMARK YEAR

The past year was a landmark year for SISB. On November 29, the company's shares commenced trading on the mai of the Stock Exchange of Thailand. This was the culmination of years of hard work by various stakeholders.

READY FOR THE NEXT STEP

Our successful listing is just the start of the next leg of the company's journey. The funds raised will be channeled towards the development of our students, which has been, and will continue to be our priority.

Pracha Uthit campus will be refurbished and refreshed, with the addition of facilities and tools to help our students develop skills that will put them in good stead for the future. More collaboration areas will be set up around the campus to encourage interaction between students, and to promote the generation of creativity.

The latest technology and teaching facilities, such as interactive smart boards, will be implemented so as to take our students' learning to the next level.

IMMEDIATE GOALS

In the immediate term, the company has identified these areas of focus to improve the company.

First, the company will devote resources to boost student enrolment. In the last few years, we have increased our capacity, with the expansion of Pracha Uthit campus and the addition of Thonburi and Chiangmai campuses. In view of current trends, our marketing will be focused on digital and social media platforms, so as to maximise the reach of our recruitment campaigns.

We will also be paying attention to the emerging markets in the region, such as Cambodia, Laos, Myanmar and Vietnam, in addition to China, to ensure that SISB becomes "the leading education provider, making quality education accessible to all", which is in line with our company vision.

Second, the best teaching talents will be sourced from around the world to ensure that our students are receiving the best education possible, and also to raise the teaching standards of our schools.

INNOVATING FOR THE FUTURE

It is the company's commitment to keep on innovating so that we are not left behind by this ever-changing world. That commitment applies not just to our business practices but to the curriculum used in our schools as well.

That is why we are devoting resources to improving and innovating the curriculum that our schools use, so that our students are prepared holistically once they graduate from SISB.

The SISB Sixth Form School located at Pracha Uthit campus has applied to offer the International Baccalaureate Diploma Programme (IBDP). It is a candidate school and has cleared its first round of consultation and inspection. SISB will apply for the authorisation by April 1, 2019 and we look forward to offer the IBDP from August 2020.

CARING FOR OUR COMMUNITY

Just as we take pride in our education excellence, we also aspire to cultivate a community that is compassionate and considerate to one another. The company has initiated and carried out projects to reach out to the community, including the following.

“ It is the company's
commitment to keep
on innovating ”

Corporate Social Responsibility-English Language Project

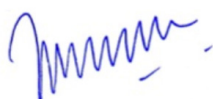
The SISB CSR-English Language Project was launched on Oct 1, 2016. Through this programme, SISB students, parents, teachers and staff play their part to provide English lessons to students from Praram 9 Kanchanapisek School without basic English knowledge. A total of 280 students have benefited from this project and, this year, we had 13 teachers, 58 students and members of the parent support team volunteering their time and energy.

We Give We Share

In 2013, we launched this initiative to involve our students, parents and teachers in community projects. Over the years, this project has evolved into fundraising events where parents, students and staff get together to raise funds for and engage with underprivileged schools situated in the border cities of Thailand. In Dec 2018, we visited the Suntonvach Border Patrol Police School in Kanchanaburi, and we look forward to doing more in the years to come.

I would like to thank members of the SISB family for their strong support, the Board for their guidance, and our partners and shareholders for being with us always. The journey of SISB has just begun, and I'm confident that with every stakeholder working as one, we will be able to make full use of the opportunities that lie ahead and maximise the potential of the company.

Yours sincerely,



Kelvin Yew Hock Koh
Chief Executive Officer

Financial Highlights

Financial Summary

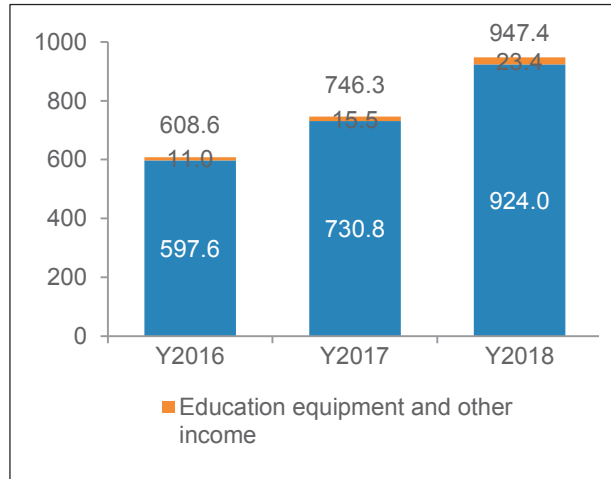
Statement of Comprehensive Income	2016		2017		2018	
	MB	%	MB	%	MB	%
Tuition fees and services income						
- Tuition fees income	570.45	93.73	695.28	93.16	875.36	92.40
- Application and enrolment fee incomes	27.16	4.46	35.56	4.76	48.62	5.13
Total Tuition fees and services incomes	597.61	98.20	730.84	97.92	923.98	97.53
Education equipment income	5.77	0.95	7.20	0.97	8.48	0.89
Revenues from sales and services	603.38	99.15	738.04	98.89	932.46	98.43
Other income	5.21	0.85	8.31	1.11	14.90	1.57
Total revenues	608.58	100.00	746.35	100.00	947.35	100.00
Net Profit	69.83	11.47	17.92	2.40	103.52	10.93

Statement of Financial Position	2016		2017		2018	
	MB	%	MB	MB	%	MB
Total Assets	1,469.12	100.00	1,725.14	100.00	2,425.31	100.00
- Current Assets	127.33	8.67	196.35	11.38	942.06	38.84
- Non-Current Assets	1,341.79	91.33	1,528.79	88.62	1,483.25	61.16
Total Liabilities	1,280.57	87.17	1,538.04	89.15	827.29	34.11
- Current Liabilities	537.16	36.56	848.83	49.20	523.70	21.59
- Non-Current Liabilities	743.41	50.60	689.21	39.95	303.59	12.52
Total shareholders' equity	188.56	12.83	187.10	10.85	1,598.02	65.89

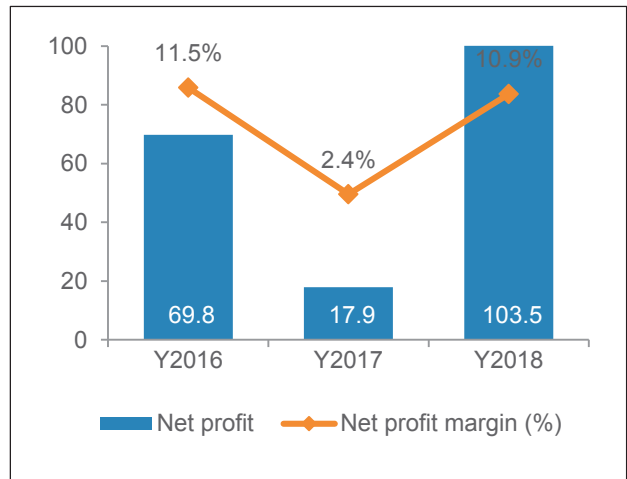
Financial Ratio	2016	2017	2018
- EBITDA Margin	20.06	20.01	27.13
- Debt to Equity Ratio	6.79	8.22	0.52
- Interest Bearing Debt Ratio	2.92	4.19	0.00

Financial Summary

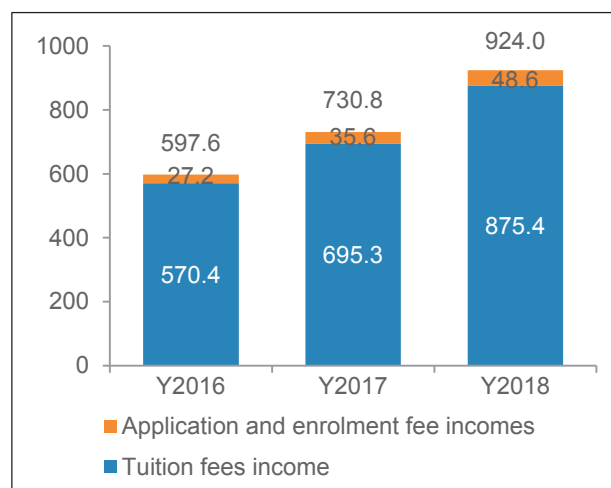
Total revenues



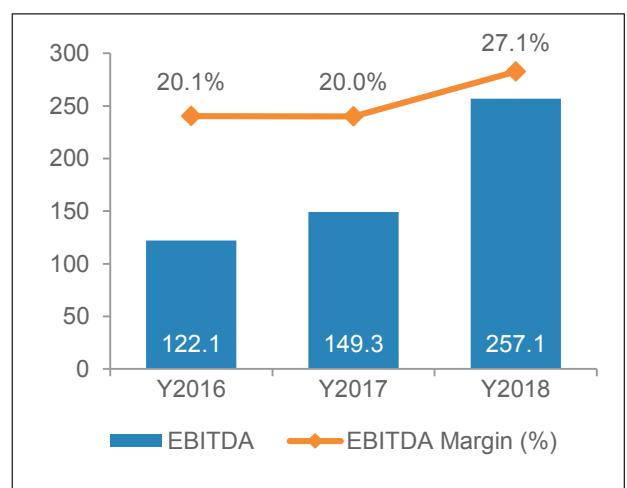
Net Profit



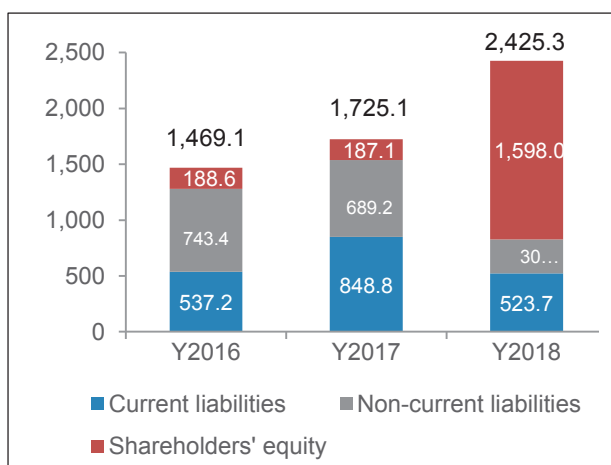
Tuition Fees and Service Income



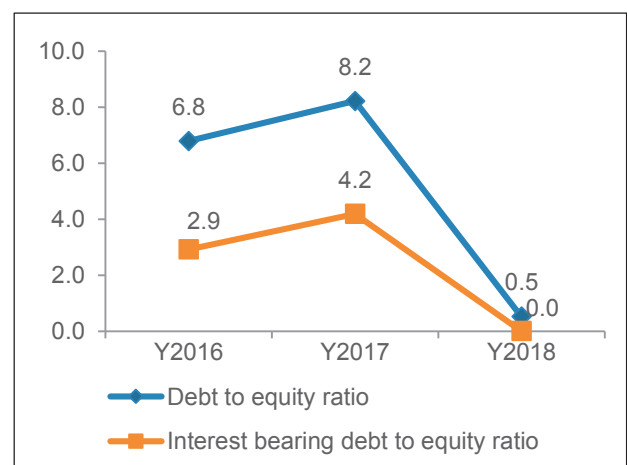
EBITDA & EBITDA Margin



Statement of Financial Position



Debt to equity ratio & Interest bearing debt to equity ratio



BOARD OF DIRECTORS



Mr. Nontigorn Kanchanachitra
Chairman of the Board of Directors
Independent Director



Mr. Kelvin Koh Yew Hock
Director
Chief Executive Officer



Ms. Wilawan Kaewkanokvijit
Director
Admissions Director



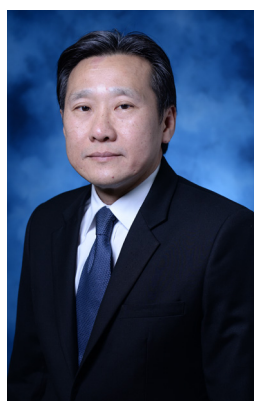
Mr. Meechai Prasertsri
Director



Mr. Chatrapee Tantixalerm
Independent Director
Chairman of the Audit Committee



Ms. Trithip Sivakriskul
Independent Director
Director of the Audit Committee



Mr. Prasitchai Kritsanayunyong
Independent Director
Director of the Audit Committee



Ms. Sumitra Songphatanayothin
Company Secretary

BOARD OF MANAGEMENT



Mr. Kelvin Koh Yew Hock
Chief Executive Officer



Ms. Wilawan Kaewkanokvijit
*Corporate Director
Admissions*



Ms. Panthip Kolyanee
Licensee



Mr. Edmund Wee Kiat Lim
*Corporate Director
Academic*



Ms. Sunandha Leelasaengsai
*Corporate Director
Accounting and Finance*



Mr. Aaron Ngiam Tong Tuan
*Corporate Director
Operations*



Ms. Euamporn Warawatanathamrong
Senior Accounting Manager

SISB



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It is in our best interest
to provide a learning
environment that develop
students to their fullest
potential

Board of Directors
SISB Public Company Limited



Business Operation



Business Operation

1. Policy and Business Overview

SISB Public Company Limited (the “**Company**” or “**SISB**”) was incorporated on June 26, 2001, with the initial registered capital of THB eight million. The key objective of the Company is not to maximise profit but to promote education development and to raise standards of education in Thailand to meet international standards. The school was established based on the vision of Thai and Singaporean parents of international students who recognise the importance of education that is based on outstanding Mathematics and Science curricula in the English and Chinese learning environment. The Company established Singapore International School of Bangkok to meet the growing demand of both Thai and international families for an international curriculum based on socio-cultural diversity. Licensed as formal education by the Office of the Private Education Commission (the “**OPEC**”) on August 24, 2001, the school is the first in Thailand to adopt the Singapore curriculum. Pre-primary and primary education was first introduced at 154 Ekkamai 14, North Klongton Sub-District, Wattana District. Singapore International School of Bangkok was then licensed to also provide secondary education based on the Singapore curriculum.

To accommodate the growing number of students, the Company constructed additional school buildings in 2012 and was moved to Soi Ramkhamhaeng 39 (Thep Leela 1), Wang Thong Lang Sub-District, Wang Thong Lang District, Bangkok which is the current location of the school with a land coverage of approximately 20.2 – 71.3 rais. The school provides comprehensive and modern facilities including a library, science laboratory, computer rooms, multipurpose conference rooms, swimming pool, basketball court, and playground. In the same year, the school was also licensed to provide higher secondary education using the UK curriculum.

With a vision to operate the business of providing leading international education and meeting the growing demand for education based on international curricula, the Company expanded its business to locations of its target customers to cover areas in both Bangkok and its vicinity including other provinces. In 2013, the Company accepted the transfer of a school licence of formal education in the form of an international school of ‘Nantawan International School’ from a private company in the Bangphli District of Samutprakarn Province. The school name was changed to ‘Singapore International School Suvarnabhumi’. The Company also invested in the improvement of the school facilities and the development of curricula to have the same standards with those of Singapore International School of Bangkok.

In 2016, the Company entered into a joint venture with a group of businessmen from Chiang Mai which has an interest in the education business. The joint venture led to the incorporation of SISB Siri Company Limited with the objective to carry out the business of being the licensee to operate ‘Singapore International School Chiangmai’. The school was licensed by the OPEC on December 28, 2016.

In addition, in 2016, the Company also invested in the acquisition of a land plot of 7 rais in the Phasi Charoen District of Bangkok and commenced the construction of Singapore International School Thonburi which was licensed by the OPEC on October 10, 2017. On July 11, 2018, the Company also obtained a licence to establish Singapore International School Ekkamai from the OPEC.

The Company recognises the importance of improving the quality of education to meet international standards. The Company's commitment to strive for excellence has increasingly earned the trust of parents. To accommodate this growth, the Company has carried out a successive capital increase. At present, the Company has a paid-up registered capital of THB 340 million. The Company was converted to a public company on June 4, 2018, and the Company's name was changed to 'SISB Public Company Limited.'

1.1 Vision, objectives and goals

Vision

'To be the leading education provider, making equality education accessible to all.'

Mission

'To educate, enhance and empower diverse learning communities to be contributing global citizens.'

Goals of Business Operations

1. To manage international schools within the Group to become a leading international school in Thailand and in the region.
2. To increase the total number of students of the Group to more than 4,000 students in the next three to five years.
3. To enhance investment opportunities or to grant the right to use the trademark and service marks of SISB both domestically and internationally among CLMV countries and China.

Education Vision

"Every student will aspire to be a Scholar, a Leader and a Global Citizen."

Education Mission

"To be a World Class School that provides the students with holistic education to make the world a better place."

Core Values

IRR³ values are used in ensuring students develop desirable attributes.

I = Independence

R = Respect

R = Resilience

R = Responsibility

Motto

"Spirit of Excellence"

1.2 Key Changes and Developments

Key changes and developments of the Company can be summarised as follows:

2001
<ul style="list-style-type: none"> ■ Incorporated as 'SISB Company Limited' with registered capital of THB eight million on 26 June 2001; ■ Licensed by the Office of the Private Education Commission (the "OPEC") on August 24, 2001 to establish a formal education school in the the form of an international school under the name 'Singapore International School of Bangkok' to provide pre-primary education and primary education.
2002
<ul style="list-style-type: none"> ■ Increase in the registered capital by THB two million from THB eight million to THB ten million by issuing new 20,000 preferential shares each at a par value of THB 100 for use as working capital.
2006
<ul style="list-style-type: none"> ■ Singapore International School of Bangkok was approved by the Singapore Examination and Assessment Board (the "SEAB") as a centre for International Primary School Leaving Examination (iPSLE).
2009
<ul style="list-style-type: none"> ■ Singapore International School of Bangkok licensed by the OPEC to also provide lower secondary education.
2010
<ul style="list-style-type: none"> ■ Par value of shares changed from THB 100 to THB 10 ■ Increase in the registered capital by THB 90 million from THB ten million to THB 100 million by issuing 9,000,000 new ordinary shares each at a par value of THB 10 for use as working capital; ■ Singapore International School of Bangkok had its education quality certified by the Office for National Education Standards and Quality Assessment (Public Organisation) (the "ONESQA")
2011
<ul style="list-style-type: none"> ■ Singapore International School of Bangkok had its education quality certified by the Council of International Schools: CIS; ■ Singapore International School of Bangkok was approved and certified by the University of Cambridge International Examinations (the "CIE") to be a centre to administer the IGCSE and AS/A Level examinations; ■ Singapore International School of Bangkok was appointed by the Oriental Culture Academy (the "OCA") to administer HSK examinations of the Confucius Institute Headquarters (Hanban).

2012
<ul style="list-style-type: none"> Office and school were relocated from Ekkamai Soi 14 on Sukhumvit Road 63, North Klongton Sub-District, Wattana District, Bangkok to Ramkhamhaeng Soi 39 (Thep Lee La 1) Wang Thong Lang Sub-District, Wang Thong Lang District, Bangkok; Singapore International School of Bangkok was licensed by the OPEC to also provide higher secondary education.
2013
<ul style="list-style-type: none"> Transfer of an international private school licence under the name 'Nantawan International School' was accepted from a private company in the Bangphli District of Samutprakarn Province on 26 July 2013 and an application was submitted to change the name of the school to 'Singapore International School Suvarnabhumi' on 19 August 2013.
2014
<ul style="list-style-type: none"> Decrease in the registered capital by THB two million from THB 100 million to THB 98 million by decreasing the number of preferential shares by 200,000 shares each at the par value of THB ten; Increase in the registered capital by THB two million from formerly THB 98 million to THB 100 million by issuing new 200,000 ordinary sharers each at the par value of THB ten.
2015
<ul style="list-style-type: none"> Constructed additional school buildings and dormitory to accommodate the Phase 2 expansion of business of Singapore International School of Bangkok; Singapore International School of Bangkok had its education quality certified by the New England Association of Schools and Colleges (the "NEASC"); Singapore International School of Bangkok was appointed by the College Board to administer the SAT examinations; Singapore International School of Bangkok had its education quality certified by the ONESQA for the 2001 – 2015 period.
2016
<ul style="list-style-type: none"> SISB-SIRI Company Limited was incorporated as a joint venture between the Company and a group of businessmen from Chiang Mai with the initial registered capital of THB 100 million on 11 January 2016 with an objective to carry out the business of holding international school licences in Chiang Mai. The Company had 50.00 percent interest in the joint venture. The registered capital of the joint venture was then increased by THB 30 million to THB 130 million on 23 November 2016 by issuing and offering 3,000,000 new ordinary shares each at the par value of THB ten proportionately to existing shareholders. The increased capital was used as a working capital in the joint venture. This right offering of new ordinary shares proportionately to existing shareholders means that the shareholding percentage of the Company in SISB-SIRI remained unchanged.

<ul style="list-style-type: none"> ▪ Increase in the registered capital by THB 100 million from THB 100 million to THB 200 million by issuing 10,000,000 new ordinary shares each at the par value of THB ten for use as a working capital. ▪ Acquired a land plot of 7 rais, 22.9 square wa at Buddhamonthon 1, Soi 9, Ratchamontree Road, Klong Kwang Sub-District, Phasi Charoen District of Bangkok to accommodate the expansion of international school business. ▪ Incorporated SISB Thonburi Company Limited with the registered capital of THB one million on 13 December 2016 in which the Company has a 100.00 percent interest. ▪ SISB-SIRI was licensed by the OPEC to establish a formal education school in the form of an international school under the name 'Singapore International School Chiangmai' on 28 December 2016 to provide pre-kindergarten and primary education. ▪ Singapore International School of Bangkok was appointed to administer a training centre for the Duke of Edinburgh's Award which is an award for students who have participated in activities for social benefit.
2017
<ul style="list-style-type: none"> ▪ Increase in the registered capital by THB 50 million from THB 200 million to THB 250 million by issuing 5,000,000 new ordinary shares each at the par value of THB 10 (THB ten or THB 10?) for a right offering to existing shareholders for use as working capital; ▪ Licensed by the OPEC to establish a formal education school in the form of international school under the name 'Singapore International School Thonburi' on 10 October 2017 to provide pre-kindergarten and primary education.
2018
<ul style="list-style-type: none"> ▪ Singapore International School of Bangkok was licensed by the Office of the Bangkok Metropolitan Administration to carry out the business of providing school dormitory; ▪ The Extraordinary General Meeting of shareholders No.1/2018 on 25 May 2018 resolved to approve that the Company carry out the followings: <ul style="list-style-type: none"> - To convert to a public company limited - To change the Company's par value from THB ten to THB 0.50 - To increase the registered capital by THB 220 million from THB 250 million to THB 470 million by issuing 440 million new ordinary shares each at the par value of THB 0.50. The newly issued ordinary shares must be allocated as follows: <ol style="list-style-type: none"> (1) 180 million new ordinary shares are allocated to existing shareholders. The completed allocation of this portion of shares resulted in the paid-up registered capital of THB 340 million; (2) 26 million new ordinary shares are offered to directors, executives and employees of the Company and of its subsidiaries including personnel of schools the licences of which are held by the Company;

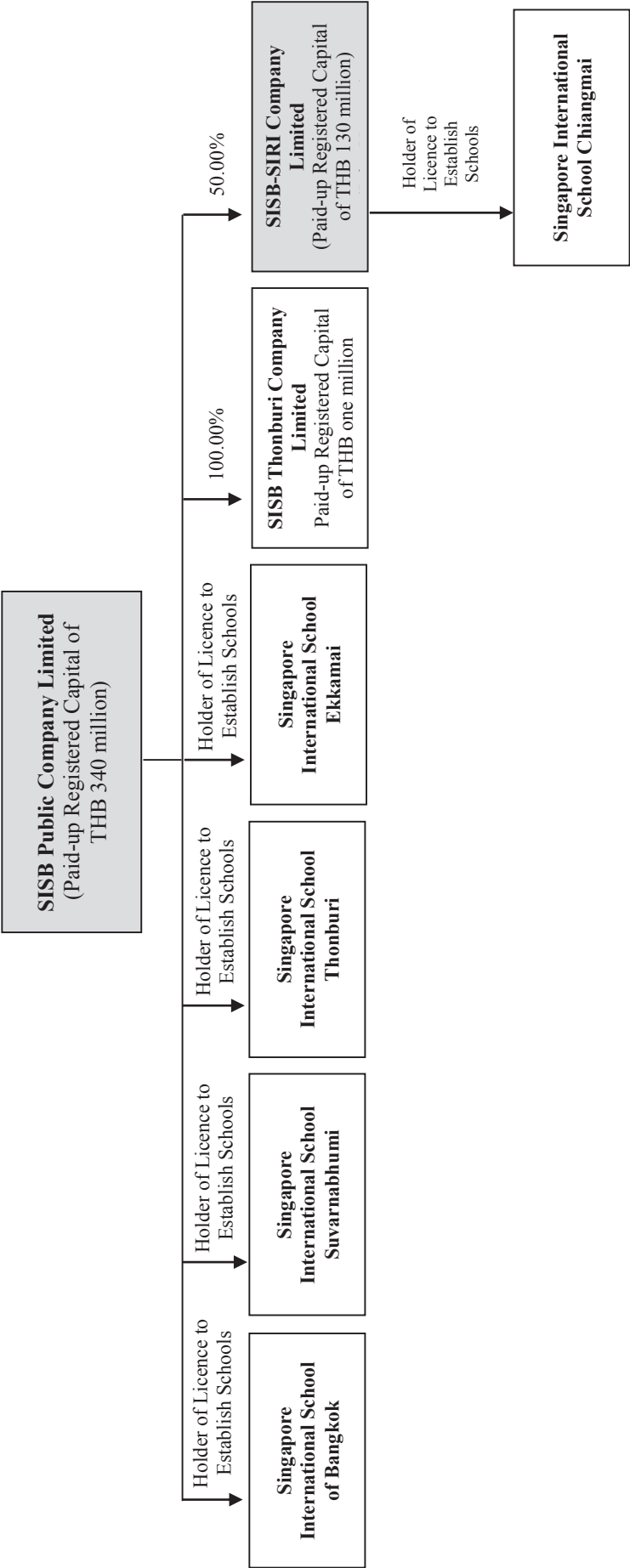
(3) 234 million new ordinary shares are offered to the public.

Any remaining shares after the allocation to the directors, executives and employees under (2) must be allocated to the public under (3).

- Licensed by the OPEC to establish a formal education school in the form of international school under the name 'Singapore International School Ekkamai' on 11 July 2018 to provide pre-kindergarten – primary education (Prathom 3).

1.3 Shareholding Structure of the Group

As of 11 July 2018 [Note: this is to be updated], the shareholding structure of the Group is as follows:



Operations of the Group

1. SISB Public Company Limited (the “Company”) or (“SISB”)

The Company operates the business of providing advisory and management services, and other services relating to education. The Company also holds licences to establish formal education schools in the form of international schools under the Private Schools Act. Currently, it is the holder of a licence granted by the OPEC to establish Singapore International School of Bangkok, Singapore International School Suvarnabhumi, Singapore International School Thonburi and Singapore International School Ekkamai. Details of each school are as follows:

1.1 Singapore International School of Bangkok

Established on 24 August 2001 under the Private Schools Act, B.E. 2525 (1982), Singapore International School of Bangkok is the first school in Thailand to adopt the Singapore curriculum. The school is currently located at 498/11, Soi Ramkamhaeng 39 (Thep Lee La 1), Wang Thong Lang Sub-District, Wang Thong Lang District, Bangkok. Spanning approximately 20 rai (20-2-71 rai), the school facilities can accommodate up to 2,170 students. The school provides education from pre-primary (pre-kindergarten) to higher secondary education.

1.2 Singapore International School Suvarnabhumi

The school was transferred to the Company from a private company on 26 July 2013. Previously named ‘Nantawan International School,’ the school had obtained a licence under the Private Schools Act, B.E. 2550 (2007) on 1 April 2010 and on 19 August 2013 had changed its name to ‘Singapore International School Suvarnabhumi.’ The school is located at No.4/5 Moo 5, Namdang – Bangphli Road, Bangkaew District, Samutprakharn Province. Spanning approximately seven rai (7-3-88 rai), the school facilities can accommodate up to 640 students. The school provides pre-primary (kindergarten) and primary education.

1.3 Singapore International School Thonburi

The school was established on 10 October 2017 under the Private Schools Act, B.E. 2550 (2007), as amended in 2011 (No. 2). Located at No. 138 Ratchamontree Road, Klongkwang Sub-District, Phasi Charoen District, Bangkok on land of approximately seven rai (7-0-22 rai), the school can accommodate up to 900 students and provides pre-primary (kindergarten) and primary education.

1.4 Singapore International School Ekkamai

The school was established on 11 July 2018 under the Private Schools Act, B.E. 2550 (2007), as amended in 2011 (No. 2). Located at No. 154, Soi Ekkamai 14, Sukhumvit 63, North Klongton Sub-District, Wattana District, Bangkok on land of approximately three rai (3-1-51 rai). The school can accommodate up to 155 students and provides pre-primary (kindergarten) and primary education (Prathom 3).

Joint Venture

SISB-SIRI Company Limited

SISB-SIRI Company Limited was incorporated on 11 January 2016 as a Joint Venture between the Company and a group of businessmen from Chiangmai each holding 50.00 percent of total issued shares. The objective of the Joint Venture is to carry out the business of holding the licence to establish an international school in Chiangmai. Currently, the Joint Venture has paid-up registered capital of THB 130 million, divided into 13 million shares each at a par value of THB ten.

SISB-SIRI is currently the holder of a licence granted by the OPEC to establish a formal education school in the form of an international school which is Singapore International School Chiangmai.

1.5 Singapore International School Chiangmai

The school was established on 28 December 2016 under the Private Schools Act, B.E. 2550 (2007), as amended in 2011 (No. 2). It is the first international school in Chiangmai that adopts the Singapore curriculum. It is located at No. 10, Hatsadi Sewi, Sri Phum Sub-District, Muang District, Chiangmai on a land of approximately five rai (5-1-35 rai) and can accommodate up to 310 students. The school provides pre-primary kindergarten and primary education.

2. Subsidiary

SISB Thonburi Company Limited

SISB Thonburi Company Limited was incorporated on 13 December 2016 with the paid-up registered capital of THB one million. The objective of the company is to carry out other education businesses. The Company holds 100.00 percent of shares in this subsidiary. Currently, this company is inactive.

2. Business Operation

2.1 Revenue Structure

The revenue structure of the Company from 2015 until 2017 and the nine-month period of 2018 is as follows:

Types of Revenue ¹⁾	2016		2017		2018	
	THB in Million	%	THB in Million	%	THB in Million	%
Revenue from tuition fees and service fees	597.61	98.20	730.84	97.92	923.98	97.53
Revenue from sale of education materials	5.77	0.95	7.20	0.97	8.48	0.89
Total revenue from sales and services²⁾	603.38	99.15	738.04	98.89	932.46	98.42
Other income ³⁾	5.21	0.85	8.31	1.11	14.90	1.57
Total revenue	608.58	100.00	746.35	100.00	947.35	100.00

Note:

- 1) Excluding income of Singapore International School Chiangmai the school licence of which is held by the joint venture;
- 2) The revenue structure and Gross Profit Margin (GPM) by schools (related party transactions not yet excluded)
- 3) Other income comprises income from the sale of food and beverage, capital gain from short-term investments, fees from credit cards and interest received, etc.

Income of International Schools licences of which are held by the Company	2016		2017		2018	
	THB in Million	GPM	THB in Million	GPM	THB in Million	GPM
Singapore International School of Bangkok	525.89	44.30	651.54	43.61	657.17	46.44
Singapore International School Suvarnabhumi	77.64	32.26	86.67	25.50	88.47	32.02
Singapore International School Thonburi					173.71	48.04
Singapore International School Ekkamai					12.73	7.55

2.2 Services of the Company

The Company operates the business of holding licences to establish formal education schools under the Private Schools Act in the type of international schools. It also provides other education-related services. The Company was the first to introduce the Singapore curriculum in providing education. The curriculum is internationally accepted especially for Mathematics and Sciences. The school features trilingual curricula: English, Chinese and Thai.

Currently, there are five international schools that operate within the Group, providing pre-primary (kindergarten) education through to higher secondary education (Matthayom 6). The schools can accommodate up to 4,175 students. The Company holds the licences for the Bangkok schools and the Joint Venture holds the licence for the Chiangmai school. Details are as follows:

(1) International schools licences held by the Company

Currently, there are four international schools whose licences are directly held by the Company:

1. Singapore International School of Bangkok;
2. Singapore International School Suvarnabhumi;
3. Singapore International School Thonburi; and
4. Singapore International School Ekkamai

(2) The International school licence held by the Joint Venture

SISB-SIRI Company Limited is a Joint Venture that holds the licence to establish Singapore International School Chiangmai, which is the first international school in Chiangmai that adopts the Singapore curriculum in providing pre-primary (kindergarten) and primary education level.

For the purpose of managing Singapore International School Chiangmai, SISB-SIRI Company Limited entered into an agreement with the Company in order to use trademarks, trade names, copyrights, marks and logos including curricula, teaching methods and school uniforms. The agreement was also to engage the Company to provide management and advisory services relating to operations of school business. Therefore, the provision of education, curricula and recruitment of education personnel for Singapore International School Chiangmai are the same as those of the other international schools whose licences are held directly by the Company.

The Company has the policy to ensure alignment in details and standards of providing education of all schools, including schools for which the Company provides management and licenses the use of trademarks. Schools are open from Monday to Friday between 7.15am and 3.10pm. School hours are different in each level of education. The semesters are divided into three terms as follows:

- Term 1 from August until December;
- Term 2 from January until April; and
- Term 3 from April until June

Details of education services of each international school within the Group are as follows:

Details	Currently Available Levels	Maximum Capacity	Current Number of Students (As of 31 December 2018)
Singapore International School of Bangkok	Pre-kindergarten – Grade 12	2,170	1,382
Singapore International School Suvarnabhumi	Pre-kindergarten – Grade 6	640	275
Singapore International School Thonburi	Pre-kindergarten – Grade 6	900	478
Singapore International School Chiangmai	Pre-kindergarten – Grade 6	310	147
Singapore International School Ekkamai	Pre-kindergarten – Grade 3	155	87

1. Curricula

Education is provided based on the school's established curricula that were approved by the OPEC. Current curricula are a combination of the Singapore and the UK curriculum to ensure suitability for each level of students. Details of current curricula are as follows:

Stage	Age	Curriculum	Examination
Nursery – Kindergarten	2 – 6 years	UK Early Stage Years Foundation (Child-Centred)	<ul style="list-style-type: none"> Child-centred assessment School-based examinations
Primary 1 – 6	6 – 12 years	Curriculum of Curriculum Planning and Development Division, Ministry of Education of Singapore	<ul style="list-style-type: none"> Singapore iPSLE School-based examinations
Grade 7 – 10*	12 – 16 years	Secondary Curriculum of Singapore and Cambridge IGCSE	<ul style="list-style-type: none"> IGCSE (UK) School-based examination
Grade 11 – 12*	16 – 18 years	UK Secondary Curriculum and Diploma Curriculum of the School	<ul style="list-style-type: none"> Cambridge AS / A Levels School-based examination

Note: Only Singapore International School of Bangkok

1.1 Nursery – Kindergarten

Nursery – Kindergarten curricula are for children between the age of two and six. The curricula are based on the UK Early Stage Years and the British National Curriculum which focus on a child-centred approach. The curricula are taught in English. The education at this stage is provided to ensure alignment with psychological development using activities that will stimulate development in physical, emotional, mental, social and intellectual aspects of the children. Teachings will focus on learning by using the five senses, movement, exploration and play which will enable children to have analytical and problem-solving skills. Children will also be encouraged to have initiative and to develop linguistically through interaction with other children and adults in an environment that is conducive to learning. Active learning/ hands-on learning including creating and a critical thinking approach is adopted. The curriculum focuses on six groups of subjects:

1. Social skills and personal development;
2. Mathematics;
3. Sciences and technology;
4. Music and art;
5. Health and physical education;
6. Linguistic skills with focus on the ability to speak, listen and read/write

The assessment will be conducted on the development of physical, emotional, mental, social and intellectual aspects of the children. This is an ongoing process of assessment both daily and at the end of the term to ensure that children achieve developments that meet the objectives of the curriculum.

1.2 Primary Stage

The curriculum at this stage is aimed at children between 6 – 12 years and is based on the curriculum developed by the Curriculum Planning and Development Division, Ministry of Education of Singapore which is recognised for its strength in Mathematics, Sciences and foreign languages (English and Chinese), and is a foundation for students to select their fields of study in the future. The curriculum is based on a child-centred approach to promote the development of students according to their potential using various learning procedures. Students will learn from the active learning/ hands-on learning methods and will achieve creativity and problem-solving skills by learning from situations. The curriculum focuses on nine groups of subjects:

1. Mathematics;
2. Sciences;
3. English;
4. Chinese;
5. Thai;
6. Social studies;
7. Physical/ health education;

8. Computing; and
9. Art

Each student at this stage will be assessed in examinations according to their developments using methods such as projects, class presentations, small tests and activities in classrooms including school-based mid-term and final examinations. In addition, students will complete their Grade 6 upon passing the International Primary School Leaving Examination (iPSLE) according to the Singapore standard.

1.3 Grade 7 - 10

The curriculum for Grade 7 – 10 is aimed at children between 12 and 16 years and is based on the Singapore curriculum and the IGCSE of The University of Cambridge in the United Kingdom. It focuses on participation in the promotion of ethical, cultural, intellectual, aesthetical and physical developments for students with the aim to prepare students for a higher level of education. Curricula in this lower stage of secondary education still focus on SISB's signature of creating a trilingual learning environment for students (English, Chinese and Thai). Main subjects taught to Grade 7 and 8 are English, Thai, Mathematics, Sciences (Biology, Chemistry and Physics), History, Geography, Information and Communication Technology, Music, Art, Physical and Health Education. For students in Grade 9 and 10, curriculum will focus on preparing students for the Cambridge International General Certificate of Secondary Education (IGCSE) according to the standards of the University of Cambridge. Students will be required to study English, Mathematics, Physics, Biology, Chemistry, Thai, Physical and Health Education. In addition, students have the option of two to four subjects based on diverse interest of the students such as extra Mathematics, Art and Design, Sciences, Computing, Geography, History, Information and Communication Technology, Music, Chinese and Physical Education.

1.4 Grade 11 - 12

The curriculum for Grade 11 – 12 is aimed at children between 16 and 18 years and is based on the UK National Curriculum of England. The curriculum focuses on preparing students for the Cambridge International Advanced Subsidiary Level & Advanced Level (AS/A Level). The curriculum is internationally recognised to provide an in-depth foundation for students for their higher education at a university level. Students are offered options to specialise in subjects that are of their specific interest. The curriculum is designed to equip students with an in-depth knowledge in their preferred field of study for higher education or future career path. Subjects that are taught in this curriculum are the mandatory subjects including Thai, Physical and Health Education and selective subjects based on the students' interest such as Art and Design, Business, Chemistry, Chinese, Economics, English, Geography, History, Information and Communication Technology, Mathematics, Music and Physics.

Students will complete Grade 12 upon passing the Cambridge AS/A Level examination and the school-based examination. In addition, Singapore International School of Bangkok is now preparing to add the International Baccalaureate Diploma Programme (IBDP) to provide an additional option for students at Grade 11 – 12. This IBDP curriculum is developed by the International Baccalaureate Organisation (IBO) to prepare students for an entrance

examination to universities in all countries. In this curriculum, students are required to study all mandatory subjects and participate in extra-curricular activities. Students who have obtained IB Diploma are recognised by leading universities around the world thanks to the holistic development offered by the curriculum. Schools will need to be approved by the IBO to use the IB curriculum in providing education and to call themselves part of the IB World Schools. Teachers will also need to undergo professional training organised by the IBO. Singapore International School of Bangkok applied to be a member of the IBO World Schools on 31 August 2017. The application was approved tentatively, and the school has obtained the status of an IBO Candidate starting from 1 March 2018. The school is pending inspection by the IBO and expects to start providing education using the curriculum for the academic year 2020 – 2021.

Number of Students by Levels of Education

Levels of Education	As of 31 December 2016		As of 31 December 2017		As of 31 December 2018	
	Number	%	Number	%	Number	%
Nursery-Kindergarten	742	43.52	922	44.74	999	42.17
Primary	748	43.87	889	43.13	1,075	45.38
Grade 7 - 10	198	11.61	223	10.82	255	10.76
Grade 11 - 12	17	1.00	27	1.31	40	1.69
Total	1,705	100.00	2,061	100.00	2,369	100.00

2. Extra-Curricular Activities

Extra-curricular activities are intended to meet the different developmental needs of students and to encourage them to make constructive use of their free time after school. The extra-curricular activities are organised each day based on the diverse interests of the students. They are, for example:

- **Academic activities:** Extra Academic Support (EAS), English Language Support (ELS), Chinese Language Support (CLS) and summer activities;
- **Non-academic activities:** these are aimed at enhancing skills and learning development of the students through activities, membership of clubs and sports. Students are offered a wide variety of extra-curricular activities such as swimming, gymnastics, football, badminton, table tennis and taekwondo, art and craft, ballet, computer club, music club, mechanism and robots.

3. Other services to support the school operations

In addition to providing education to students, there are other services offered to support the school operations.

- **Student dormitory:** Singapore International School of Bangkok offers a complete range of facilities to provide a weekly boarding school service to students aged from 8 to 18 years (Only from Monday

to Friday) and a full-time boarding school service. This will allow students to have the opportunity to cultivate independence while participating in activities on weekends that are created for boarders such as kayaking, deep water diving, trekking and surfing.

- **Training and examinations:** Singapore International School of Bangkok is appointed as the centre for examinations for several leading institutions such as:
 - International Primary School Leaving Examination: iPSLE;
 - IGCSE and AS/A Level examinations;
 - HSK examinations;
 - SAT examinations; and
 - Training centre for the Duke of Edinburgh's Award for students who participate in activities for social benefit

These examination centres administer examinations for both students from the Group's schools and students from other institutions.

- **Food and beverage:** The Group's schools also provide lunch services for all levels of students. Fees would be collected from students along with tuition fees for each semester. The Group's schools also sell food and beverages at school for the convenience of students and parents.
- **Textbooks and education materials:** The Group's schools source textbooks and education materials for all levels of students. Fees would be collected from students along with tuition fees for each semester. The Group's schools also operate shops that sell textbooks and school uniform at school for the convenience of students and parents.

2.3 Market and Competition

2.3.1 Customers and target customers

The Company operates the business of holding licences to establish formal education to provide education in the form of international schools. Tuition fees of the schools operated by the Company are relatively high compared to those of other private schools. Most customers are students aged between two and 18 years from wealthy families that are both Thai and foreign. Details are as follows:

1. Thai students

Thai students represent the majority of the Company's customers. Thai parents need to have their children educated using curricula that meet international standards while students can develop their language skills in English and Chinese. The international schools of the Group have an established reputation of more than 17 years. Its quality of education has been well recognised among parents through word of mouth. The Group's expansion of its school business to residential areas of these wealthy families also contributes to the increasing number of students. Currently, the Company has increased its public relation efforts to reach out to its target customers using various channels such as the Company's website, brochures, magazines, online social media and participation in education fairs.

2. Foreign students

Foreign students comprise children of expatriate workers in Thailand including foreign students sent to study in Thailand. In addition to traditional public relations, the Company reaches out to this group of students by becoming partners with international companies and agencies that have their branches in Thailand to provide education to staff of these organisations as part of their welfare benefits. In addition, the Company has appointed education agents abroad to provide advice and liaison to facilitate foreign students in making the decision to study in any of the international schools operated by the Group. Singapore International School of Bangkok provides additional dormitory services for students from abroad.

The Company has organised school tours at each of its international schools for parents and prospective students to experience teaching and studying environments. On the school tour, admission staff will be ready to provide information on the school, its curricula and teaching methods. In addition, each school will provide trial courses for prospective students to study and participate in activities with the school personnel with the aim to familiarise these prospective students with the learning process before they can make an enrolment decision. The Group's schools also provide foundation courses to assist students to prepare themselves and to take placement tests before they can be admitted to normal courses.

The Admission process is as follows:

1. **Acceptance and review of application documents and supporting documents**

Admission staff will accept and review application and supporting documents including personal identification documents of both the prospective students and their parents such as national identification card, certificate of birth or passport including a school report if the prospective students are transferred from another school.

The admission staff will review the completeness of the documents including the basic qualifications of the prospective students who need to meet the minimum age requirements for each of the levels that is applied for prior to the commencement of each academic year.

2. **Interview and placement**

After the preliminary qualification review is complete, the Admissions Department will schedule an appointment with the parents and the prospective students for an interview. Prospective applicants for Primary 1 and above shall undergo an assessment which will assess English language skills and academic knowledge of the prospective students that are required for each level of education.

3. Assessment test results and students record

Prospective students who successfully pass the interview and the assessment tests will be notified of the results and will be required to provide additional information and documents for use in preparing the student records. The information and documents must be submitted and the enrolment fees, tuition fees and deposit payments must be paid within the period required by the Admissions Department.

As of 31 December 2018, there are in total 2,369 students in the Group's international schools, approximately 85 percent of which are students of Thai nationality. The remaining 15 percent of students are international students from more than 20 countries around the world including Asia, Europe, the United States of America and the Middle East.

Number of Students by Nationalities

Nationalities	As of 31 December 2016		As of 31 December 2017		As of 31 December 2018	
	Number of Students	%	Number of Students	%	Number of Students	%
Thai	1,477	86.63	1,776	86.17	2,019	85.23
Foreign	228	13.37	285	13.83	350	14.77
Total	1,705	100.00	2,061	100.00	2,369	100.00

2.3.2 Pricing Policy

The Company has the policy to determine appropriate tuition fees and other fees of each school according to the relevant expenses of providing education in order to be able to provide quality education to meet standards and to be competitive with other international school that are its close competitors. Pricing will be determined by taking into consideration the competition among international schools in each area including the economic conditions in order to ensure that the tuition fees are reasonable for parents and are not considered as profiteering. Details of material fees are as follows:

Curricular education fees

Each school will be required to declare its tuition fees and other relevant fees for the provision of curricular education such as lunch fees, textbooks and education materials, enrolment fees and application fees to the Private Education Commission for the relevant academic year and to make a public announcement of such fees in each school in accordance with Section 32 of the Private Schools Act, B.E. 2550 (2007), as amended (No.2) in 2011. Fee rates vary according to each level of education and the location of the schools.

Extra-curricular education fees

Extra-curricular education fees are for support courses, tuition and extra-curricular activities including application placement fees which are voluntarily selected by students. Fee rates will depend on each subject or activity applied for taking into consideration the actual cost of providing the education.

2.3.3 Competition Strategies

1. Outstanding and internationally recognised curricula

The Company was the first in Thailand to introduce the Singapore Curriculum at Singapore International School of Bangkok. The curricula are used as a prototype for the provision of education in other international schools of the Group. Teaching methods, textbooks and school-based examinations are based on the internationally recognised Curriculum of Singapore which has particular academic strength in Mathematics and Sciences and serves as the learning foundation for fields of studies in the future. The schools also promote a trilingual learning environment where students can learn and communicate fluently in English, Thai and Chinese in their education or future career. This can meet the demand of the current society where more importance is given to the English and Chinese language.

Secondary education is based on the combination of the Singapore and UK curricula which allows students to select specialist subjects and focuses on the development of in-depth knowledge for the selected specialist subject to prepare students for higher education at university level and future careers.

2. Maintenance of Education Standards

The Company's vision is to be a world-class education provider. Therefore, quality of education lies at the heart of the Company's business operations. It focuses on and recognises the importance of ongoing development of education quality to elevate its standards of education to meet international standards. International schools of the Group have been certified with quality assurances by leading institutions both domestically and internationally such as quality assurance by the ONESQA, the Council of International Schools and the New England Association of Schools and Colleges (NEASC) all of which are internationally renowned accreditation entities.

In addition, Singapore International School of Bangkok is the first international school in Thailand to be appointed by the Singapore Examination and Assessment Board (the "SEAB") and has been the centre for the International Primary School Leaving Examination in all four subjects including Mathematics, Sciences, English and Chinese since 2006. The school was also the appointed examination centre for various leading institutions such as:

- The University of Cambridge International Examinations (the "CIE") to administer the Cambridge IGCSE examinations and the AS/A Level examination;
- The Oriental Culture Academy to administer the HSK examinations of Hanban;
- The College Board to administer the SAT examinations;
- The training centre for the Duke of Edinburgh's Award for students who participate in activities for social benefits



3. Reasonable Tuition Fee Rates

Rates of tuition fees are one key factor that parents use in selecting schools for their children. In addition to providing quality education that meets international standards, the Company recognises the importance of having reasonable tuition fees which are determined to be in line with similar institutions, the economic conditions of the parents and the cost of operations and are not considered as profiteering.

4. Complete and Modern Teaching Materials and Facilities

Teaching materials and facilities are other factors that parents consider when selecting schools for their children. Therefore, the Company focuses on providing a wide range of teaching materials and facilities that are modern and complete in order to create a learning environment that will effectively promote child development. These include libraries, science and computer laboratories, music and art centres, multi-purpose halls including sport stadia, swimming pools and playgrounds.

Singapore International School of Bangkok also recognises the specific need of students in secondary level who would need space to participate in activities in order to fully show their potential. Singapore International School of Bangkok is fully equipped with complete facilities such as:

- Multi-purpose classrooms that are specifically designed for each of the subjects;
- Science laboratories that are specifically designed to suit both the theoretical and practical aspect of the class;
- Information systems on the latest 4G network to ensure fast connectivity for virtual classrooms;
- A new sport complex complete with a 25-metre standard swimming pool, two futsal courts and a multi-purpose building of two floors consisting of a basketball court, a volleyball court, a badminton court and a table tennis hall.
- 'Silpapirom Creative Arts & Media Centre' is a creative arts and media centre whose name was granted by Her Royal Highness Princess Maha Chakri Sirindhorn. The centre is used to showcase creative and art work, musical and theatrical talents of students. It consists of an auditorium of approximately 407 seats, an orchestra pit and a black box which are fully equipped with a studio picture recording system.
- Dormitory houses which are equipped with facilities to provide students with the comfort of a family environment which cultivates independence and well-socialized citizens.

5. Holistic Education

In addition to the Singapore Curriculum which is recognised for its academic strength, the Group focuses on ensuring that its international schools provide education using a child-centred approach in which students are encouraged to reach their full potential in all aspects based on a diversity of learning methods, thinking process, including the active learning / hands-on-learning method. Students will achieve creativity and skills from situation-based

experience and problem-solving and from participating in extra-curricular activities such as club membership, sports including swimming, gymnastics, football, badminton, table tennis and taekwondo, art and crafts and music all of which are aimed at enhancing the skills and learning of students. Focus is also on fostering awareness of social responsibility for students through social activities such as the 'CSR-EL Project' which allows volunteers to teach English to other schools in neighbouring areas and 'We Give We Share Project' which aims to provide support to communities in rural and impoverished areas.

6. Experienced personnel with expertise in school business

The Company has a team of executives, staff and education personnel with vast experience and expertise in private school business both domestically and internationally. This in-depth knowledge and understanding about the international school business, the market, competition and its understanding about the needs of parents and students, results in an effective determination for business development and management strategies and the enhanced competitiveness of the Company. In addition, the Company has the policy of maintaining quality education and expanding its business through human resources and work system development.

2.4 Procurement of products and services

2.4.1 Curricula

Curricula of formal education for international schools must be reviewed and approved by the OPEC before being used. The current curricula of the Group's schools are the combination of the Singapore and the UK curricula, both of which are generally and internationally accepted. The Singapore Curriculum is used for the provision of primary education with the recognised strengths in Mathematics and Science. These are the foundation for students to select other fields of study in higher education. The UK IGCSE and AS/A Level are used in providing secondary education in which students are offered options to specialise in subjects that are of their specific interest. The curriculum is designed to equip students with an in-depth knowledge in their preferred field of study for higher education at a university level. In addition, the Group's schools provide additional curriculum of Thai language, culture and history to meet the requirements of the OPEC.

In order to ensure that the quality of its education meets international standards, Singapore International School of Bangkok has its education quality assured by leading institutions both domestically and internationally such as the Office for National Education Standards and Quality Assessment (the "ONESQA") (a public organisation), the Council of International Schools (the "CIS") and the New England Association of Schools and Colleges (the "NEASC") all of which are internationally renowned education quality assurance institutions. The school also partners with leading institutions in providing an examination venue for the following assessments:

- The Singapore International Primary School Leaving Examination (the "iPSLE"); appointed by the Singapore Examination and Assessment Board (the "SEAB")
- The Cambridge IGCSE examinations and the AS/A Level examination; appointed by the University of Cambridge International Examinations (the "CIE")
- The HSK examinations of Hanban; appointed by the Oriental Culture Academy
- The SAT examinations; appointed by the College Board

In addition, the teaching approach of Singapore International School of Bangkok is adopted as a prototype in all SISB schools in order to ensure standardization of education standards across all SISB schools. Each year a working group consisting teams of teachers and academic department staff from every school of the Group will work together on improving the appropriateness of curricula, teaching methods, textbooks and school-based examinations in order to be suitable for students and to keep up with the changing world.

2.4.2 Education Personnel

Education personnel is a key factor to the quality provision of education and academic achievements. Therefore, the Company focuses on the recruitment of teachers and their assistants with required experience and qualifications. Recruitments are made through various channels including websites that are dedicated specifically for education personnel or the Company's website and participation in job fairs and recruitments through the Board of Executives of the Company which can attract personnel with the required expertise, knowledge and experience in different fields to work with the Company. All teachers and their assistants are required to undergo ongoing training to keep themselves up-to-date with the changing world.

As of the year ended 2018, education personnel of the Group's schools are as follows:

Number of Education Personnel

Education Personnel	31 December 2016	31 December 2017	31 December 2018
Teachers	195	249	280
Teacher Assistants	102	133	149
Total	297	382	429

2.4.3 Locations and School Buildings

Locations for international schools will be selected based on the appropriateness both in terms of demography including the economic growth of the surrounding communities and the competitors with other international schools in the neighbourhood. In addition, locations for international schools must meet the minimum requirements of size under the relevant ministerial regulations which require at least one rai for an international school that provides pre-primary level of education or at least two rai for the provision of primary and secondary education. Legal ownership of the lands could be either the freehold or the leasehold of at least 10 years.

The design and construction of school buildings must take into consideration all relevant legal requirements of both the Department of Public Works and Town Planning and the Ministry of Education in respect of the proportion of the building size to the land size, number of classrooms and the size and the maximum capacity of each classroom. Current locations and school buildings of each school are as follows:

Singapore International School of Bangkok



Levels of education	: Nursery – Grade 12
School buildings and size of land	: Four school buildings, four activity buildings and two dormitory houses on 20 rai, 2 ngarn and 71.3 square wa.
Maximum capacity	: 2,170 students
Facilities	: Library, science and computer laboratories, music and art room, playground and a sport complex consisting of a standard 25-m pool, a futsal court, a basketball court, a volleyball court, a badminton court and an area for gymnastics including an art exhibition centre consisting of an auditorium with 407 seats, an orchestra pit and a black box and dormitory houses.

Singapore International School Suvarnabhumi



Levels of education	: Nursery – Primary 6
School buildings and size of land	: Two school buildings on 7 rai, 3 ngarn and 88 square wa.
Maximum capacity	: 640 students
Facilities	: Library, science and computer laboratories, music and art room, a multi-purpose hall, a swimming pool and a playground

Singapore International School Chiangmai



Levels of education	: Nursery – Primary 6
School buildings and size of land	: One school building on 5 rai, 1 ngarn and 35 square wa.
Maximum capacity	: 310 students
Facilities	: A 20-m swimming pool, a multi-purpose hall, a library, a music room, a science laboratory, a playground and a large green area

Singapore International School Thonburi



Levels of education	: Nursery – Primary 6
School buildings and size of land	: Two school buildings on 7 rai, and 22 square wa.
Maximum capacity	: 900 students
Facilities	: A 25-m swimming pool, a multi-purpose hall, a library, a music room, a science laboratory, an art and craft room, a playground and a large green area

Singapore International School Ekkamai



Levels of education	:	Nursery – Primary 3
School buildings and size of land	:	Two school buildings on 3 rai, 1 ngarn and 51 square wa.
Maximum capacity	:	155 students
Facilities	:	A library, a playground and a large lush garden

Seat Utilisation

	As of year ended 2016	As of year ended 2017	As of year ended 2018
<u>Capacity Seats</u>			
- Singapore International School of Bangkok	1,510	2,170	2,170
- Singapore International School Suvarnabhumi	640	640	640
- Singapore International School Chiangmai	-	310	310
- Singapore International School Thonburi	-	-	900
- Singapore International School Ekkamai	-	-	155
Total	2,150	3,120	4,175
<u>Number of Students</u>			
- Singapore International School of Bangkok	1,419	1,715	1,382
- Singapore International School Suvarnabhumi	286	262	275
- Singapore International School Chiangmai	-	84	147
- Singapore International School Thonburi	-	-	478
- Singapore International School Ekkamai	-	-	87
Total	1,705	2,061	2,369
% of Seat Utilisation	79.30%	66.06%	56.74%

There is a continuous growth in the seat capacity of the Group's schools. In 2017, Singapore International School of Bangkok opened second phase building for secondary level and Singapore International School Chiangmai was

opened resulting in the increase of the seat capacity from the original 1,510 students to 2,170 students. In 2018, Singapore International School Thonburi was opened while the Company obtained an additional licence to establish Singapore International School Ekkamai on 11 July 2018 with the maximum capacity of 155 students. These contributed to the increase in the capacity seats to 4,175 students which could meet the expected growth of the Company Group.

2.5 Industry

The Company operates an education business. The current overview of the education business is as follows:

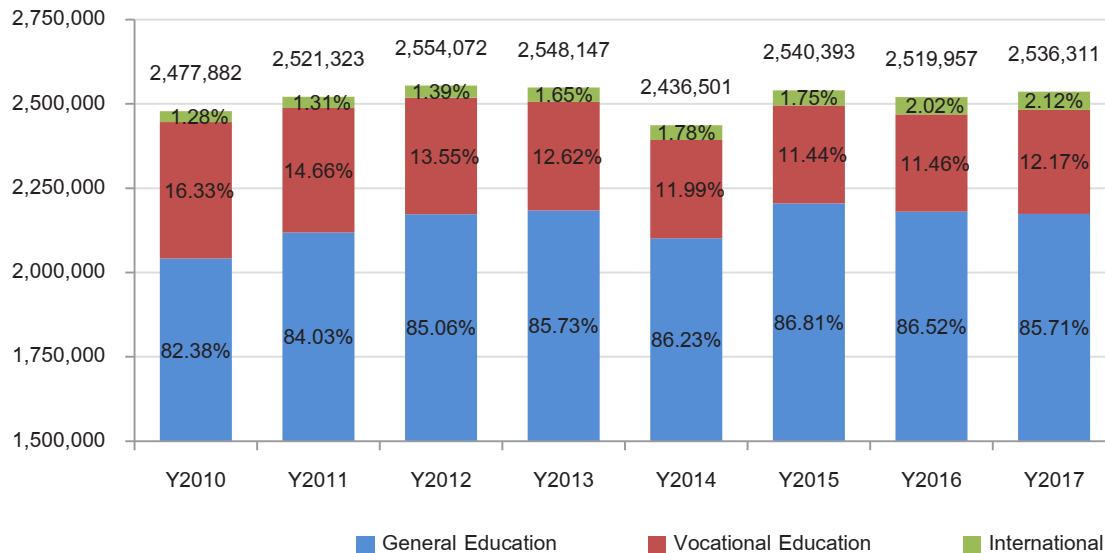
The Education System in Thailand

Education in Thailand is governed by the Ministry of Education in accordance with the National Education Act, B.E. 2542 (1999) which requires the state to provide equal opportunity and right to receive quality basic education, provided by the State nationwide, free of charge for a duration of at least 12 years. There are nine years of compulsory education which requires children aged seven to enroll in basic education institutions until the age of 16. To alleviate the burden of education provision for the youth and to provide parents and students with an alternative of education and to create the environment of competition to drive quality and standard developments for the Thai education system, the State has allowed private sectors to participate in the provision of basic education in the form of formal private schools which are managed by the private sector. Education is provided based on clear objectives, teaching methods, curricula, periods of study and assessment for the completion of the education. Currently, there are three types of formal private schools:

- 1.1 General education means schools which provide education based on the curriculum of the Ministry of Education at different levels such as pre-primary (Nursery – Kindergarten), primary and secondary education (lower-secondary and upper-secondary) including general education schools which are bilingual.
- 1.2 Vocational education means schools which provide education based on the curriculum of the Ministry of Education or curriculum approved by the Ministry of Education at different levels such as the Certificate in Vocational Education (Por Wor Chor) and the Technical Diploma (Por Wor Sor) including vocational schools which are bilingual.
- 1.3 International education means: schools which provide education based on either international curricula, or international curricula whose subjects are rearranged or a curriculum that is not prepared by the Ministry of Education but by the school, or the use of foreign languages in providing education without limitations on the nationality or religions of the students.

Number of Students in Formal Private Schools and Proportion of Each Type of Students

Number of Students (Persons)



Source: Ministry of Education

Education is a key factor that contributes to the development of skills and knowledge required in future careers. It also serves as an important tool for the improvement of one's quality of life. Therefore, most parents recognise the importance of selecting schools for their children. In the fast-changing age of globalisation where all countries, including Thailand, have a more extensive network of communication, English has an important role. This results in a growing number of families that choose international schools for their children in recognition of the importance of languages, particularly English which needs to be taught at an early age. These parents also have confidence in the international curricula which are globally recognised. Consequently, Thailand has seen a dramatic growth in the number of formal private schools in the type of international schools from 126 schools in 2010 to 182 schools in 2017.

International Schools

International schools are schools which provide education based on international curricula or international curriculum that is adjusted in details of subject or curriculum that is not prepared by the Ministry of Education, but by the school mainly using English and other non-Thai languages in providing the education. There are four categories of international curriculum.

(1) The US Curriculum

In the American Curriculum, education starts when the children are five years old. In some schools, younger children are admitted to a Pre-School level. This early childhood education focuses on social development skills for the children so they can learn to adapt themselves to the surrounding environment of the school. Children will also be taught and prepared for reading, writing and calculation which is suitable for their age. The Elementary level of education involves children between six to 18 years old and education at this level will be divided into elementary grade 1 to 5, middle school grades 6 to 8 and high school grades 9 to 12. Students at these levels will be taught using a holistic approach to cover a wide range of academic and extra-curricular activities including sports, branches of Art, academic activities, guidance and personal or small group tuition and school projects. Most schools administer examinations internally to ensure that students have obtained enough credits to complete their basic education according to the American system. In addition, foreign students who wish to apply for a higher education at a university level both in the United States of America and in certain other countries will be required to pass the SAT and/or ACT examination and the TOEFL examination. Alternatively, they may be required to take other forms of examination or presentation of their work to the examining body depending on the specific admission requirements of each university. International schools that use the American curriculum are, for example, Ruamrudee International School and The International School of Bangkok.

(2) The UK Curriculum

The UK curriculum divides learning into key stages each having a clear standard of learning, testing and assessment. Stage One involves students of five to six years old (Years 1 – 2). Stage Two involves students of seven to ten years old (Years 3 – 6). Stage Three involves students of 11 to 13 years old (Years 7 – 9) and Stage Four involves students of 14 – 15 years old (Years 10 – 11), which is considered the final stage before the completion of the mandatory education of the UK. Most students in international schools which use the UK curriculum will spend their two years in taking the International General Certificate of Secondary Education (the “**IGCSE**”) which requires the students to study approximately eight to nine subjects, a minimum of three of which are mandatory including English, Mathematics and Sciences. The remaining subjects are selective. The IGCSE examination is used internationally. After the IGCSE, students who wish to continue their education at a university level abroad will be required to study Stage Five which is called Sixth Form in which students will only study subjects that are required for an application to study at a university level after completion of the last two years. International schools which use the UK curriculum are, for example, Harrow International School and Shrewsbury International School.

(3) International Baccalaureate (IB)

This is the curriculum of the International Baccalaureate Organisation (the “**IBO**”) that was developed by experienced educators for use as an international curriculum with no economic, social or political influence from any nation in particular. Schools are required to obtain approval from the IBO before they can provide education using the IB curriculum and call themselves a member of the IB World School. Teachers in this curriculum are required to undergo professional

training and training organised by the IBO. Schools will also be inspected every five years by the IBO committee for the purpose of standard assessment in implementing the curriculum in creating learning experiences, assessing and evaluating the development of students. The IB curriculum is divided into three levels: (i) Early Childhood Level and Primary Years Programme (PYP) which takes eight years and is for children of three to 11 years old; (ii) Middle Years Programme (MYP) which takes five years and is for children of 11 to 16 years; and (iii) Diploma Programme (IBDP) which takes two years and is for children of 16 to 18 or 19 years old. During the last year of the IBDP, students are required to sit the IBO central examination which takes place at the same time around the world. International schools that use the IB curriculum are, for example, The New International School of Thailand and KIS International School.

(4) Other international curricula

In addition to the IB curriculum, the US and the UK curricula, there are certain number of international schools which provide education using curricula of other countries. These schools have the objective of facilitating the students and their families which reside in Thailand for a short period or Thai families who prefer that their children study using curriculum of the countries where they wish to continue their university education. These schools provide education in their native language and are supported by the government of their countries. Each of these schools have different strengths such as:

- **Curricula of Switzerland, Germany or Australia**

Provision of education using these curricula focuses on teaching students at kindergarten and primary level to learn to read and calculation through playing. Academic teaching and learning will begin at a higher level. Students will be taught to have respect for themselves and for others and to have tolerance for religious and cultural differences through learning different basic subjects. There are usually choices of language between English and German. French may also be an option. International schools that use these curricula are, for example, The Swiss School of Bangkok and The Christian German Chiangmai School.

- **Singapore curriculum**

Most international schools in Thailand that use the Singapore curriculum provide education in three languages: English, Thai and Chinese and have more focus on the academic aspect of education than international schools in the western system. Particular focus is on Mathematics, Sciences, English and Chinese. Based on the examination results of the Programme for International Student Assessment (PISA) in 2015 (held every three years) on three subjects: Mathematics, Sciences and Reading among students of 15 years from participating countries, Singapore ranks number one in the world for all three subjects. International schools that use the Singapore curriculum are, for example, Singapore International School of Bangkok and Anglo Singapore International School.

The steady growth in popularity of international curricula is due to the parents' increased recognition of the importance of English because they believe that a good English skill would enable to students improve their quality of life and to have a good future. This results in a trend of teaching English to children in their early childhood. Parents also have confidence in international schools and international curricula that meet standards. Key factors that are considered in selecting schools are:

- Curricula that can best promote the learning of the children;
- Extra-curricular activities to enhance learning out of classrooms;
- Teachers;
- Tuition fee rates;
- Academic accreditation;
- Location and size of schools including facilities

According to the OPEC, international schools in Thailand have enjoyed continued growth at a CAGR of 5.39 percent from 126 schools in 2010 to 182 schools in 2017. The number of students in international schools has increased at a CAGR of 7.77 percent from 31,839 students in 2010 to 53,754 students in 2017.

	2010	2011	2012	2013	2014	2015	2016	2017
<u>Students in international curricula</u>								
- Number (student)	31,839	33,048	35,436	40,439	42,332	44,497	50,958	53,754
- CAGR		3.80%	7.23%	14.12%	4.68%	5.11%	14.52%	5.49%
<u>Schools using international curricula</u>								
- Number (school)	126	133	138	143	154	161	175	182
- CAGR		5.56%	3.76%	3.62%	7.69%	4.55%	8.70%	4.00%

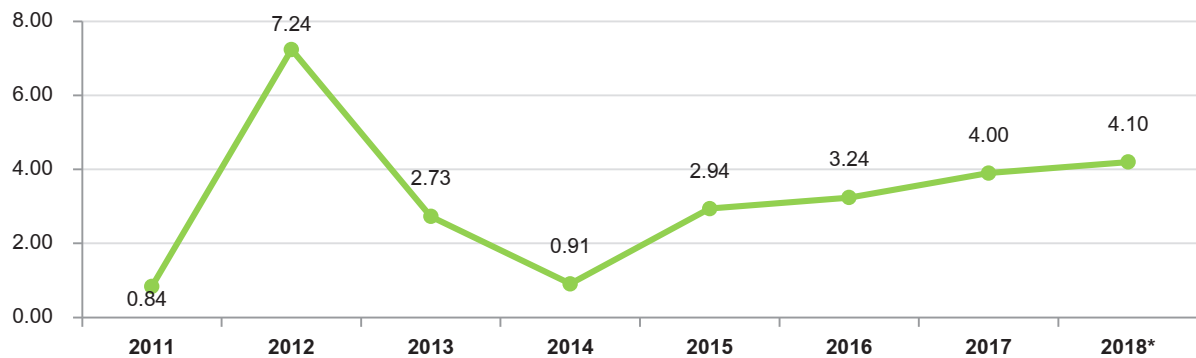
Source: the OPEC

International school business is expected to continue to grow because of the following factors:

1) Economic Growth

According to a report of the Office of the National Economic and Social Development Council the GDP for the year 2018 grow at 4.1 percent from 4.0 percent in 2017. The value of export grow at 7.7 percent while private consumption grow at 4.6 percent and government spending at 1.8 percent. Total investment grow at 3.8 percent, which can be divided into growth in government investment at 3.3 percent and growth in private investment at 3.9 percent. The general average inflation rate is 1.1 percent. Disposable income per capital has increased at 5.32 percent from THB 228,398 per capita in 2017 to THB 240,545 per capita in 2018. This demonstrates an increase in overall purchasing power of the country and a positive economic trend because of both GDP growth and increased per capita income.

GDP Growth



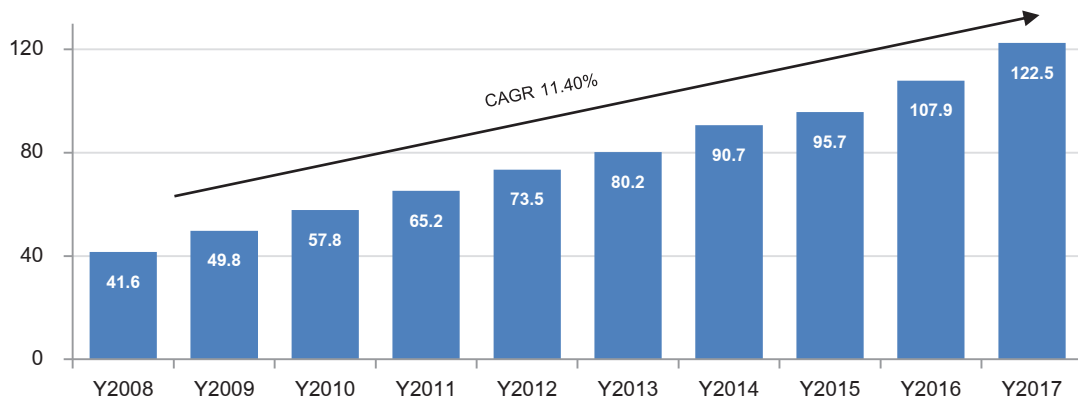
	2011	2012	2013	2014	2015	2016	2017	2018
Per capita income (THB/capita/annum)	155,926	167,501	174,337	195,995	203,356	212,455	228,398	240,545
CAGR	3.87%	7.42%	4.08%	12.42%	3.76%	4.47%	7.50%	5.32%

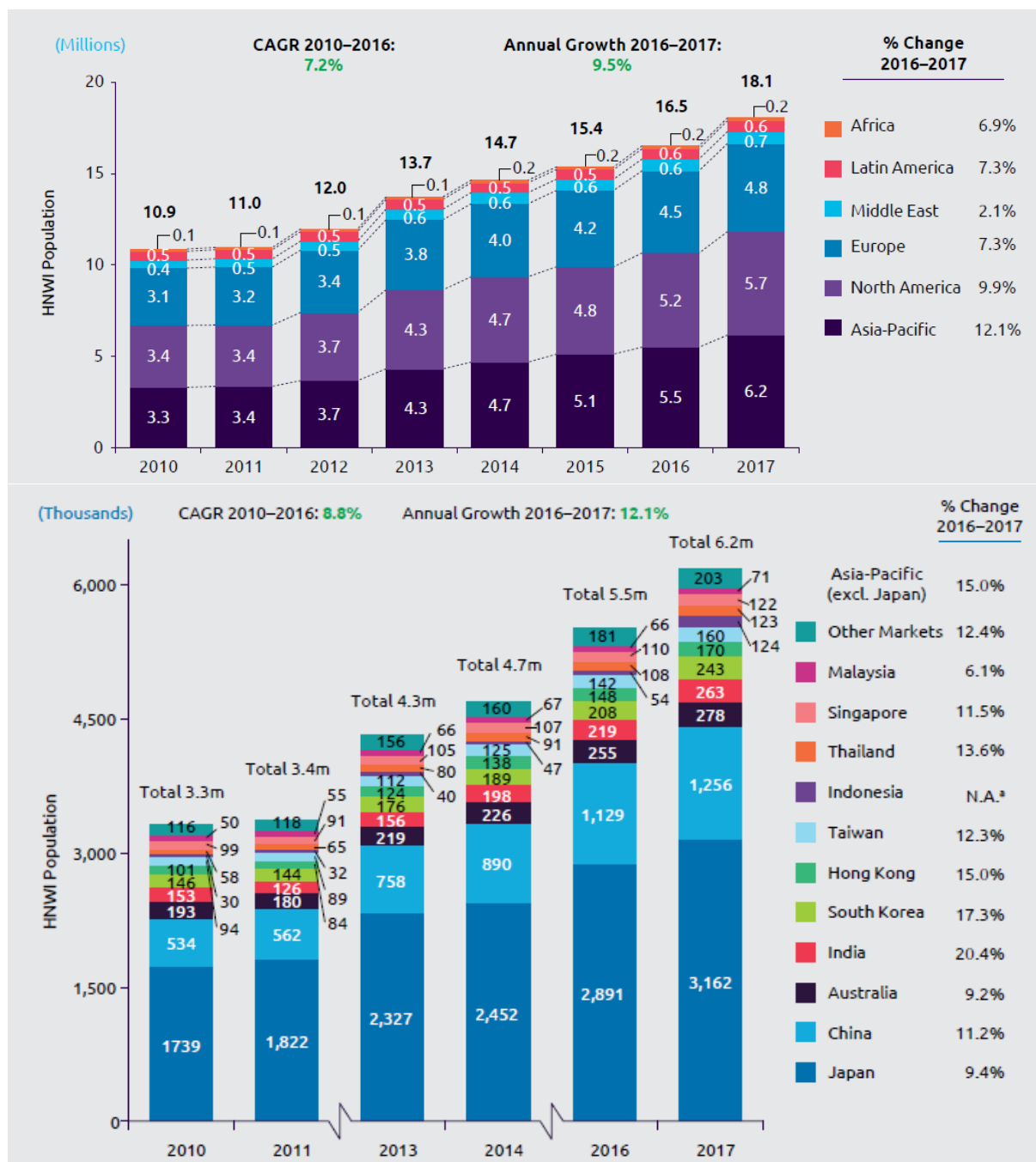
Source: The Office of the National Economic and Social Development Council

In addition, according to the World Wealth Report, there is a continuous growth in the number of High Net Worth Individuals (HNWIs) (i.e. wealthy families with more than USD 1,000,000 or at least THB 35 million excluding residences, belongings and collections) from 2008 – 2017 at a CAGR of 11.40. In 2017, the number of HNWIs in Thailand has increased by 13.6 percent from 2016, which was higher than the average of the world (9.5 percent) and higher than the average of Asia Pacific countries (12.1 percent). This demonstrates growth in the high purchasing-power population which are target customers of international schools. This also demonstrates a good trend of business growth for international schools in Thailand.

High Net Worth Individuals: HNWIs in Thailand

Thousand Household





2) Demographic trends

According to the Department of Provincial Administration, Ministry of Interior, the Thai population has increased at a CAGR of 0.40 percent from 63.34 million in 2012 to 64.63 million in 2017. The Office of the National Economic and Social Development Council estimates that the Thai population will increase to 66.21 million in 2022 and will decrease to 64.84 million in 2037 due to low fertility.

Based on the forecast of the Office of the National Economic and Social Development Council, Thailand will become an aged society with more than 20 percent of total population being elderly persons while the population aged between 0 – 19 years decreases from 24.28 percent in 2017 to 22.49 percent in 2022.

	2012	2013	2014	2015	2016	2017	2022F	2027F	2037F
Number of population (in million)	63.34	63.65	63.95	64.22	64.42	64.63	66.21	66.36	64.84
Population by age groups (%)									
0-19 years	26.27%	25.87%	25.46%	25.06%	24.67%	24.28%	22.49%	21.07%	18.63%
20-59 years	59.56%	59.41%	59.23%	59.04%	58.82%	58.59%	56.96%	54.60%	50.65%
60 years or more	14.17%	14.73%	15.30%	15.90%	16.51%	17.13%	20.55%	24.33%	30.72%

Source: Department of Provincial Administration, Ministry of Interior and the Office of the National Economic and Social Development Council

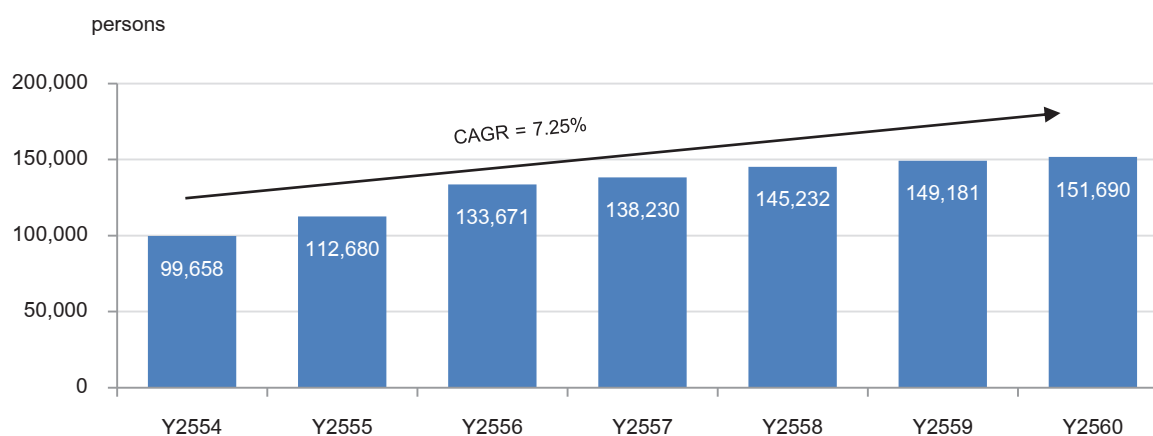
This demographic change has caused the government to adapt itself and prepare for a society of an ageing population. The National Economic and Social Development Plan No. 12 (2017 – 2021) focuses on the readiness of human resources and the enhancement of potential for population of all ages. It shows special focus on all dimensions of human resource development across all ages to be a high-quality human capital, particularly with respect to the development of education and preparedness of young children. They will be the quality human resources in the future to meet the needs of the workforce. This can be achieved through developing foundations of skills that are necessary for life in the 21st century for persons of each age group.

The demographic change of low fertility and decreased younger population resulted in Thai families becoming smaller and parents focusing more on the quality of education for children. The ability to use foreign languages has increased in importance in Thai society. Therefore, Thai parents have a growing demand for international schools because they need their children to develop expertise in the English language.

3) Number of expatriate workers in Thailand

In 2017, there are approximately 150,000 expatriate workers in Thailand (only expatriate workers who have obtained a work permit to do general work and who are skilled workers in higher position and who have come to work in Thailand under the law on promotion of investment and other laws). From 2011 until 2017, the number of expatriate workers in Thailand has increased at a CAGR of 7.25 percent. The Eastern Economic Corridor (the “EEC”) initiative of the government is expected to attract an increased number of foreign investors thus resulting in growing number of expatriate workers at managerial and expert level to come to work in Thailand and consequently drive an increased demand for international schools.

Number of Expatriate Workers in Thailand



Source: Ministry of Labour

2.6 Competition

Currently, there are 182 international schools in Thailand that are providing education based on different international curricula such as the UK and the US curricula, the IB curriculum and other international curricula such as the Singapore curriculum, curricula of Switzerland, Germany or Australia. There are 139 international schools that are members of the International School Association of Thailand (www.isat.or.th as of 4 February 2019). There are 44 international schools which operate with quality assurance from international quality assurance institutions (including schools within the group) and are in Bangkok and the vicinity and which have similar business operations to those of the international schools of the Group. Details are as follows:

Details of international schools that have international quality assurance (including schools within the same group) and are in Bangkok and the vicinity

	International Schools	District/ Province ^{1/}	Available Levels ^{1/}				Curricula ^{1/}	International Quality Assurance ^{1/}	Rates of Tuition Fees per Year for 2018 – 2019 Academic Year (THB)
			Nursery - Kindergarten	Primary	Lower Secondary	Higher Secondary			
1	Shrewsbury International School	Bang Ko Laem/Bangkok	/	/	/	/	British	CIS	552,900 to 993,300
2	International School Bangkok	Pakret/Nonthaburi	/	/	/	/	American, IB	WASC	536,000 to 974,900
3	NIST International School	Wattana/Bangkok	/	/	/	/	IB	CIS, NEASC	515,600 to 937,900
4	Harrow International School	Don Muang/Bangkok	/	/	/	/	British	CIS	448,900 to 934,900
5	Bangkok Patana School	Bang Na/Bangkok	/	/	/	/	British, IB	CIS, NEASC	421,500 to 820,500
6	Concordian International School	Bang Phlee/Samutprakarn	/	/	/	/	IB	CIS, NEASC	492,200 to 757,600
7	KIS International School	Huay Kwang/Bangkok	/	/	/	/	IB	CIS	347,400 to 731,300
8	Ruamrudee International School	Meenburi/Bangkok	/	/	/	/	American	WASC	378,400 to 709,500
9	Berkeley International School	Bang Na/Bangkok	/	/	/	/	American	WASC	443,675 to 717,158
10	Anglo Singapore International School	Phra Kanong/Bangkok	/	/	/	/	British, Singapore	CIS, WASC	297,300 to 683,000 ^{3/}
11	St. Andrews International School Bangkok	Phra Kanong/Bangkok	/	/	/	/	British	CfBT	312,000 to 656,000
12	The Regent's School, Bangkok	Wang Thong Lang/Bangkok	/	/	/	/	British, IB	CIS	349,410 to 655,200

	International Schools	District/ Province ^{1/}	Available Levels ^{1/}				Curricula ^{1/}	International Quality Assurance ^{1/}	Rates of Tuition Fees per Year for 2018 – 2019 Academic Year (THB) ^{2/}
			Nursery - Kindergarten	Primary	Lower Secondary	Higher Secondary			
13	The American School of Bangkok	Wattana/Bangkok	/	/	/	/	American	WASC	321,000 to 641,000
14	Bromsgrove International School Thailand	Meenburi/Bangkok	/	/	/	/	British	CIS	303,150 to 607,680
15	Bangkok International Preparatory & Secondary School	Wattana/Bangkok	/	/	/	/	British	CIS, NEASC	460,000 to 602,000
16	Singapore International School of Bangkok	Wang Thong Lang/Bangkok	/	/	/	/	British, Singapore	CIS, NEASC	304,500 to 598,500
17	St. Stephen's International School (Bangkok)	Chatuchak/Bangkok	/	/	/	/	British	CIS, NEASC	326,350 to 598,150
18	St. Andrews International School, Bangna	Bang Na/Bangkok	/	/	/	/	British	CfBT	510,615 to 586,400
19	St. Andrews International School Samakee	Muang/Nonthaburi	/	/	/	/	British	CfBT	581,200 to 581,200
20	St. Andrews International School Sathorn	Bangrak/Bangkok	/	/	/	/	British	CfBT	510,615 to 553,050
21	Ascot International School	Saphan Soong/Bangkok	/	/	/	/	British	CIS, WASC	280,050 to 495,900
22	Charter International School	Prawes/Bangkok	/	/	/	/	British	CIS, WASC	270,000 to 495,000
23	International Community School	Bang Na/Bangkok	/	/	/	/	American	WASC	285,300 to 482,600

	International Schools	District/ Province ^{1/}	Available Levels ^{1/}				Curricula ^{1/}	International Quality Assurance ^{1/}	Rates of Tuition Fees per Year for 2018 – 2019 Academic Year (THB) ^{2/}
			Nursery - Kindergarten	Primary	Lower Secondary	Higher Secondary			
24	St. Andrews International School Dusit	Dusit/Bangkok	/	/			British	CfBT	345,600 to 477,675
25	RBIS-Rasami British International School	Phyathai/Bangkok	/	/	/	/	British	CfBT	210,000 to 459,000
26	Trall International School	Hua Mak/Bangkok	/	/	/	/	British	CfBT	288,300 to 448,350
27	Wells International School	Phrakanong/Bangkok	/	/	/	/	American, IB	WASC	200,000 to 440,000
28	Garden International School, Bangkok	Yannawa/Bangkok	/	/			British	CfBT	195,600 to 414,000
29	Keera-Pat International School	Bangkheng/Bangkok	/	/	/	/	American	WASC	250,000 to 400,000
30	Thai-Chinese International School	Bang Phlee/Samutprakarn	/	/	/	/	American	WASC	309,979 to 398,462
31	Heathfield International School	Saphan Soong/Bangkok	/	/	/	/	British	CIS, CfBT	235,200 to 335,600
32	Thai-Singapore International School	Muang/Samutprakarn	/	/	/		Singapore	CfBT	171,000 to 330,000
33	Niva International School	Bangkapi/Bangkok	/	/	/	/	American	WASC	169,000 to 275,000
34	Kevallee International School	Klong Sam Wa/Bangkok	/	/	/	/	American	WASC	150,000 to 240,000
35	Thai-Sikh International School	Muang/Samutprakarn	/	/	/	/	British	CIS	169,000 to 225,000
36	Bangkok Grace International School	Wang Thong Lang/Bangkok	/	/	/	/	American	WASC	128,000 to 213,400

	International Schools	District/ Province ^{1/}	Available Levels ^{1/}				Curricula ^{1/}	International Quality Assurance ^{1/}	Rates of Tuition Fees per Year for 2018 – 2019 Academic Year (THB) ^{2/}
			Nursery - Kindergarten	Primary	Lower Secondary	Higher Secondary			
37	International Pioneers School	Klongsan/Bangkok	/	/	/	/	British	WASC	129,000 to 208,000
38	Modern International School, Bangkok	Wattana/Bangkok	/	/	/	/	British	CfBT	157,000 to 207,000
39	Ramkhamhaeng Advent International School	Bangkapi/Bangkok	/	/	/	/	American	WASC	157,500 to 177,500
40	Ekamai International School	Wattana/Bangkok	/	/	/	/	American	WASC	140,000 to 163,500
41	Crescent International School	Sathom/Bangkok	/	/	/	/	British	CfBT	n/a
42	Pan-Asia International School	Praves/Bangkok	/	/	/	/	American	WASC	n/a
43	The Early Learning Centre International School	Wattana/Bangkok	/	/	/	/	Canadian	CIS, WASC	n/a
44	Topsy Turvy International School	Klongtoei/Bangkok	/	/	/	/	British	CIS	n/a

Source: ^{1/}ISAT

^{2/}website and/or documents of each school

^{3/}Rates of the 2017 – 2018 academic year

Among the considerable number of international schools in Bangkok and the vicinity that have international quality assurances which provide education using a wide variety of international curricula, SISB Public Company Limited prides itself on the academic strength of the Singapore curriculum which focuses on Mathematics and Science, and the trilingual environments of education in English, Chinese and Thai. Singapore International School of Bangkok is the first international school in Thailand to use the Singapore curriculum in providing education. Currently, apart from the international schools of the Group, there are two other international schools: Anglo Singapore International School and Thai-Singapore International School that provide education using the Singapore curriculum with international quality assurance. Therefore, competition in providing education using this curriculum is limited.

In addition to providing quality education using international recognised curricula, the Group focuses on determining appropriate rates of tuition fees to correspond with the competition and economic conditions to ensure that the rates are reasonable. The Group has also expanded its international school business to areas of residence of target customers both in Bangkok, the vicinity and other provinces such as Singapore International School Suvarnabhumi, Singapore International School Chiangmai, Singapore International School Thonburi and Singapore International School Ekkamai. The Company provides complete and diverse teaching materials and facilities to ensure that each of its schools has appropriate learning environments to effectively promote development of the children. Particularly at Singapore International School of Bangkok, students can benefit from full and complete facilities including a modern sports complex with a standard swimming pool, a futsal court, a multi-purpose hall and a performing arts centre. There is also an auditorium of 407 seats equipped with an orchestra pit and a black box. The school also provides dormitory houses and facilities for both Thai and foreign students. These key features of the Group's international schools contributed to the increase in the number of students from 35 in 2011 when Singapore International School of Bangkok first opened to 2,369.

There is a growing tendency for Chinese parents to send their children to international schools in Thailand because of the considerably high cost of education of international schools in China. Tuition fees of international schools in Shanghai are considered the world's highest with a cost of approximately USD 2,744 per child per month, followed by international schools in Beijing at USD 2,519 per child per month while cost of education in international schools in Bangkok is USD 1,032 per child per month (source: South China Morning Post on 14 August 2018). This presents a good opportunity for international schools of the Group to provide education in both English and Chinese at a reasonable rate of tuition fees. Singapore International School of Bangkok also provides dormitory facilities to accommodate this tendency.

2.7 Environmental Impact

N/A

2.8 Undelivered Work

N/A

3. Risk Factors

Before investing in the ordinary shares of the Company, prospective investors should pay particular attention to the risk factors of the Company. In addition to risk factors disclosed in this document, there may be other possible risks in the future that the Company may not be aware of now, or which are now considered to have negligible impact on business operations of the Company. Investors are advised to use their own judgement in making an investment decision. Key risk factors of the Company including relevant mitigations can be summarised as follows:

3.1 Competition Risks in the International School Business

Thai families have less children and are now becoming smaller. As a result, parents focus more on the quality of education for their children. The ability to use foreign languages has increased in importance in Thai society. This leads to a growing demand of Thai parents for international schools because they need their children to develop expertise in the English language in preparation for higher education abroad or in educational institutions in Thailand that teach international curricula. According to the OPEC, the number of students in international schools in Thailand has increased at a CAGR of 7.77 percent from 31,839 students in 2010 to 53,754 students in 2017. The steady growth in the market for international markets resulted in an increase in the number of new international schools in Thailand at a CAGR of 5.39 percent from the academic year 2010 to 2017 to 182 schools in 2017. The growth has caused an increased competition in international school business where international schools need to improve their quality of education provision and services including public relations and marketing efforts to attract students and parents.

There are diverse curricula in providing education at international schools (i.e. provision of education using the UK and the US curricula and the IB curriculum). The Group uses the Singapore curriculum in providing education at its international schools. Singapore International School of Bangkok was the first in Thailand to use the Singapore curriculum in providing education with its strength of more focus on academic aspect of education than the western curricula. The curriculum focuses on Mathematics and Sciences with a trilingual learning environment where students are taught in English, Chinese and Thai. Currently, there are only a few other international schools that provide education using the Singapore curriculum.

The international schools of the Group have an established reputation for more than 17 years. Its quality of education has been well recognised among parents through word of mouth. Currently, the Company has increased its public relation efforts to reach its target customers using various channels such as the Company's website, brochures, magazines, online social media and participation in education fairs. The schools also have their Admissions Staff ready to provide information on the school, its curriculum and teaching methods. There are also school tours and short trial courses provided to allow children and parents to experience the actual teaching and learning environment of the school. The Company has also partnered with international companies and organisations which have their branches in Thailand to provide education to staff of these organisations as part of their welfare benefits. In addition, the Company has appointed education agents abroad to provide advice and liaison to facilitate foreign students in making the decision to study in any of the international schools operated by the Group. Singapore International School of Bangkok provides additional dormitory services for students from abroad. The Company also constructed dormitory houses with complete facilities to accommodate students from abroad. In addition, the Company focuses on the importance of ongoing development of its provision of education to meet international standards. International schools of the Group have quality assurance from leading institutions both domestically and internationally. This has led to a continued growth in the number of students of international schools of the Group. School withdrawal rates are at approximately 3.85 percent per term (Academic year 2015, 2016 and 2017).

The management believes that based on the long-established reputation of the schools, a unique and efficient curriculum and reasonable rates of tuition fees international schools of the Group will continue to gain increased interest of parents.

3.2 Risks of shortage of education personnel

Education personnel including the management team, teachers and their assistants are key to the operations of school business. The Company relies on education personnel that have knowledge and experience in providing education. There is a growing demand for education personnel due to the planned expansion of international school business. Therefore, if the Company cannot retain education personnel on a long-term basis or could not have a timely and sufficient recruitment of education personnel, the business operation and competitiveness of the Company may be affected, and the business expansion plan may not meet the projections.

The Company has never experienced shortage of education personnel. However, the Company recognises the importance of education personnel and focuses on the selection and recruitment of education personnel with the appropriate qualifications by working with the Human Resources Department. It also has the policy of retaining education personnel on a long-term basis by providing reasonable rates of remuneration and welfare incentives to create a sense of loyalty and to promote growth in their career path. In addition, the Company has the policy of carrying out ongoing human resource development initiatives with the aim to enhance knowledge and skills of its staff. Most education personnel have been with the Company for a long time. Therefore, the Company believes that the policy will help retain key personnel with the Company on a long-term basis and that the Company will be able to recruit education personnel that are sufficient for the implementation of the Company's plans.

3.3 Risks of dependence on key management in business operations

Mr. Yew Hock Koh and Ms. Wilawan Kaewkanokvijit are two major shareholders of the Company and are key management staff members with long experience in the business management of private schools. They have an in-depth understanding about school business and are the key policymakers to determine directions for business management to achieve continued growth. The Company may have the risks of dependence on these two management members. Any change to these two management positions may have an impact on the Company's operations in the future. However, after the offering of shares, Mr. Yew Hock Koh and Ms. Wilawan Kaewkanokvijit will maintain their shareholding in the Company at 32.84 percent and 29.04 percent respectively of the total paid-up registered capital of the Company, which is considered a very high interest and an incentive for these two management staff to carry on contributing to the growth of the Company. In addition, the Company focuses on developing an expert and knowledgeable management team and hiring third party professionals to help with the management.

3.4 Risks from legal requirements and government policies relating to the business of private schools

The Company is the holder of licences to establish private schools in accordance with the Private Schools Act, B.E. 2550 (2007) (the "**Private Schools Act**") and is subject to the supervision of the OPEC, the Office of the Permanent Secretary, Ministry of Education which is a government agency charged with the duties to supervise operations of private school businesses. The Company has the duty to comply with the Private Schools Act and to maintain qualifications of licence holder pursuant to Section 22 (2) which requires that the Company shall have its share capital of Thai partners at least one half of the total number of share capital or interests. In addition, the Company shall comply with other relevant law, acts, notifications and regulations. If in the future the Company could not maintain the required qualifications under the Private Schools Act or any amendment to regulations or issuance of new regulations that are more stringent for private schools, the business operations of the Company may be materially impacted.

The Company recognises these legal risks and has always strictly complied with regulations that are applicable to it. It has also engaged legal advisers to advise on compliance with laws where it considers it necessary. The Company will closely monitor any changes and/or amendments to laws that are applicable to it to ensure that it can correctly comply with these laws, and to be able to devise any mitigation of possible risks and impacts in a timely manner. For the purpose of complying with the requirements of the qualifications under Section 22 (2) of the Private Schools Act, the Company will close its shareholders' register book to determine the number of its shareholders regularly. The Board of Directors Meeting No. 7/2018 on 17 October 2018 resolved to approve a measure to monitor the Company's qualifications as the holder of the licences to establish schools and to authorise the Company Secretary to have the duty of monitoring and complying with such measures and report the results to the Board of Directors regularly.

3.5 Risks of having shareholders that hold 25 percent or more shares

As of 31 December 2018, the Company's Chief Executive Director, Mr. Yew Hock Koh and the Director of Admissions, Ms. Wilawan Kaewkanokvijit hold respectively 32.84 percent and 29.04 percent of total issued shares of the Company. This shareholding percentage enables them to exercise veto right to any material resolutions at the general meeting of shareholders for matters that are required under the law or the Company's Articles of Association to be resolved by at least three-quarters of the total number of voting rights of shareholders who are present at the meeting and who are entitled to vote such as the acquisition or disposal of material assets, the connected transactions, the capital increase or decrease and the amalgamation.

However, the Company has appointed an Audit Committee to have the duty of auditing, reviewing and scrutinising transactions to ensure that there is no possible conflict of interests in the future and to ensure transparency in the dealings of the Company. In addition, there are four Independent Directors (including the Chairman of the Board of Directors) out of seven members of the Board of Directors. This structure of management will create a check and balance for matters that need voting to ensure that the Company has appropriate and most efficient corporate governance.

4. Assets used in business operations

4.1 Details of assets used in business operations

As of 31 December 2018, the Company has the following assets for use in its business operations:

Types/ Characteristics of Assets	Types of Legal Ownership	Net Book Value (THB in Million)
Land – Singapore International School Thonburi Land title deed number 378 and 4808 Phasi Chaoren District, Bangkok 7 rai, 22.9 square wa (Freehold of Singapore International School Thonburi)	Freehold	83.28
Buildings, adjustments and work systems	Freehold	1,149.77
Education materials	Freehold	48.64
	Hire Purchase	8.66
Decorations	Freehold	44.86
Office appliances	Freehold	1.15
Vehicles	Freehold	2.17
Work in progress	Freehold	49.08
Total		1,387.61

Note: The Company as the holder of licences to establish formal education schools is required to comply with Section 25 of the Private Schools Act, B.E. 2550 (2007), as amended in 2011, after the school has become a juristic entity, to transfer ownership in or right of possession of land and any immovable properties attached thereto or the right to lease specified under the application for the licence to the formal education school within 120 days from the date on which the Company has obtained the licence, and shall transfer money and such other assets that are capital to the school.

4.2 Business licences

Licence	:	Licence to establish formal education schools No. Kor Nor 001/2545
Date of obtaining the licence	:	24 August 2001
Licensor	:	Secretary-General of the Private Education Commission
Licensee	:	SISB Public Company Limited
Details:	:	Licensed to establish a private school under the name Singapore International School of Bangkok

Licence	:	Licence to accept transfer of formal education school No. 001/2556
Date of obtaining the licence	:	26 July 2013
Licensor	:	Director of Primary Education Service Area Office 2 Samutprakarn
Licensee	:	SISB Public Company Limited
Details:	:	SISB Public Company Limited is licensed to accept transfer of a formal education international school named Nanthawan International School (the name was later changed to Singapore International School Suvarnabhumi) under the licence number Sor Por (2) 001/2553

Licence	:	Licence to establish formal education schools No. Kor Nor 04/2560
Date of obtaining the licence	:	10 October 2017
Licensor	:	Secretary-General of the Private Education Commission
Licensee	:	SISB Public Company Limited
Details:	:	Licensed to establish a private school under the name Singapore International School Thonburi

Licence	:	Licence to establish formal education schools No. Kor Nor 03/2561
Date of obtaining the licence	:	11 July 2018
Licensor	:	Secretary-General of the Private Education Commission
Licensee	:	SISB Public Company Limited
Details:	:	Licensed to establish a private school under the name Singapore International School Ekkamai

Licence	:	Licence to establish formal education schools No. Chor Mor. 01-003/2559
Date of obtaining the licence	:	28 December 2016
Licensor	:	Director of Primary Education Service Area Office 1 Chiangmai
Licensee	:	SISB-SIRI Company Limited
Details:	:	Licensed to establish a private school under the name Singapore International School Chiangmai

4.3 Summary of Material Agreements

Name of Agreement	:	Joint Venture Agreement
Parties	:	(1) SISB Public Company Limited (the “ Company ”) (2) Group of Five Businessmen and related companies in Chiangmai (the “ Joint Venture Partner ”)
Objectives	:	To incorporate SISB-SIRI Company Limited as a joint venture to operate the business of holding a licence to establish an international school in Chiangmai (Singapore International School Chiangmai)
Execution Date	:	24 December 2015
Details of shareholders and shareholding percentage	:	SISB holds 5,000,000 shares representing 50.00 percent of the registered capital The Joint Venture Partner holds 5,000,000 shares representing 50.00 percent of the registered capital (Currently, SISB-SIRI has increased its registered capital to 13,000,000 shares. Each of the Company and the Joint Venture Partner holds 6,500,000 shares)
Share transfer	:	If any group of shareholders wishes to transfer the shares (all shares held by the group shall be subject to transfer) to any third party, the shares shall be offered to the other group of shareholders who shall have the Right of First Refusal
General meeting of shareholders	:	<ul style="list-style-type: none"> At least shareholders or their proxy holding in aggregate 51 percent of total issued shares shall be required in order to constitute a quorum. One share shall have one vote at a general meeting. The Chairman shall have no casting vote in case of a vote tie. General resolutions require a vote of at least 51 percent of total voting rights of shareholders who attend the meeting and are entitled to vote.
Directors and their voting rights	:	<ul style="list-style-type: none"> There is a total of four directors on the Board of Directors Each group of shareholders shall have the right to nominate two persons to be appointed to the Board of Directors The Board of Directors shall elect one among themselves to be the Chairman of the Board of Directors At least more than half the number of the total number of directors shall be required at any Board of Directors meeting in order to constitute a quorum

Other terms and conditions

- Each director shall have one vote. Resolutions of the Board of Directors meeting shall require the majority votes of directors who attend the meeting and shall at least consist of an approval vote from at least one director of each group of shareholders. In the case of a vote tie, the Chairman of the Board of Directors shall have no casting vote.
- Authorised signatories shall be one director from each group of shareholders who will jointly sign and affix the Company's seal

If any group of shareholders intends to establish an international school in Chiangmai or invest in any company which is the holder of a licence to establish an international school in Chiangmai, a proposal shall always be made to the other group of shareholders first in order to have a 50:50 ratio of investments.

Name of Agreement	:	Licensing Agreement
Parties	:	(1) SISB Public Company Limited (the " Company ") as the Licensor (2) SISB-SIRI Company Limited (" SISB-SIRI ") as the Licensee
Nature of Agreement	:	The Company grants SISB-SIRI the right to use intellectual property and trade data of the Company for the purpose of managing Singapore International School Chiangmai
Term of Agreement	:	15 years (from 1 January 2017 – 31 December 2031) with an option of renewal each for another term of 15 years upon written notice by either party to the other party at least 180 days before the expiry of the term.
Material terms of the Agreement	:	<ul style="list-style-type: none"> ▪ SISB-SIRI has the non-exclusive and non-transferable right to (i) use service mark, trademark, trade name, copyright, signs and logo and/or other intellectual properties; and (ii) use proprietary information of the Company such as management, curricula, teaching method, school uniform, regulations and announcements ▪ The Licensee has the right to develop, manage, market and carry out public relations only for Singapore International School Chiangmai ▪ The licence fee will be determined from the operating results of the school as may be agreed by both parties

Name of Agreement	:	Advisory and Management Assistance Service Agreement
Parties	:	(1) SISB Public Company Limited (the “ Company ”) as the Adviser (2) SISB-SIRI Company Limited (“ SISB-SIRI ”) as the holder of a licence to establish Singapore International School Chiangmai
Nature of Agreement	:	The Company provides advisory services on all matters relating to the application for the licence to establish the school including the management of the school.
Term of Agreement	:	15 years (from 1 January 2017 – 31 December 2031 with an option of renewal each for another term of 15 years upon a written notice by either party to the other party at least 180 days before the expiry of the term.
Material terms of the Agreement	:	<ul style="list-style-type: none"> ■ The Company provides advisory services for matters relating to the business of the school such as (1) application for the licence to establish the school (2) procurement of land, buildings and facilities (3) appointment of personnel in each position to comply with the Private Schools Act (4) advice on the holder of the licence and the executive board of the school to carry out the school business (5) closing of all books and accounts (6) services relating to recruitment of education personnel for the school ■ Advisory fees will be determined from the operating results of the school as may be agreed by both parties

4.3 Summary of Material Lease Agreements

Parties	:	An individual as the “Lessor” SISB Public Company Limited as the “Lessee”
Execution Date	:	1 February 2014
Relationship with the Company	:	N/A
Leased Asset	:	Land of approximately 500 square wa which is part of the land title deed number 4057 in Wang Thong Lang Sub-District, Bangkok
Objective	:	To be used as a location of the Company’s office and Singapore International School of Bangkok
Lease Term	:	20 years from 1 February 2014 until 31 January 2034
Termination	:	If the Lessee is in breach of any clause of the agreement, the Lessor shall have the right to terminate the agreement immediately.

Parties	:	An individual as the “Sub-Lessor” SISB Public Company Limited as the “Sub-Lessee”
Execution Date	:	4 August 2010
Relationship with the Company	:	N/A
Leased Asset	:	Land of approximately 10 rai on a land title deed number 5080, Wang Thong Lang Sub-District, Bangkok
Objective	:	To be used as a location of Singapore International School of Bangkok
Lease Term	:	30 years from 1 July 2010 until 30 June 2040
Termination	:	<ul style="list-style-type: none"> ■ The Sub-Lessee does not pay rent for more than 30 days from the date of notice from the Sub-Lessor; ■ If The Sub-Lessee neglects or fails to comply with any terms and conditions of the agreement and does not correct the breach within a reasonable period after the Sub-Lessor has given an advanced notice of at least 30 days. ■ The Sub-Lessee is adjudged bankrupt.

Parties	:	16 individuals as the “Lessor” SISB Public Company Limited as the “Lessee”
Execution Date	:	1 December 2014
Relationship with the Company	:	N/A
Leased Asset	:	Land of approximately 9 rai, 1 ngarn, 71.3 square wa on the land title deed number 5081 in Wang Thong Lang Sub-District, Bangkok
Objective	:	To be used as a location of Singapore International School of Bangkok
Lease Term	:	30 years from 1 December 2014 until 30 November 2044
Termination	:	<ul style="list-style-type: none"> ■ If either party is in breach of any terms of the agreement, the other party may terminate the agreement upon giving an advance notice of termination to the party that is in default of at least 45 days ■ If the Lessee is adjudged bankrupt or has become bankrupt, the Lessor shall have the right to terminate the agreement.
Other terms and conditions	:	If the Lessor agrees to sell parts or all of the land, the Lessee shall have the right of first refusal to buy such land by giving a notice to the Lessor 45 days in advance beyond which period and the Lessee refuses to buy the land, the Lessor may sell such land to any third parties.

Parties	:	A juristic person as the “Lessor” Singapore International School Suvarnabhumi as the “Lessee” which has accepted the right that had been transferred from SISB Public Company Limited
Execution Date	:	5 June 2013
Relationship with the Company	:	N/A
Leased Asset	:	Land of approximately 8 rai, 3 ngarn, 88 square wa including buildings on the land title deed number 214177, 214178, 214179, 96151 and 3598, Bangkaew Sub-District, Bang Phlee District, Samutprakarn
Objective	:	To be used as a location of Singapore International School Suvarnabhumi
Lease Term	:	20 years from 1 September 2013 until 31 August 2033
Termination	:	<ul style="list-style-type: none"> ■ The Lessee shall have the right to terminate the agreement before the expiry of the lease term after five years of the lease by giving an advance notice of termination starting from the third year of the lease before the expiry of the five-year term, but not more than 30 days from the expiry of the term in the fifth year ■ If either party is in breach of any terms of the agreement, the other party may terminate the agreement and claim for damages.

Parties	:	An individual as the Lessor Singapore International School Ekkamai as the Lessee which has accepted transfer of right from SISB Public Company Limited
Execution Date	:	27 November 2015 and 30 May 2018
Relationship with the Company	:	N/A
Leased Assets	:	A land of 3 rai, 51 ngarn on the land title deed No. 14848, 14879 and 14880 in Klongton Sub-District, Phrakanong District, Bangkok
Objectives	:	To be used as the location of Singapore International School Ekkamai
Lease Term	:	10 years from 1 January 2017 until 31 December 2026 with a renewal for another three years and one month from 1 January 2027 until 31 January 2030, totaling a lease term of 13 years and one month
Termination	:	<ul style="list-style-type: none"> ■ If the Lessee is in breach of any terms of the agreement, the Lessor shall notify the matter to the Lessee in writing and the Lessee shall correct the breach within 60 (sixty) days from the date on which it has received the notice. If the Lessee neglects to correct the breach within the time specified in the notice, the Lessor shall have the right to terminate the agreement and claim for relevant damages from the Lessee. ■ The agreement may be terminated if the Lessee is in breach of any terms of the agreement or has become bankrupt. Either party may also terminate the agreement before the expiry of its term by giving a notice to the other party at least 180 days in advance

Other terms : If the Lessor wishes to sell the leased asset to any other third party during the term of the lease, the Lessor shall offer the right of first refusal to the Lessee. If the Lessee does not agree to purchase the land within 30 days from the date on which it is notified of the intended sale by the Lessor, the Lessee shall be deemed to have refused to purchase the land. The Lessee agrees not to carry out anything that would prevent the Lessor from exercising its right in relation to the sale of the land to the other third parties.

Parties	: An individual as the Lessor Singapore International School Ekkamai as the Lessee which has accepted transfer of right from SISB Public Company Limited
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Execution Date : 27 November 2015 and 30 May 2018

Relationship with the Company : N/A

Leased Assets : A building at No. 154 Ekkamai 14, Sukhumvit Road 63, North Klongton Sub-District, Wattana District, Bangkok

Objectives : To be used as the location of Singapore International School Ekkamai

Lease Term : 10 years from 1 January 2017 until 31 December 2026 with a renewal for another three years and one month from 1 January 2027 until 31 January 2030, totaling a lease term of 13 years and one month


Termination :

- If the Lessee is in breach of any terms of the agreement, the Lessor shall notify the matter to the Lessee in writing and the Lessee shall correct the breach within 60 (sixty) days from the date on which it has received the notice. If the Lessee neglects to correct the breach within the time specified in the notice, the Lessor shall have the right to terminate the agreement and claim for relevant damages from the Lessee.
- The agreement may be terminated if the Lessee is in breach of any terms of the agreement or has become bankrupt. Either party may also terminate the agreement before the expiry of its term by giving a notice to the other party at least 180 days in advance

Other terms : If the Lessor wishes to sell the leased asset to any other third party during the term of the lease, the Lessor shall offer the right of first refusal to the Lessee. If the Lessee does not agree to purchase the land within 30 days from the date on which it is notified of the intended sale by the Lessor, the Lessee shall be deemed to have refused to purchase the land. The Lessee agrees not to carry out anything that would prevent the Lessor from exercising its right in relation to the sale of the land to the other third parties.

4.4 Trademarks used in business operations

The Company applied for the registration of its trademarks and service marks with the Department of Intellectual Properties on 17 January 2017 and obtained approval for the trademarks on 26 September 2018 for a term of 10 years from the date of registration and an option to renew the registration in every 10 years. Details are as follows:

Trademark	Registration Date	List of Goods/ Services	Country
	12 January 2018	<ul style="list-style-type: none"> - School - Education institution - Tuition school - Nursery - Language school 	Thailand

5. Legal Disputes

As of 31 December 2018, the Company is not a party to any of the following litigations:

1. Litigations which could have a material adverse impact on the assets of the Company which would exceed five percent of shareholders' equity as of 31 December 2018
2. Litigation which would have a material impact on the business operations of the Company and the impact cannot be quantified.
3. Litigations that are not because of the normal course of business of the Company.

6. Other Important Information

Laws relating to the business operations of holder of licences to establish formal education schools in the type of international schools are as follows:

Private Schools Act, B.E. 2550 (2007) as amended in 2011 (No. 2) (the "Private Schools Act") promulgated on 9 June 2011¹

The Private Schools Act has the objective to supervise operations of private schools that are in both formal and informal education, but it does not apply to the private institutions of higher education under the law on private institutions of higher education.

'Formal education schools' means schools which provide education with a definitive objective, learning methods, curriculum, education period, assessment and evaluation which is the condition for graduation. International schools are formal education schools which are private and subject to the supervision of the OPEC. Material provisions of the Private Schools Act in relation to formal education schools can be summarised as follows:

¹ Private Schools Act, B.E. 2550 (2007) was promulgated on 11 January 2008 to replace the Private Schools Act, B.E. 2525 (1982) which were promulgated on 19 August 1982

(1) Establishment and application for licences

Under the Private Schools Act, the 'establishment of a formal education school' shall be approved by the Secretary-General of the Private Education Commission or any delegates (the "Licensor"). The applicant is required to prepare a deed of establishment and details of the formal education school to be submitted along with the application for the licence. Any amendment to particulars in the deed of establishment or change to details of curriculum, teaching and learning methods, assessment and evaluation shall be subject to prior approval from the Licensor. Other details relating to the business of the formal education school may be changed by giving notice to the Licensor at least 15 days in advance. These details are, for example, tuition fee rates and rate of other fees determined by the school. Although it is not a legal requirement to obtain approval from the Commission for any change to be made to the tuition fee rates, the rates must not be determined in such a manner as to be considered as profiteering or creating unjust burden on the public. The Commission shall have the power to require a reduction in the rates as it may consider appropriate.

(2) Transfer of the licences

The licences may be transferred to other persons or vested in heirs by succession in accordance with the criteria and methods prescribed by the Commission.

(3) Licence Applicant

Applicant for the licence shall have Thai nationality or, in case of a juristic person, have more than half the total number of shares held by Thai shareholders and at least half the number of all shareholders shall have Thai nationality. The applicant shall also have the required qualifications under the Private Schools Act.

Licensor

The Secretary-General of the Private Education Commission or the Director of Education Service Office appointed by the Secretary-General or the Provincial Governor delegated by the Secretary.

(4) Status of Juristic Person

Formal education schools shall have the status of juristic person which is separate from the holder of the licence starting from the date on which the licence is granted to establish formal education school. The school will be required to prepare its financial statements.

(5) Representatives of the School being a Juristic Person

Representatives of the school being a juristic person include the holder of the licences (or representative of the juristic person who is the holder of the licence in accordance with the disclosure made to the OPEC).

(6) School Director

The School Director is appointed by the holder of the licence who may also hold the position of School Director. The Holder of licence shall have the duty to notify the Licensor of the appointment of the School Director. The School Director shall have the following duties: (1) responsibility for academic work; (2) appointment, removal and supervision of teachers, education personnel and staff of the school and student management; and (3) preparation of records of education assessment and evaluation, etc.

(7) School Manager

The School Manager is appointed by the holder of the licence who may hold the position of School Manager. The School Manager has the following duties: (1) responsibility for budgeting and (2) general administration, etc.

(8) Executive Board of the School

The Executive Board of the School shall comprise: (a) members of the Board (ex officio) including the holder of the licence, School Manager and School Director; and (b) other members such as representatives of teachers, representatives of parents and experts in number and having qualifications that correspond with the size and type of the formal education school.

The Executive Board of the School shall hold at least one meeting in each regular semester.

The Executive Board of the School shall have the following duties: (1) to issue rules and regulations; (2) to give approval for policies, education development plans, loans (in an amount that exceeds 25 percent of asset value of the school), tuition fees (announcement must be made clearly in the school establishment), annual report, annual budget, appointment of auditor; (3) to give advice on the administration and management of the school; (4) to supervise the quality assurance system; and (5) to follow up, audit and evaluate the performance of the School Director, etc.

(9) Distribution of Benefits

The Executive Board of the School shall distribute benefits from the operations of the schools to the holder of licence as it may consider appropriate.

(10) Supervision

The Private Schools Act requires that the OPEC has the duty to supervise operations of formal education schools (i.e. to prohibit the use of the school establishment for illegal acts or acts that are contradictory to the public order or any indecent acts, to prohibit the school break of more than seven days consecutively that are not the normal holidays of the school). The OPEC shall also have the duty to supervise and ensure that the advertisement of the formal education schools shall not be false or an overstatement of fact. In addition, in case of usual events as provided under the law or if the holder of the licence is disqualified or possess characteristics that are prohibited under the law and fails to correct such disqualifications or prohibited characteristics within 90 days from the date of disqualifications or possessing such prohibited characteristics, the OPEC shall have the power to issue an order to require that the formal education school become subject to the control of the OPEC or the relevant education service area.

(11) Winding-up of school business

There are two cases of winding-up of school business: (1) voluntary winding-up and (2) revocation of licence. In both cases, the Executive Board of the School shall appoint a liquidator and apply provisions under the Civil and Commercial Code, *mutatis mutandis*. During the process of liquidation, the formal education school shall be deemed in existence to the extent that it is necessary for the liquidation. Upon completion of the liquidation, any residual assets shall be returned to the holder of the licence.

(12) Key sanctions

The Private Schools Act imposes sanctions that range from fine, imprisonment or both for important offences such as establishment of schools without the licence, forgery of documents such as register of teachers or evidence of education assessment, the holder of licence, School Director, School Manager, teachers or education personnel uses or allows other persons to use the establishment of the school for illegal acts or acts that are contradictory to the public order or public morals. Other non-compliance with the Private Schools Act such as the provision of education in a manner that is different from the requirements of the law or collection of tuition fees in a manner that is different from the requirement of the law, establishment of branches without the licence, failure to appoint a School Director, failure to prepare and provide accounting system, failure by the holder of licence, School Director, School Manager and teachers to comply with the Private Schools Act shall be liable for a fine between THB 10,000 and THB 100,000.

In addition, the holder of the licence, School Director, School Manager, teacher or education personnel that do not comply with the requirements of the law shall also be liable personally.

Management and Corporate Governance



Revenue Code that relates to the formal education schools

■ Income tax of formal private schools

Given its status of juristic person under section 24 of the Private Schools Act, B.E. 2550, formal private schools are not considered a company or juristic partnership pursuant to section 39 of the Revenue Code which have the duty to pay corporate income tax.

Note: Section 39 of the Revenue Code defines 'Company or Juristic Partnership' as companies or juristic partnerships that are incorporated under the Thai law or foreign law and shall also include:

- Business carried out for profits by foreign governments, foreign government organisations or other juristic persons incorporated under foreign law;
- Joint ventures including a venture that carries out business jointly for profit between companies, companies and juristic partnerships, juristic partnerships and their counterpart or between companies and/ or juristic partnerships with an individual, a group of persons which does not have the status of juristic person, ordinary partnership or another juristic person
- foundation or association which carries out business and earn income but shall not include foundations or associations under the notification of the Minister
- Juristic persons determined by the Director-General with approval from the Cabinet and announced in the Government Gazette
-

■ Income tax for companies and juristic partnerships

Section 3 of the Royal Decree issued by virtue of the Revenue Code on the exemption of tax (No. 588), B.E. 2558, on 10 July 2015, provides exemption from income tax for the following companies or juristic partnerships:

- (1) Net profit from private school business of schools established in accordance with the law on private schools or private institution of higher education established under the law on private institutions of higher education, but shall not include net profit from the business of non-formal private schools in the type of tuition schools established under the law of private schools;
- (2) Dividends or distribution of profit from net profits of the companies or juristic partnerships that have been exempted pursuant to (1)

■ Personal income tax

Section 42 (17) of the Revenue Code and Clause 2 (1) and (37) of the Ministerial Regulation No. 126 (B.E. 2509) on exemption of tax as amended by Clause 2 of the Ministerial Regulation No. 307 (B.E. 2558) on exemption of tax of 10 July 2015, personal income tax is exempted for taxable income in the following cases:

- (1) Income from private school business of schools established in accordance with the law on private schools, but shall not include income from the business of non-formal private schools in the type of tuition schools established under the law of private schools;
- (2) Dividends or distribution of profit of companies or juristic partnerships from private schools established under the law on private schools or private institutions of higher education established under the law on private institutions of higher education, but shall not include income from the business of non-formal private schools in the type of tuition schools established under the law of private schools

Management and Corporate Governance

7. Information on securities and shareholders

7.1 Paid-up Registered Capital

As of 31 December 2018, the paid-up registered capital of the Company is THB 470 million divided into 940 million ordinary shares each at the par value of THB 0.50.

7.2 Shareholding Structure

The top 15 shareholders of the Company as of 31 December 2018 are as follows:

	Name	Shareholding Percentage
1.	Mr. Yew Hock Koh	32.84%
2.	Ms. Wilawan Kaewkanokvijit	29.04%
3.	Ms. Nongnapha Thongmee	10.56%
4.	Mr. Prayong Vanichsuwan	3.05%
5.	Thai Life Insurance Public Company Limited	0.82%
6.	Ayudhya Allianz C.P. Life Public Company Limited for My Double Plus (Equity)	0.59%
7.	Mr. Santi Kosolvibulphong	0.56%
8.	Mr. Sutee Lakanasutin	0.44%
9.	Thailand Securities Depository Company Limited for Depositor	0.42%
10.	AIA Company Limited – EQ1-P	0.42%
11.	AIA Company Limited – EQ 2 -P	0.41%
12.	Mr. Thanapol Kongwattananon	0.32%
13.	Mr. Pisal Kongwattananon	0.29%
14.	Mr. Boonyong Kongwattananon	0.29%
15.	The Registered Provident Fund of Employees of the Electricity Generating Authority of Thailand	0.25%

7.3 Issuance of other securities

N/A

7.4 Dividend Policy

The Company has the policy to pay the annual dividend at a rate of at least 40 percent of the net profit from the Company's standalone financial statements after deduction of corporate income tax and legal reserve. However, the Company may determine dividend payment that is different from the dividend policy depending on its operating results, financial positions, financial liquidity and the requirements for working capital for use in its business and for future business expansion and may depend on the economic conditions.

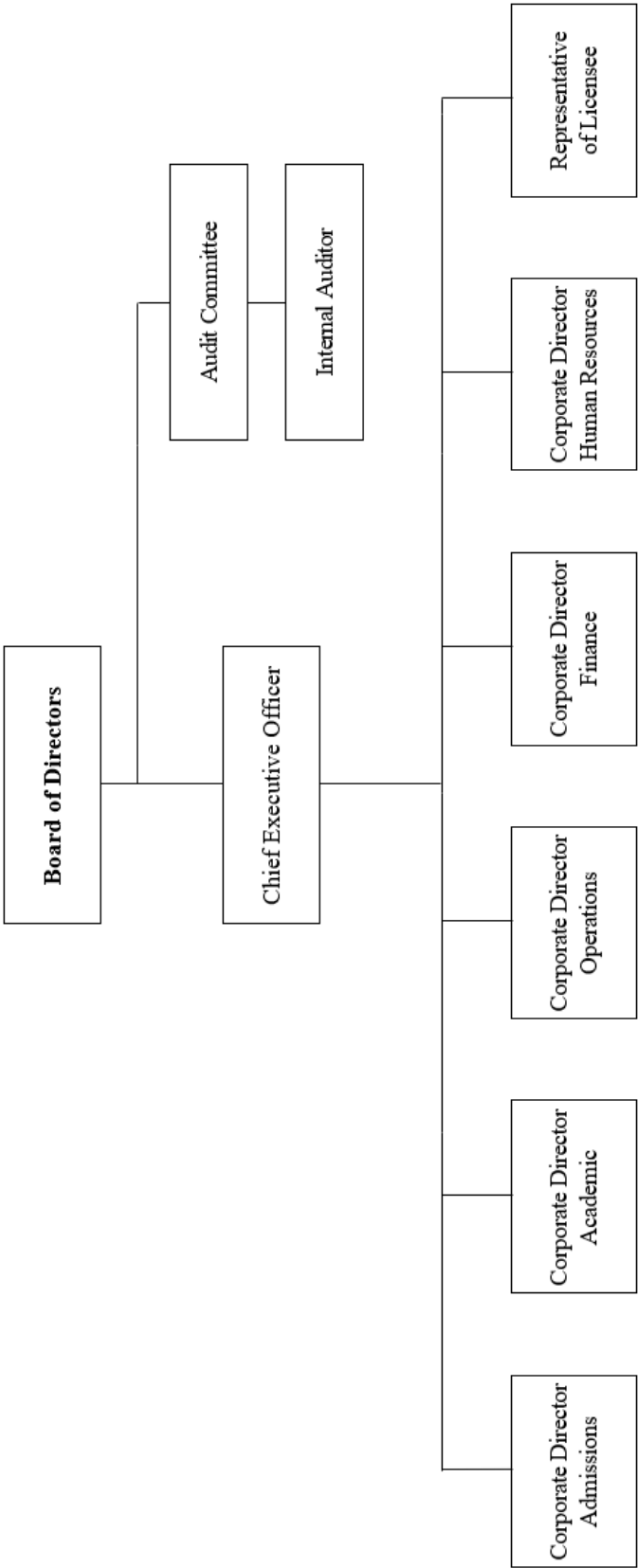
7.5 Distribution policy of schools whose licences are held by the Company

The consideration of distribution of benefits of schools whose licences are held by the Company will be subject to the approval of the Board of Executives of the schools which shall take into consideration operating results, financial liquidity, cashflows, financial position and the requirements for working capital for school operations, economic conditions and other factors. However, the approval for the distribution of benefits shall always require the prior approval from the Board of Directors of the Company in its capacity as the holder of licences in accordance with the corporate governance policy of the Company. See details in clause 11.5.

8. Management Structure

8.1 Management Structure of the Company

8.1.1 Organisation Chart of the Company



8.1.2 Board of Directors

The Board of Directors comprises seven members as follows:

Name	Positions
1. Mr. Nontigorn Kanchanachitra	Chairman and Independent Director
2. Mr. Yew Hock Koh	Director
3. Ms. Wilawan Kaewkanokvijit	Director
4. Mr. Meechai Prasertsri	Director
5. Mr. Chatrapee Tantixalerm	Chairman of Audit Committee and Independent Director
6. Mr. Prasitchai Kritsanayunyong	Member of Audit Committee and Independent Director
7. Ms. Trithip Sivakrskul	Member of Audit Committee and Independent Director

Ms. Sumitra Songphatanayothin was appointed the Company Secretary by resolution of the Board of Directors meeting No.1/2016 on 1 February 2016.

Authorised Signatories

Mr. Yew Hock Koh to sign with Ms. Wilawan Kaewkanokvijit and affix the Company's seal.

Board of Directors Meetings

Name	Position	Attendance/ All Meetings
		2018
1. Mr. Nontigorn Kanchanachitra	Chairman and Independent Director	10/10
2. Mr. Yew Hock Koh	Director	10/10
3. Ms. Wilawan Kaewkanokvijit	Director	10/10
4. Mr. Meechai Prasertsri	Director	10/10
5. Mr. Chatrapee Tantixalerm	Chairman of Audit Committee and Independent Director	9/10
6. Mr. Prasitchai Kritsanayunyong	Member of Audit Committee and Independent Director	9/10
7. Ms. Trithip Sivakrskul	Member of Audit Committee and Independent Director	9/10

8.1.3 Audit Committee

Audit Committee comprises three members as follows:

Name	Position
1. Mr. Chatrapee Tantixalerm	Chairman of Audit Committee and Independent Director
2. Mr. Prasitchai Kritsanayunyong	Member of Audit Committee and Independent Director
3. Ms. Trithip Sivakrskul	Member of Audit Committee and Independent Director

All members of the Audit Committee have sufficient knowledge and experience in performing the duties of auditing the reliability of the Company's financial statements. (See details in Attachment 1: Details of Directors, Executives, Persons with Controlling Power and Company Secretary).

Ms. Sunandha Leelasaengsai is the Secretary of the Audit Committee by appointment of the Audit Committee's meeting No.1/2016 on 1 February 2016.

Audit Committee Meetings

Name	Position	Attendance/ All Meetings
		2018
1. Mr. Chatrapee Tantixalerm	Chairman of Audit Committee and Independent Director	5/6
2. Mr. Prasitchai Kritsanayunyong	Member of Audit Committee and Independent Director	6/6
3. Ms. Trithip Sivakriskul	Member of Audit Committee and Independent Director	4/6

8.1.4 Executive Committee

The Company's Executive Committee comprises eight members as follows:

Name	Positions
1. Mr. Yew Hock Koh	Chief Executive Officer
2. Ms. Wilawan Kaewkanokvijit	Corporate Director, Admissions
3. Mr. Edmund Wee Kiat Lim	Corporate Director, Academic
4. Mr. Aaron Ngiam Tong Tuan	Corporate Director, Operations
5. Ms. Sunandha Leelasaengsai	Corporate Director, Finance
6. Mr. Jamras Pama	Corporate Director, Human Resources*
7. Mrs. Panthip Kolyanee	Licensee
8. Ms. Euamporn Warawatanathamrong	Senior Account Manager

*In office until 31 August 2018. The Company is currently recruiting a new Director of Human Resources.

8.1.5 Company Secretary

The Board of Directors Meeting No.1/2016 on 1 February 2016 resolved to approve the appointment of Ms. Sumitra Songphatanayothin to hold the position of Company Secretary. Ms. Sumitra attended a Company Secretary Programme (CSP 65/2015) on 10 – 11 August 2015. The Board of Directors Meeting No.2/2018 on 10 May 2018 resolved to approve the scope of duties for the Company Secretary to comply with Section 89/15 of the Securities and Exchange Act, B.E. 2535 as amended in 2008 (No.4 of the Securities and Exchange Act). Duties of the Company Secretary are as follows:

- To supervise and provide guidance for directors and executives on compliance with the law, rules, regulations and the Company's Articles of Association and to regularly monitor compliance;
- To be responsible for the organisation of the Board of Directors' meetings and general meetings of shareholders and to coordinate the compliance with resolutions of such meetings;
- To ensure compliance with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and relevant law regarding disclosure of information that is within the scope of responsibilities of the Company Secretary;
- To prepare and keep records of the following documents:
 - 4.1 Register of directors;
 - 4.2 Notices of invitation to and minutes of the Board of Directors meetings;

- 4.3 Notices of invitation to and minutes of the general meetings of shareholders;
- 4.4 Annual Reports of the Company; and
- 4.5 Reports on Interest of Directors and Executives

8.1.6 Remunerations of Directors and Executives

(1) Monetary Remunerations

Remunerations of Board of Directors

In 2018, the Company paid monthly remunerations and meeting allowances to the Board of Directors as follows:

(In THB)

Names	2018
Mr. Nontigorn Kanchanachitra	855,000
Mr. Yew Hock Koh*	-
Ms. Wilawan Kaewkanokvijit*	-
Mr. Meechai Prasertsri	520,000
Mr. Chatrapee Tantixalerm	585,000
Mr. Prasitchai Kritsanayunyong	590,000
Ms. Trithip Sivakrskul	520,000
Total	3,070,000

Note: *being directors who receive monthly salary in the capacity of the Company's executives and therefore are not entitled to remunerations in the capacity of the Company's directors.

The 2018 Annual General Meeting of Shareholders held on 26 April 2018 and the Extraordinary General Meeting of Shareholders No. 1/2018 held on 28 May 2018 resolved to approve the following directors' remunerations for the year 2018:

Meeting Allowances	THB/Meeting
<u>Board of Directors</u>	
- Chairman of the Board of Directors	30,000
- Directors	20,000
<u>Audit Committee</u>	
- Chairman of the Audit Committee	15,000
- Members of the Audit Committee	10,000

Monthly Remunerations	THB/Month
Chairman of the Board of Directors	50,000
Directors	30,000

Directors who receive a monthly salary as an employee of the Company will not be entitled to remunerations in the capacity of the Company's directors. The Company also provides discounts for tuition fees for children of the Company's directors and executives of schools for which the Company holds the licences.

In 2017 and 2018, the Company paid THB 18.47 million and THB 30.31 million of directors' remunerations, respectively. These remunerations include salary, fixed payment for the position held, bonus, contributions to provident fund, etc.

Years	Number of Executives	Remunerations (THB)
2017	6	18,468,171
2018	8*	30,308,614

Note: *including Mr. Jamras Pama, Corporate Director, Human Resources who held the position until 31 August 2018.

(2) Other Remunerations

The Extraordinary General Meeting of Shareholders No. 1/2018 resolved to approve the issuance of 26,000,000 new ordinary shares which represented 2.77 percent of the total issued shares of the Company after the initial public offering of the Company's shares. The newly issued ordinary shares were offered to the Company's directors, executives and employees including those of the Company's subsidiaries and personnel in schools, the licences of which are held by the Company. The offering price was THB 5.20 per share which was the same price of the public offering. The offering was made concurrently with the initial public offering.

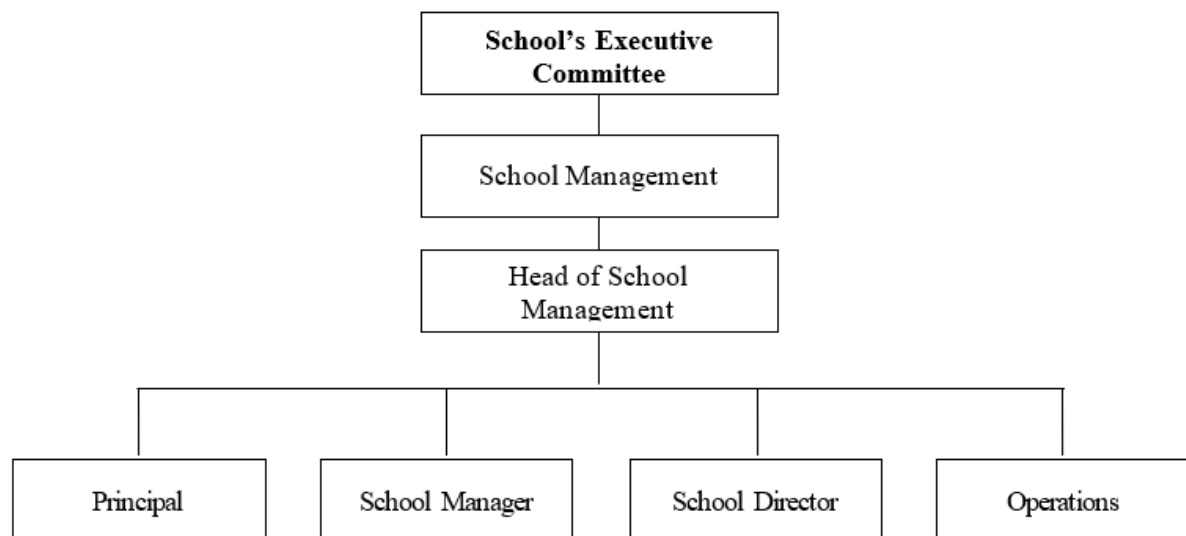
Details of directors and executives of the Company who had the shares allocated to them and who subscribed for the shares are as follows:

Name	Positions	Number of Shares Allocated	Percentage of Shares Offered to Directors, Executives and Employees
1. Mr. Nontigorn Kanchanachitra	Chairman of the Board of Directors and Independent Director	500,000	1.92
2. Mr. Yew Hock Koh	Director and Chief Executive Officer	-	-
3. Ms. Wilawan Kaewkanokvijit	Director and Corporate Director, Admissions	1,000,000	0.10
4. Mr. Meechai Prasertsri	Director	200,000	0.77
5. Mr. Chatrapee Tantixalerm	Chairman of Audit Committee and Independent Director	300,000	1.15
6. Mr. Prasitchai Kritsanayunyong	Member of Audit Committee and Independent Director	200,000	0.77
7. Ms. Trithip Sivakrskul	Member of Audit Committee and Independent Director	200,000	0.77
8. Mr. Edmund Wee Kiat Lim	Corporate Director, Academic	-	-
9. Mr. Aaron Ngiam Tong Tuan	Corporate Director, Operations	100,000	0.38

Name	Positions	Number of Shares Allocated	Percentage of Shares Offered to Directors, Executives and Employees
10. Ms. Sunandha Leelasaengsai	Corporate Director, Finance	500,000	1.92
11. Mrs. Panthip Kolyanee	Licensee	400,000	1.54
12. Ms. Euamporn Warawatanathamrong	Senior Account Manager	100,000	0.38

8.2 The management structure of international schools whose licences are held by the Company

8.2.1 Organisation Chart of International Schools whose licences are held by the Company



The management structure of international schools must comply with the first and the second paragraphs of Section 30 of the Private Schools Act, B.E. 2550 (2007) as amended in 2011 (No. 2 of the Private Schools Act) which provide:

'The Formal School shall have an executive committee which comprises the licensee, a manager, a director, representatives of teachers and parents and experts who shall be the members of the executive committee. If the licensee is the same person as the manager or the director or if one person holds all these three positions, one or two additional expert members shall be appointed. The number and qualifications of directors to be appointed shall be proportionate to the size and type of the Formal School and shall comply with the requirements and conditions prescribed by the Commission.'

Requirements and methods of recruitment of directors, the selection of the chairman of the committee including the term of office and removal from office shall be as provided under the School Charter.'

The Company as the licensee shall establish a School's Executive Committee to have members that comply with Section 30. The Board of Directors will appoint the licensee, the manager and the director to assume the executive positions of the school. Representatives of teachers and parents will be appointed by recruitment which shall be handled by a recruitment committee appointed by the Board of Directors. This recruitment committee has the duty of recruiting persons with qualifications and knowledge to represent teachers and students' parents including expert representatives and proposes the candidates to the Board of Directors to select and appoint in the number required under the School Charter of each school.

8.2.2 School's Executive Committee

The School's Executive Committee of Singapore International School of Bangkok comprises eight members as follows:

Names	Positions
1. Mrs. Panthip Kolyanee *	Representative of Licensee and School Director
2. Ms. Judith Hong Zhang Sathaporn	School Manager
3. Mr. Hero L Lee	Representative of Teachers
4. Mr. Prasitchai Kritsanayunyong *	Representative of Parents
5. Mr. Yew Hock Koh *	Specialist
6. Ms. Wilawan Kaewkanokvijit *	Specialist
7. Mr. Graham Cooper Cherry	Specialist
8. Mr. Edmund Wee Kiat Lim	Specialist

Note: *being the director and/or executive of SISB Public Company Limited

The School's Executive Committee of Singapore International School Suvarnabhumi comprises eight members as follows:

Names	Positions
1. Mrs. Panthip Kolyanee *	Representative of Licensee
2. Ms. Apatsanan Charoensukpiyapat	School Director
3. Mrs. Ketsarin Daengsirisri	School Manager
4. Ms. Mee Mee San	Representative of Teachers
5. MD Peera Vitoonpanich	Representative of Parents
6. Mr. Yew Hock Koh *	Specialist
7. Ms. Wilawan Kaewkanokvijit *	Specialist
8. Mr. Edmund Wee Kiat Lim	Specialist

Note: *being the director and/or executive of SISB Public Company Limited

The School's Executive Committee of Singapore International School Thonburi comprises eight members as follows:

Names	Positions
1. Mrs. Panthip Kolyanee *	Representative of Licensee
2. Mrs. Amornrat Meephat	School Director
3. Mrs Narisa Lertnamwongwan	School Manager
4. Ms. Celeste Bernadette Jacques	Representative of Teachers
5. Ms. Nisachon Chatkaew	Representative of Parents
6. Mr. Yew Hock Koh *	Specialist
7. Ms. Wilawan Kaewkanokvijit *	Specialist
8. Mr. Edmund Wee Kiat Lim	Specialist

Note: *being the director and/or executive of SISB Public Company Limited

The School's Executive Committee of Singapore International School Ekkamai comprises seven members as follows:

Names	Positions
1. Mrs. Panthip Kolyanee *	Representative of Licensee
2. Mrs. Anong Tanwattananan	School Director and School Manager
3. Mr. Daniel Gordon	Representative of Teachers
4. Mr. Scott John Chicken	Representative of Parents
5. Mr. Yew Hock Koh*	Specialist
6. Ms. Wilawan Kaewkanokvijit *	Specialist
7. Mr. Edmund Wee Kiat Lim	Specialist

Note: *being the director and/or executive of SISB Public Company Limited

8.2.3 School Management

School Management of Singapore International School of Bangkok, Singapore International School Suvarnabhumi, Singapore International School Thonburi and Singapore International School Ekkamai comprises seven members as follows:

Names	Position
1. Mr. Yew Hock Koh	Chief Executive Officer
2. Ms. Wilawan Kaewkanokvijit	Director of Admissions
3. Mr. Edmund Wee Kiat Lim	Academic Director
4. Mr. Aaron Ngiam Tong Tuan	Director of Operations
5. Ms. Sunandha Leelasaengsai	Director of Accounting and Finance
6. Mr. Chamras Pama	Director of Human Resources
7. Mrs. Panthip Kolyanee	Representative of Licensee

8.3 Personnel

8.3.1 Number of Personnel

As of 31 December 2017, the Group had 612 employees and education personnel (excluding six executives) and as of 31 December 2018, the Group had 669 employees and education personnel (excluding seven executives). The table below sets forth, for the periods indicated therein, a breakdown of the Group's employees and education personnel:

Departments	Number of Employees	
	31 December 2017	31 December 2018
Management and Administration	29	34
Students' Registration and Admissions	23	21
Marketing	11	9
Teachers and Assistant Teachers	358	396
Procurement	9	9
Account and Finance	19	19
Human Resources	8	12
Information Technology	10	10
Operations	145	159
Total	612	669

8.3.2 Material labour disputes in the past three years

N/A

8.3.3 Employee Benefits

Monetary Benefits

In 2017 and 2018, the Company and its schools paid THB 341.69 million and THB 390.24 million of benefits for employees and personnel of schools, respectively. These benefits included monthly salary, overtime payments, welfare benefits, bonuses, contributions to social security funds, provident funds and private teacher aid funds.

Other benefits

The Extraordinary General Meeting of Shareholders No. 1/2018 resolved to approve the issuance of 26,000,000 new ordinary shares which represented 2.77 percent of the total issued shares of the Company after the initial public offering of the Company's shares. The newly issued ordinary shares were offered to the Company's directors, executives and employees including those of the Company's subsidiaries and personnel in schools the licences of which are held by the Company. The offering price was THB 5.20 per share which was the same price of the public offering. The offering was made concurrently with the initial public offering.

8.3.4 Human Resources Development Policy

The Company recognises the importance of human resources as the driver of the Company's success and growth in line with business directions. The Company encourages employees and personnel to realise their professional potentials for growth in their career path. There are different schemes of human resource development to cover both practical and self-development and learning opportunities. The Company provides training for all levels of employees using both internal and external presenters.

The employees and personnel will benefit from the professional development which fulfil the requirements of their responsibilities and the enhancement of professional potential and leadership through a variety of trainings, workshops and seminars organised for employees and executives such as:

1. Academic staff will be required to complete an inhouse training for at least 20 hours per year. The topics of the training are, for example, computer skills development to enhance teaching skills, staff collaboration and staff development workshops and accreditation workshops.
2. Executives, teaching personnel, assistant teachers and all staff are required to complete training on basic safety rules for students and for themselves and must be informed of emergency practices such as fire drills and lockdown drills. These involve blocking entrances and exits of the school establishments such as in cases of invasion, terrorist attacks or school hostage situations.
3. Non-teaching staff will have to attend both inhouse and offsite training programmes such as the SISB Leaders' Day Retreat organised by the Human Resources Department, workshop on computer software for human resources related work and training at other external organisations with the aim to enhance personal and professional developments for increased efficiency.

9. Corporate Governance

9.1 Good Corporate Governance

The Board of Directors has realized the importance of the Good Corporate Governance which is necessary to the business operation to achieve sustainable growth, and to increase transparency, competitiveness, and confidence among shareholders, investors, and all stakeholders. The Board of Directors, therefore, mutually agrees to stipulate the new Corporate Governance Policy to cover principle and guideline practices following the Principles of Good Corporate Governance for Listed Companies 2017 of the Securities and Exchange Commission which aims to establish sustainable value to the organization and to establish the confidence among all stakeholders by covering the principles as follows:

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Company has a policy to stipulate clear leadership role and responsibilities of the Board apart from roles and responsibilities stipulated by law, objectives, and regulations of the Company, and the resolution of the shareholders' meetings. The Board of Directors has a role and responsibilities to determine visions, missions, objectives, policies, direction of operation, strategic plan, plan, and the Company's annual budget, as well as to evaluate, monitor, and report on performance. This also includes determining the communication of role and responsibilities to the Board, the Sub-Committees, the management and the employees of the Company to ensure the understanding and the awareness of leadership role and responsibilities among the Board of Directors and all parties.

The Company appoints the Audit Committee to support, examine, and monitor the operation and management to be in accordance with legislation, policy, plan, and stipulated annual budget. In addition, the Company explicitly stipulates the scope of role and responsibilities of the Sub-Committees and Chief Executive Officer.

Moreover, the Company has established the Charter for the Board of Directors and the Sub-Committees and ensured the acknowledgement of the Charter among the Board and the Sub-Committees. The Charter is determined to be consistently revised for further amendment, following the Company's direction. Apart from this, the Company has established the Business Code of Conduct and policies relating with corporate governance as practice guidelines for corporate governance to ensure that the business operation is performed with morality, right respect, and responsibilities toward shareholders and stakeholders, as well as to ensure that the business operation is beneficial to the society and the environment, including adaptable under changing environments.

Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board of Directors should define clear corporate visions, missions, and values to be in accordance with the corporate direction, as well as goals of business operation which are communicated to all stakeholders for their understanding of corporate objectives and main goals and for all personnel levels of the organization to follow as practice principles to achieve the stipulated objectives and goals.

The Company places an importance upon strengthening foundations for the growth of the group of companies by focusing on corporate culture establishment as well as promoting the efficient utilization of innovation and technology to create the utmost customer satisfaction, including the monitoring of utilization of the Company's assets with maximum efficiency and effectiveness.

The Company has a policy to revise and consider the stipulation of strategic plan and the budget every year to ensure that the strategic plan and the budget are in accordance with the economic situation and corporate proficiency. Therefore, Chief Executive Officer is authorized to monitoring and following the operation to be in line with the stipulated strategy and the budget.

Principle 3 Strengthen Board Effectiveness

The Company has a policy to stipulate the board structure to be in accordance with the business and the size of the Company, and with the stipulated law. The Board consists of no less than 5 Directors who are eminent persons whose qualification, skill, expertise, and experience are beneficial to the Company. The skills comprise business, education, accounting and finance, and investment which lead to the Board diversity. In addition, they should be person of morality with good attitude toward the organization. Moreover, the composition of the Board shall reflect appropriate balance of power between Executive Directors and Non-Executive Directors, and the numbers of the Independent Directors shall be more than half of the total numbers of Directors.

The qualification of the Independent Directors, the Company shall consider the qualification pursuant to Notifications of the Capital Market Supervisory Board. However, there are more stipulated qualification of the Independent Directors by the Company as follows:

- Holding shares not to exceed more than 0.5% of the total voting rights of the Company, parent company, subsidiary, associate company, major shareholders, or a controlling person of the Company, including shares held by related persons of such independent director;
- Neither being nor having been an Executive Director, employee, staff, or advisor who receives regular salary from the Company, or personal advisor of the controlling person of the group of companies, associate companies, or related companies with no benefits or conflict of interest as indicated above for no less than 3 years.
- Neither having any business relationship such as being customer, trading partner, creditors, loans payable, and loans receivable, etc., nor having any benefit or conflict of interest in terms or finance and management of the Company and the group of companies directly or indirectly;
- Being associate or related companies with no independency;
- Neither being closed cousin nor having other relationships which may cause the lack of independency to executives, major shareholders of the Company, the group of companies, associate companies, or related companies, as well as not having been appointed as a representative to maintain the benefit of the management or the major shareholders;
- Not being nor having been the auditor of the Company, subsidiary, associate company, or juristic persons which may cause conflict, as well as not being major shareholder, Director, executive, or partner of the audit office which employs the auditor of the Company, subsidiary, associate company, or juristic persons with possible conflict of interest, unless the foregoing relationship ended not less than three years prior to the appointment as an Independent Director.

The Company has a policy to appoint 1 Independent Director to be Chairman of the Company who shall not be the same person as Chairman of the Executive Board or Chief Executive Officer as well as not being in any position in the Sub-Committees to ensure clear responsibilities between policy stipulation, corporate governance, and regular management.

The Company stipulates that the meeting of the Board of Directors shall not be held less than 6 meetings per year and the Directors shall attend every meeting unless there is a necessity of which is no less than 75% of the total numbers of the Board meeting held in certain year. To encourage dedication to the Company with sufficiency and efficiency, each Director can serve a position in other companies must follow the principles as follows:

- A Director can serve a position in SISB Public Company Limited, subsidiary, and associate company;
- Each Director can serve the Director position in other listed companies, not exceed 5 companies in total, and each Executive Director can serve positions in other listed companies not exceed 2 companies in total;
- A Director shall not own a business, be a partner, or serve as the Director of other companies which engage in the same nature and in competition with the business of the Company business as the Company and in the businesses which are the competitors of the Company, unless the matter is informed to the shareholders' meeting prior to the appointment. However, the exception is applied to the Director of the subsidiary.

The Company should explicitly disclose the information of Directors and executives such as age, education, experience, shareholding percentage, years of service as Director, numbers of meeting participation, Director position in other listed companies, role and responsibilities, performance report of the Sub-Committees in the company's **Annual Registration Statement** (Form 56-1) and Annual Report.

To ensure the explicit process of the Company's Director appointment, the Board of Directors is responsible for selecting persons with appropriate knowledge, skill, and experience who can perform the duties which are beneficial to the Company's business pursuant to stipulated regulations and process. The nomination will be further proposed to the meeting of the Board and/ or the shareholders for consideration of appointing the Company's Directors of the Company. In addition, the Company shall disclose the remuneration of the Board received in cash or non-cash in the **Annual Registration Statement** (Form 56-1) every year.

In addition, the Company appoints the company secretary to take care and provide suggestion to the Directors and executives upon the matter concerning practices pursuant to legislation, rules, and regulations of the Company as well as to monitor in order to ensure the accurate and consistent practice. The company secretary is also responsible for holding meetings of the Board and the shareholders, as well as overseeing the compliance to the resolution of the meeting, including other duties as stipulated by law.

Principle 4 Ensure Effective CEO and People Management

The Company explicitly stipulates the succession plan of the Company's Chief Executive Officer, the top executive position of the organization, to ensure the continuity of the business operation. In addition, the appropriate remuneration policy is established to motivate Chief Executive Officer and important executives who have dedication to work for the utmost benefit of the Company and the shareholders of the Company.

The Company has a policy to provide knowledge development programs to important Directors and executives by participating trainings held by several organizations to promote knowledge and new ideas. The Company also organizes projects for executive development which benefit the consideration of the succession. In

addition, the Director manual and orientation are established for the new Directors to learn about the Company's information and related information on business operation and other related rules and regulations.

The performance evaluation of Chief Executive Officer and important executives is performed at least once a year to consider the remuneration and to develop the work efficiency by using the SET's evaluation principle.

Principle 5 Nurture Innovation and Responsible Business

Since the Company's business engages in education which mainly depends on quality education service significantly provided students, the Company has a policy to promote the application of innovation and technologies with development of quality education service to serve the demand and interest of students and parents.

The Board of Directors has realized the rights of all stakeholders, whether internal or external stakeholders, to establish good understanding and cooperation between the Company and the stakeholders, providing benefit to the Company and establishing confidence. This also increases the Company's long-term competitiveness. Therefore, the Company has stipulated the policy and practice guidelines as follows:

- 1. Shareholders** :
 - The Company determines to be a good representative of the shareholders to perform the business with caution, attentiveness, trustworthiness, and transparency with the realization of long-term growth of the Company's value;
 - The Company determines to ensure the compliance with the principles of the Good Corporate Governance;
 - The Company provides accurate and verifiable disclosure of information in its financial statements and other reports;
 - The Company provides appropriate internal control system and risk management system which cover all aspects.
- 2. Teacher Staff** :
 - The Company provides fair and appropriate remuneration in alignment with knowledge, proficiency, responsibilities, and performance of each staff;
 - The Company consistently encourages professional proficiency development of the staff;
 - The appointment and transfer are based on the knowledge, proficiency, and appropriateness, as well as behavior or performance of certain staff;
 - The Company is always committed to maintain good work environment with safety toward life, physical health, and assets of staff;
 - Opinions and suggestions of all levels of staff are treated with equality;
 - Staff are encouraged to understand the ethics and roles to promote ethical behaviors across the Company.

3. **Trading Partners** :
 - The Company shall comply with conditions agreed with trading partners and creditors. Upon any non-compliance with the conditions, the matter must be informed in advance to mutually seek for solution and to prevent any possible damage;
 - The Company will not ask for or receive or pay any fraud benefit when carrying out business with trading partners, debtors, or creditors;
 - The Company is committed to provide accurate, complete, verifiable financial reports.

4. **Creditors** :
 - The Company shall comply with conditions agreed with trading partners and creditors. Upon any non-compliance with the conditions, the matter must be informed in advance to mutually seek for solution and to prevent any possible damage;
 - The Company will not ask for or receive or pay any fraud benefit when carrying out business with trading partners, debtors, or creditors;
 - The Company is committed to provide accurate, complete, verifiable financial reports.

5. **Students** :
 - The Company is committed to nurture positive ethics and work efficiency among all students by cultivating the qualities of self-confidence, respecting others and oneself, responsibility toward one's own action, and self-learning;
 - The Company is committed to nurture acceptance and acknowledgement of responsibility toward one's own decision and actions, as well as consequences and disciplines for efficient learning, attitude development, and value toward life among students;
 - All students are expected to commit to integrity and to uphold culture, tradition, and belief of the school in order to promote good work environment;
 - Positive behaviors are encouraged and emphasized among our students and unfavorable behaviors are reduced. These can be achieved with the cooperation of all parents;

6. **Parents** :
 - All comments and suggestions from parents are welcomed through the encouragement of open-communication for the parents to receive complete information and news in a timely fashion;
 - All information of parents and practices are strictly followed pursuant to related regulations;
 - Knowledge and skill development of the parents are encouraged through activities of school and parent representative group;
 - The Company is committed to provide cooperation and to strictly follow the intention of the policy concerning the parents.

- 7. Competitors** : ■ The Company determines to perform under good competition rules;
 ■ The Company refuses to destroy competitors' reputations with defamatory and untruthful statements.
- 8. Communities and Society** : ■ The Company' business operation is committed to responsible business conduct toward community, society, and environment;
 ■ The Company provides supports to social activities such as English teaching project for the community;
 ■ The Company will not support any socially-jeopardized activities, morally-jeopardized activities, and vice promoting activities;
 ■ The Company is committed to provide cooperation and to strictly follow the intention of the laws and relating regulations.

Principle 6 Strengthen Effective Risk Management and Internal Control

The Company has a policy to establish the internal control system covering all aspects in terms of finance and operation in accordance with related laws, rules, and regulations, as well as to implement efficient and adequate examination and balance mechanisms to consistently protect the Company's assets. In addition, the authorization of approval process and responsibilities of the executives and the staff can be mutually examined and balanced. The regulations are in a written form.

For the independency of the internal control agency to completely perform the examination, the Company has outsourced an independent auditor to examine the operation of all units to ensure their compliance with the stipulated regulations, as well as to evaluate the efficiency and adequacy of the unit's internal control system. The auditor directly reports to the Audit Committee and will receive the evaluation from the Audit Committee.

The Company stipulates that the Board of Directors establish the risk management policy to thoroughly cover the whole organization, as well as to ensure the existence of the system or the process of the risk management with standard and the controlling method to reduce impacts on the Company's business with appropriateness.

In addition, the Company places an importance upon anti-corruption by establishing a clear anti-corruption policy and communicating to related persons for acknowledgement and practices. Furthermore, the handling complaints and whistleblowing are established as mechanisms to ensure the compliance with stipulated corporate governance policies of the related persons.

Principle 7 Ensure Disclosure and Financial Integrity

The Company is committed to ensure the compliance with law, rules, and regulations relating to the disclosure of information by placing an emphasis on the accurate, complete, and transparent disclosure of information in terms of the Company's information, financial information, and non-financial information for the related persons' fair acknowledgement of the information through the following implementations:

- 1 Disclose the shareholders' structure with transparency
- 2 The annual report must disclose, at least, the following information, as follows:
 - Financial statements and operating results
 - Business operation and competition
 - Risk of business operation
 - Profiles of the Board and the executives
 - Information of Independent Directors
 - Principle of remuneration of Directors
 - Policy and principle of remuneration of top executives
 - Disclosure of individual Director's remuneration
 - Disclosure of each Director's meeting attendance record
- 3 The disclosure of connected transaction must be disclosed or receive the approval from the shareholders pursuant to the notification of the Capital Market Supervisory Board regarding rules on Connected Transactions prior to entering the transaction. In addition, there should be at least the information, namely, of name of the person who enters the connected transaction, relationship, transaction characteristics, conditions, pricing policy, transaction value, and reasons for entering the transaction.
- 4 The Directors and executives shall report on their securities holding and/or changing to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act B.E. 2535, and shall report to the meeting of the Board for acknowledgement every year.
- 5 Upon receiving news and information relating to the Company's business such as acquisitions or important incidents which should be known by the shareholders, although those are neither applicable to any regulation to ask for the approval from the shareholders' meeting nor comply with the law of information disclosure, the Company will disclose such information to shareholders or other investors on the websites of the Company or the Stock Exchange of Thailand.

The Board of Directors is responsible for preparation of Annual Report, the **Annual Registration Statement** (Form 56-1), the Company's Financial Reports, and financial information as appeared in the Annual Report. The financial report preparation is prepared in accordance with the general accepted accounting standard through the implementation of appropriate accounting policy which has been consistently practiced, the careful consideration of preparation with adequate disclosure of important information in the notes to the financial statements. The Board of Directors has assigned the Audit Committee to supervise the quality of the financial reports and to provide opinion to the Board. In addition, the Company's external auditor is independent and creditable and certified by the Securities and Exchange Commission as auditor or reviewer of the Company's financial statements.

The Company is committed to disseminate the information of the Company to the shareholders and the public through channels and information dissemination channels of the Stock Exchange of Thailand, and the Company's website. The Company's implementation of information dissemination has been an importance and strictly implemented as follows:

The Board of Directors has assigned Mr. Yew Hock Koh, Chief Executive Officer, to make contact and provide information to the shareholders, investors, securities analysts, or related organizations, including any person. The information must be accurate, complete, and verifiable.

Principle 8 Ensure Engagement and Communication with Shareholders

The Company has a practice policy and protect the rights of all shareholders with equality and fairness, covering non-executive shareholders or executive shareholders, Thai shareholders or foreign shareholders, and major shareholders or individual shareholders. The Company has provided an option for the shareholders who are not able to attend the shareholders' meeting to appoint Independent Directors or other persons as their proxies in order to attend the meeting and cast the votes on behalf of the shareholders. In addition, the individual shareholders can nominate persons in the position of Directors in advance at appropriate time. The shareholders' meeting will be performed pursuant to the Company's articles of association, following the meeting's agendas. In each agenda, the details are completed proposed with clear information for consideration. There will be no agenda added without informing the shareholders in advance, especially an agenda which is important to the shareholders and it requires adequate time to study the information for making any decision.

Furthermore, the Company has realized and placed an importance upon the fundamental rights of the shareholders such as the rights to trade or transfer securities, the rights to receive the profit sharing from the business, the rights to receive adequate information of the business, the rights to attend the meeting and exercise their voting rights at the shareholders' meeting to appoint or remove the Directors from the position, to appoint the auditor, and other matters which have impacts on the Company such as allocation of dividend, stipulation or amendment of articles of association and memorandum of association, capital decrease or increase, etc.

Apart from the aforementioned fundamental rights, the Company also encourages and facilitates the shareholders' rights exercising as follows:

1. Deliver meeting's notification letter to the shareholders at least 7 days prior to the meeting date. The date, time, venue, proposed meeting agenda, and other information concerning meeting decision are completely provided;
2. When a shareholder cannot attend the meeting, the Company provides an opportunity for the shareholders to appoint an Independent Directors or any person to act as a proxy to attend the meeting, using one of the proxy forms attached to the notice of the meeting;
3. Provide an opportunity for the shareholders to ask questions and provide opinion and suggestions with no obstruction;
4. After the completion of the meeting, the Company will prepare the minutes of the shareholders' meeting encompassing all information with accuracy and completeness and can be examined by the shareholders.

The Company indicates the opinions of the Board in the meeting's notification letter which will be delivered to the shareholders in advance within the period specified by the SEC or the SET to allow the shareholders to have adequate time to study the information before attending the shareholders' meeting. In addition, the shareholders will receive the information through the SET's electronic media, the Company's website, and disclosure of information to the media pursuant to the Public Limited Companies Act. However, the Company's Board of Directors shall mutually join the shareholders' meeting, especially Chairman of the Sub-Committees, for instance, Chairman of Audit Committee.

The Company's Board of Directors has stipulated the measures to prevent misuse of internal information, Insider Trading Policy, of related persons, including the directors, executives, staff, employees, those responsible for related functions, as well as their spouses, and minor children. The punishment relating to the disclosure of information or misuse of internal information for one's own benefit has been established. In addition, the Directors and executives of the Company have been provided with knowledge concerning their duties to report securities holding in the Company of themselves, spouses, and minor children, as well as to report changes in securities holding to the Securities and Exchange Commission and the Stock Exchange of Thailand pursuant to Section 59 and Penalty Clause pursuant to the Securities and Exchange Act B.E. 2535.

9.2 Sub-Committees

The management structure of the Company comprises the Board of Directors and the Audit Committee. Qualifications of the Audit Committee shall be in accordance with Section 68 of the Public Company Limited, B.E. 2535 and relevant notifications of the Capital Market Supervisory Board. The scope of powers and duties of Board of Directors and the Audit Committee are as follows:

9.2.1 Scope of Powers and Duties of the Board of Directors

1. The Board of Directors shall have the power, duties and responsibilities of managing businesses of the Company to comply with the law, objectives and the Articles of Association of the Company including lawful resolutions of the general meeting of shareholders and shall have the fiduciary duty and duty of care for the interest of the Company.
2. The Board of Directors shall hold an Annual General Meeting of shareholders within four months after the end of the financial year of the Company.
3. There shall be at least one Board of Directors' meeting every three months.
4. The Board of Directors shall put in place an appropriate and effective accounting system and shall ensure that the financial reporting and auditing are reliable. Sufficient and appropriate internal control and an internal audit shall also be put in place.
5. Balance sheets and profit and loss statements of the Company shall be prepared at the end of each accounting period. Audited balance sheets and profit and loss statements shall be provided to the general meeting of shareholders for approval.
6. The Board of Directors shall set out business goals, directions, policies and plans including budgets for the Group and shall monitor and supervise the administration and management of the Group to comply with the policies, work plan and budgets including relevant laws, notifications, regulations and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in such matters as connected transactions, the acquisition or disposal of material assets to the extent that it is not contradictory to or inconsistent with other laws.
7. The Board of Directors shall review, verify and approve business expansion plans, major investments and joint investments with other business operators as proposed by the executives.
8. The Board of Directors shall monitor operating results to comply with work plans and budgets.
9. The Board of Directors shall determine risk management policies to apply throughout the organisations and shall put in place a system or procedure to manage risks to mitigate appropriately mitigate impact on the business of the Company.

10. The Board of Directors shall determine management structure and shall have the power to establish sub-committees and appoint The Chairman of the Executive Committee and other sub-committees as may be appropriate and shall determine relevant scope of powers and duties.

The delegation of powers and duties shall not be such that the sub-committees, Chairman of the Executive Committee and other committees will be able to consider and approve transactions with the Company or its subsidiaries (if any) in which they have possible conflict of interests except for the approval of transactions which are in accordance with the policies and criteria considered and approved by the Board of Directors.

11. The Board of Directors shall prepare an annual report of the Board of Directors and shall be responsible for the preparation and disclosure of financial statements to show financial positions and operating results of the previous year and propose to the general meeting of shareholders for consideration and approval.

12. The Board of Directors may delegate its power to any one director or directors or such other persons to perform any tasks on its behalf and subject to its supervision and control. Such delegation of power and the period thereof shall be as the Board of Directors may consider appropriate and may be terminated or revoked, amended or varied as the Board of Directors may consider appropriate.

The delegation of powers shall not be such that the delegated person will be able to consider and approve transactions with the Company or its subsidiaries (if any) in which they have possible conflict of interests except for the approval of transactions which are in the normal course of business of the Company or are in accordance with the policy and criteria already considered and approved by the Board of Directors subject always to the requirements, conditions and methods in relation to connected transactions and acquisition or disposal of material assets of listed companies under the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or such other notifications of relevant agencies.

9.2.2 Scope of Powers and Duties of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;

3. To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business;

4. To ensure that the Company puts in place the required risk management policy;

5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

6. To review the connected transactions, or the transactions that may lead to conflict of interests, to ensure that they comply with the laws and the regulations of the Stock Exchange of Thailand, are reasonable and are for the best interest of the Company;

7. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:

(a) an opinion on the accuracy, completeness and creditability of the Company's financial report;

(b) an opinion on the adequacy of the Company's internal control system;

(c) an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business;

(d) an opinion on the suitability of an auditor;

(e) an opinion on the transactions that may lead to conflict of interests;

(f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member;

(g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the Charter; and

(h) other transactions which, according to the Audit Committee's opinion, should be disclosed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and

8. To have the power to seek, at the Company's expense, independent opinion from professional advisers as may be necessary; and

9. to perform any other act as the Company's Board of Directors may assign, with the approval of the Audit Committee.

9.2.3 Scope of powers, duties and responsibilities of the Chief Executive Officer

1. To supervise and carry out and/or manage day-to-day business operations of the Company;

2. To prepare policies and business plans including business strategies and annual budgets of the Company for proposal to the Board of Directors of the Company for approval;

3. To supervise operations of the Company to ensure compliance with the policies, work plan and budgets approved by the Board of Directors and to audit, monitor and evaluate operating results of the Company to ensure compliance with the policies, and to report operating results and work progress to the Audit Committee and the Board of Directors;

4. To consider and approve transactions in the normal course of business of the Company which are carried out in accordance with the investment budget or budgets approved by the Board of Directors. The number of budgets for each transaction shall be as provided under the Authority Table that was approved by the Board of Directors which shall not exceed the annual budget approved by the Board of Directors and to consider and approve the entry into relevant contracts;

5. To have the power to consider and approve payments for the normal course of business of the Company that are within the budgets approved by the Board of Directors and in accordance with the Authority Table approved by the Board of Directors;

6. To have the power to approve matters relating to human resources, employment and placements of employees, determination of wages, salary and bonuses, promotion and relocation of employees and to consider and determine the duties and responsibilities of each work unit and positions for employees at the directorial level and lower;

7. To have the power to issue orders, notices, regulations, announcements and memoranda to ensure that operations of the Company comply with the policies and for the interest of the Company and to ensure disciplines are observed within the organisation;

8. To coordinate with the internal audit and the Audit Committee to ensure that the business operations and risk management of the Company comply with the objectives and the Articles of Association of the Company including its policies and good corporate governance;

9. To have the power to establish committees or working groups for the effective and transparent management and to have the power to delegate power to any person(s) to carry out any tasks subject to the control of the Chief Executive Officer or to delegate such persons to have the power as the Chief Executive Officer may consider appropriate and within reasonable time. The Chief Executive Officer may terminate, revoke or amend such delegation as the Chief Executive Officer may consider appropriate.

10. To perform other duties as the Board of Directors may assign.

The Chief Executive Officer shall not approve any matters in which the Chief Executive Officer or the delegated persons of the Chief Executive Officers or persons with possible conflict of interests (pursuant to the definition under the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any relevant agencies) may have conflict of interests with the Company and/or its subsidiaries and/or related companies. The matter shall be proposed to and approved by the Board of Directors meeting and/or the general meeting of shareholders (as the case may be) except for the approval for transactions that are in the normal course of business of the Company that have normal commercial terms that are in accordance with the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or such other relevant agencies.

9.3 Recruitment and appointment of directors and top-level executives

Selection and appointment of directors will be approved by the general meeting of shareholders. The Board of Directors will consider and select nominated candidates based on their experience, knowledge, capabilities and qualifications that are required by the law. The Company does not yet have a nomination committee to perform the duties of recruiting and selecting candidates for directorship. Selected candidates will be nominated to the general meeting of shareholders for election in accordance with the requirements and methods provided under the Articles of Association of the Company.

9.3.1 Composition and appointment of the Board of Directors

The criteria for the composition of the Board of Directors, recruitment, appointment and removal of directors are provided under the Articles of Association of the Company which can be summarised as follows:

1. The Board of Directors shall comprise at least five directors and no less than half the total number of the Board of Directors shall have residence in the Kingdom of Thailand. All directors shall have the qualifications required by law.
2. The general meeting of shareholders shall elect directors in accordance with the following requirements and methods:
 - (1) One shareholder shall have the number of voting rights that are equal to the number of shares that they hold;
 - (2) Each shareholder shall exercise their voting rights to elect one or several persons as the director. However, they cannot split their votes to elect several persons as the director.
 - (3) Persons who have received the highest votes in descending order according to the number of votes received will be elected director in the number

required to be elected. If the number of persons who have received equal votes exceeds the required number of directors to be elected at such meeting, the chairman of the meeting shall cast one extra vote to reach a final decision.

3. One-third of the total number of directors on the Board of Directors shall retire by rotation at each annual general meeting of shareholders. If the number of directors who will retire by rotation cannot be divided into one-third, then the retiring directors shall be in the number that is the closest to one-third of the total number of directors. The directors to retire during the first and second year following the registration of the company shall be drawn by lots. In every subsequent year the directors who have been longest in office shall retire. A retiring director is eligible for re-election.

4. Directors may resign by submitting a notice of resignation to the Company. The resignation shall take effect from the date on which the notice has reached the Company.

5. If an office of the director becomes vacant for other reasons than retirement by rotation, the Board of Directors may at the next Board of Directors meeting elect any person who has the qualifications and does not have characteristics that are prohibited under the law on public company limited and/or the law on securities and exchange to fill the vacancy unless the remaining term of office of such vacating director is less than two months. The replacement director may only hold the office for the remaining term of the vacating director. Resolution of the Board of Directors meeting on the appointment of the replacement director shall consist of at least three-fourths of the total number of the directors who remain on the Board of Directors.

6. The general meeting of shareholders may resolve on the removal of any director from the office before the end of the term by a vote of no less than three-fourths of the total number of shareholders who are present at the meeting and are entitled to vote, and the aggregate number of votes shall not be less than one half of the total number of shares held by shareholders present at the meeting and entitled to vote.

9.3.2 Composition and appointment of independent directors

The Board of Directors will have the preliminary review of the qualifications of persons who will be appointed independent directors of the Company. These shall include qualifications and prohibited characteristics of directors pursuant to the Public Company Limited Act, the law on securities and exchange, the notifications of the Capital Market Supervisory Board and notifications, regulations and/or rules that may be relevant. In addition, the Board of Directors will select independent directors based on their expertise, work experience and other attributes before proposing the nominated candidates to the general meeting of shareholders for consideration and appointment to the Board of Directors. The Company has the policy to appoint independent directors in the minimum ratio of one-third of the total number of directors in the Board of Directors and a minimum of three independent directors.

Qualifications of Independent Directors

1. holding no more than one percent of the total voting shares of the Company, parent company, subsidiary, associate company, or juristic persons with possible conflict of interests, including shares held by the connected persons of such independent director.
2. not being or having been an executive director, employee, staff, adviser earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, or juristic persons with possible conflict of interests unless any

of these characteristics has ended for at least two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.

3. not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. not having or having had a business relationship with the Company, its **parent company**, subsidiary, **associate company** or persons with possible conflict of interests in a manner that may interfere with independent discretion, which includes not being or having been a major shareholder, directors who are not independent or executives of persons having business relationship with the Company, its parent company, subsidiary, associate company or juristic person with possible conflict of interests unless any of these relationships has ended for at least two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.
5. not being or having been an auditor of the Company, its parent company, subsidiary, associate company or juristic persons with possible conflict of interest and not being a major shareholder, directors who are not independent, executives or managing partners of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, juristic person with possible conflict of interests, unless any of these relationships has ended for not less than two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.
6. not being or having been a provider of professional services, which includes serving as a legal adviser or financial adviser in consideration of a service fee of more than two million baht per year paid by the Company, its parent company, subsidiary, associate company, persons with possible conflict of interests, and not being a major shareholder, directors who are not independent, or managing partners of such provider of professional services, unless any of these relationships has ended for not less than two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.
7. not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a major shareholder.
8. not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a partner having a material interest in a partnership, or an executive director, employee, staff, adviser earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary.
9. not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company.

9.3.3 Composition and appointment of the Audit Committee

The Board of Directors of the Company appoints the Audit Committee which comprises at least three independent directors who shall have the qualifications required under the law on securities and exchange including notifications, regulations and/or rules of the Stock Exchange of Thailand. Independent directors who are members of the Audit Committee shall also have the following additional qualifications:

1. Not being the director assigned by the Board of Directors to make any decision regarding the business of the Company, its parent company, subsidiary, associate company or subsidiary in the same rank or juristic persons with possible conflict of interests;
2. Not being the director of the parent company, subsidiary or subsidiary in the same rank only with respect to listed companies;
3. Being knowledgeable and experienced to discharge the duties as the member of the Audit Committee. At least one member of the Audit Committee shall have knowledge of accounting and finance matters to review the reliability of financial statements;

Each member of the Audit Committee shall have a term of office of three years which is equivalent to the term of office of a director.

9.3.4 Recruitment of Chief Executive Officer

In the absence of the Nomination and Remuneration Committee, the Board of Directors has the duties to recruit and appoint a Chief Executive Officer in accordance with the following criteria:

1. General qualifications, expertise and experience of candidates in accordance with the criteria determined by the Board of Directors;
2. The Chief Executive Officer and the Chairman of the Board of Directors shall not be the same person;
3. There is a clear separation between roles, powers and duties of The Chief Executive Officer and those of the Chairman of the Board of Directors to create a check and balance between management and corporate governance;
4. The Board of Directors determines the scope of powers and duties including objectives of the Chief Executive Officer and shall conduct an annual evaluation of the performance of the Chief Executive Officer.

9.4 School Management Structure

The school management structure for schools whose licences are held by the Company is as follows:

9.4.1 Executive Committee

The School Charter of the schools whose licences are held by the Company provides that the Executive Committee of the school shall comprise: the licensee, the School Manager, the School Director, representatives of teachers and parents and at least two expert members to comply with Section 30 of Private Schools Act, B.E. 2550 (2007) as amended in 2011 (Private Schools Act No. 2). The School Charter of schools operated by the Group provides the following required qualifications of members of the School Executive Committee:

1. Having Thai nationality;
2. Being at least 25 years old;
3. Having knowledge and experience that is suitable for the business of the school;
4. Having allegiance to the constitutional monarchy of Thailand;
5. Displaying decent behaviour that is socially acceptable;
6. Not being bankrupt, incompetent or quasi-incompetent;
7. Not having been imprisoned by final judgement except for offences committed by negligence or petty offences;
8. Being determined to work for the business development of the school and devoting time to manage the school.

Members of the Executive Committee who are the licensee, School Manager and School Director shall have the qualifications under (1) to (8) while members who are representatives of teachers and parents and expert members of the committee shall have the qualifications under (2) to (8).

Recruitment and appointment of members of the School Executive Committee

Criteria and methods of recruiting members and election of the Chairman of the Executive Committee, term of office and vacation from the office shall be provided under the School Charter of each school.

- The Licensee, School Manager and School Director shall be ex officio members of the School Executive Committee which shall be appointed by the Board of Directors of the Company.

- The Representatives of teachers and parents and expert members shall be members by appointment. The licensee shall appoint a recruitment committee to be responsible for recruiting knowledgeable and experienced candidates to be appointed representatives of teachers and parents and expert members and propose the candidates for election by the licensee in the required number.

- The recruitment committee shall be appointed by the Board of Directors of the Company to have the duties to recruit knowledgeable and qualified candidates from representatives of teachers and parents and expert members to be appointed by the Board of Directors in accordance with the School Charter. Currently, the recruitment committee comprises three members as follows:

- | | |
|-----------------------------|---------------------------------------|
| - Mr. Yew Hock Koh | Chairman of the recruitment committee |
| - Mr. Chatrapee Tantixalerm | Member |
| - Ms. Trithip Sivakriskul | Member |

Term of office of the School Executive Committee

Members of the School Executive Committee who are representatives of teachers, representatives of parents and expert members shall have the term of office of three years. Members who have retired from the office may be reappointed. Members of the School Executive Committee shall vacate the office upon:

1. Death;
2. Resignation;
3. Removal from office by a resolution of the School Executive Committee by a vote of more than half the total number of members of the Executive Committee present at the meeting by reason of a breach of duty, failure of good behaviour or having caused damage to the business of the

- school or failure to comply with the requirements of the Executive Committee meeting imposed by the Executive Committee under the notifications on requirements and methods of recruitment;
4. Lacking qualifications required for the members of the School Executive Committee;
 5. Lacking qualifications required for the particular type of member of the committee

If the member of the Executive Committee who is a representative of teachers or a representative of parents and expert member vacates the office before the end of the term, the person appointed to fill the vacancy shall remain in office only for the term equivalent to the remaining term of the member who vacated the office. Upon expiry of the term, the replacement member shall remain in office as long as there is no appointment of a new member until a new member can be appointed.

Scope of powers, duties and responsibilities of the School Executive Committee

The School Executive Committee shall have the duty to supervise the operation of the school to comply with the law, rules, regulations, notifications, orders and policies of the Ministry of Education and be subject to the scope of powers, duties and responsibilities provided under the Authority Table of the school. Details of the scope of powers, duties and responsibilities of the School Executive Committee are as follows:

1. To issue rules and regulations of the school;
2. To approve policies and plans for the education development of the school;
3. To advise on the school management, human resources, work plans, budgets, academic matters and activities of students, buildings and relationship with the community;
4. To supervise and put in place a quality assurance system in the school;
5. To monitor, audit and evaluate performance of the School Director;
6. To express opinion on one or several financial borrowings with the aggregate value of more than 25 percent of the asset value of the formal education school at the time and propose a practical alternative to the formal education school if the School Executive Committee does not approve the borrowing except in case where it considers that the borrowing is not for the benefit of the school operations;
7. To approve the determination of tuition fee rates and such other fees of the school;
8. To approve the annual report, annual financial statements and appointment of auditor;
9. To consider complaints of teachers, parents and students;
10. To approve the proposed amendments to items under the School Charter;
11. To approve the proposed amendment to items relating to the school business;
12. To arrange to have school accounts audited and opinion expressed on the financial statements of the school within 120 days from the end of the financial year in accordance with the requirements and methods determined by the OPEC;
13. To approve distribution of benefits from the operations of the school to the licensee;
14. To appoint a sub-committee to perform any tasks required in the operations of the school as may be assigned by the School Executive Committee;

15. To approve Power of Attorney of the school;
16. To participate in the inspection of current conditions, problems and requirements of the school and to prioritise the problems that need solutions;
17. To approve and certify the annual working plan;
18. To participate in the evaluation of performance against the determined strategies;
19. To attend meetings on work progress and challenges and to approve work products of the school and give recommendations on the school missions.
20. To provide resources to support the operations of the school and to promote its reputation and prestige;
21. To review and have profound understanding of the Private Schools Act, B.E. 2550 (2007) and regulations of the Ministry of Education on the protection of school principals and teachers of private schools, B.E. 2542 (1999) including guidelines on education reform of the Ministry of Education and quality of education of the Office for National Education Standards and Quality Assessment (Public Organisation) in order to identify directions for provision of education for the nation and for the school.

The scope of powers, duties and responsibilities of the School Executive Committee under Clause 1 – 13 are provided under the Private Schools Act, B.E. 2550 (2007) as amended in 2011 (Private Schools Act No. 2).

9.4.2 School Management

Scope of powers, duties and responsibilities of the management

The school management has the powers, duties and responsibilities determined and assigned by the School Executive Committee and subject to the scope of powers, duties and responsibilities provided under the Authority Table of the school. Details of scope of powers, duties and responsibilities of the school management are as follows:

1. To be responsible for the management of matters that are the normal course of business of the school, determine policies, direction and strategies for the business operations of the school, determine the financial plan, budgets, management of human resources, investment in information technology and public relations of the school for proposal to the School Executive Committee for consideration and approval and/or consent and to audit and monitor the operations of the school to ensure compliance with the policies;
2. To conduct the business of the school in accordance with the objectives, regulations, rules, requirements, orders and resolutions of the School Executive Committee and/or resolutions of the Board of Directors of the licensee;
3. To approve material investments that are specified in the annual budget under the Authority Table of the school;

4. To consider the profit and loss of the school and to provide this information to the School Executive Committee;
5. To determine salary structures and select employees at managerial level who do not hold any executive position, to provide staff training, promote, hire, relocation, determine wages, remunerations and bonuses for employees at managerial level who do not hold any executive position including termination of employment.

For employees of the school who do not hold an executive position, the School Management shall: determine salary structures, wage rates, remuneration rates and bonuses, hire, relocate, train and promote staff and have the right to terminate employment. The School Director may be the authorised representative of the school to execute the relevant employment agreements.

6. To consider other matters as may be assigned by the School Executive Committee. Such delegation of power shall not be such that the delegation of power or sub-delegation thereof will allow the school management or any person delegated by the school management to approve transactions in which they or any other person with possible conflict of interests will have an interest or a possible conflict of interests with the school.

9.4.3 Representative of Licensee

Qualifications of the Representative of Licensee

The Representative of Licensee shall have the duty to represent the school and shall be qualified and shall not have prohibited characteristics under Section 21 of the Private Schools Act, B.E. 2550 (2007) as amended in 2012 (Private Schools Act No. 2). Details are as follows:

1. Having Thai nationality;
2. Being at least 20 years old;
3. Having completed a minimum of a bachelor's degree;
4. Displaying decent behaviour and morals
5. Having allegiance to the constitutional monarchy of Thailand;
6. Not being bankrupt;
7. Never having been dismissed from government services because of an offence unless such dismissal was at least two years before the date on which the licence was applied for to established formal schools;
8. Never having had a school establishment licence revoked unless the revocation was at least two years before the date on which the licence was applied for to establish formal schools;
9. Not being incompetent or quasi-incompetent;

10. Never having been imprisoned by a final judgement and having been discharged from the imprisonment for less than five years before the date on which the licence was applied for to establish formal schools except in case of offences committed by negligence or petty offences.

Scope of powers, duties and responsibilities of the Representative of Licensee

The Representative of Licensee shall have the duty to represent the school in entering into transactions with third parties as the School Executive Committee and/or the Board of Directors may assign. Details of powers, duties and responsibilities of the Representative of Licensee are as follows:

1. To be a legal representative of the school in entering into transactions with third parties by signing and affixing the school's seal;
2. To be the authorised signatory of the school to sign and affix the school's seal to bind the school, and to appoint any other person to carry out business of the school under the powers and duties of the Representative of Licensee in entering into transactions with third parties or to sign any documents issued in the name of the school. Such delegation of powers may be done by issuing a Power of Attorney to delegate such powers for a certain period of time as it may consider appropriate. The Representative of Licensee may terminate, revoke, vary or amend the delegation of power under such Power of Attorney from time to time. The Power of Attorney shall be considered and approved by the school Executive Committee.
3. To assume the position of senior executive of the school in:
 - attending meetings and providing input to the school's team of senior executives;
 - participating in all business solutions and school activities;
 - preparing reports and assisting the school's team of senior executives
4. To assume the position of senior executive of the Company in:
 - being responsible for the school business as may be assigned by the Board of Directors

9.4.4 School Manager

Qualifications of School Manager

The School Manager shall have the qualifications that comply with the OPEC regulations on qualifications, requirements and methods of appointing school managers, B.E. 2551. Details of the required qualifications of the School Manager are as follows:

1. Having Thai nationality;
2. Being at least 20 years old;
3. Having completed a minimum of a bachelor's degree;
4. Displaying decent behaviour and morals
5. Having allegiance to the constitutional monarchy of Thailand;
6. Not being bankrupt;

7. Never having been dismissed from government services because of an offence unless such dismissal was at least two years before the date on which the School Manager is appointed;
8. Never having had the school establishment licence revoked unless the revocation was at least two years before the date on which the School Manager is appointed;
9. Never having been imprisoned by a final judgement except in case of offences committed by negligence or petty offences and having been discharged from the imprisonment for no less than five years before the date on which the School Manager is appointed;
10. Not having any diseases prescribed under the regulations of Office of the Teacher Civil Service and Educational Personnel Commission

Scope of powers, duties and responsibilities of the School Manager

The School Manager shall be responsible for and supervise activities that are within the scope of its duties which shall include: financial matters, student admission and reception of the school's customers, communication, customer service and management of the school shops subject to the scope of powers and duties provided under the school Authority Table and shall have other duties required under the Private Schools Act. Details of powers, duties and responsibilities of the School Manager are as follows:

1. Financial Matters

- Being responsible for the school's budget¹⁾
- Being responsible for financial matters, budgeting and general administration and being responsible for putting in place accounting systems and data preparing daily books and records, classified accounts, trial balance and financial reports (statements of financial position, statements of income and expense, cashflows and notes to financial statements) in accordance with the law on accounting¹⁾
- Supervising the finance employees of the school;
- Following up on payments of tuition fees and extracurricular fees;
- Ensuring compliance with the budget set for roadshows and activities

2. Admissions and Receptions

- Greeting visitors of the school and displaying a good image of the student admission department: ;
- Responding to questions and providing information on curricula and extracurricular activities, distributing maps, brochures, newsletters and such other relevant information;
- Ensuring application forms are filled correctly and completely;
- Supervising interviews with students and the selection process and preparing appropriate records and facilitating appointments;
- Compiling name lists and information on student admissions for normal reporting and/or special reporting purposes;

- Updating the student database as may be necessary to ensure data is accurate and up-to-date.
3. Communications
 - Collaborating with the communication team of the school to promote confidence in the SISB brands;
 - Providing support to the School Director in maintaining SISB logos;
 - Participating in roadshows and promotional activities/ commercial activities to support the school;
 - Participating in the preparation of school newsletters for students and parents and ensuring that all social networks of the school are always up-to-date;
 - Planning and carrying out extracurricular activities according to the calendar and community activities
 4. Customer Services
 - Supervising work to meet the demand of customers and providing excellent customer services to promote the good image of the school;
 - Responding to questions and providing information for customers and handling complaints of customers (if any);
 - Coordinating between parents and the school management and giving timely recommendations to senior executives on the overall improvement of quality of customer services;
 - Promoting professional development and training to enhance customer service quality
 5. Management of School Shops
 - Managing and supervising shop staff;
 - Supervising and managing school shops' inventory to ensure inventory is up-to-date and can meet the demand;
 - Checking stocks of goods and shop products
 6. To assume the position of senior executive of the school in:
 - attending meetings and providing input to the school's team of senior executives;
 - participating in all business solutions and school activities;
 - preparing reports and assisting the school's team of senior executives
 7. To be responsible for general administration of the school including other duties relating to the management of the school in accordance with the School Charter, rules and regulations and to have other duties provided under the Private Schools Act.

Note: ¹⁾ being duties provided under the Private Schools Act, B.E. 2550 (2007) as amended in 2011 (No. 2 of Private Schools Act)

9.4.6 School Director

Qualifications of School Director

The School Director shall be a Thai national and shall have qualifications in accordance with, and does not have prohibited characteristics provided under the Act on Council of Teachers and Education Personnel, B.E. 2546 (2003) and School Director shall be able to work fulltime for the formal education school

1. Qualifications

- Being at least 20 years old;
- Having completed an academic degree or equivalent or having such other academic qualifications certified by the Teachers Council of Thailand;
- Having completed teaching in educational institutions in accordance with academic curricula for at least one year and passed the assessments in accordance with the requirements, methods and conditions determined by the committee of the Teachers Council of Thailand

2. Prohibited Characteristics

- Displaying failure of good behaviour or good morals;
- Being incompetent or quasi-incompetent;
- Having been imprisoned for offences considered by the Teachers Council of Thailand as disgrace to the integrity of the profession

Scope of powers, duties and responsibilities of the School Manager

The School Director shall be responsible for the academic work of the school including its activities and education systems required by the government and all relevant laws and regulations and shall have the duties to supervise and ensure that the school complies with its policies, philosophy and objectives. Details of powers, duties and responsibilities of the School Director are as follows:

1. Academic work

- Ensuring the provision of education in the context of an international school which complies with the Private Schools Act;¹⁾
- Being responsible for the academic work of the school;¹⁾
- Ensuring that the school provides education on the Thai language and history to comply with the regulations of the Ministry of Education;
- Providing documentation to comply with the requirements of the government and SISB;
- Reviewing annual documents and reports;
- Attending meetings with the Ministry of Education as may be necessary;
- Representing the school in meetings with ONESQA

2. Supervision of teachers and education personnel

- Appointing and terminating teacher and education personnel contracts including school staff in accordance with the regulations determined by the Executive Committee¹⁾

- Supervising teachers, education personnel and students of the school;
 - Preparing records of teachers, education personnel, staff, students and other such documents relating to the provision of education in accordance with the regulations of the committee;¹⁾
 - Preparing evidence of education assessment in accordance with the regulations of the committee;¹⁾
 - Inspecting and ensuring that all staff have the required qualifications for the purpose of applying for visas and work permits;
3. Supervision of offsite education/ school trips
- Ensuring permits are obtained from the regulating authority for the purpose of school trips;
 - Ensuring that education personnel of the school (teachers, nurses, drivers, etc.) are aware of matters relating to offsite education/ school trips;
 - Providing regular reporting channels during offsite education/ school trips
4. Compliance with the law on construction of new buildings
- Giving recommendations relating to new buildings and ensuring compliance with the law;
 - Ensuring compliance with the requirements of the number of classrooms and number of students;
5. Safety compliance
- Ensuring consistent security and safety checks for the school;
 - Giving advice on the safety to teachers and students
6. To assume the position of senior executive of the school in:
- attending meetings and providing input to the school's team of senior executives;
 - participating in all business solutions and school activities;
 - preparing reports and assisting the school's team of senior executives
7. To perform other duties relating to academic matters in accordance with the rules and regulations of the government including the School Charter, policies, rules and regulations and other duties provided under the Private Schools Act¹⁾

Note: ¹⁾ being duties provided under the Private Schools Act, B.E. 2550 (2007) as amended in 2011 (No. 2 of Private Schools Act)

9.4.7 Scope of powers, duties and responsibilities of The Head of School Executives

1. Prepare a short-term and long-term strategic plan for the education requirements of the school including an annual education budget to be proposed to the School Executive Committee;

2. Be responsible for the learning and well-being of students and personnel and the leadership of academic supporting staff including all aspects of day-to-day academic management and activities;
3. Be responsible for the day-to-day business operations of the school and develop a work system of the school, create an appropriate and safe learning environment that is multicultural to concretely correspond with the school's vision, missions and goals of providing education;
4. Be responsible for marketing, public relation efforts, promotion and development of the school in accordance with the strategic plans of the school and promote public relation efforts for the school both internally and to the public;
5. Supervise the student admission process and ensure that students are selected and admitted in accordance with the student admission policies and the school's intentions;
6. Ensure that students have access to advice and consultations on education, personal and vocational matters, matters relating to higher education, promote culture of co-accountability regarding the social and emotional well-being of all students;
7. Manage teaching human resources and supporting staff to ensure they are adequately and appropriately qualified to effectively and professionally meet the requirements of teaching in all fields of study;
8. Inspect work systems and school property to ensure they are sufficient and appropriate to effectively provide support to the learning of students and to be qualified under the requirements of relevant regulatory authorities and international safety standards;
9. Manage teaching and learning to properly comply with the curricula and to continuously develop curricula to create a diversity of learning experiences in line with the multicultural environment of the school and the Thai culture.

9.5 Governance and management of schools whose licences are held by the Company

The Company determines policies for the governance and management of schools whose licences are held by the Company and/or its subsidiary. The objectives of these policies are to allow the Company to supervise the management of the schools to ensure that they have complied with the provided measures and mechanisms. The Company also requires that directors, executives and/or employees appointed by the Company and/or its subsidiary to hold the position of a member in the Executive Committee of the schools and/or the school executive shall sign an acknowledgement of the governance and management policy. Details of the school governance and management policy are in the following paragraphs.

Any transactions or actions that are material or have an impact on the financial position and operating results of the schools require approval from the Board of Directors or from the general meeting of shareholders of the Company (as the case may be). In order to proceed with the transaction or actions, the Board of Directors of the Company shall hold a meeting of the Board of Directors and/or the general meeting of shareholders to consider and approve to enter into such transactions or actions. In this regard, the Company shall make any relevant disclosure of information and shall comply, *mutatis mutandis*, with the rules, regulations, procedures and methods relevant to the matters to be approved as may be required by the Public Company Limited Act, the law on securities and exchange

and other relevant laws, notifications, regulations and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

1.1 The following transactions or actions of the school shall require approval from the Board of Directors of the Company:

- (1) Appointment or nomination of persons to the School Executive Committee for each school the majority membership of which shall comprise directors or executives of the Company. To the extent this policy or the Board of Directors of the Company shall determine otherwise, the directors or executives appointed or nominated by the Company shall have the discretion in making any decision at the meeting of the School Executive Committee on matters relating to the general management and the conduct of the business of the school for the best interest of the Company and the school;
- (2) Approval for payment of annual or interim dividends (if any) or the distribution of profits of the school;
- (3) Amendments to the regulations or the School Charter;
- (4) Consideration and approval for the annual budget of the school unless otherwise provided under the Delegation of Authority;
- (5) Appointment of auditor of the school only where such auditor does not report to the audit firm which is a full member in the same firm with the Company's auditor which is inconsistent with the auditor appointment policy of the Company (i.e. auditor of the school must report to the same audit firm used by the Company)

Items (6) to (9) below shall be considered material and would have a material impact on the financial position and operating results of the school if they are entered into. Therefore, prior to the meeting of the School Executive Committee and before any members of the Executive Committee appointed by the Company may vote on any of the above matters, the prior approval from the Board of Directors of the Company shall be obtained in accordance with the requirements about the calculation of the size of transaction in comparison with the characteristics and/or the size of the Company. For this purpose, the requirements about the calculation of transaction size under the regulations on the connected transactions or the notification on the acquisition or disposal of material assets (as the case may be) shall apply *mutatis mutandis*, to the extent that such matters require approval from the Board of Directors of the Company.

- (6) If the school agrees to enter into transactions with any connected person of the Company or of the school or transactions that relate to the acquisition or disposal of assets of the school which shall include, without limitations, the following:

- a) Transfer or relinquishment of rights including waiver of any claims against persons who cause damage to the school;
 - b) Sale or transfer of the entire business of the school or the material part thereof to a third person;
 - c) Purchase or acceptance of transfer of business of other schools to the school;
 - d) Entry into, amendment to or termination of agreements relating to the lease of the entire or material part of the school business, the delegation of other third parties to manage the school business or the merger of the school business with other parties with the aim of sharing profit and loss;
 - e) Lease or hire-purchase of the entire or material part of the school business or assets
- (7) Borrowing, lending, giving credits, suretyship or entering into transactions to cause the school to assume additional financial burden or to provide financial assistance in such other matters to other parties in material amount and which is not in the normal course of business of the school except for the loans between the Company and the school or loans among schools the licences of which are held by the Company or its subsidiaries;
- (8) Dissolution of school business;
- (9) Such other transactions which are not the normal business of the school and have material impact on the school

1.2 Before the school can enter into any of the following transactions, approval from the general meeting of shareholders by resolution of at least three-fourths of the total voting rights of shareholders present at the meeting and entitled to vote shall be required:

- (1) The school agrees to enter into a transaction with the connected party of the Company or of the School or transaction relating to the acquisition or disposal of assets of the school to the extent where the size of such transaction, when compared to the characteristics and/or size of the Company (by applying *mutatis mutandis* the requirements about the calculation of transaction size under the regulations on the connected transactions or the notification on the acquisition or disposal of material assets (as the case may be) to the extent that such matters require approval from the general meeting of shareholders);
- (2) Dissolution of the school business to the extent that when the size of business is calculated for the dissolving of the school in comparison with

that of the Company such dissolution would require approval from the general meeting of shareholders of the Company (by applying *mutatis mutandis* the requirements about the calculation of transaction size under the regulations on the acquisition or disposal of material assets (as the case may be) to the extent that such matters require approval from the general meeting of shareholders);

- (3) Such other transactions which are not the normal business of the school and have material impact on the school (by applying *mutatis mutandis* the requirements about the calculation of transaction size under the regulations on the acquisition or disposal of material assets.
- 1.3 The Board of Directors of the Company shall monitor compliance of the School Executive Committee with duties and responsibilities, the law, Articles of Association and policies of the Company;
- 1.4 The Board of Directors of the Company shall ensure that the school puts in place an internal control system, risk management system and a system to prevent corruption and shall determine appropriate measures to effectively monitor operations of the school to ensure that they are truly and continuously in compliance with work plans, budgets and policies of the Company including relevant laws and notifications on good corporate governance of listed companies and notifications, regulations and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Board of Directors shall also ensure that the school disclose to the Company the information on its financial position and operating results, connected transactions and transactions with possible conflict of interests, acquisition or disposal of material assets and other material transactions to comply with the requirements of the corporate governance of the school and with the relevant rules and notifications of the Capital Market Supervisory Board and the notifications of the Board of Governors of the Stock Exchange of Thailand, as may be amended from time to time.
- 1.5 The Company shall ensure that the members of the School Executive Committee who are the representatives of the Company attend every meeting of the School Executive Committee and exercise their votes in accordance with the requirements of the Company for matters which are material for the business of the school.
- 1.6 The School Executive Committee or its related persons may only enter into transactions with the school when such transactions are approved by the School Executive Committee except for transactions on an arm's length basis and the terms and conditions of which have already been approved by the School Executive Committee or are in compliance with the principles approved by the School Executive Committee.
- 1.7 Directors and executives appointed to the School Executive Committee shall have the following duties:

- (1) Prepare an internal control system and such other work systems as may be necessary and determine measures to be used in monitoring school operations and provide channels through which directors and executives of the Company can access information on the school for monitoring purposes such as information relating to the financial positions and operating results of the schools, connected transactions and transactions with possible conflict of interests and an acquisition or disposal of material assets to ensure that the Company has complete, accurate and timely access to information consistent with the monitoring measure by the Company under clause 1.4
- (2) Disclose and submit to the School Executive Committee reports on any interests that the directors or executives including their related persons may have in connection with the relationship and transactions that are expected to create any conflict of interests with the school. Directors and executives appointed by the Company to be tasked with controlling the operations of the school shall report the matters to the Board of Directors within the timeframe required by the Company. This is to allow the Company to have supporting information for its consideration and approval process, taking into consideration the interests of the overall Group. Directors and executives shall not be involved in any matters in which they have a conflict of interests.

The following acts shall cause the directors and executives appointed by the Company to the School Executive Committee or their related persons to have other financial benefits than which they should normally be entitled to or may cause damage to the Group. Consequently, the following acts shall be presumed to be materially in conflict with the interests of the school

- (a) Transactions between the school and the directors and executives appointed to the School Executive Committee or their related persons that are inconsistent with the requirements about connected transactions;
 - (b) The use of inside information of the school;
 - (c) The use of assets or business opportunity of the school in manners that are in breach of the general requirements or practice provided by the Capital Market Supervisory Board
- (3) Regularly report to the Company on the business plans, business expansion plans, material investment projects or investments with other business operators in accordance with the requirements of the Board of

Directors of the Company and provide clarifications and/or submit documents as may be requested by the Company;

- (4) Clarify and/or submit information or documents or evidence to the Company as may be requested.

9.6 Corporate governance of subsidiaries and associate companies

The Company will invest in companies that have similar business objectives with the core business of the Company or in business that is similar to or may support the business of the Company which would result in increased operating results or profits. Alternatively, the Company may invest in any synergy which may support the core business of the Company and enhance its competitiveness. The Board of Directors may consider an investment in other business than the core business or other business of the Company if it considers that such business has the potential and would be beneficial for the Company and the shareholders in general.

Corporate governance of subsidiaries and associate companies involves sending directors or executives who are qualified and experienced which are appropriate for the business operation of the subsidiary and associate companies to represent the interest of the Company in managing the business of such subsidiary and associate company. The Company's representatives in subsidiaries and associate companies will also determine material policies and control business operations of subsidiaries and/or associate companies. They will determine corporate governance mechanisms by putting in place the requirements about the disclosure of financial information, acquisition and disposal of assets and connected transactions entered into with such subsidiaries by applying the relevant requirements about disclosure of information and required actions to be consistent with the requirements of relevant regulatory authorities. The Company's representative directors shall perform duties of supervising the management of subsidiaries and/or associate companies to comply with the policies determined by the Company through adequate and appropriate internal control. They are also required to use their discretion to comply with the resolutions of the Board of Directors Meeting and/or the general meeting of shareholders on material matters of subsidiaries and/or associate companies for the best interest and for the sustainable growth of the Company.

9.7 Use of Inside Information

To achieve transparency and to prevent the abuse of inside information of the Company for personal benefits and to avoid any accusations against the Company regarding the securities trading by its insiders, the Company issues the following regulations to require its directors, executives and employees to comply with:

1. Directors, executives, staff and employees of the Company are prohibited from disclosing or using confidential information and/or inside information of the Company for their own personal benefits or for the benefits of any other persons, either directly or indirectly, and regardless of whether they would have received any considerations;
2. Directors, executives, staff and employees of the Company including their spouses and minor children are prohibited from using inside information of the Company which may be price sensitive in the purchasing, selling, offering to purchase or to sell or soliciting the purchase, sell or offer to purchase or to sell securities of the Company, either directly or indirectly prior to such inside information becoming public regardless of whether such act is for the personal benefits or for the benefits of any other persons. Any persons in breach of this regulation on the use of

inside information shall be liable for punishment in accordance with the disciplinary measures of the Company.

3. The Company has informed its executives about their obligations to report their holding of securities in the Company, including securities holding of their spouse and minor children, and to report on any changes thereto to the Office of the Securities and Exchange Commission pursuant to Section 59 and relevant sanctions under the Securities and Exchange Act (No. 5), B.E. 2559.
4. The Company has imposed a silent period where directors and executives of the Company including their spouses and minor children are prohibited from trading securities of the Company during a period of one month before the financial statements of the Company are disclosed to the public.

The Company will inform its directors, executives, staff and employees of the above prohibition.

9.8 Auditors' Fees

As the financial year 2018 ended on 31 December 2018, the Company paid an audit fee of THB 3,165,000 to its auditor, EY Company Limited for the audit and review of interim financial statements on a standalone basis, including financial statements of its subsidiaries and schools whose licences are held by the Company including its Joint Venture and on a consolidated basis. There are no other fees paid to the auditor, audit firm and persons or business relating the auditor or audit firm other than such audit fee.

9.9 Compliance with other good corporate governance principles

N/A

10. Corporate Social Responsibility

The Company conducts its business in accordance with the principles of good corporate governance having regards to the development of the quality of teaching, human resources development and environmental and social responsibility. The Company values balance between business profitability and giving back to society and therefore sets out the following concrete practices of corporate social responsibility:

1. Fair Operating Practices

The Company adheres to fair operating practices within the competition framework based on fairness and equality. The Company sets out these fair operating practices in its Code of Conduct which have due regards to the accountability of the Company to all relevant stakeholders including shareholders, employees, teachers, business partners, creditors, students and their parents, competitors, the community and society. The Code of Conduct requires the Company to adhere to the following principles:

1. Trust and reliability;
2. Respect for others;
3. Communication that is in good faith and open;
4. Example from leaders;
5. Compliance with laws;
6. Avoidance of conflict of interests;

7. Accurate reporting;
8. Honesty; and
9. Fair treatment for shareholders

2. Anti-Corruption

The Company adheres to the principle of integrity, transparency and anti-corruption policy in its business conduct. It has a fair and equality practice and recognises the importance of the prevention of corruption both within and outside the organisation. It requires all of its employees to comply with the law and adhere to ethical practice.

There are two key anti-corruption practices: transparency and participation.

Transparency

1. The Company adopts an open and straightforward working procedure.
2. Members of the organisation are welcome to have access to information.
3. Members of the organisation are informed of every work and activity process.
4. Members of the organisation can participate in the audit of the organisation.

Participation

1. Interested persons can participate in acknowledging and understanding problems, expressing views and proposing relevant key issues.
2. Interested persons can brainstorm to identify solutions and participate in the decision-making process.
3. Interested persons can participate in the development of the organisation as a partner of development. Relevant practices are as follows:
 - To promote awareness, values and attitudes of compliance with honesty;
 - To put in place an effective and efficient internal control system to create check and balance to prevent corruption by employees or involvement in any corruption;
 - To prohibit directors, executives and employees from doing anything to the effect of demanding or accepting properties or any other benefits for themselves or for others to incentivise the unlawful practices or undue omission of duties or practices which may cause damage to the interests of the Company;
 - To prohibit directors, executives and employees from giving or offer to give properties to any other persons to incentivise them to do or omit to do anything that is unlawful or that is an abuse of power.

The Company makes available channels for complaints, opinions and whistleblowing in case there is any unlawful act or corruption that relates to the Company both directly and indirectly, including practices that are inconsistent with the standards and practices of the Company or that may have

an impact on the internal control system of the Company such that it may be a possible act of corruption and may have a possible impact on the reputation of the Company.

In addition, the Company also provides a whistleblower protection measure where whistleblowers will be protected equally regardless of their positions as directors, executives, employees or stakeholders. Whistleblowers may choose not to have their name disclosed. The Company will treat whistleblowers with equity and will protect them including those accepting complaints, persons who have complaints against themselves and any persons involved in the fact-finding process. The Company shall treat all information with confidentiality and will only make disclosure when it is necessary having due regards to the safety and possible damage of whistleblowers, those accepting complaints, persons who have complaints against themselves and any persons involved in the fact-finding process.

3. Respect for Human Rights

The Company recognises the importance of and respects human rights and will not do anything that will violate human rights of a person or any group of persons both directly or indirectly. In addition, the Company always values every employee as its key resource. Employees are treated with respect for their integrity and privacy. The Company always ensures a safe working environment for both the health and property of its employees.

4. Fair Treatment for Employees

The Company has a policy to treat all employees with fairness. Compensations are paid appropriately, timely and fairly. The Company also provides training to develop professional skills. Training on other subjects than professional development are also provided to promote better understanding of each aspect of work and to allow the employees to be able to integrate their skills in enhancing efficiency.

5. Responsibility for Students

- Students are in safe learning environments which promote multicultural and linguistic diversity developments.
- Students are encouraged to have academic excellence and an analytical mind. They should aspire to lifelong learning through teaching that is both intensive and creative and based on the good care of students.
- Students are supported and encouraged to achieve success in a trilingual environment. They will learn to develop a life skill that is necessary for their achievements and for their access to higher education in world-class universities of their preference.
- The Company promotes well-being of students through both curricular and extracurricular activities.
- The Company promotes professional development for all employees and encourage them to work with parents and their colleagues in developing a strong community.

6. Environment Preservation

The Company understands the importance of the energy and the environment in which it operates. It adopts an environmentally friendly approach to reduce pollution and preserve energy in improving its buildings and creating learning environments. These investments in environment preservation efforts are expensive but they prove to be worthwhile because they reduce the impact on the environment. The Company adopts energy saving schemes in the design and improvement of buildings to maximise efficiency. These include, for example, the design of buildings that allow good ventilation of air and the use of LED light bulbs for lighting systems in buildings to save energy costs. The Company also arranges green spaces around its buildings where students can enjoy their relaxation out of the classroom.

In addition, students are encouraged to have awareness for the environment and take part in preserving and improving it. Activities are organised to allow students to participate in caring for the environment of the school, to help with waste separation efforts and to use energy and resources with appreciation in order for them to apply this in their daily lives. This is also aimed at instilling a good sense of environmental preservation which will expand into to society and the community to create balance and sustainability.

7. Community and Social Development

The Company has always participated in community and social development activities. It organises activities to translate its corporate social responsibility to practice every year. It recognises the importance of the community around it, including those in remote areas. Activities done for the benefit of the community and the public are:

SISB Corporate Social Responsibility – English Learning (CSR-EL)

Singapore International School of Bangkok in collaboration with Phraram Nine Temple on Kanchanaphisek Road has organised the SISB Corporate Social Responsibility – English Learning (CSR-EL) every year since 2016 in which English is taught to students from primary 1 to primary 6 of Phraram Nine School free of charge to allow participating students to improve their communication skills and basic understanding of English. Classes in this project are taught by volunteer teachers and students.

We Give We Share

Singapore International School of Bangkok in collaboration with a group of parents organised 'We Give We Share' which has the objective to raise funds from donations including personal belongings and education materials to help communities and society in remote areas.

11. Internal Control and Risk Management

11.1 The Board of Directors' Opinion on the Sufficiency of Company's Internal Control System

At the Board of Directors meeting No.2/2018 on 22 February 2018 the Audit Committee consisting of all three members considered and assessed the sufficiency of the Company's internal control system. After consulting with Management they arrived at a conclusion on the five areas of the Company's internal control system which are:

1. Environment Control;
2. Risk Assessment;
3. Control Activities;
4. Information & Communication; and
5. Monitoring Activities

The Board of Directors was of the opinion that the internal control system of the Company is sufficient and appropriate. The Company provides sufficient human resources to effectively implement such internal control system to ensure that the business operations are transparent and comply with the principle of good corporate governance. In addition, the Company arranged for a monitoring system to prevent any unauthorised use of assets of the Company by the Company's directors or executives. It also put in place a sufficient internal control system in connection with transactions with persons with possible conflict of interests or connected persons.

11.2 Actions taken in connection with the internal control system

The Company has an Audit Committee to discharge the duties of auditing and ensuring that the Company, its subsidiary and schools whose licences are held by the Company and/or its subsidiary have a sufficient and effective internal control and internal audit system. The Audit Company also has the duty to review the operations of the Group to comply with the law on securities and exchange, the requirements of the Stock Exchange of Thailand and laws governing the business operations of the Group. The Audit Committee will meet at least every quarter to consider and ensure correct and sufficient financial reporting and disclosure of information. The Audit Committee will also consider related party transactions or transactions with possible conflicts of interest to comply with the law and the requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand. The Company's auditor also attended the Audit Committee meeting to give input and observations from the auditing of the Company's accounts.

To ensure that the internal control system of the Company, its subsidiary and schools whose licences are held by the Company and/or its subsidiary is efficient, the Company has engaged P & L Internal Audit Company Limited to audit the internal control system of the Company since 2015. The internal auditor prepared a report on the assessment and the audit of the internal control system of the Group and has reported the results consistently and directly to the Audit Committee every quarter. The Group has always corrected each function within the Group to comply with the recommendations of the internal auditor.

Upon its initial public offering and listing on the Stock Exchange of Thailand, the Group has a policy to engage an outsourced internal auditor to ensure that its internal control system is efficient.

11.3 Internal auditor's opinion on the internal control system

In 2018, the internal auditor inspected and monitored the main functions within the Group which comprise: management of revenue the cycle, management of fixed assets, general control of information technology and recommendations on improvements to enhance check and balance in all functions. This would result in continuous improvements to the quality of the Company's internal control system and lead to good corporate governance. The Company had already addressed each of the issues recommended by its internal auditor.

11.4 The auditor's observations on the internal control system

EY Company Limited (the "Auditor") is the auditor of the Group. The Auditor reported its observations and recommendations from its audit of the year-ended financial statements of the Company as of 31 December 2018. The Auditor reviewed the internal control system which relates to the preparation and presentation of financial statements of the Company which were considered necessary for the purpose of careful and appropriate scope of the audit work.

11.5 The Company's Head of Internal Audit

The Company has engaged P & L Internal Audit Company Limited which is an outsource service provider to perform the duties of auditing the internal control system of the Company since 2015. P & L Internal Audit Company Limited assigned its Vice-President of Operations, Ms. Wanwimol Jongsuriyapas to perform the duties of the Company's Head of Internal Audit. Details of the qualifications of the Company's Head of Internal Audit are as follows:

Internal Auditor	P & L Internal Audit Company Limited
Head of Internal Audit	Ms. Wanwimon Jongsuriyapas
Education	<ul style="list-style-type: none"> ▪ Bachelor's Degree in accountancy 2006, Dhurakij Pundit University ▪ Internal Auditing Certificate Program – IACP by the Federation of Accounting Professions ▪ CPIAT by The Institute of Internal Auditors of Thailand (IIAT) ▪ Prepared Course for Certified Internal Auditor: Pre – CIA) by Chulalongkorn University
Relevant Trainings	<ul style="list-style-type: none"> ▪ Business Management for Internal Audit in Digital 4.0 by the Federation of Accounting Professions ▪ Clinic IA: Topic "Fraud Audit and Caution for Auditor" by The Institute of Internal Auditors of Thailand ▪ Clinic IA: Topic "COSO 2014" by The Institute of Internal Auditors of Thailand

The consideration of and approval for the appointment, removal from office and relocation of the Company's Head of Internal Auditor must be approved (or consented) by the Audit Committee. Details of the qualifications of the Company's Head of Internal Audit are in [Attachment 3].

12. Related Party Transactions

12.1 Nature of Relationship

The Company entered into related party transactions with persons with possible conflicts of interest which comprise shareholders and/or executives of the Company and its affiliated companies. Details of the nature of relationship can be summarised as follows:

Persons with Possible Conflict of Interests	Nature of Relationship
1. SISB-SIRI Company Limited (" SISB-SIRI ") <ul style="list-style-type: none"> - Operates the business of being the holder of a licence to establish Singapore International School Chiangmai 	<ul style="list-style-type: none"> - Being the Joint Venture in which each of the Company members and a group of businessmen in Chiangmai holds 50 percent of interests - Mr. Yew Hock Koh and Ms. Wilawan Kaewkanokvijit are the common directors.
2. Singapore International School Chiangmai	<ul style="list-style-type: none"> - International school whose licence is held by SISB-SIRI (Joint Venture)

Persons with Possible Conflict of Interests	Nature of Relationship
3. Am International Company Limited (“Am Inter”) <ul style="list-style-type: none"> - Operates the business of importing and exporting and distributing electronic parts 	- Mr. Yew Hock Koh and Ms. Nongnapha Thongmee are the common shareholders holding 49.00 percent and 39.00 percent of total issued shares respectively in AM Inter
4. Private Fund of relatives of the Company’s directors	- Private Fund of relatives of Mr. Chatrapee Tantixalerm who holds the position of Company Director
5. Mr. Yew Hock Koh	<ul style="list-style-type: none"> - Being the director and the Chief Executive Officer of the Company - Holding 308,720,000 shares representing 32.84 percent of total issued shares of the Company as of 31 December 2018
6. Ms. Wilawan Kaewkanokvijit	<ul style="list-style-type: none"> - Being the director and the Corporate Director of Admissions; - Holding 273,000,000 shares representing 29.04 percent of total issued shares of the Company as of 31 December 2018
7. Ms. Nongnapha Thongmee	- Holding 99,280,000 share representing 10.56 percent of total issued shares of the Company as of 31 December 2018

12.2 Details of Related Party Transactions

The followings are details of related party transactions of the Company for 2017 and 2018:

(1) Income from the sale of education materials

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
Singapore International School Chiangmai	Income from the sale of education materials	0.18	0.236	Singapore International School of Bangkok, Singapore International School Suvarnabhumi and Singapore International School Thonburi sold textbooks and school uniforms to SISB-SIRI for use at Singapore International School Chiangmai at cost plus margin which is the same price used in the sale of the products to other schools within the Group.
	Account Receivables	-	-	

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
				The Audit Committee considered and was of the opinion that the transaction would be beneficial for the schools within the Group and was reasonable.

(2) Other income

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
SISB-SIRI	Income from admission management fees	1.00	0.83	The Company provided advisory services to SISB-SIRI on the management and operations of school business which included accounts preparation and recruitment of education personnel. Service fees were charged with reference to the revenue and operating results of the schools managed by the Company. The Audit Committee considered and was of the opinion that the transaction would be beneficial for the schools within the Group and was reasonable.
	Accounts Receivable	0.23	0.36	

(3) Purchase of Equipment

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
AM Inter	Purchase of Equipment	0.36	0.08	Singapore International School of Bangkok and Singapore International School Suvarnabhumi purchased electronic appliances and cable cords from Am Inter for installation of CCTV, audio system, etc. for the Company and schools whose licences are held
	Accounts Payable	-	-	

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
				<p>by the Company. The purchase was a transaction with normal general commercial terms with a price that was in line with the market price.</p> <p>The Audit Committee considered and was of the opinion that the transaction would be beneficial for the schools within the Group and was reasonable.</p>

(4) Debtors and Creditors

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
Singapore International School Chiangmai	Account Receivable	0.15	0.05	<p>Transferred of enrolment fee from Singapore International School Chiangmai to Singapore International School of Bangkok. The transferred amount settled to Singapore International School of Bangkok is on March 25, 2019.</p> <p>The Audit Committee considered and was of the opinion that the transaction was reasonable.</p>

(5) Bills of Exchange

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
Private Fund of Relatives of the Company's Director	Beginning of the period	-	10.00	<p>During the period between 2017 and Q3/2018, the Company issued three tranches of Bills of Exchange each for a term of six months having the value of THB 150 million to be offered in a Private Placement:</p> <ol style="list-style-type: none"> Tranche 1/2017 was issued on 23 March 2017 and offered to seven investors totaling an amount of THB 150 million carrying an interest rate of 3.25 percent per year. The redemption date for this tranche was 25 September 2017. Tranche 2/2017 was issued on 2 October 2017 and offered to six investors totaling an amount of THB 150 million carrying an interest rate of 3.15 percent per year. The redemption date for this tranche was 3 April 2017. Tranche 1/2018 was issued on 3 April 2018 and offered to four investors totaling an amount of THB 150 million carrying an interest rate of 3.50 percent per year. The redemption date for this tranche was 3 October 2018. <p>The Private Fund invested in the three tranches of the Bills of Exchange each having the value of THB 10 million at a similar interest rate and under similar</p>
	Increased during the period	20.00	10.00	
	Repaid during the period	(10.00)	(20.00)	
	End of the period	10.00	-	
	Interest payable	0.24	0.26	
	Accrued interest payable	0.28	-	

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
				<p>terms and conditions to those of the other private funds.</p> <p>In 2018, the Group redeemed all the Bills of Exchange. As at the end of 2018, the Group did not have any Bills of Exchange left.</p> <p>The Audit Committee considered and was of the opinion that the transaction would be beneficial for the Company and that the interest rate and conditions on which the Private Fund invested in the Bills of Exchange were similar to those prescribed for other private funds.</p>

(6) Guarantee for loans

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
Mr. Yew Hock Koh	Credit facility Outstanding loans as at end of period	965.00 630.57	- -	<p>Mr. Yew Hock Koh pledged his ordinary shares in the Company (308,720,000 shares as of 31 December 2018) as a collateral and provided a personal guarantee for the loans obtained from commercial banks with no charge to the Company for such guarantee.</p> <p>The Audit Committee considered and was of the opinion that the guarantee would be beneficial for the Company due to the requirements to obtain loans from commercial banks and no fees were charged as consideration for the related party transaction.</p>

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2017	2018	
Ms. Wilawan Kaewkanokvijit	Credit facility	965.00	-	<p>Ms. Wilawan Kaewkanokvijit pledged her ordinary shares in the Company (273,000,000 shares as of 31 December 2018) as collateral and provided a personal guarantee for the loans obtained from commercial banks with no charge to the Company for such guarantee.</p> <p>The Audit Committee considered and was of the opinion that the guarantee would be beneficial for the Company due to the requirements to obtain loans from commercial banks and no fees were charged as consideration for the related party transaction.</p>
	Outstanding loans as at end of period	630.57	-	
Ms. Nongnapha Thongmee	Credit facility	965.00	-	<p>Ms. Nongnapha Thongmee pledged her ordinary shares in the Company (99,280,000 shares as of 31 December 2018) as collateral and provided a personal guarantee for the loans obtained from commercial banks with no charge to the Company for such guarantee.</p>
	Outstanding loans as at end of period	630.57	-	

12.2 Measures and procedures for approving related party transactions

The Company puts in place measures for related party transactions among the Company, its subsidiary and schools whose licences are directly held by the Company and/or its subsidiary. The Audit Committee will express its opinion on the necessity of the transactions, reasonableness and appropriateness of the price at which the transactions are entered into taking into consideration terms that are in line with the normal commercial market terms which are comparable to prices at which transactions would have been entered into with other third parties. For related party transactions in which the Audit Committee may not have expertise, the Company will obtain services from independent third party professional service providers such as auditors, asset appraisers or law firms to express

independent opinion on such related party transactions to assist with the decision making of the Audit Committee who shall propose the matter to the Board of Directors meeting or general meeting of shareholders for further consideration.

In addition, the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary put in place a measure to prohibit the executives or interested persons from being involved in the approval process for transactions in which they have either direct or indirect interest. The Board of Directors will also be required to ensure that the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary to comply with the laws on securities and exchange including rules, regulations, notifications, orders or the regulations of the Capital Market Supervisory Board and the requirements to make public disclosures for connected transactions or for the acquisition or disposal of material assets of the Company, its subsidiary and schools whose licences are directly held by the Company and/or its subsidiary, and with accounting standards prescribed by the Thailand Federation of Accounting Professions and shall disclose information of related party transactions in the notes to financial statements audited or reviewed by the Company's auditor.

12.3 Policies and tendency of related party transactions

The Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary may regularly enter into related party transactions which shall be in the normal course of business. Clear policy for related party transactions will be determined and require the transactions to be entered into on commercial terms and conditions according to the normal course of business that are similar to those provided for other transactions with non-related parties and/or companies such as sale of goods, rentals, provision or receipt of services, guarantees provided by major shareholders and/or directors. Related party transactions will be entered into on the basis of necessity for the business operations of the Group and will be for the benefit of the Group. The Audit Committee will review and monitor compliance quarterly with the relevant rules and regulations and will express its opinion on the reasonableness of the transactions.

For future related party transactions that are not the normal course of business, the Company will ensure that the Audit Committee reviews the compliance with the relevant rules and regulations and ensure that justifications are provided on the transactions before the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary could enter into such transactions. The measures and procedures for approving the related party transactions will be complied with. However, for related party transactions which may cause a conflict of interests in the future, the Board of Directors shall comply with the law on securities and exchange, rules and regulations including notifications, orders or the requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company shall also comply with the disclosure requirements to provide information on related party transactions including the acquisition or disposal of assets of the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary. Also, accounting standards prescribed by the Thailand Federation of Accounting Professions shall also be complied with.

Financial Performance



Financial Performance

13. Financial Positions and Operating Results

The Company and its subsidiary comply with the financial reporting standard No. 15 on revenue from contracts with customers which was published in the Royal Gazette on 8 February 2018. Therefore, the Company prepared its consolidated financial statements for the year ended 31 December 2016, 2017 and 2018 for the purpose of analysing the operating results and financial positions of the Company. Unless otherwise provided, investors should review relevant notes to financial statements which are provided in the attachment to this document to include criteria used in the preparation of consolidated financial statements and material accounting policies adopted by the Company.

13.1 Summary of Auditor's Report

(a) The financial statements for 2016 were audited by Ms. Rungnapa Lertsuwanakul (CPA No. 3516) from EY Company Limited.

The auditor audited the consolidated financial statements of the Company and its subsidiary (the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flow statements for the year then ended including notes to the consolidated financial statements including a summary of significant accounting policies. The auditor also audited the consolidated financial statements of the Company and expressed her opinion that the statements present fairly, in all material respects, the financial position of the Company in accordance with Thai Financial Reporting Standards.

(b) The 2017 Consolidated financial statements for specific purpose were audited by Ms. Rungnapa Lertsuwanakul (CPA No. 3516) from EY Company Limited.

The auditor audited the financial statements for specific purposes of the Company and its subsidiary (the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flow statements for the year then ended including notes to the consolidated financial statements including a summary of significant accounting policies. The auditor's opinion is that the statements for specific purposes present fairly, in all material respects, the financial position of the Company in accordance with Thai Financial Reporting Standards for financial statements for specific purposes.

(c) The 2018 Consolidated financial statements for specific purpose were audited by Ms. Rungnapa Lertsuwanakul (CPA No. 3516) from EY Company Limited.

The auditor audited the consolidated financial statements of the Company and its subsidiary (the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flow statements for the year then ended including notes to the consolidated financial statements including a summary of significant accounting policies. The auditor expressed her opinion that the statements present fairly, in all material respects, the financial position of the Company in accordance with Thai Financial Reporting Standards.

13.3 Summary of Financial Positions and Operating Results

Consolidated Financial Statements of the Group

Statement of Financial Position	Consolidated Financial Statements in accordance with TFRS 15					
	31 December 2016		31 December 2017		31 December 2018	
	THB in Million	%	THB in Million	%	THB in Million	%
Assets						
<i>Current Assets</i>						
Cash and cash equivalents	67.93	4.62	75.64	4.38	367.33	15.15
Current investments	-	-	70.02	4.06	516.38	21.29
Trade and other receivables	32.20	2.19	33.87	1.96	38.03	1.57
Inventories	11.24	0.77	8.97	0.52	7.59	0.31
Other current assets	15.97	1.09	7.86	0.46	12.73	0.53
Total current assets	127.33	8.67	196.35	11.38	942.06	38.84
<i>Non-current assets</i>						
Restricted bank deposits	1.27	0.09	1.57	0.09	1.37	0.06
Investment in joint venture	62.44	4.25	52.56	3.05	50.37	2.08
Property, plant and equipment	1,252.18	85.23	1,429.71	82.87	1,385.91	57.14
Intangible assets	2.94	0.20	2.40	0.14	1.70	0.07
Other non-current assets	22.97	1.56	42.56	2.47	43.90	1.81
Total non-current assets	1,341.79	91.33	1,528.79	88.62	1,483.25	61.16
Total assets	1,469.12	100.00	1,725.14	100.00	2,425.31	100.00
Liabilities and shareholders' equity						
<i>Current liabilities</i>						
Short-term loan	50.00	3.40	150.00	8.69	-	-
Trade and other payables	115.84	7.88	41.36	2.40	28.92	1.19
Current portion of deferred income	305.13	20.77	393.07	22.78	470.69	19.41
Current portion of long-term loans	54.00	3.68	85.00	4.93	-	-
Long-term loan classified as current liabilities	-	-	163.00	9.45	-	-
Current portion of liabilities under finance lease agreements	0.09	0.01	2.65	0.15	3.38	0.14
Deposits from students – current position	6.81	0.46	9.72	0.56	14.88	0.61
Income tax payable	0.07	0.005	0.19	0.01	0.44	0.02
Other current liabilities	5.21	0.35	3.84	0.22	5.39	0.22
Total current liabilities	537.16	36.56	848.83	49.20	523.70	21.59
<i>Non-current liabilities</i>						
Deferred income	126.87	8.64	152.67	8.85	142.49	5.88
Long-term loans	446.00	30.36	381.00	22.09	-	-
Liabilities under finance lease agreements	0.06	0.004	2.26	0.13	1.42	0.06
Deposits from students	43.56	2.97	53.25	3.09	55.02	2.27
Provision for decommissioning	12.95	0.88	13.38	0.78	13.81	0.57

Statement of Financial Position	Consolidated Financial Statements in accordance with TFRS 15					
	31 December 2016		31 December 2017		31 December 2018	
	THB in Million	%	THB in Million	%	THB in Million	%
Provision for long-term employee benefits	10.99	0.75	13.69	0.79	17.09	0.70
Deferred tax liabilities	-	-	0.45	0.03	1.39	0.06
Other non-current liabilities	102.98	7.01	72.51	4.20	72.36	2.98
Total non-current liabilities	743.41	50.60	689.21	39.95	303.59	12.52
Total liabilities	1,280.57	87.17	1,538.04	89.15	827.29	34.11
<u>Shareholders' Equity</u>						
Share capital						
- Registered capital	200.00	13.61	250.00	14.49	470.00	19.38
- Issued and fully paid up	200.00	13.61	250.00	14.49	470.00	19.38
Premium on preference shares	1.00	0.07	1.00	0.06	1.00	0.04
Premium on ordinary shares	-	-	-	-	1,176.31	48.50
Retained earnings – legal reserve	10.00	0.68	16.40	0.95	21.72	0.90
Profit (deficit) - unappropriated	(22.44)	(1.53)	(80.30)	(4.65)	(71.01)	(2.93)
Total shareholders' equity	188.56	12.83	187.10	10.85	1,598.02	65.89
Non-controlling interest of the subsidiaries	-	-	-	-	-	-
Total shareholders' equity	188.56	12.83	187.10	10.85	1,598.02	65.89
Total liabilities and shareholders' equity	1,469.12	100.00	1,725.14	100.00	2,425.31	100.00

Profit and Loss Statement	Consolidated Financial Statements in accordance with TFRS 15					
	31 December 2016		31 December 2017		31 December 2018	
	THB in Million	%	THB in Million	%	THB in Million	%
<u>Revenues</u>						
Tuition fees and service income	597.61	98.20	730.84	97.92	923.98	97.53
Education equipment income	5.77	0.95	7.20	0.97	8.48	0.89
Other income	5.21	0.85	8.31	1.11	14.90	1.57
Total revenues	608.58	100.00	746.35	100.00	947.35	100.00
<u>Cost and expenses</u>						
Tuition and service cost	366.65	60.25	491.35	65.83	567.18	59.87
Administrative expenses	158.40	26.03	196.63	26.35	238.67	25.19
Other expenses	0.63	0.10	0.04	0.01	0.35	0.04
Total expenses	525.68	86.38	688.02	92.18	806.20	85.10
Profit (loss) before share of profit (loss) from investment accounted for under equity method	(2.56)	(0.42)	(9.88)	(1.32)	(2.28)	(0.24)
Profit (loss) before finance cost and corporate income tax	80.34	13.20	48.45	6.49	138.87	14.66
Finance cost	9.68	1.59	29.86	4.00	33.97	3.59
Profit before income tax expense	70.66	11.61	18.60	2.49	104.90	11.07
Income tax expense	0.83	0.14	0.68	0.09	1.38	0.15
Profit (loss) for the year	69.83	11.47	17.92	2.40	103.52	10.93
Actuarial gain (loss) on defined benefits plan	(2.87)		0.63		0.99	
Other share of comprehensive income from investment accounted for under equity method	-		-		0.09	
Total comprehensive profit (loss) for the year	66.96		18.55		104.60	
Net profit (loss) per share (THB) (Fully diluted)	3.49		0.04		0.11	
Net profit (loss) per share (THB) (Weighted Average)	4.14		0.04		0.16	
Par value (THB)	10.00		0.50		0.50	

Cash flow statement (THB in Million)	Consolidated Financial Statements in accordance with TFRS 15		
	2016	2017	2018
<u>Cash flows from operating activities</u>			
Profit (loss) before tax for the year	70.66	18.60	104.90
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities			
Depreciation and amortisation	41.75	100.88	118.19
Allowance for doubtful accounts (reversal)	(0.60)	1.49	(2.58)
Reduction of inventory to net realisable value (reversal)	0.61	(0.58)	1.21
Gain from revaluation of short-term investments	1.72	(0.02)	-
Gain on sales of short-term investments	(2.26)	(0.29)	(1.13)
Written-off fixed assets	0.63	0.04	0.42
Provision for long-term employee benefits	2.62	3.45	5.88
Interest income	(0.22)	(0.41)	(1.10)
Share of profit (loss) from investment accounted for under equity method	2.56	9.88	2.28
Interest expenses	8.51	27.94	29.78
Cash flows before change in operating assets and liabilities	125.98	160.98	257.86
<u>Operating assets (increase) decrease</u>			
Trade and other receivables	(9.38)	(3.16)	(1.58)
Inventories	0.91	2.85	0.17
Other current assets	(3.23)	5.22	(4.70)
Restricted bank deposits	(0.40)	(0.30)	0.20
Other fixed assets	35.29	(7.26)	3.10
<u>Operating liabilities increase (decrease)</u>			
Trade and other payables	3.11	4.78	0.13
Deferred income	24.84	113.74	67.44
Liabilities under finance lease payable	(0.18)	4.75	(0.11)
Other current liabilities	0.83	1.54	6.71
Long-term employee benefits paid	(0.25)	(0.12)	(1.24)
Other non-current liabilities	43.88	(20.78)	1.63
Net cash flows from (used in) operating activities	221.39	262.24	329.61
Cash paid for interests payable	(8.51)	(27.51)	(29.35)
Cash paid for income tax	(5.06)	(9.54)	(4.88)
Net cash from (used in) operating activities	207.83	225.18	295.38
<u>Cash flows from investment activities</u>			
Increase in current investments	-	-	(516.38)
Cash received from sales of unit trusts	384.25	202.29	446.14
Cash paid for unit trusts	(200.00)	(272.00)	(375.00)
Cash paid from investment in joint venture	(65.00)	-	-
Cash paid from acquisition of property, plant and equipment	(682.12)	(356.82)	(86.65)
Cash paid from acquisition of intangible assets	(2.66)	(0.34)	(0.05)

Cash flow statement (THB in Million)	Consolidated Financial Statements in accordance with TFRS 15		
	2016	2017	2018
Interests received	0.21	0.40	0.93
Net cash from (used in) investment activities	(565.31)	(426.47)	(531.00)
<u>Cash flows from financing activities</u>			
Cash received from short-term loans	50.00	590.00	300.00
Repayment of short-term loans	-	(490.00)	(450.00)
Cash received from long-term loans	325.33	183.00	47.00
Repayment of long-term loans	(24.00)	(54.00)	(676.00)
Cash received from increase in share capital	100.00	50.00	1,442.00
Cash paid for direct costs attributable to the share offering	-	-	(45.69)
Dividend paid	(110.00)	(70.00)	(90.00)
Net cash flows from (used in) financing activities	341.33	209.00	527.31
Net increase (decrease) in cash and cash equivalent	(16.15)	7.71	291.69
Cash and cash equivalents at beginning of the year	84.08	67.93	75.64
Cash and cash equivalents at end of the year	67.93	75.64	367.33

Summary of Key Financial Ratios

Key Financial Ratios		TFRS 15 Consolidated Financial Statements		
		2016	2017	2018
<u>Liquidity Ratio</u>				
Current ratio	(time)	0.24	0.23	1.80
Quick ratio	(time)	0.19	0.21	1.76
Cash flow ratio	(time)	0.46	0.32	0.43
Account receivables turnover ratio	(time)	17.45	20.01	23.50
Average debt collection	(day)	20.63	18.00	15.32
Account payables turnover ratio	(time)	153.86	116.99	150.69
Average debt repayment	(day)	2.34	3.08	2.39
Inventory turnover ratio	(time)	29.81	47.13	63.60
Average sale of goods	(day)	12.08	7.64	5.66
Cash Cycle	(day)	30.36	22.56	18.59
<u>Profitability Ratio</u>				
Gross profit margin	(%)	39.23	33.43	39.17
Operating profit margin	(%)	12.98	6.78	13.58
Other profit margins	(%)	0.86	1.11	1.57
Cash to profitability	(%)	250.70	386.03	209.27
EBITDA Margin ⁽²⁾	(%)	20.06	20.01	27.13
Net profit	(%)	11.47	2.40	10.93
Shareholders' equity	(%)	43.62	9.54	11.60
<u>Efficiency Ratio</u>				
Return on assets	(%)	5.82	1.12	4.99
Return on fixed assets	(%)	12.27	8.79	15.70
Asset turnover ratio	(time)	0.51	0.47	0.46
<u>Financial Ratio</u>				
D/E	(time)	6.79	8.22	0.52
Debt service coverage ratio ⁽³⁾	(time)	2.92	4.19	0.00
Interest service coverage ratio	(time)	26.03	9.40	11.08
Debt service coverage ratio (cash basis)	(time)	0.24	0.47	0.35
Dividend payment	(%)	71.60	111.63	86.94

Note: ^{1/}Annualised for comparison purpose

^{2/} EBITDA Margin = Profit before Financial Cost, Income Tax Expense, Depreciation and Amortisation/ Total Income

^{3/}Debt with interest to shareholders' equity = (Total loans + total liabilities under financial lease)/ shareholders' equity.

14. Management Discussion and Analysis of Financial Positions and Operating Results

The Company and its subsidiary comply with the financial reporting standard No. 15 on revenue from contracts with customers which was published in the Royal Gazette on 8 February 2018. Therefore, the Company prepared its consolidated financial statements for the year ended 31 December 2016, 2017 and 2018 for the purpose of analysing the operating results and financial positions of the Company. Unless otherwise provided, investors should review relevant notes to financial statements which are provided in the attachment to this document to include criteria used in the preparation of consolidated financial statements and material accounting policies adopted by the Company.

14.1 Overview of Operating Results

The Company operates the business of holding licences to establish formal education schools under the Private Schools Act in the type of international schools. It also provides other education-related services. The Company was the first to introduce the Singapore curriculum in providing education in Thailand. The curriculum is internationally accepted. The Company first established Singapore International School of Bangkok in 2001 and expanded its international school business in the vicinity of Bangkok and other provinces. In 2013, the Company accepted the transfer of a licence to establish a formal education school in the type of international school from one private company. The transfer of the licence was for the purpose of improving and establishing Singapore International School Suvarnabhumi. The Company obtained licences for Singapore International School Thonburi in 2017 and Singapore International School Ekkamai in 2018. Currently, there are four international schools whose licences are held directly by the Company. The continuous business expansion of the Company has resulted in the growth in the number of students in the international schools whose licences are held directly by the Company from 1,705 as at year ended 2016 to 1,977 in 2017 and 2,222 in 2018. This has resulted in the continued growth in the revenue of the Group from THB 608.58 million in 2016 to THB 746.35 million in 2017 and THB 947.35 million in 2018.

	2016	2017	2018
Income (THB in Million)	608.58	746.35	947.35
Number of students of international schools whose licences are directly held by the Company (person)	1,705	1,977	2,222

In addition, the Company invested in a Joint Venture with a group of businessmen in Chiangmai by incorporating SISB-SIRI Company Limited in 2016 to conduct the business of holding a licence to establish Singapore International School Chiangmai which first opened in 2017. The Company recognised profits (loss) accounted for under equity method for the investments in such Joint Venture. In 2016 – 2018, the Company recognised the shared loss from such investments in the amount of THB 2.56 million for 2016, THB 9.88 million for 2017 and THB 2.28 million.

14.2 Analysis of Operating Results

14.2.1 Revenue

The total revenue of the Company for the years 2016 – 2018 was THB 608.58 million, THB 746.53 million and THB 947.35 million, respectively. The total revenue of the Company for the year 2018 comprised tuition fees and services income, education equipment income and other income representing 97.53 percent, 0.89 percent and 1.57 percent, respectively. The Company's revenues can be summarised as follows:

Types of Service	2016		2017		2018	
	THB in Million	%	THB in Million	%	THB in Million	%
Tuition fees income	597.61	98.20	730.84	97.92	923.98	97.53
Education equipment income	5.77	0.95	7.20	0.97	8.48	0.89
Other income	5.21	0.85	8.31	1.11	14.90	1.57
Total revenues	608.58	100.00	746.35	100.00	947.35	100.00

Sales and service income

The Company's sales and service income for the years 2016 – 2018 was THB 603.38 million, THB 738.04 million and THB 932.46 million, respectively. The sales and service income comprised tuition fees income and education equipment income representing 99.02 percent and 0.98 percent of the total sales and service income for the year 2017, respectively, and 99.09 percent and 0.91 percent of the total sales and service income for the year 2018, respectively.

Type of Business	2016		2017		2018	
	THB in Million	%	THB in Million	%	THB in Million	%
1. Tuition Fees Income						
- Tuition fees	570.45	94.54	695.28	94.21	875.36	93.88
- Application and admission fees	27.16	4.50	35.56	4.82	48.62	5.21
Total tuition fees income	597.61	99.04	730.84	99.02	923.98	99.09
2. Education Equipment Income	5.77	0.96	7.20	0.98	8.48	0.91
Total sales and service income	603.38	100.00	738.04	100.00	932.46	100.00

(1) Tuition Fees Income

Tuition fees income of the Group are divided into tuition fees and application and admission fees. Details are as follows:

1.1) Tuition fees

Tuition fees are the main income of the Group, representing approximately 90.00 percent of the total sales and service income. The tuition fees income is collected from the provision of both curricular and extracurricular education including such other fees which are incurred in connection with other services to support the school operations such as lunch service fees and education equipment, placement tests and dormitory services. The Group's tuition fees income for the years 2016 – 2018 was THB 570.45 million, THB 695.28 million and THB 875.36 million, respectively. This represents a growth rate of 21.88 percent and 25.90 percent, respectively. The growth in the tuition fees income was in line with the growth in the number of students of schools whose licences are held by the Company. At the year ended 2016 – 2018, the number of students was 1,705, 1,977 and 2,222, respectively, representing a growth rate of 15.95 percent and 12.39 percent, respectively. The average annual tuition fees increased continuously from THB 0.35 million per person in 2016 to THB 0.38 million per person in 2017 and THB 0.42 million

per person in 2018, representing a growth rate of 7.15 percent and 10.40 percent partly due to the increased interest of students in extracurricular activities (ECA) which resulted in higher growth in average tuition fees.

1.2) Application and admission fees

Application and admission fees comprise fees from application forms, placement tests and admission fees for students who are first admitted to the schools whose licences are directly held by the Company. These fees varied according to the number of new students in each year. Admission fees were gradually recognised according to the projected education terms of the students in each school. The Group's application and admission fees for the years 2016 – 2018 were THB 27.16 million, THB 35.56 million and THB 48.62 million, representing 4.50 percent, 4.82 percent and 5.21 percent of total sales and service income. The growth in application and admission fees for the years 2017 and 2018 was 30.91 percent and 36.76 percent which was in line with the growing number of new students in each year.

(2) Education equipment income

Education equipment income comprises income from the sale of textbooks and school uniforms. The Group's education equipment income for the years 2016 – 2018 was THB 5.77 million, THB 7.20 million and THB 8.48 million, representing 0.96, 0.98 and 0.91 percent of the sales and service income.

Other income

The Group's other income for the years 2016 – 2018 was THB 5.21 million, THB 8.31 million and THB 14.90 million. Key other income comprises income from the sale of food and beverage, capital gains from short-term investments, credit card fees and interest received, etc.

14.2.2 Cost and Expenses

The cost and expenses of the Company mainly comprise the cost of education and services, administration expenses, other expenses and financial costs. The Group's total cost and expenses for the years 2016 – 2018 were THB 535.37 million, THB 717.88 million and THB 840.17 million, representing 87.93 percent, 96.19 percent and 88.69 percent of total revenue. Details are as follows:

Costs and Expenses	2016		2017		2018	
	THB in Million	%	THB in Million	%	THB in Million	%
Cost of education and services	366.65	68.49	491.35	68.44	567.18	67.51
Administration costs	158.40	29.59	196.63	27.39	238.67	28.41
Other expenses	0.63	0.12	0.04	0.01	0.35	0.04
Financial costs	9.68	1.81	29.86	4.16	33.97	4.04
Total costs and expenses	535.37	100.00	717.88	100.00	840.17	100.00
Percentage to total revenues	87.97		96.19		88.69%	

1. Cost of education and services

The cost of education and services is the main expense of the Group. The Group's cost of education and services for the years 2016 – 2018 was THB 366.65 million, THB 491.35 million and THB 567.18 million, representing 68.49 percent, 68.44 percent and 67.51 percent of total expenses, respectively. The key cost of education and services of the Group is cost of providing education, cost of buildings and locations. Details are as follows:

Cost of providing education

The cost of providing education is the main cost of the Group. It comprises, for example, cost of education personnel, cost of special activities, cost of education equipment and food for students. The Group's cost of providing education for the years 2016 – 2018 was THB 278.11 million, THB 324.92 million and THB 373.95 million, respectively, representing 75.85 percent, 66.13 percent and 65.93 percent of the cost of education and services. The cost of education personnel represents approximately 70 percent of the cost of providing education. The cost of providing education of the Group has a tendency to decrease continuously due to more efficient management of the cost of providing education. The percentage of cost of providing education to the sales and service income of the Group decreased from 46.09 percent in 2016 to 44.03 percent in 2017 and 40.10 percent in 2018.

Costs of building and location management

Key costs of building and location management are, for example, depreciation costs, rentals, building repairs and maintenance and public utilities. The Group's costs of building and location management for the years 2016 – 2018 were THB 88.55 million, THB 166.43 million and THB 193.23 million, respectively, representing 24.15 percent, 33.87 percent and 34.07 percent of the total cost of education and services for the years 2016 – 2018, respectively. The costs of building and location management of the Company increased during 2016 and 2018 due to an expansion of school business during 2015 and 2017 to enhance quality of school establishments and to accommodate the growing number of students in the future. This also included the Phase 2 extension of Singapore International School of Bangkok and the opening of Singapore International School Thonburi which was gradually completed during 2016 and 2017. This resulted in the cost of depreciation of THB 40.08 million, THB 99.15 million and THB 116.66 million for the years 2016 – 2018, respectively, representing an increase by 147.38 percent and 17.66 percent compared from the previous year. Therefore, the percentage of the Group's costs of building and location management compared to the Group's sales and service income for the years 2016 – 2018 was 14.68 percent, 22.55 percent and 20.72 percent, respectively. The decrease of the percentage for the year 2018 was due to the increased revenue of the Company while most costs of buildings and location management remained fixed.

The impact of the costs discussed above resulted in the Group's gross profit margin for the years 2016 – 2018 of THB 236.73 million, THB 246.69 million and THB 365.28 million, representing a gross profit ratio of 39.23 percent, 33.43 percent and 39.17 percent, respectively.

2. Administrative expenses

The Group's administrative expenses for the years 2016 – 2018 were THB 158.40 million, THB 196.63 million and THB 238.67 million, respectively, representing 26.03 percent, 26.35 percent and 25.19 percent of the total revenues. Key administrative expenses of the Group are, for example, expenses relating to employees of THB 116.09 million for 2016, THB 143.11 million for 2017 and THB 172.12 million for 2018, representing 73.29 percent, 72.78 percent and 72.12 percent of total administrative expenses for the years 2016 – 2018, respectively. In addition to expenses relating to employees, administrative expenses comprise advisory fees and audit fees, rentals and cost of depreciation all of which are mostly fixed.

3. Other expenses

The Company's other expenses comprise amortisation of fixed assets of THB 0.63 million for 2016, THB 0.04 million for 2017 and THB 0.35 million for 2018, representing 0.10 percent, 0.01 percent and 0.04 percent of the total revenues, respectively.

4. Financial expenses

The Company's financial expenses for the years 2016 – 2018 were THB 9.68 million, 29.86 million and THB 33.97 million mainly comprising financial expenses incurred as a result of loans from financial institutions for investment in the construction of international schools and for the business operations of the Company. The Company's interest expense for the years 2016 – 2018 was THB 8.49 million, THB 27.88 million and THB 30.64 million, respectively. In addition, the Group also incurred financial expenses which were fees payable to financial institutions and financial lease agreements for the years 2016 – 2018 in the amount of THB 1.19 million, THB 1.98 million and THB 3.33 million, respectively.

14.2.3 Share of profit (loss) from investments

The Company uses the equity method in recognising share of profit (loss) from investment in the Joint Venture SISB-SIRI which was incorporated on 11 January 2016 between the Company and a group of businessmen in Chiangmai each holding 50 percent of interest in the Joint Venture. Currently, SISB-SIRI holds the licence for the establishment of Singapore International School Chiangmai which opened in 2017.

The financial statements of SISB-SIRI for the years 2016 – 2018 showed operating results of Singapore International School Chiangmai comprising a loss of THB 5.12 million, THB 19.76 million and THB 4.56 million, respectively. The loss was because Singapore International School Chiangmai commenced its business in 2017 and was in the process of building up the client base in Chiangmai. The Group recognises the loss from investments in the Joint Venture of THB 2.56 million, THB 9.88 million and THB 2.28 million, respectively.

14.2.4 Net Profit

Based on the operating results discussed above, the Group's net profit for the years 2016 – 2018 was THB 69.83 million, THB 17.92 million and THB 103.52 million, respectively, representing 11.47 percent, 2.40 percent and 10.93 percent of net profit respectively. The increase in net profit for 2018 was due to the increase in the gross profit margin by 48.07 percent from 2017 as a result of the opening of Singapore International School Thonburi as discussed above. In addition, most administrative expenses of the Company are fixed. The Group's considerable investments in school business expansions contributed to the continuous increase in the cost of depreciation and amortisation which amounted to THB 41.75 million, THB 100.88 million and THB 118.19 million for the years

2016 – 2018, respectively. The Group's EBITDA for the years 2016 – 2018 was THB 122.08 million, THB 149.33 million and THB 257.06 million, representing 20.06 percent, 20.01 percent and 27.13 percent of the total revenues, respectively.

14.3 Financial positions

(a) Assets

As of the year ended in 2016 – 2018, the Group's total assets were THB 1,469.12 million, THB 1,725.14 million and THB 2,425.31 million. Key assets of the Company comprise property, plant and equipment, trade receivables and inventories. As of the year ended in 2017, these key assets of the Company represented 82.87 percent, 2.23 percent and 0.52 percent of total assets, respectively. As of the year ended in 2018, these key assets of the Company represented 57.14 percent, 1.65 percent and 0.31 percent of total assets, respectively. Details of key assets of the Company can be summarised as follows:

Property, plant and equipment

Property, plant and equipment are key assets of the Company. As of the year ended in 2016 – 2018, the Company's property, plant and equipment amounted to THB 1,252.18 million, THB 1,429.71 million and THB 1,385.91 million, respectively, representing 85.23 percent, 82.87 percent and 57.14 percent of the total assets. During the years 2016 and 2017, the net value of the property, plant and equipment of the Group increased continuously due to the Company's investments in the school business expansions to enhance quality of education establishments and to accommodate the growing number of students.

During the years 2016 – 2018, the Group's investments in property, plant and equipment increased by THB 736.26 million, THB 279.99 million and THB 74.07 million. In 2015, the Company commenced its investment in the construction of the phase two of the extension for Singapore International of Bangkok which comprised school buildings at the secondary level, a sports complex building, an auditorium and dormitory buildings. The investment was approximately THB 900 million. The construction was completed in November 2016. During the same period, the Company commenced the establishment of Singapore International School Thonburi. In 2016, the Company purchased land in the Phasi Charoen district of Bangkok having the coverage of seven rai, 22 square wa at THB 83.28 million. The land was to be used as a location for Singapore International School Thonburi. The construction commenced at the end of 2016. The total amount of investment was approximately THB 250 million. The construction comprised school buildings for pre-primary level which was completed in 2017. The construction of school buildings for primary level was completed in 2018. The cost of depreciation from plant and equipment was THB 41.25 million for 2016, THB 99.99 million for 2017 and THB 117.45 million in 2018.

Trade receivables

The Company's trade receivables before allowance for doubtful accounts was in the amount of THB 34.55 million as at the year ended 2016, THB 38.52 million as at the year ended 2017 and THB 40.14 million as at the year ended 2018, representing 2.35 percent, 2.23 percent and 1.65 percent of the total assets respectively. The Company has the policy to provide a credit term of approximately two weeks. As at the year ended 2016 – 2018, the average debt collection was 20.63 days, 18.00 days and 15.32 days, respectively.

Periods of Outstanding Debts	31 December 2016		31 December 2017		31 December 2018	
	THB in Million	%	THB in Million	%	THB in Million	%
Debts not yet due	4.27	12.35	2.44	6.32	2.03	5.06
<u>Outstanding :</u>						
Not more than three months	25.76	74.55	30.42	78.98	34.80	86.70
3 - 6 months	0.86	2.48	0.97	2.52	1.15	2.86
6 - 12 months	1.95	5.65	2.30	5.96	2.03	5.06
More than 12 months	1.72	4.98	2.39	6.22	0.13	0.32
Total trade receivables	34.55	100.00	38.52	100.00	40.14	100.00
<u>less</u> allowance for doubtful accounts	(3.58)	(10.36)	(5.04)	(13.07)	(2.45)	(6.10)
Total trade receivables - net	30.97		33.48		37.68	

Most trade receivables of the Group are receivables with no more than three months of outstanding debts. As at the year ended 2016 – 2018, the Group's trade receivables with no more than three months of outstanding debts represented 86.90 percent, 85.30 percent and 91.76 percent of the total trade receivables before allowance for doubtful accounts, respectively. In 2016, the Company revised its policy of debt collection for enhanced efficiency in debt collection. This resulted in the reduction in the number of trade receivables with no more than three months of outstanding debts. There were also written-off bad debts in an amount of THB 6.51 million which were outstanding trade receivables from 2012 – 2015 the allowance for which had already been provided.

The Group has the policy of allowance for doubtful accounts which will take into consideration the possibility of debt collection and the term for which the debts will become default. The estimates for allowance of doubtful accounts presented in percentage of the value of debts of each defaulting receivable are as follows:

Outstanding Period	Percentage of Allowance for Doubtful Accounts
Between 60 – 120 days	50%
More than 120 days	100%

As a result of such a policy, the Group's allowance for doubtful accounts as at the year ended 2016 – 2018 was THB 3.58 million, THB 5.04 million and THB 2.45 million, respectively.

Inventories

	31 December 2016		31 December 2017		31 December 2018	
	THB in Million	%	THB in Million	%	THB in Million	%
Inventories	11.85	100.00	9.00	100.00	8.83	100.00
Less : allowance for inventories	(0.61)	(5.14)	(0.03)	(0.36)	(1.24)	(14.08)
Inventories - net	11.24		8.97		7.59	

As at the years ended 2016 – 2018, the Group's inventories before allowance for inventories were THB 11.85 million, THB 9.00 million and THB 8.83 million, respectively. Inventories of the Company are, for example, textbooks and school uniforms.

The Group began to adopt a policy to provide an allowance for inventories in 2016 by taking into consideration the turnover rate of inventories. An allowance will be provided for the total amount of any goods that do not have a turnover within two years. For the years 2016 – 2018, the Group's allowance for inventories was THB 0.61 million, THB 0.03 million and THB 1.24 million, representing 5.14 percent, 0.36 percent and 14.08 percent of the inventories as at the year ended 2016 – 2018, respectively.

(b) Liquidity

Cash flows

The Group's cash flows from operating activities for the years 2016 – 2018 were THB 207.83 million, THB 225.18 million and THB 295.38 million, respectively. In 2016, the cash flows from operating activities of the Company decreased despite the increase in the EBITDA of the Group for the year 2016. This was due to the promotions offered to parents who paid tuition fees in advance by the Group. This resulted in a considerable increase in the deferred income in 2015 and a slight increase in the deferred income for 2016. For 2017, the Group's cash flows from operating activities increased from those in 2016 due to the increased depreciation and the deferred income from the growing number of students in 2017. For 2018, the Group's cash flows from operating activities also increased from those in 2017 due to the increase in earnings before tax and depreciation.

The net cash flows used in investment activities of the Group were THB 565.31 million in 2016, THB 426.47 million in 2017 and THB 531 million in 2018. In 2016, the Group's cash paid for acquisition of property, plant and equipment and intangible assets which amounted to THB 684.78 million, cash for investment in Joint Venture of THB 65 million. The net cash received from the sale – purchase of investment units amounted to THB 184.25 million and the interest received was THB 0.21 million. In 2017, the Group's cash paid for the acquisition of property, plant and equipment and intangible assets which amounted to THB 357.16 million. The net cash received from the sale – purchase of investment units amounted to THB 69.71 million. The interest received was THB 0.40 million. For 2018 the Group's cash paid for the acquisition of property, plant and equipment and intangible assets which amounted to THB 86.70 million. The cash paid for short-term investments amounted to THB 516.38 million. The net cash received from the sale – purchase of investment units amounted to THB 71.14 million and the interest received was THB 0.93 million.

The Company's cash flows from finance activities of the Company for 2016 amounted to THB 341.33 million because the Company received cash from loans of THB 375.33 million which comprised a short-term loan of THB 50.00 million and a long-term loan of THB 325.33 million. The Company repaid a long-term loan of THB 24.00 million. In addition, the Company's dividend paid was THB 110.00 million whereas the cash received from the capital increase was THB 100.00 million. For 2017, the Group's cash flows from finance activities amounted to THB 209 million. The cash received from a long-term loan was THB 183.00 million and the Company repaid a long-term loan of THB 54.00 million. The net short-term loan increased by THB 100 million. The Company's dividend paid was THB 70.00 million whereas the cash received from capital increase was THB 50.00 million. For 2018, the Group's cash flows from finance activities amounted to THB 527.31 million. The net cash repaid for a long-term loan was THB 629.00 million and repaid for the short-term loan of THB 150.00 million. The Company's dividend paid was THB 90.00 million whereas the cash received from capital increase was THB 1,442.00 million. Cash paid for direct costs attributable to the share offering amounted to THB 45.69 million.

(THB in Million)	2016	2017	2018
Net cash from (used in) operating activities	207.83	225.18	295.38
Net cash from (used in) investment activities	(565.31)	(426.47)	(531.00)
Net cash from (used in) finance activities	341.33	209.00	527.31
Net cash and cash equivalent increase (decrease)	(16.15)	7.71	291.69

Liquidity ratio

As at the years ended 2016 – 2018, the Group's liquidity ratio was 0.24 time, 0.23 time and 1.80 time, respectively and the quick liquidity ratio was 0.19 time, 0.21 time and 1.76 time, respectively. Most current assets of the Group comprise cash and cash equivalents, short-term investments and trade receivables. Most current liabilities of the Group comprise deferred income due within one year, short-term loan, long-term loans that are due for repayment within one year, trade payables and other payables. The Group's liquidity ratio, excluding deferred income due within one year, was 0.55 time, 0.43 time and 17.77 times, respectively, and the quick liquidity ratio was 0.43 time, 0.39 time and 17.39 times, respectively.

The Group's cash cycle for 2018 was 18.59 days which decreased from that of 2016 and 2017 which had been 30.36 days and 22.56 days mainly due to the shortened average debt collection period from 20.63 days in 2016 to 18.00 days in 2017 and 15.32 days in 2018. This was due to the enhanced efficiency in the Company's management of debt collection from its trade receivables. The average debt collection period for the years 2016 – 2018 was 2.34 days, 3.08 days and 2.39 days, respectively. The average sale of goods period was 12.08 days, 7.64 days and 5.66 days, respectively.

	2016	2017	2018
Liquidity ratio (time)	0.24	0.23	1.80
Quick liquidity ratio (time)	0.19	0.21	1.76
Average debt collection period (day)	20.63	18.00	15.32
Debt repayment period (day)	2.34	3.08	2.39
Average sale of goods period (day)	12.08	7.64	5.66
Cash Cycle (day)	30.36	22.56	18.59

(c) Sources of capital

Liabilities

As at the years ended 2016 – 2018, the Group's total liabilities were THB 1,280.57 million, THB 1,538.04 million and THB 827.29 million, respectively. The total liabilities of the Company increased continuously during the period of 2016 – 2017 due to the requirements for capital for the expansion of school business of the Group. As at the year ended 2017, the key liabilities of the Company were loans, deferred income and deposits paid for tuition fees which represented 50.65 percent, 35.48 percent and 4.09 percent of total liabilities, respectively. As at the year ended 2018, the key liabilities of the Company were deferred income and deposits paid for tuition fees which represented 74.12 percent and 8.45 percent of total liabilities, respectively.

1. Loans

Loans are one of the sources of capital for the Company. As at the years ended 2016 – 2017, the Group's short-term and long-term loans amounted to THB 550.00 million and THB 779.00 million, representing 42.95 percent and 50.65 percent of total liabilities, respectively. Most loans obtained by the Group were

long-term loans for the purpose of financing the construction of buildings for the school business. As at the years ended 2016 – 2017, the Group's long-term loans amounted to THB 500 million and THB 629 million, respectively. As at the year ended, the Company could not comply with the loan covenants with respect to the requirement to maintain a positive shareholders' equity for SISB Thonburi Company Limited because currently SISB Thonburi Company Limited has not yet commenced its business operations. Therefore, the long-term loans of THB 163 million as at the year ended 2017 needed to be classified as current liabilities. In addition to long-term loans, the Company obtained short-term loans in the form of Promissory Notes with commercial banks and Bills of Exchange issued and offered by the Company in Private Placements. As at the years ended 2016 – 2017, the Company's Promissory Notes and Bills of Exchange amounted to THB 50 million and THB 150 million, respectively.

However, during 2018, the Group fully repaid both short-term and long-term loans. As at the year ended 2018, the Group had neither short-term nor long-term loans.

2. Deferred income

Deferred income is income received in advance for either the entire semester and/or the entire academic year from parents as tuition fee by international schools whose licences are held directly by the Company. Such deferred income would become gradually recognised as income for each relevant academic semester. The admission fees collected from students to confirm the admission would also be gradually recognised according to the projected education term of students in each school. As at the years ended 2016 – 2018, the Company's deferred income amounted to THB 432.00 million, THB 545.74 million and THB 613.18 million, respectively, representing 33.73 percent, 35.48 percent and 74.12 percent of total liabilities, respectively. The deferred income increases according to the increase in the number of students.

3. Deposits for tuition fees

Deposits are monies paid as a security for payment of tuition fees and such other miscellaneous fees to be collected from parents by international schools whose licences are held directly by the Company at the time of confirmation by parents of school attendance. Relevant schools will return these deposits upon graduation or resignation of the students. As at the years ended 2016 – 2018, the deposits paid for tuition fees amounted to THB 50.37 million, THB 62.97 million and THB 69.90 million, respectively, representing 3.93 percent, 4.09 percent and 8.45 percent of total liabilities, respectively.

Shareholders' equity

As at the year ended 2016, the Group's shareholders' equity was THB 188.56 million, which increased by THB 56.96 million from the year ended 2015 due to the capital increase of THB 100 million by issuing 10,000,000 ordinary shares each at the par value of THB 10. The capital increase resulted in an increase in the paid-up share capital of the Company from THB 100 million to THB 200 million. The Group's profit also increased in 2016 by THB 69.83 million from the previous year and payment of dividends in the year amounted to THB 110 million.

As at the year ended 2017, the Group's Shareholders' equity was THB 187.10 million which decreased from the year ended 2016 by THB 1.45 million due to the capital increase of THB 50 million by issuing 5,000,000 ordinary shares each at the par value of THB 10. The capital increase resulted in the increase in the paid-up share capital from THB 200 million to THB 250 million. The profit from the operating results of 2017 was THB 17.92 million and payment of dividends in the year amounted to THB 70 million.

As at the year ended 2018, the Group's shareholders' equity was THB 1,598.02 million, which increased by THB 1,410.92 million from the year ended 2017 due to the Group's operating results of THB 103.52 million. In addition, the Extraordinary General Meeting of shareholders of the Company No. 1/2018 resolved to approve the change to the par value of the Company's ordinary shares to THB 0.50 per share and the issuance of ordinary shares in the amount of THB 220 million, divided into 440.00 ordinary shares each at the par value of THB 0.50 for offering to existing shareholders of the Company in the amount of 180 million shares. The Company received subscription payments for such shares and registered the increase in its capital on 7 June 2018. The remaining 260 million shares were offered to the public and the Company's directors, executives, employees and personnel of schools whose licences are held directly by the Company. Therefore, the Company's paid-up capital increased from THB 250 million to THB 470 million. The Company also received premiums paid on the share subscription price in the offering of ordinary shares in the amount of THB 1,176.31 million. The Company paid interim dividends of THB 90 million. The retained loss of the Company was THB 71.01 million. This may prevent the Company from paying dividends. However, after the offering of its ordinary shares, the Company will seek approval from the general meeting of shareholders to transfer legal reserve and share premium to compensate the retained loss of the Company in accordance with Section 119 of the Public Company Limited Act.

Appropriateness of the capital structure

The Company maintains its D/E ratio at 6.79 times as at the year ended 2016 and 8.22 times as at the year ended 2017. The reason of the continuous increase in the D/E ratio during 2016 and 2017 is the continuous increase in the deferred income of the Company according to the growth in the number of students. Also, the Company has spent more loans on the investments in school business expansion for phase two of Singapore International School of Bangkok and Singapore International School Thonburi. However, after the offering of the Company's ordinary shares in 2018, the Company fully repaid both short-term and long-term loans. This repayment of loans resulted in the decrease of the D/E ratio by 0.52 times as at the year ended 2018.

Information Certification



Information Certification

To certify the accuracy of the information in the annual report, the authorized directors shall sign with the company seal (if any) in the annual report. With authorization for any person to sign documents in the annual report by using statement and format as follows

"The company has carefully reviewed the information in this annual report. The company hereby certifies that such information is accurate, complete, not false, does not mislead others or lacks the information that should be notified in addition to important information. This company certifies that

(1) Financial statements and financial information that are summarized in the annual report show accurate and complete information in related to the financial position, operating results and cash flows of the company and subsidiaries

(2) The Company has provided a good information disclosure system. To ensure that the company has disclosed the information of both the company and its subsidiaries is correct and complete, including controlling and monitoring the implementation of such systems.

(3) The Company has provided a good internal control system and supervise the implementation of such systems. The company has informed the assessment of internal control system (COSO) as of 15 March 2019 to the auditor and the audit committee of the company which covers deficiencies and significant changes in the internal control system Including misconduct which may affect the preparation of financial reports of the Company and its subsidiaries

In this regard, as evidence that all documents are the same documents that the company has certified, the company has assigned Ms. Wilawan Kaewkanokvijit or Ms. Sunandha Leelasaengsai are the signatories of this document. If any documents do not have the signature of Ms. Wilawan Kaewkanokvijit or Ms. Sunandha Leelasaengsai, the company will be considered not the information that the company has verified the accuracy of the information as mentioned above.

Name	Position	Signature
Mr. Yew Hock Koh	Director and Chief Executive Officer	-----
Ms. Wilawan Kaewkanokvijit	Director and Admissions Director	-----

Attorney		
Name	Position	Signature
Ms. Wilawan Kaewkanokvijit	Director and Admissions Director	-----
Ms. Sunandha Leelasaengsai	Finance Director	-----

Attachment 1

Directors, Management, Control Persons and Company Secretary

1. Details of directors, executives and persons with controlling power

Name/ Position	Age	Education Background	Shareholding Percentage in the Company (31/12/2018)	Family Relationship among executives	Working Experience in the Past 5 Years		
					Periods	Positions	Type of Business
Mr. Nontigorn Kanchanachitra (Chairman of the Company and Independent Director) Appointed on 17 December 2015	62	Honorary Doctorate Degree in Business Administration, Human Resources Management, Dhonburi Rajabhat University Master in Public Administration, Middle Tennessee State University, U.S.A. Bachelor's Degree in Political Sciences, Chiangmai University Director Certification Program (DCP) 102/2008 Audit Committee Program (ACP) 22/2008 The Role of Chairman Program (RCP) 26/2011 Role of Compensation Committee (RCC) 6/2008 Financial Statement for Director (FSD) 1/2008	0.05	-	2015 - Present	Chairman of the Board of Directors and Independent Director	Provision of education
					2015 - Present	Independent Director and Member of Audit Committee	Telecommunication network Commercial bank
					2010 - Present	Independent Director and Chairman of Nomination and Remuneration Committee	Government agency
					2017 - Present	Director	Government agency
					2016 - Present	Director	Government agency
					2011 - Present	Member of University Council	University
					2017 - Present	Director	Fashion and lifestyle products
					2011 - 2017	Director	State Enterprise
					2010 - 2015	Director-General	Government agency
					2007 - 2013	Director	University

Name/ Position	Age	Education Background	Shareholding Percentage in the Company (31/12/2018)	Family Relationship among executives	Working Experience in the Past 5 Years			
					Periods	Positions	Name of Company	Type of Business
Mr. Yew Hock Koh Director and Chief Executive Officer (Authorised director)	53	Master in Business Administration, SASIN, Chulalongkorn University Bachelor's Degree in Mechanical Engineering Ngee Ann Polytechnic, Singapore Director Certification Program (DCP) 189/2014 Director Accreditation Program (DAP) 95/2012	32.84	-	2016 - Present	Director and Chief Executive Officer	SISB Plc.	Provision of education
					2009 - 2016	Director and Managing Director	SISB Plc.	Provision of education
					2016 - Present	Director	SISB-SIRI Ltd	Provision of education
					2016 - Present	Director	SISB Thonburi Ltd	Provision of education
Ms. Wilawan Kaewkanokvijit Director and Corporate Director, Admissions (Authorised director)	56	Associate Degree in Accounting, Rajamangala University of Technology Phra Nakhon Director Certification Program (DCP) 206/2015 Director Accreditation Program (DAP) 95/2012	29.04	-	2009 - Present	Director and Corporate Director, Admissions	SISB Plc.	Provision of education
					2016 - Present	Director	SISB-SIRI Ltd	Provision of education
					2016 - Present	Director	SISB Thonburi Ltd	Provision of education

Name/ Position	Age	Education Background	Shareholding Percentage in the Company (31/12/2018)	Family Relationship among executives	Working Experience in the Past 5 Years			
					Periods	Positions	Name of Company	Type of Business
Mr. Meechai Prasertsri Director Appointed on 17 December 2015	69	Master in Development Economics, NIDA Bachelor's Degree in Accounting, Faculty of Commerce and Accountancy, Thammasat University Director Accreditation Program (DAP) 12/2016	0.02	-	2015 - Present	Director	SISB Plc.	Provision of education
					1991 - Present	Director	Suang Luang and Building Ltd	Office and warehouse rental
					1988 - Present	Director	CAC Bangkok Ltd	Audit Firm
Mr. Chatrapee Tantixaleem Chairman of Audit Committee and Independent Director Appointed on 17 December 2015	55	Master in Business Administration, SASIN, Chulalongkorn University Bachelor's Degree in Electrical Engineering, University of Wisconsin-Madison, U.S.A. Director Accreditation Program (DAP) 4/2005 Corporate Governance for Capital Market Intermediaries (CGI) 2/2015	0.03	-	2015 - Present	Chairman of Audit Committee	SISB Plc.	Provision of education
					2017 - Present	Independent Director	Matching Maximize Solution Plc	Rental of equipment and studio for movie shooting
					2015 - Present	Member of Audit Committee	Talis Asset Management Ltd	Asset Management
					2015 - Present	Chief Executive Officer	Uni Venture REIT Management Ltd	REIT Manager
					2009 - Present	Chairman of Audit Committee	TSFC Securities Plc	Loan for securities business
					2005 - 2015	Chief Executive Officer	Krungsri Asset Management Ltd	Asset Management

Name/ Position	Age	Education Background	Shareholding Percentage in the Company (31/12/2018)	Family Relationship among executives	Working Experience in the Past 5 Years			Type of Business
					Periods	Positions	Name of Company	
Mr. Prasitchai Krisanayanyong Member of Audit Committee and Independent Director Appointed on 17 December 2015	54	Master in Business Administration, SASIN Bachelor of Arts in Political Sciences, Chulalongkorn University Director Certification Program (DCP) 102/2008 Company Secretary Program (CSP) 25/2008	0.02	-	2015 - Present	Member of Audit Committee and Independent Director	SISB Plc.	Provision of education
					2010 - Present	Chief Executive Officer	Casa Longa (Thailand) Ltd	Manufacture and distribution of ready made clothes
					2014 - Present	Adviser	Smart Project Investment Ltd	Investment management
Ms. Trithip Sivakrisanakul Member of Audit Committee and Independent Director Appointed on 17 December 2015	52	Master in Business Administration, SASIN Bachelor's Degree, Faculty of Commerce and Accountancy, Chulalongkorn University Director Certification Program (DCP) 158/2012 Director Accreditation Program (DAP) 31/2005	0.03	-	2015 - Present	Member of Audit Committee and Independent Director	SISB Plc.	Provision of education
					Apr 2018 - Present	Member of Audit Committee	Super Energy Corporation Plc	Alternative energy
					2017 - Present	Deputy Managing Director, Group Finance	Pruksa Holding Plc	Real estate development
					2017 - Present	Director	Pruksa Real Estate Plc	Real estate development
					2017 - Present	Chief Executive Officer and Director	Vimutti Hospital Holding Ltd	Hospital
					2017 - Present	Member of Audit Committee	Vimutti Hospital International Ltd	Hospital
					2015 - Present	Director	Kings Telecom Plc	Telecommunication system installation
					2016 - Present	Chief Finance Officer	Tapaco Mold Ltd	Manufacture of molding
					2016 - 2017	Chief Finance Officer	Eakchai Distribution System Ltd	Retailer
					2011 - 2016		MINOR International Plc	Food and beverage

Name/ Position	Age	Education Background	Shareholding Percentage in the Company (31/12/2018)	Family Relationship among executives	Working Experience in the Past 5 Years			
					Periods	Positions	Name of Company	Type of Business
Ms. Sunandha Leelaesaengsai Corporate Director of Account and Finance (Chief Finance Officer) Position assumed on 1 September 2015	46	Master in Business Administration (Finance), California State Polytechnic University, Pomona, U.S.A. Bachelor in Business Administration in Accountancy, Assumption University Orientation Course-CFO focus on financial reporting in 2017, Federation of Accounting Professions CFO's Orientation Course for new IPOs in 2018, Stock Exchange of Thailand	0.05	-	2015 - Present	Director of Account and Finance	SISB Plc.	Provision of education
					2012 - 2015	Regional Finance Director	The MINOR Food Group Plc	Food business
Mr. Aaron Ngiam Tong Tuan Corporate Director of Operations	57	Bachelor's Degree in Hotel& Tourism Management, Ecole des Roches, Switzerland	0.01	-	2016 - Present	Corporate Director of Operations	SISB Plc.	Provision of education
					2551 - 2016	Director of Operations	Sodexo Healthcare Support Services (Thailand) LTD.	Quality of life services
Mr. Edmund Wee Kiat Lim Corporate Director of Academic	44	Master Degree, Faculty of Arts, National University of Singapore, Singapore Bachelor's Degree in History, Literature & Education, Nanyang Technological University-National Institute of Education, Singapore	-	-	Jan 2018 - Present	Corporate Director of Academic Director	SISB Plc. Singapore Knowledge Enterprise Group	Provision of education Education Consultancy
					2015 - 2017		SEA Aquarium, Resorts world Sentosa	Education Tourism
					2015 - 2017	Education Director	Educare Cooperative	Education Consultancy
					2014 - 2015 2010 - 2014	Director Principal	Ministry of Education, Singapore	Government, Education

Name/ Position	Age	Education Background	Shareholding Percentage in the Company (31/12/2018)	Family Relationship among executives	Working Experience in the Past 5 Years		
					Periods	Positions	Type of Business
Mrs. Panthip Kolyanee Representative of Licensee	59	Master in Political Sciences, Administrative, Thammasat University Bachelor of Arts in Humanities, German Language, Chiangmai University	0.04	-	2018 - Present	Representative of Licensee	Provision of education
					2018 - Present	Representative of Licensee	International School
					2018 - Present	Representative of Licensee	International School
					2017 - Present	Representative of Licensee	International School
					2016 - Present	Representative of Licensee	International School
					2016 - Present	Representative of Licensee	International School
					2013 - Present	School Director	International School
Ms. Euamporn Warwatanathamrong Senior Account Manager (Supervisor of Accounting) Position assumed on 3 January 2018	53	Bachelor in Business Administration in Accountancy, Ramkhamhaeng University	0.01	-	2013 - Present	Senior Account Manager	Provision of education

2. Details about Company Secretary

Name/ Position	Age	Education Background	Shareholding Percentage in the Company (31/12/2018)	Family Relationship among executives	Working Experience in the Past 5 Years		
					Periods	Positions	Type of Business
Ms. Sumitra Songphanayothin	53	Bachelor Degree of Business Administration in International Finance, University of Southern California, U.S.A.	0.04		2016-Present	Company Secretary and Personal Assistant to Chief Executive Officer	Provision of education
		Company Secretary Program (CSP) ปี 65/2015			2011-Present		Provision of education
		Effective Minute Taking (EMT) 36/2016					

Duties and responsibilities of the Company Secretary

- To supervise and provide guidance for directors and executives on compliance with the law, rules, regulations and the Company's Articles of Association and to regularly monitor compliance;
- To be responsible for the organisation of the Board of Directors' meetings and general meetings of shareholders and to coordinate the compliance with resolutions of such meetings;
- To ensure compliance with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and relevant law regarding disclosure of information that is within the scope of responsibilities of the Company Secretary;
- To prepare and keep records of the following documents:
 - Register of directors;
 - Notices of invitation to and minutes of the Board of Directors meetings;
 - Notices of invitation to and minutes of the general meetings of shareholders;
 - Annual Reports of the Company; and
 - Reports on Interest of Directors and Executives

3. Details of positions held by executives and persons with controlling power of the Company in related companies as of 22 August 2018

Name	Compa ny	Related Companies																		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Mr. Nontigorn Kanchanachitra	C			AC	/	/														
Mr. Yew Hock Koh	/,/,M	/	/																	
Ms. Wilawan Kaewkanokvijit	/,M	/	/																	
Mr. Meechai Prasertsri	/					/	/													
Mr. Chatrapee Tantixalerm	/,AC							AC	//	C	AC									
Mr. Prasitchai Kritsanayunpong	/,AC											//								
Ms. Trithip Sivakrskul	/,AC													AC	M	/	//	/	AC	/
Ms.Sunandha Leelasaengsai	M																			
[•]	M																			
[•]	M																			
Mrs. Panthip Kolyanee	M																			
Ms. Euamporn Warawatanathamrong	M																			

Note C = Chairman AC = Audit Committee / = Director // = Chief Executive Officer M = Management

Related companies:

- | | | |
|--|--|--|
| 1. SISB Thonburi Company Limited | 8. Matching Maximize Solution Public Company Limited | 15. Puksa Real Estate Public Company Limited |
| 2. SISB SIRI Company Limited | 9. Talis Asset Management Company Limited | 16. Vimutti Hospital Holding Company Limited |
| 3. Interlink Telecom Public Company Limited | 10. Univentures REIT Management Company Limited | 17. Vimutti Hospital International Company Limited |
| 4. Krungthai Bank Public Company Limited | 11. TSFC Securities Public Company Limited | 18. Kings Telecom Public Company Limited |
| 5. N.K. Studio Company Limited | 12. Casa Longa (Thailand) Company Limited | 19. Tapaco Mold Company Limited |
| 6. C.A.C (Bangkok) Company Limited | 13. Super Energy Corporation Public Company Limited | |
| 7. Suang Luang Land and Building Company Limited | 14. Puksa Holding Public Company Limited | |

Attachment 2

Directors of Subsidiary

Details of Directors of Subsidiary

Names of Directors	SISB Thonburi Company Limited
1. Mr. Yew Hock Koh	/, AD
2. Ms. Wilawan Kaewkanokvijit	/, AD

No: / = Director AD = Authorised Director

Attachment 3

Internal Auditor

Details of Head of Internal Audit and Head of Compliance of the Group

Items	Details
Internal Auditor	P & L Internal Audit Company Limited
Head of Internal Audit	Ms. Wanwimon Jongsuriyapas
Education	<ul style="list-style-type: none"> ■ Bachelor's Degree in accountancy 2006, Dhurakij Pundit University
Work Experience	<p>2013 - Present: Executive Director, P & L Internal Audit Company Limited</p> <p>2006 – Present: Vice President Operations, P & L Internal Audit Company Limited</p>
Relevant Trainings	<ul style="list-style-type: none"> ■ Internal Auditing Certificate Program – IACP by the Federation of Accounting Professions ■ CPIAT by The Institute of Internal Auditors of Thailand (IIAT) ■ Prepared Course for Certified Internal Auditor: Pre – CIA) by Chulalongkorn University ■ Business Management for Internal Audit in Digital 4.0 by the Federation of Accounting Professions ■ Clinic IA: Topic “Fraud Audit and Caution for Auditor” by The Institute of Internal Auditors of Thailand ■ Clinic IA: Topic “COSO 2014” by The Institute of Internal Auditors of Thailand
Duties and Responsibilities	<ul style="list-style-type: none"> ■ To conduct and control internal audit of the office to meet internal audit standards ■ To coordinate with high-ranking executives, Executive Committee and Audit Committee ■ To prepare an Audit Plan for responsible departments ■ To prepare or review an Audit Programme to meet internal audit standards ■ To conduct a review of sufficiency and completeness of evidence referred in the internal audit report ■ To prepare or review draft internal audit report to meet internal audit standards ■ To perform such other work as may be relevant to internal audit as assigned by the Audit Committee

Attachment 4
Internal Control System

Assessment of Sufficiency of Internal Control System**Rationale and Objectives**

An efficient internal control system is critical for listed companies or for companies whose shares are held by the public. It helps prevent and manage possible risks or damage that may be caused to the Company and its stakeholders. Therefore, it is the duty of the Board of Directors to ensure that an appropriate and sufficient internal control is in place for the monitoring purposes and for ensuring that the Company can achieve its goals and objectives while still complying with the relevant laws and regulations. The internal control also helps prevents possible damage to the Company's assets caused by fraudulent acts and it requires the Company to prepare accurate and reliable accounts and reports.

The Office of the Securities and Exchange Commission (the **"Office of the SEC"**) developed this assessment form for the sufficiency of internal control system (the **"Assessment Form"**) in collaboration with PwC Thailand with the aim to provide companies with a guideline on how to self-assess the sufficiency of the internal control system of the company.

The Assessment Form is prepared based on the concept of COSO¹ (The Committee of Sponsoring Organizations of the Treadway Commission) which issued an improved framework in May 2013 with the aim to simplify the framework to be suitable for Thai listed companies. The five areas of key questions under the original COSO framework remain unchanged. However, the improved framework has incorporated additional 17 sub-principles under the original five areas of questions to provide a better understanding of each area.

Usage

Companies are recommended to use the Assessment Form as a guideline to assess or review the sufficiency of the internal control system at least every year. The Assessment Form may be added to address material events which may have a possible impact on the operating results of the company. The assessment should be reviewed by the Audit Committee and the Board of Directors to allow exchange of ideas, to align understanding of the two boards and to determine guidelines that will be suitable for the companies. Responses to each question shall be based on actual practices of the company. The company should explain and discuss mitigation for any lack of sufficient internal control identified from the assessment (whether because there is no such internal control system or the existing system is not proper).

Note: ¹ Being comprised of five different professional institutions: (i) the American Institute of CPA; (ii) the Institute of Internal Auditors or IIA; (iii) the Financial Executives Institute or FEI; (iv) the American Accounting Association or AAA; and the Institute of Management Accountants or IMA.

Control Environment

1. The organisation can demonstrate its commitment to the integrity and ethical values.

Questions		Yes	No
1.1	The Board of Directors and the executives determine business directions and practices based on integrity and ethical values which include:		
1.1.1	Day-to-day discharge of duties and decision makings	/	
1.1.2	Treatment of the Company's trade partners, customers and third parties	/	
1.2	There are written requirements for executives and employees to perform their duties with integrity and with adherence to ethical values. These requirements shall include:		
1.2.1	An appropriate Code of Conduct for executives and employees	/	
1.2.2	Executives and employees are prohibited against any act which could cause a possible conflict of interests with the company and against any act of corruption which could cause damage to the organisation.	/	
1.2.3	Appropriate sanctions for any violations	/	
1.2.4	The requirements and relevant sanctions are communicated to all executives and employees (i.e. being incorporated in the orientation for new employees which shall require signed acknowledgements every year. Code of Conduct should also be published and made accessible to all employees and third parties.	/	
1.3	Processes are in place to evaluate the compliance with the Code of Conduct		
1.3.1	Monitoring and evaluation done by the internal audit or the compliance unit.	/	
1.3.2	Self-evaluation by the executives and employees	/	
1.3.3	Evaluation by an independent third party	/	
1.4	Timely action in case of non-compliance with the requirements about integrity and the adherence to ethical values.		
1.4.1	Processes are in place to allow timely identification of violation.	/	
1.4.2	Processes are in place to sanction or address violations appropriately and timely.	/	
1.4.3	Violations with the integrity and ethical values are corrected appropriately and timely.	/	

2. The Board of Directors demonstrates independence from management and exercises oversight of the development and performance of internal control.

Questions	Yes	No
2.1 There is a clear separation of roles and duties of the Board of Directors from those of the management and the specific duties of the Board of Directors are clearly provided.	/	
2.2 The Board of Directors oversees that a clear and measurable goal is determined to provide guidance on the performance of duties of the executives and employees.	/	
2.3 The Board of Directors oversees that the Company has a scope of roles and duties of the Board of Directors and the executives that is in accordance with the law and its charters which shall cover material roles of the Audit Committee, auditor, internal audit and persons responsible for the financial reports.	/	
2.4 The Board of Directors shall be knowledgeable about the Company's business and shall have expertise in the areas that will benefit the Company. Alternatively, the Board of Directors is authorised to seek advice from relevant professionals.	/	
2.5 The Board of Directors comprises independent directors in sufficient number who are knowledgeable, reliable and are independent in the performance of their duties, i.e. they shall not have any relationship with the Company's business or any other relationship which could influence the independent discretion and performance of duties.	/	
2.6 The Board of Directors oversees the development and the compliance with the internal control practices which shall cover such areas as the control environment, risk assessment, control activities, information and communication and monitoring activities.	/	

3. Management establishes, with the oversight of the Board of Directors, structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives.

Questions	Yes	No
3.1 High-ranking executives determine an organisational structure to support the pursuit of objectives taking into consideration the appropriateness in both the business and legal aspects. An efficient internal control shall also be in place such as separation of duties in critical roles to create a check and balance or an internal audit function created to report directly to the Audit Committee with clear reporting lines.	/	
3.2 High-ranking executives determine reporting lines within the company taking into consideration the suitability in relation to powers and duties, responsibilities and communication of information.	/	
3.3 Powers and responsibilities are determined, delegated and limited appropriately among the Board of Directors, high-ranking executives, executives and employees.	/	

4. The organisation demonstrates a commitment to attract, develop and retain competent individuals.

Questions	Yes	No
4.1 The Company adopts appropriate policies and practices of recruitment, development and retention of competent individuals and provides a procedure to review such policies and practices regularly.	/	
4.2 The Company adopts a performance evaluation process including the incentives or rewards for individuals that demonstrate good performance and manages individuals who could not meet the set targets. This includes communication of these processes and procedures to the executives and employees.	/	
4.3 The Company puts in place a contingency plan that can timely address the lack of competent individuals.	/	
4.4 The Company puts in place a process of recruitment, development and retention of all the executives and employees such as a mentoring system and trainings.	/	
4.5 The Company has a succession plan for key positions.	/	

5. The organisation holds individuals accountable for their internal control responsibilities in the pursuit of objectives

Questions	Yes	No
5.1 The Board of Directors and the executives put in place and communicate the requirements for all individuals to be accountable for their internal control responsibilities. Improvements and amendments to the practice may be done if they are necessary.	/	
5.2 The Board of Directors and the executives determine appropriate key performance indicators, incentives and rewards taking into consideration compliance with the Code of Conduct and short-term and long-term objectives of the Company.	/	
5.3 The Board of Directors and the executives regularly assess incentives and rewards to ensure that they are linked to the accomplishment of duties in complying with the internal control requirements.	/	
5.4 The Board of Directors and the executives ensure that there will be no unreasonable pressure on the performance of duties of each individual.	/	

Risk Assessment
6. The organisation specifies with sufficient clarity to enable the identification and assessment of risks relating to objectives.

Questions	Yes	No
6.1 The Company can comply with the generally accepted accounting standards which are then appropriate for the business and can demonstrate that items included in the financial reports provide a complete record of actual transactions and that the rights and obligations of the Company are accurately recorded with appropriate value and the disclosure of information is accurate and complete.	/	
6.2 The Company determines material items in the financial statements by taking into consideration key factors such as users of such financial report, size of transaction and business trends.	/	
6.3 Financial reports of the Company truly reflect operations of the Company.	/	
6.4 The Board of Directors or the Risk Management Committee approves and communicate risk management policy to all executives and employees and require them to acknowledge and comply with such policy such that it becomes a part of the organisation culture.	/	

7. The organisation identifies and analyses risks to the achievement of its objectives across the entity.

Questions	Yes	No
7.1 The Company identifies all types of risks which may have a possible impact on the business operation at the level of the organisation, business units, departments and functions.	/	
7.2 The Company analyses all types of risks which may occur as a result of both internal and external factors including strategic and operational risks and reports on compliance with the requirements including risks relating to information technology.	/	
7.3 All levels of the executives participate in the risk management.	/	
7.4 The Company assesses the materiality of risks including possibilities and impacts.	/	
7.5 The Company puts in place measures and work plan to manage risk to include an acceptance of the risks, reduction in, avoidance of or sharing of risks.	/	

8. The organisation considers the potential for fraud in assessing risks to achievement of objectives.

Questions		Yes	No
8.1	The Company assesses the opportunity of risks to include all types of corruptions such as false financial reporting, act of corruption, management override of internal controls, change of information in material reports, unlawful acquisition or disposal of assets.	/	
8.2	The Company carefully reviews its operational goals by taking into consideration the feasibility of the set goals and the justifications for incentives or rewards to employees such that they will not induce the relevant employees to engage in any inappropriate acts such as an overstatement of sales target to incentivise the adjustments to sales numbers.	/	
8.3	The Audit Committee carefully reviews and inquires the executives about the possibility of corruption and measures to prevent or to correct corruption.	/	
8.4	The Company communicates risk management policies to all employees and requires them to comply with the established policies and practices.	/	

9. The organisation identifies and assesses changes that could impact the internal control system.

Questions		Yes	No
9.1	The Company assesses changes to external factors that could have an impact on the business operations, internal control and financial reports and determines adequate measures to respond to such changes.	/	
9.2	The Company assesses changes to type of business operations which may affect operations, internal control and financial reports and determines adequate measures to respond to such changes.	/	
9.3	The Company assesses changes to leaders of the organisation which may affect operations, internal control and financial reports and determines adequate measures to respond to such changes.	/	

Control Activities
10. The organisation puts in place control measures to minimise risks to the achievement of objectives to acceptable levels.

Questions	Yes	No
10.1 Control measures of the Company are appropriate for risks and specific features of the organisation including environments, complications of business, scope of operations and such other features.	/	
10.2 The Company puts in place written internal control measures to appropriately cover procedures such as policies and practices relating to financial transactions, procurement and general administration and determine scope of powers and duties including the approval authority of each level of executives to prevent corruption. Examples are limits of approval for projects, procurement and selection of vendors, records of details relating to the procurement decisions, procedures of supply of materials or equipment or tools. There shall be procedures for the followings: 10.2.1 Compilation and regular update of information relating to major shareholders, directors, executives and their related persons including connected persons for the purpose of monitoring and review of related party transactions or transactions which may cause possible conflict of interests. 10.2.2 If the Company has already approved transactions or contracts that have long-term binding effects with its related persons such as sale and purchase agreement, provision of loans and guarantee, the Company shall have followed up to ensure that conditions under the contracts are complied with throughout the binding term, i.e. timely repayment of debts or review of terms and conditions of the agreements.	/	
10.3 The Company puts in place various internal control measures such as manual and automated control measures or preventive control measures.	/	
10.4 The Company puts in place internal control measures at all levels of the organisation such as at the level of the group companies, business units, departments, divisions or functions.	/	
10.5 The Company provides a clear separation of duties and responsibilities in the following three functions to create a check and balance: (1) approval function (2) account recording and information function; and (3) asset keeping function	/	

11. The organisation selects and develops general control activities over technology to support the achievement of objectives.

Questions	Yes	No
11.1 The Company should determine relationship between the use of information technology in work process and the general control of information technology.	/	
11.2 The Company should determine an appropriate control for the information technology infrastructure.	/	
11.3 The Company should determine an appropriate control for the security of information technology.	/	
11.4 The Company should determine an appropriate control for the process of acquisition, development and maintenance of technology systems.	/	

12. The organisation deploys control activities through policies that establish what is expected and procedures that put policies into action.

Questions	Yes	No
12.1 The Company adopts a strict policy to monitor transactions by major shareholders, directors, executives or their related persons and require that such transactions shall be approved in accordance with the relevant requirements such as the Articles of Association of the Company, the regulations of the Stock Exchange of Thailand, the Office of the SEC to prevent possible abuse of the Company's benefit for personal gains.	/	
12.2 The Company has a policy to require that approval process shall be done by persons who do not have an interest in transactions being approved.	/	
12.3 The Company has a policy to require that approval for transactions shall take into account the best interest of the Company and is done on an arms' length basis.	/	
12.4 The Company has a procedure to monitor operations of its subsidiaries or associate companies and provides guidelines for persons appointed as directors or executives in such subsidiaries or associate companies to comply with (if the Company does not have an investment in any subsidiary or associate company, answer to this question is not required)	/	
12.5 The Company determines duties and responsibilities for executives and employees to adopt and implement the policies and procedures.	/	
12.6 Policies and procedures of the Company are implemented by competent individuals at an appropriate time and include correction procedures.	/	
12.7 The Company regularly reviews policies and procedures to ensure they are always appropriate.	/	

Information & Communication

13. The organisation obtains and uses relevant and quality information to support the functioning of other components of internal control.

Questions		Yes	No
13.1	The Company determines relevant and quality information that it needs in its operations which include both internal and external information.	/	
13.2	The Company considers both the cost and benefits, quantity and accuracy of information.	/	
13.3	The Company takes steps to ensure that the Board of Directors has adequate material information for their decision making such as details of the matters proposed for consideration, rationale, impact on the Company and alternatives.	/	
13.4	The Company takes steps to ensure that relevant notices of invitation to meetings including supporting documents are distributed to the members of the Board of Directors in advance within the minimum notice period requirements under the law. Such notice shall specify necessary and adequate information for the decision making.	/	
13.5	The Company takes steps to ensure that minutes of meeting contain reasonable records of the meeting transactions to allow an inspection into the performance of duties by each director such as the record of questions and answers of each member of the Board of Directors, opinion or observation of the directors in the matters being considered, dissenting opinions and justifications.	/	
13.6	The Company takes the following steps:		
13.6.1	Complete and classified storage of important documents	/	
13.6.2	The Company shall have already taken steps to correct any deficiencies in internal control as notified by the auditor or internal auditor.	/	

14. The organisation internally communicates information, including objectives and responsibilities for internal control necessary to support the functioning of other components of internal control.

Questions	Yes	No
14.1 The Company adopts an effective internal communication procedure and provides appropriate communication channels to support the internal control.	/	
14.2 The Company ensures that significant information is regularly reported to the Board of Directors and the Board of Directors has access to information that is necessary for the discharge of duties or for the review of transactions. For example, there are contact persons to provide other information that what is received from the management. In addition, the Board of Directors should be able to request for information from the auditor, the internal auditor, through meets between the Board of Directors and the management as the Board of Directors may request or other meetings than the Board of Directors meeting.	/	
14.3 The Company provides a special channel or a whistleblower hotline to safely report on fraudulent acts or corruption within the organisation.	/	

15. The organisation communicates with external parties regarding matters affecting the functioning of other components of internal control.

Questions	Yes	No
15.1 The Company puts in place a procedure to effectively communicate with external parties including an appropriate communication channel to support internal control activities such as investor relations officers or functions, complaint dealing centre.	/	
15.2 The Company provides a special channel or a whistleblower hotline to safely report on fraudulent acts or corruption within the organisation.	/	

Monitoring Activities

16. The organisation selects, develops and performs ongoing and separate evaluations to ascertain whether the components of internal control are complete and functioning properly.

Questions	Yes	No
16.1 The Company puts in place a monitoring procedure to follow up on the compliance with the business ethics and prohibitions against the executives and the employees to conduct themselves in a manner which could create possible conflict of interests. Examples include the requirements for each function to monitor compliance and report to relevant supervisor or to delegate the monitoring duties to the internal audit department and report to the Audit Committee.	/	
16.2 The Company puts in place a monitoring procedure to follow up on the compliance with the established internal control system by providing self-assessment systems and/or an independent assessment by internal auditors.	/	
16.3 The frequency of monitoring and assessment is appropriate for the changes of the Company.	/	
16.4 Monitoring activities and assessment of internal control system is conducted by competent individuals.	/	
16.5 The Company sets guidelines on the direct report of the internal audit to the Audit Committee.	/	
16.6 The Company encourages the internal auditors to perform their duties in accordance with the International Standards for the Professional Practice of Internal Auditing (IIA)	/	

17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

Questions	Yes	No
17.1 The Company evaluates and communicates internal control deficiencies and takes corrective action in a timely manner if the actual operations are materially different from the set goals.	/	
17.2 The Company has the following reporting policy: 17.2.1 The executives must immediately report to the Board of Directors upon occurrence or any doubted occurrence of an act of serious corruption, violation of laws or such other irregularities which may have a significant impact on the reputation and financial positions of the Company. 17.2.2 The report must include the material deficiencies including relevant solutions (although the Board of Directors has already commenced the corrective action) to the Board of Directors/ the Audit Committee to allow them to consider the matter within a reasonable time. 17.2.3 Reports must be made to the Board of Directors/ the Audit Committee on the progress of the corrective actions for the material deficiencies.	/	

Attachment 5

Financial Statement Ended 31 December 2018

SISB Public Company Limited and its subsidiaries
(formerly known as “SISB Company Limited”)
Report and consolidated financial statements
31 December 2018

Independent Auditor's Report

To the Shareholders of SISB Public Company Limited

(Formerly known as "SISB Company Limited")

Opinion

I have audited the accompanying consolidated financial statements of SISB Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of SISB Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SISB Public Company Limited and its subsidiaries and of SISB Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

I draw attention to Note 3 and 4 to the financial statements, during the year, the Company and its subsidiaries changed its accounting policy due to the adoption of TFRS15 Revenue from Contracts with Customers before the effective date. The Company has restated the financial statements of 2017 to reflect the changes in the above accounting policy. The adjustments made for the preparation of the restated financial statements are appropriate and have been properly applied. My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

The key audit matters and the audit procedures performed in response to each matter are described below.

Revenue recognition of Tuition fees and service income

As disclosed in Note 5 to the financial statements with respect to revenue recognition, tuition fees and service income is the most significant amount in the statement of comprehensive income and is also the key indicator of business performance on which the users of financial statements focus. In addition, the Group has a large customer base. I therefore considered the revenue recognition of tuition fees and service income to be a key audit matter and have focused on the audit of occurrence and timing of revenue recognition.

The following significant audit procedures were performed in respect to above matter.

- Assessed and tested the Company's IT system and its internal controls with respect to the application process and the recognition of tuition fees and service income revenue by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select the tuition fees and service income transactions to assess whether revenue recognition was consistent with the conditions of the relevant sale documents, and whether it was in compliance with the Group's policy.
- Selected representative samples of the recorded adjustment transactions to check them against documents relating to tuition fees and service income.
- On a sampling basis, examining supporting documents for actual tuition fees and service income transactions occurring near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in tuition fees and service income transactions throughout the accounting period.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 22 February 2019

SISB Public Company Limited and its subsidiaries
(formerly known as "SISB Company Limited")
Statement of financial position
As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
	Note	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
			(Restated)	(Restated)		(Restated)	(Restated)
Assets							
Current assets							
Cash and cash equivalents	9	367,329,115	75,636,869	67,927,312	129,203,934	27,183,114	42,639,245
Current investments	10	516,380,317	70,017,740	-	259,000,000	-	-
Trade and other receivables	11	38,026,517	33,869,026	32,197,027	13,523,432	3,972,716	35,071,773
Inventories	12	7,589,605	8,969,018	11,240,186	-	-	-
Other current assets		12,733,062	7,861,182	15,967,735	4,463,076	1,868,051	9,304,355
Total current assets		942,058,616	196,353,835	127,332,260	406,190,442	33,023,881	87,015,373
Non-current assets							
Restricted bank deposits		1,368,000	1,568,000	1,268,000	1,368,000	1,568,000	1,268,000
Investments in subsidiaries accounted for under equity method	13	-	-	-	382,831,714	238,997,821	961,261
Investment in joint venture accounted for under equity method	14	50,373,064	52,560,264	62,437,944	50,373,064	52,560,264	62,437,944
Investment properties	15	-	-	-	899,460,409	1,050,574,575	1,126,234,663
Property, plant and equipment	16	1,385,912,286	1,429,709,921	1,252,175,879	44,066,761	61,701,980	75,971,533
Intangible assets	17	1,698,322	2,396,247	2,942,803	1,588,955	2,370,560	2,910,029
Other non-current assets	18	43,896,710	42,556,528	22,966,860	24,234,802	42,179,340	22,638,991
Total non-current assets		1,483,248,382	1,528,790,960	1,341,791,486	1,403,923,705	1,449,952,540	1,292,422,421
Total assets		2,425,306,998	1,725,144,795	1,469,123,746	1,810,114,147	1,482,976,421	1,379,437,794

The accompanying notes are an integral part of the financial statements.

SISB Public Company Limited and its subsidiaries
(formerly known as "SISB Company Limited")
Statements of financial position (continued)
As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
	Note	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
			(Restated)	(Restated)		(Restated)	(Restated)
Liabilities and shareholders' equity							
Current liabilities							
Short-term loan	19	-	150,000,000	50,000,000	-	150,000,000	50,000,000
Trade and other payables	20	28,918,141	41,364,518	115,844,553	10,121,040	337,209,531	493,623,454
Current portion of deferred income	21	470,692,981	393,067,568	305,128,453	-	-	-
Current portion of long-term loans	22	-	85,000,000	54,000,000	-	85,000,000	54,000,000
Long-term loan classified as current liabilities	22	-	163,000,000	-	-	163,000,000	-
Current portion of liabilities under finance lease agreements	23	3,378,526	2,648,950	94,454	442,335	776,838	94,454
Deposits from students - current portion		14,880,000	9,720,000	6,810,000	-	-	-
Income tax payable		436,959	190,235	68,650	-	-	-
Other current liabilities		5,392,130	3,842,813	5,210,228	1,625,373	1,236,500	2,793,953
Total current liabilities		523,698,737	848,834,084	537,156,338	12,188,748	737,222,869	600,511,861
Non-current liabilities							
Deferred income	21	142,489,005	152,670,447	126,868,632	-	-	-
Long-term loans	22	-	381,000,000	446,000,000	-	381,000,000	446,000,000
Liabilities under finance lease agreements	23	1,423,620	2,262,560	62,368	-	442,335	62,368
Deposits from students		55,020,000	53,250,000	43,560,000	-	-	-
Provision for decommissioning	24	13,810,000	13,379,000	12,949,559	13,810,000	13,379,000	12,949,559
Provision for long-term employee benefits	25	17,093,076	13,690,879	10,991,077	6,939,762	6,161,725	4,838,150
Deferred tax liabilities	29	1,391,152	447,992	-	198,039	-	-
Provision for transaction under equity method of investment in subsidiaries	13	-	-	-	108,505,685	85,800,876	23,662,628
Other non-current liabilities		72,363,190	72,506,946	102,980,528	70,453,686	71,866,709	102,858,013
Total non-current liabilities		303,590,043	689,207,824	743,412,164	199,907,172	558,650,645	590,370,718
Total liabilities		827,288,780	1,538,041,908	1,280,568,502	212,095,920	1,295,873,514	1,190,882,579

The accompanying notes are an integral part of the financial statements.

SISB Public Company Limited and its subsidiaries
(formerly known as "SISB Company Limited")
Statements of financial position (continued)
As at 31 December 2018

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated)	31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated)
Shareholders' equity						
Share capital	26					
Registered						
940,000,000 ordinary shares of Baht 0.50 each (31 December 2017: 25,000,000 ordinary shares of Baht 10 each) (1 January 2017: 20,000,000 ordinary shares of Baht 10 each)	470,000,000	250,000,000	200,000,000	470,000,000	250,000,000	200,000,000
Issued and fully paid up						
940,000,000 ordinary shares of Baht 0.50 each (31 December 2017: 25,000,000 ordinary shares of Baht 10 each) (1 January 2017: 20,000,000 ordinary shares of Baht 10 each)	470,000,000	250,000,000	200,000,000	470,000,000	250,000,000	200,000,000
Premium on preference shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Premium on common shares	1,176,311,291	-	-	1,176,311,291	-	-
Retained earnings (Deficit)						
Appropriated-statutory reserve	27	21,720,000	16,400,000	10,000,000	21,720,000	16,400,000
Unappropriated	(71,013,064)	(80,297,093)	(22,444,785)	(71,013,064)	(80,297,093)	(22,444,785)
Equity attributable to owners of the Company	1,598,018,227	187,102,907	188,555,215	1,598,018,227	187,102,907	188,555,215
Non-controlling interest of the subsidiaries	(9)	(20)	29	-	-	-
Total shareholders' equity	1,598,018,218	187,102,887	188,555,244	1,598,018,227	187,102,907	188,555,215
Total liabilities and shareholders' equity	2,425,306,998	1,725,144,795	1,469,123,746	1,810,114,147	1,482,976,421	1,379,437,794
	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

SISB Public Company Limited and its subsidiaries
(formerly known as "SISB Company Limited")
Statement of comprehensive income
For the year ended 30 September 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
			(Restated)		(Restated)
Profit or loss:					
Revenues					
Tuition fees and service income	7	923,980,450	730,836,303	-	-
Rental and services income	7, 8	-	-	181,363,723	172,662,952
Education equipment income	7, 8	8,475,854	7,204,718	-	-
Other income	7, 8	14,897,207	8,308,858	5,412,441	15,125,776
Total revenues		947,353,511	746,349,879	186,776,164	187,788,728
Expenses					
Tuition and service cost		567,178,928	491,350,020	-	-
Rental and services cost		-	-	159,850,092	169,051,860
Administrative expenses		238,674,936	196,627,037	27,822,360	27,568,737
Other expenses		346,641	40,526	344,980	40,529
Total expenses		806,200,505	688,017,583	188,017,432	196,661,126
Profit (loss) before share of profit (loss) from investment accounted for under equity method, finance cost and income tax expenses					
		141,153,006	58,332,296	(1,241,268)	(8,872,398)
Share of profit (loss) from investment accounted for under equity method	13, 14	(2,278,969)	(9,877,680)	136,509,378	55,203,269
Profit before finance cost and income tax expenses		138,874,037	48,454,616	135,268,110	46,330,871
Finance cost		(33,972,538)	(29,859,232)	(31,586,172)	(28,413,920)
Profit before income tax expense		104,901,499	18,595,384	103,681,938	17,916,951
Income tax expense	29	(1,382,294)	(678,482)	(162,744)	-
Profit for the year		103,519,205	17,916,902	103,519,194	17,916,951
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain on defined benefits plan - net of income tax	25	993,066	630,741	141,178	98,771
Share of comprehensive income from investment accounted for under equity method - net of income tax	13, 14	91,769	-	943,657	531,970
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,084,835	630,741	1,084,835	630,741
Other comprehensive income for the year		1,084,835	630,741	1,084,835	630,741
Total comprehensive income for the year		104,604,040	18,547,643	104,604,029	18,547,692
Profit attributable to:					
Equity holders of the Company		103,519,194	17,916,951	103,519,194	17,916,951
Non-controlling interest of the subsidiaries		11	(49)		
		103,519,205	17,916,902		
Total comprehensive income attributable to:					
Equity holders of the Company		104,604,029	18,547,692	104,604,029	18,547,692
Non-controlling interest of the subsidiaries		11	(49)		
		104,604,040	18,547,643		
Earnings (loss) per share					
	30				
Profit (loss) attributable to equity holders of the Company		0.16	0.04	0.16	0.04

The accompanying notes are an integral part of the financial statements.

SISB Public Company Limited and its subsidiaries
(formerly known as "SISB Company Limited")
Statement of changes in shareholders' equity
For the year ended 31 December 2018

	Consolidated financial statements							(Unit: Baht)
	Equity attributable to owners of the Company					Equity attributable to non-controlling interest of subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Premium on preference shares	Premium on common shares	Retained earnings	Total equity attributable to owners of the Company			
				Appropriated	Unappropriated			
Balance as at 1 January 2017 - as previously reported	200,000,000	1,000,000	-	10,000,000	90,816,573	301,816,573	29	301,816,602
Cumulative effect of the correction of prior years adjustment (Note 4)	-	-	-	-	(113,261,358)	(113,261,358)	-	(113,261,358)
Balance as at 1 January 2017 - as restated	200,000,000	1,000,000	-	10,000,000	(22,444,785)	188,555,215	29	188,555,244
Profit for the year	-	-	-	-	17,916,951	17,916,951	(49)	17,916,902
Other comprehensive income for the year	-	-	-	-	630,741	630,741	-	630,741
Total comprehensive income for the year	-	-	-	-	18,547,692	18,547,692	(49)	18,547,643
Dividend paid (Note 32)	-	-	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)
Increase in share capital (Note 26)	50,000,000	-	-	-	-	50,000,000	-	50,000,000
Transfer to statutory reserve (Note 27)	-	-	-	6,400,000	(6,400,000)	-	-	-
Balance as at 31 December 2017	250,000,000	1,000,000	-	16,400,000	(80,297,093)	187,102,907	(20)	187,102,887
Balance as at 1 January 2018 - as previously reported	250,000,000	1,000,000	-	16,400,000	74,649,826	342,049,826	(20)	342,049,806
Cumulative effect of the correction of prior years adjustment (Note 4)	-	-	-	-	(154,946,919)	(154,946,919)	-	(154,946,919)
Balance as at 1 January 2018 - as restated	250,000,000	1,000,000	-	16,400,000	(80,297,093)	187,102,907	(20)	187,102,887
Profit for the year	-	-	-	-	103,519,194	103,519,194	11	103,519,205
Other comprehensive income for the year	-	-	-	-	1,084,835	1,084,835	-	1,084,835
Total comprehensive income for the year	-	-	-	-	104,604,029	104,604,029	11	104,604,040
Dividend paid (Note 32)	-	-	-	-	(90,000,000)	(90,000,000)	-	(90,000,000)
Increase in share capital (Note 26)	220,000,000	-	1,176,311,291	-	-	1,396,311,291	-	1,396,311,291
Transfer to statutory reserve (Note 27)	-	-	-	5,320,000	(5,320,000)	-	-	-
Balance as at 31 December 2018	470,000,000	1,000,000	1,176,311,291	21,720,000	(71,013,064)	1,598,018,227	(9)	1,598,018,218
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

SISB Public Company Limited and its subsidiaries

(formerly known as "SISB Company Limited")

Statement of changes in shareholders' equity

For the year ended 31 December 2018

	Separate financial statements					(Unit: Baht)
	Issued and paid-up share capital	Premium on preference shares	Premium on common shares	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2017 - as previously reported	200,000,000	1,000,000	-	10,000,000	90,816,573	301,816,573
Cumulative effect of the correction of prior years adjustment (Note 4)	-	-	-	-	(113,261,358)	(113,261,358)
Balance as at 1 January 2017 - as restated	200,000,000	1,000,000	-	10,000,000	(22,444,785)	188,555,215
Profit for the year	-	-	-	-	17,916,951	17,916,951
Other comprehensive income for the year	-	-	-	-	630,741	630,741
Total comprehensive income for the year	-	-	-	-	18,547,692	18,547,692
Dividend paid (Note 32)	-	-	-	-	(70,000,000)	(70,000,000)
Increase in share capital (Note 26)	50,000,000	-	-	-	-	50,000,000
Transfer to statutory reserve (Note 27)	-	-	-	6,400,000	(6,400,000)	-
Balance as at 31 December 2017	250,000,000	1,000,000	-	16,400,000	(80,297,093)	187,102,907
Balance as at 1 January 2018 - as previously reported	250,000,000	1,000,000	-	16,400,000	74,649,826	342,049,826
Cumulative effect of the correction of prior years adjustment (Note 4)	-	-	-	-	(154,946,919)	(154,946,919)
Balance as at 1 January 2018 - as restated	250,000,000	1,000,000	-	16,400,000	(80,297,093)	187,102,907
Profit for the year	-	-	-	-	103,519,194	103,519,194
Other comprehensive income for the year	-	-	-	-	1,084,835	1,084,835
Total comprehensive income for the year	-	-	-	-	104,604,029	104,604,029
Dividend paid (Note 32)	-	-	-	-	(90,000,000)	(90,000,000)
Increase in share capital (Note 26)	220,000,000	-	1,176,311,291	-	-	1,396,311,291
Transfer to statutory reserve (Note 27)	-	-	-	5,320,000	(5,320,000)	-
Balance as at 31 December 2018	470,000,000	1,000,000	1,176,311,291	21,720,000	(71,013,064)	1,598,018,227
	-	-	-	-	-	-
	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

SISB Public Company Limited and its subsidiaries

(formerly known as “SISB Company Limited”)

Cash flow statement
For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before tax	104,901,499	18,595,384	103,681,938	17,916,951
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	118,190,294	100,877,917	81,156,901	88,012,888
Allowance for doubtful accounts (reversal)	(2,582,428)	1,487,399	(174,169)	209,730
Reduction of inventory to net realisable value (reversal)	1,211,578	(576,946)	-	-
Gain on sales of short-term investments	(1,126,855)	(288,289)	(123,537)	-
Gain from revaluation of short-term investments	-	(17,740)	-	-
Written-off fixed assets	420,965	40,529	344,980	40,529
Provision for long-term employee benefits	5,880,550	3,454,323	1,404,510	1,422,346
Interest income	(1,095,233)	(407,598)	(611,886)	(141,912)
Shared of profit (loss) from investment accounted for under equity method	2,278,969	9,877,680	(136,509,378)	(55,203,269)
Interest expenses	29,776,492	27,940,083	29,931,702	27,847,690
Profit from operating activities before changes in operating assets and liabilities	257,855,831	160,982,742	79,101,061	80,104,953
Operating assets (increase) decrease				
Trade and other receivables	(1,575,063)	(3,159,398)	(9,376,547)	30,889,327
Inventories	167,835	2,848,114	-	-
Other current assets	(4,704,506)	5,220,324	(2,491,066)	4,543,034
Restricted bank deposits	200,000	(300,000)	200,000	(300,000)
Other assets	3,096,051	(7,261,451)	22,382,110	(7,213,474)
Operating liabilities increase (decrease)				
Trade and other payables	134,095	4,775,600	(314,062,895)	(89,289,777)
Deferred income	67,443,971	113,740,930	-	-
Liabilities under finance lease payable	(109,364)	4,754,688	(776,838)	1,062,351
Other current liabilities	6,709,317	1,542,586	388,873	(1,557,453)
Long-term employee benefits paid	(1,237,020)	(123,780)	(450,000)	-
Other non-current liabilities	1,626,244	(20,783,583)	(1,413,023)	(30,991,304)
Cash flows from (used in) operating activities	329,607,391	262,236,772	(226,498,325)	(12,752,343)
Cash paid for interest expenses	(29,345,492)	(27,510,641)	(29,500,702)	(27,418,248)
Cash paid for corporate income tax	(4,876,909)	(9,543,414)	(4,437,570)	(9,433,914)
Net cash flows from (used in) operating activities	295,384,990	225,182,717	(260,436,597)	(49,604,505)

The accompanying notes are an integral part of the financial statements.

SISB Public Company Limited and its subsidiaries

(b) (formerly known as “SISB Company Limited”)

Cash flow statement (continued)

For the year ended 31 December 2018

			(Unit: Baht)	
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		(Restated)
Cash flows from investing activities				
Increase in current investments	(516,380,317)	-	(259,000,000)	-
Cash received from sales of unit trusts	446,144,594	202,288,289	75,123,537	-
Cash paid for unit trusts	(375,000,000)	(272,000,000)	(75,000,000)	-
Cash paid from investment in subsidiaries	-	-	(10,000,000)	(5,999,970)
Cash received from sale of equipment	-	-	4,648,048	-
Cash paid from acquisition of investment properties	-	-	(37,952,035)	(274,641,635)
Cash paid from acquisition of property, plant and equipment	(86,650,375)	(356,819,266)	(3,236,117)	(24,009,940)
Cash received from sale of intangible assets	-	-	54,766	-
Cash paid from acquisition of intangible assets	(45,796)	(342,300)	-	(342,300)
Dividend received from investment in subsidiary	-	-	140,000,000	130,000,000
Interest received	927,859	400,117	507,927	142,219
Net cash flows used in investing activities	(531,004,035)	(426,473,160)	(164,853,874)	(174,851,626)
Cash flows from financing activities				
Cash received from short-term loans	300,000,000	590,000,000	420,000,000	590,000,000
Repayment of short-term loan	(450,000,000)	(490,000,000)	(570,000,000)	(490,000,000)
Cash received from long-term loans	47,000,000	183,000,000	47,000,000	183,000,000
Repayment of long-term loans	(676,000,000)	(54,000,000)	(676,000,000)	(54,000,000)
Cash received from increase in share capital	1,442,000,000	50,000,000	1,442,000,000	50,000,000
Cash paid for direct costs attributable to the share offering	(45,688,709)	-	(45,688,709)	-
Dividend paid	(90,000,000)	(70,000,000)	(90,000,000)	(70,000,000)
Net cash flows from financing activities	527,311,291	209,000,000	527,311,291	209,000,000
Net increase (decrease) in cash and cash equivalents	291,692,246	7,709,557	102,020,820	(15,456,131)
Cash and cash equivalents at beginning of the year	75,636,869	67,927,312	27,183,114	42,639,245
Cash and cash equivalents at end of the year	367,329,115	75,636,869	129,203,934	27,183,114
	-	-	-	-

Supplemental cash flows information:

Non-cash items

Decrease in payable from purchase of

building and equipment

(12,580,472) (79,255,634) (13,025,596) (66,124,176)

Actuarial gain on defined benefits plan - net of income tax

1,084,835 630,741 141,178 98,771

The accompanying notes are an integral part of the financial statements.

SISB Public Company Limited and its subsidiaries

(formerly known as “SISB Company Limited”)

Notes to consolidated financial statements

For the year ended 31 December 2018

1. General information

SISB Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its registered address which is the Company’s head office is at 498/11, Soi Ramkhamhaeng 39 (Tepleela 1), Pracha Uthit Road, Wangthonglang, Wangthonglang, Bangkok.

On 4 June 2018, the Company registered the change of its head office’s address to 498/12, Soi Ramkhamhaeng 39 (Tepleela 1), Pracha Uthit Road, Wangthonglang, Wangthonglang, Bangkok.

The Company is the license holder of a private school named “Singapore International School of Bangkok”, located at 498/11, Soi Ramkhamhaeng 39 (Tepleela 1), Wangthonglang, Wangthonglang, Bangkok, a private school named “Singapore International School Suvarnabhumi” located at 4/5 Moo 5, Namdaeng- Bang Plee Road, Bang Kaew, Bang Plee, Samutprakarn, a private school named “Singapore International School Thonburi” located at 138 Ratchamontri Road, Khlong Kwang, Phasi charoen, Bangkok and a private school named “Singapore International School Ekamai” located at 154 Soi Ekamai 14, Sukhumvit Road, Wattana, Bangkok.

On 4 June 2018, the Company has converted from a private limited company to a public company with the Ministry of Commerce and the change of its name from “SISB Company Limited” to “SISB Public Company Limited”.

During the year, The Market of Alternative Investment (MAI) has approved the listing of the ordinary shares of the Company as securities on the MAI, to be traded from 29 November 2018.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The Company has control over its subsidiaries and school. The Company therefore prepares consolidated financial statements. The consolidated financial statements include the financial statements of SISB Public Company Limited ("the Company") and the following subsidiary and school ("the subsidiaries"):

School's name	Nature of business	Country of incorporation	Shareholding	
			2018	2017
			%	%
Singapore International School of Bangkok	School	Thailand	100.00	100.00
Singapore International School Suvarnabhumi	School	Thailand	100.00	100.00
Singapore International School Thonburi	School	Thailand	100.00	100.00
Singapore International School Ekamai	School	Thailand	100.00	-
SISB Thonburi Company Limited	Business related to private school	Thailand	99.99	99.99

- b) The Company is deemed to have control over an investee or the subsidiaries or school if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries and school are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries and school are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and the subsidiaries and school have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and joint venture under the equity method.

3 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial

statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

During 2018, the Company elects to adoption of TFRS15 Revenue from Contracts with Customers before the effective date. The Company has restated the prior period's financial statements to reflect the effect of the change. The cumulative effect of the change is described in Note 4.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effect of change in accounting policy due to the adoption of accounting standard before the effective date

As described in Note 3 to the financial statements, during the current period, the Company and its subsidiaries have changed its accounting policy related to enrolment fee recognised as revenue over the estimation of school life's year. The cumulative effect of the change in accounting policy is presented as a separate item in the statement of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position, the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 December	1 January	31 December	1 January
	2017	2017	2017	2017
Statements of financial position				
Decrease in investments in subsidiaries accounted for under equity method	-	-	(72,364)	(89,599)
Decrease in investment in joint venture accounted for under equity method	(2,656)	-	(2,656)	-
Increase in provision for transaction under equity method of investment in subsidiaries	-	-	79,927	23,662
Increase in current portion of deferred income	41,900	32,611	-	-
Increase in deferred income	110,391	80,650	-	-
Decrease in unappropriated retained earnings	(154,947)	(113,261)	(154,947)	(113,261)

	(Unit: Thousand Baht)	
	For the year ended 31 December 2017	
	Consolidated	Separate
	financial statements	financial statements
Statement of comprehensive income		
Profit or loss:		
Decrease in tuition fees and services income	(39,030)	-
Decrease in share of profit from investments accounted for under equity method	(2,656)	(41,686)
Decrease in profit for the period	(41,686)	(41,686)
Earnings per share (Baht)		
Decrease in basic earnings per share	(0.09)	(0.09)

The nature of these adjustments are described below:

- Enrolment fee recognised as revenue over the estimation of school life's year.

5. Significant accounting policies

5.1 Revenues recognition

Tuition fees

Tuition fees and canteen income are recognised as income of the school term to which they relate.

Enrolment fee

Enrolment fee are recognised as revenue over the estimation of school life's year.

Rendering of rental and services

Rental of area in buildings and related services income are recognised as revenue on a straight line basis over the lease term on an accrual basis.

Service revenues is recognised when services have been rendered.

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks and all highly liquid investment with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in joint ventures is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the equity method

The fair value of unit trusts is determined from their net asset value as at the end of reporting period.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the different between net disposal proceeds and carrying amount of the investment is recognised in profit or loss.

5.4 Trade and other accounts receivables

Trade and other accounts receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.5 Inventories

Inventories are valued at the lower of cost (under the first-in, first-out) or net realisable value.

5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	3, 19.5, 20, 28, 28.5 years
Land and building improvements	5 - 20 years

Depreciation of investment properties is included in determining income.

No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.7 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	3, 19.5, 20, 28, 28.5 years
Land and building improvements	5 - 20 years
Furniture and office equipment	5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.9 Intangible assets and amortisation

Intangible assets are recognised at cost. Following the initial recognition, intangible assets are stated at cost less accumulated amortisation and allowance for diminution in value (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The estimated useful lives of computer software are 5 years.

5.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.11 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful lives of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as expenses in profit or loss on a straight line basis over the lease term.

5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits*Defined contribution plans*

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treats these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

5.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the

extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value disclosed in the statement of financial position and disclosures of fair value hierarchy.

Property plant and equipment and investment properties and depreciation

In determining depreciation of building and equipment and investment properties, the management is required to make estimation of the useful lives and residual values of the building and equipment and investment properties and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review building and equipment and investment properties for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefits plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Revenue from contracts with customers

7.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)
Type of goods or service:				
Tuition fees and service income	923,980	730,836	-	-
Rental and services income	-	-	181,364	172,663
Education equipment income	8,476	7,205	-	-
Other income	14,897	8,309	5,412	15,126
Total revenue from contracts with customers	<u>947,353</u>	<u>746,350</u>	<u>186,776</u>	<u>187,789</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	23,373	15,514	5,412	15,126
Revenue recognised over time	923,980	730,836	181,364	172,663
Total revenue from contracts with customers	<u>947,353</u>	<u>746,350</u>	<u>186,776</u>	<u>187,789</u>

7.2 Revenue recognised in relation to contract balances

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2018</u>	<u>2017</u> (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the year	393,068	305,128

7.3 Revenue to be recognised for the remaining performance obligations

The table below shows the time bands of the expected timing of revenue to be recognised for the remaining performance obligations of contracts with customers as at 31 December 2018 and 2017.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
		(Restated)
Within one year	470,693	393,068
More than one year	142,489	152,670
	<u>613,182</u>	<u>545,738</u>

8. Related party transactions

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
SISB Thonburi Company Limited	Subsidiary
Singapore International School of Bangkok	The school
Singapore International School Suvarnabhumi	The school
Singapore International School Thonburi	The school
Singapore International School Ekamai	The school
SISB Siri Company Limited	Joint venture
Singapore International School Chiangmai	The school of SISB Siri Company Limited
Am International Company Limited	Common major shareholder
Private fund of relative of director	Relative of director

During the years, the Company and its subsidiaries had significant business transactions with individuals or related parties. 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 and those individuals or related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary companies</u>					
(Eliminated from the consolidated financial statements)					
Management fee income	-	-	60,985	58,340	Contract price
Rental and service income	-	-	119,548	113,327	Contract price
Utilities income	-	-	4,000	11,426	Agreed upon basis
Interest expense	-	-	411	-	Contract price
<u>Transactions with joint venture</u>					
Education equipment income	236	253	-	-	Cost plus margin
Management fee income	831	996	831	996	Contract price
<u>Transactions with related parties</u>					
Purchase of equipment	80	364	-	8	Market price
Interest expense	256	243	256	243	Contract price

The balances of accounts as at 31 December 2018 and 2017 between the Company and its subsidiaries and those individuals or related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade and other receivables - related parties (Note 11)				
Subsidiaries	-	-	13,036	3,694
Joint venture	424	530	378	228
Total trade and other receivables - related parties	424	530	13,414	3,922
Trade and other payables - related parties (Note 20)				
Subsidiaries	-	-	3,530	314,035
Joint venture	521	728	522	-
Related party	-	78	-	78
Total trade and other payables - related party	521	806	4,052	314,113
Short-term loan - related parties (Note 19)				
Related party	-	10,000	-	10,000
Total Short-term loan - related party	-	10,000	-	10,000

Short-term loan from related party

As at 31 December 2018 and 2017, the balance of short-term loan between the Company and related party and the movement are as follows:

(Unit: Thousand Baht)

Related by	Consolidated financial statements			
	Balance as at			Balance as at
	31 December			31 December
	2017	Increase	Decrease	2018
Relative of director	10,000	10,000	(20,000)	-

As at 31 December 2017, Short-term loan from related party represented bills of exchange without collateral and matured of 6 months from the issue dates. Interest is charged at rates of 3.15% per annum

(Unit: Thousand Baht)

Related by	Separate financial statements			
	Balance as at			Balance as at
	31 December			31 December
	2017	Increase	Decrease	2018
Relative of director	10,000	10,000	(20,000)	-
Subsidiary	-	120,000	(120,000)	-
Total	10,000	130,000	(140,000)	-

As at 31 December 2017, short-term loan from related party represented bills of exchange without collateral and matured of 6 months from the issue dates. Interest is charged at rates of 3.15% per annum

Directors and management's benefits

During the year ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	52,661	50,538	21,650	22,730
Post-employment benefits	3,072	1,948	1,761	1,335
Total	55,733	52,486	23,411	24,065

Guarantee obligations with directors

The Company has outstanding guarantee obligations with its directors, as described in Note 19 and Note 22 to the financial statements.

9. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	567	650	240	240
Bank deposits	366,762	74,987	128,964	26,943
Total	367,329	75,637	129,204	27,183

As at 31 December 2018, bank deposits in saving accounts carried interests between 0.37 and 0.375 percent per annum (2017: between 0.37 and 0.375 percent per annum) (Separate financial statements: between 0.37 and 0.375 percent per annum) (2017: between 0.37 and 0.375 percent per annum)).

10. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
Unit trusts	-	70,018	-	-
Fixed deposits over				
3 months but not	516,380	-	259,000	-
Total	516,380	70,018	259,000	-

As at 31 December 2018, fixed deposits carried interests between 1.65 and 1.80 percent per annum (2017: Nil).

11. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,662	2,219	-	-
Past due				
Up to 3 months	34,804	30,262	-	-
3 - 6 months	1,149	970	-	-
6 - 12 months	2,028	2,296	-	-
Over 12 months	130	2,394	-	640
Total	39,773	38,141	-	640
Less: Allowance for doubtful debts	(2,453)	(5,035)	-	(594)
Total trade receivables - unrelated parties, net	37,320	33,106	-	46
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	364	217	364	70
Past due				
Up to 3 months	-	158	-	578
Over 12 months	-	-	700	280
Total	364	375	1,064	928
Less: Allowance for doubtful debts	-	-	(700)	(280)
Total trade receivables - related parties, net	364	375	364	648
Other receivables				
Other receivables - related parties	60	155	13,050	3,274
Other receivables - unrelated parties	283	233	109	5
Total other receivables	343	388	13,159	3,279
Total trade and other receivables - net	38,027	33,869	13,523	3,973

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Inventories - education						
equipment	8,834	9,001	(1,244)	(32)	7,590	8,969

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts under equity method		Dividend received during the year	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)			(Restated)			
Singapore International School of Bangkok	1,000	1,000	100.00	100.00	1,000	1,000	-	-	110,000	130,000
Singapore International School Suvannabhumi	1,000	1,000	100.00	100.00	1,000	1,000	-	-	-	-
SISB Thonburi Company Limited	1,000	1,000	99.99	99.99	1,000	1,000	-	-	-	-
Singapore International School Thonburi	337,575	240,286	100.00	100.00	337,575	240,286	361,876	238,998	30,000	-
Singapore International School Ekamai	24,199	-	100.00	-	24,199	-	20,956	-	-	-
Total					364,774	243,286	382,832	238,998	140,000	130,000

13.2 Significant changes in investments in subsidiaries

- During the period, the Company has transferred assets to the initial fund of Singapore International School Thonburi by Baht 97.3 million.
- On 11 July 2018, the Company received the license of a private school named "Singapore International School Ekamai". It is principally engaged in the operation of private school registered under the Private School Act B.E. 2550. During the period, the Company has transferred cash and assets to the initial fund of Singapore International School Ekamai by Baht 24.2 million.

13.3 Share of profit (loss)

During the period, the Company has recognised its share of profit (loss) from investment in subsidiaries under the equity method in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Share of profit (loss) from investments in subsidiaries during the year		Share of other comprehensive income from investments in subsidiaries during the year		Dividend received during the year	
	2018	2017	2018	2017	2018	2017
	(Restated)					
Singapore International School of Bangkok	85,904	74,904	686	185	110,000	130,000
Singapore International School Suvarnabhumi	282	(7,176)	105	347	-	-
SISB Thonburi Company Limited	318	(1,359)	-	-	-	-
Singapore International School Thonburi	55,586	(1,288)	3	-	30,000	-
Singapore International School Ekamai	(3,301)	-	58	-	-	-
Total	138,789	65,081	852	532	140,000	130,000

13.4 The Company presented the negative value of investments in subsidiaries accounted for under equity method as "Provision for transaction under equity method of investments in subsidiaries". The negative investment value was resulted from share of loss from investment in subsidiaries were detailed as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	2018	2017
	(Restated)	
Singapore International School Bangkok	101,590	78,180
Singapore International School Suvarnabhumi	6,836	7,223
SISB Thonburi Company Limited	80	398
Total	108,506	85,801

14. Investment in joint venture

14.1 Details of investment in joint venture

		(Unit: Thousand Baht)					
		Consolidated and Separate financial statements					
Joint venture	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		<u>2018</u> (%)	<u>2017</u> (%)	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u> (Restated)
<u>Held by the Company</u>							
SISB Siri Co., Ltd.	Invest in private school	50	50	65,000	65,000	50,373	52,560
Total				65,000	65,000	50,373	52,560

14.2 Share of profit (loss)

During the year, the Company has recognised its share of profit (loss) from investment in joint venture in the consolidated and separate financial statements as follows:

		(Unit: Thousand Baht)			
		Consolidated and separate financial statements			
Company's name		Share of comprehensive			
		Share of loss from investment in joint venture during the year		income from investment in joint venture during the year	
		2018	2017 (Restated)	2018	2017
SISB Siri Co., Ltd.		(2,279)	(9,878)	92	-
Total		(2,279)	(9,878)	92	-

14.3 Summarised financial information about material joint venture

Summarised information about financial position

		(Unit: Million Baht)	
		SISB Siri Co.,Ltd. and subsidiary	
		2018	2017
			(Restated)
Current assets		29	14
Non-current assets		147	155
Current liabilities		(26)	(14)
Non-current liabilities		(49)	(49)
Net assets		101	105
Shareholding percentage (%)		50	50
Share of net assets based on equity method		50	50
Elimination entries and other adjustments		-	-
Carrying amounts of joint venture based on equity method		50	53

Summarised information about comprehensive income

		(Unit: Million Baht)	
		SISB Siri Co.,Ltd. and subsidiary	
		For the year ended 31 December	
		2018	2017
			(Restated)
Revenue		42	21
Loss		(4)	(20)
Total comprehensive income		(4)	(20)

15. Investment properties

The net book value of investment properties is presented below.

		(Unit: Thousand Baht)		
		Separate financial statements		
		Land for rent	Building for rent	Total
As at 31 December 2017				
Cost		83,284	1,351,312	1,434,596
Transferred to investment in school		(83,284)	(130,678)	(213,962)
<u>Less</u> Accumulated depreciation		-	(170,059)	(170,059)
Net book value		-	1,050,575	1,050,575

(Unit: Thousand Baht)

	Separate financial statements		
	Land for rent	Building for rent	Total
As at 31 December 2018			
Cost	-	1,243,075	1,243,075
Transferred to investment in school	-	(108,848)	(108,848)
<u>Less</u> Accumulated depreciation	-	(234,767)	(234,767)
Net book value	-	899,460	899,460

A reconciliation of the net book value of investment properties for the years is presented below.

(Unit: Thousand Baht)

	Separate financial statements	
	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	1,050,575	1,126,235
Acquisition of assets	25,120	208,271
Transferred to investment in school	(108,848)	(213,962)
Write off – net book value	(332)	-
Depreciation charged	(67,055)	(69,969)
Net book value at end of year	899,460	1,050,575

The fair value of the investment properties as at 31 December 2018 and 2017 is stated below:

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Building for rent	1,043,795	1,050,692

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer on the basis of income approach, and replacement cost.

As at 31 December 2017, Investment properties amounting to Baht 95 million was school building under construction for Singapore International School Thonburi under the construction licence of SISB Thonburi Company Limited. During the period, the Company has transferred the asset to the initial fund of Singapore International School Thonburi.

As at 31 December 2018 and 2017, the Company have pledged investment properties amounting to approximately Baht 618 million (2017: Baht 891 million) as collateral against credit facilities received from financial institutions. The Company is in the process to release those pledged investment properties from the bank.

15.1 Investment properties for rent under operating leases

The Company have several operating lease agreements in respect of the lease of land, buildings and building improvement with the schools which the license held by the Company. The terms of the agreements are generally from 1 to 3 years. As at 31 December 2018 and 2017, future minimum rental income to be generated under these operating leases are as follows.

	(Unit: Million Baht)	
	Separate financial statements	
	31 December 2018	31 December 2017
Less than 1 year	3,864	67,466
In over 1 and up to 3 years	1,953	4,920

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Land	Land improvement	Buildings and building improvement	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction
Cost:						
1 January 2017	83,284	92,774	892,283	272,152	4,637	59,958
Additions	-	-	3,761	30,483	2,329	243,420
Transfer in (out)	-	17,814	114,240	68,748	-	(200,802)
Adjust	-	(2,430)	-	-	-	-
Disposals	-	-	-	(180)	-	-
31 December 2017	83,284	108,158	1,010,284	371,203	6,966	102,576
Additions	-	2,244	1,800	20,112	-	49,914
Transfer in (out)	-	157	81,159	22,095	-	(103,411)
Disposals	-	-	(745)	(229)	-	-
31 December 2018	83,284	110,559	1,092,498	413,181	6,966	49,079
Accumulated depreciation:						
1 January 2017	-	4,033	87,338	58,253	3,288	-
Depreciation for the year	-	9,539	50,957	38,831	662	-
Depreciation on disposals	-	-	-	(140)	-	-
31 December 2017	-	13,572	138,295	96,944	3,950	-
Depreciation for the year	-	10,704	56,894	49,004	845	-
Depreciation on disposals	-	-	(437)	(116)	-	-
31 December 2018	-	24,276	194,752	145,832	4,795	-
Net book value:						
31 December 2017	83,284	94,586	871,989	274,259	3,016	102,576
31 December 2018	83,284	86,283	897,746	267,349	2,171	49,079

(Unit: Million Baht)

Depreciation for the year

2017 (Baht 2 million included in administrative expenses)	100
2018 (Baht 2 million included in administrative expenses)	117

(Unit: Thousand Baht)

Separate financial statements				
	Land improvement	Buildings and building improvement	Furniture, fixtures and office equipment	Motor vehicles
Cost:				
1 January 2017	-	25,694	96,765	4,581
Additions	20	-	24,235	-
Transferred to investment in school	-	-	(22,737)	-
Disposals	-	-	(180)	-
31 December 2017	20	25,694	98,083	4,581
Additions	26	63	2,954	-
Transferred to investment in school	-	-	(4,625)	-
Disposals	-	(4,552)	(1,736)	-
31 December 2018	46	21,205	94,676	4,581
Accumulated depreciation:				
1 January 2017	-	2,746	45,036	3,286
Depreciation for the year	1	2,267	14,344	550

(Unit: Thousand Baht)

Consolidated financial statements						
	Land	Land improvement	Buildings and building improvement	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction
						Total
Transferred to investment in school			-	-	(1,414)	-
Depreciation on disposals			-	-	(140)	-
31 December 2017			1	5,013	57,826	3,836
Depreciation for the year			3	1,383	11,527	463
Transferred asset to investment in school			-	-	(1,985)	-
Depreciation on disposals			-	(1,252)	(374)	-
31 December 2018			4	5,144	66,994	4,299
Net book value:						
31 December 2017			19	20,681	40,257	745
31 December 2018			42	16,061	27,682	282

(Unit: Million Baht)

Depreciation for the year

2017 (Baht 1 million included in administrative expenses)	17
2018 (Baht 1 million included in administrative expenses)	13

As at 31 December 2018, The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 2.1 million were capitalised during the year ended 31 December 2018 (2017: Baht 3.4 million). The weighted average rate of 2.23% has been used to determine the amount of borrowing costs eligible for capitalisation (2017: 2.65%).

As at 31 December 2018, the Company and its subsidiaries had vehicles with net book value of Baht 11 million (2017: Baht 6 million) (Separate financial statements: Baht 6 million (2017: Baht 0.4 million)).

As at 31 December 2018, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 78 million (2017: Baht 64 million) (Separate financial statements: Baht 59 million (2017: Baht 64 million)).

As at 31 December 2018, the Company and its subsidiaries have pledged their construction amounting to approximately Baht 853 million (2017: Baht 891 million) (Separate financial statements: Nil (2016: Nil)) as collateral against credit facilities received from financial institutions. Currently, the Company is on the process to release the pledged fixed asset from financial institutions.

17. Intangible assets

The net book value of intangible assets, computer software as at 31 December 2018 and 2017 is presented below.

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cost	5,071	5,025	4,930	4,990
Less: Accumulated amortisation	(3,373)	(2,629)	(3,341)	(2,619)
Net book value	1,698	2,396	1,589	2,371

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	2,396	2,943	2,371	2,910
Additions	46	342	-	342
Disposal – net book value	-	-	(55)	-
Amortisation	(744)	(889)	(727)	(881)
Net book value at end of year	1,698	2,396	1,589	2,371

18. Other assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Land rental deposits	13,000	12,500	-	12,500
Prepaid expenses - net	12,858	14,522	6,458	14,522
Deposits	1,275	1,922	1,013	1,546
Withholding tax	16,764	12,327	16,764	12,327
Others	-	1,286	-	1,284
Total	43,897	42,557	24,235	42,179

19. Short-term loan

(Unit: Thousand Baht)

	Consolidated and separate	
	financial statements	
	31 December 2018	31 December 2017
Interest rate (% per annum)		
Bill of exchange	-	3.15%
Total	-	150,000

As at 31 December 2017, short-term loan represented bills of exchange without collateral and matured of 6 months from the issue dates. The balance of bill of exchange included related party of Baht 10 million. During the year, the Company had fully repaid the short-term loan.

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade payable - related parties	-	728	-	-
Trade payable - unrelated parties	3,557	3,243	77	227
Other payable - related parties	521	78	4,052	314,113
Other payable - unrelated parties	3,320	14,931	51	13,449
Accrued expenses	21,520	22,385	5,941	9,421
Total	28,918	41,365	10,121	337,210

21. Deferred income

The balance represents fees received or invoiced which are related to future school terms.

22. Long-term loans

			(Unit: Thousand Baht)	
			Consolidated and separate financial statements	
Loans (Million Baht)	Interest rate (%)	Repayment schedule	2018	2017
180	MLR-1% and interest due every month	Repay in monthly installments of Baht 1.50 million each for installments 1 - 36, Baht 2.00 million each for installments 37 - 72, and Baht 3.00 million each for installments 73 - 89, with the residual principle to be paid as the 90 th installment. The first installment was paid at the end of December 2012.	-	76,000
400	MLR-1.50% and interest due every month	Repay in every 3 months of Baht 10 million each for installments 1 - 10, Baht 16.5 million each for installments 11 - 27, and Baht 19.5 million for the 28 th installment. The first installment will be paid on April 2017.	-	370,000
230	MLR-1.75% and interest due every month	Repay in every 3 months of Baht 5 million each for installments 1 - 10, Baht 8 million each for installments 11 - 18, Baht 13 million each for installment 19 - 24, Baht 19 million each for installment 25 - 26. The first installment will be paid on March 2018.	-	183,000
Total			-	629,000
Less: Current portion			-	(85,000)
Less: Classified as current liabilities			-	(163,000)
Long-term loans, net of current portion			-	381,000

The loans are secured by the mortgage of construction of the Company share capital of subsidiary, share certificates belonging to directors and shareholders of the Company, and guarantees provided by Company's directors and shareholders.

On 17 February 2017, the Company entered into a loan agreement with a local commercial bank to obtain a credit facility of Baht 230 million for use in the construction of a building. The loan carries interest at the rate of MLR-1.75 per annum. The loan interest and loan principle are repayable on a monthly and a quarterly basis, respectively. The credit facility is secured by land, benefits under insurance policies for buildings and share certificates of the Company and its subsidiary belonging to Company's directors and shareholders of the Company and its subsidiary. During this year, the Company drawdown such facilities amounting to Baht 183 million.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio at the rate prescribed in the agreements.

As at 31 December 2017, the Company was unable to follow some of covenants in the some long-term loan agreement. For the purpose of reporting under financial reporting standards, the Company have presented the outstanding balances of such loan as at 31 December 2017 as current liabilities in the statements of financial position.

As at 31 December 2017, after the restated from the change of accounting policy due to the adoption of TFRS15 Revenue from Contracts with Customers as describes in Note 3 and Note 4 effect on the debt-to-equity ratio unable to follow some of covenants the long-term loan agreement. However, the effect of the financial ratio is due to the change in accounting policy.

As at 31 December 2018, there are no long-term credit facilities of the Company which have not yet been drawdown (31 December 2017: Baht 47 million).

During 2018, the Company have repaid the principal of long-term loans and accrued interest in fully amount.

23. Liabilities under finance lease agreements

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Liabilities under finance lease				
agreements	5,011	5,227	451	1,279
Less: Deferred interest expenses	(209)	(315)	(9)	(60)
Total	4,802	4,912	442	1,219
Less: Portion due within one year	(3,378)	(2,649)	(442)	(777)
Liabilities under finance lease				
agreements - net of current portion	1,424	2,263	-	442

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of vehicles for use in their operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2018			
	Less than		
	1 year	1-4 years	Total
Future minimum lease payments	3,543	1,468	5,011
Deferred interest expenses	(165)	(44)	(209)
Present value of future minimum lease payments	3,378	1,424	4,802

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2018			
	Less than		
	1 year	1-4 years	Total
Future minimum lease payments	451	-	451
Deferred interest expenses	(9)	-	(9)
Present value of future minimum lease payments	442	-	442

(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2017			
	Less than		
	1 year	1-4 years	Total
Future minimum lease payments	2,856	2,371	5,227
Deferred interest expenses	(207)	(108)	(315)
Present value of future minimum lease payments	2,649	2,263	4,912

Separate financial statements

As at 31 December 2017			
	Less than		
	1 year	1-4 years	Total
Future minimum lease payments	828	451	1,279
Deferred interest expenses	(51)	(9)	(60)
Present value of future minimum lease payments	777	442	1,219

24. Provision for Decommissioning

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2018	2017
Balance at beginning of the year	13,379	12,950
Increase during the year	431	429
Balance at end of the year	13,810	13,379

The Company recognised a provision for decommissioning costs associated with building. The Company is committed to decommission the building, furniture and fixtures and restoring the site at the end of the lease term.

25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of the year	13,691	10,991	6,162	4,838
Included in profit or loss:				
Current service cost	4,588	2,941	1,291	1,258
Interest cost	325	299	131	143
Past service costs and gains or losses on settlement	909	-	(23)	-
Long service awards	59	214	5	21
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions change	(1,361)	156	(295)	73
Financial assumptions change	(186)	21	(93)	173
Experience adjustments	305	(807)	212	(344)
Benefits paid during the year	(1,237)	(124)	(450)	-
Provision for long-term employee benefits at end of year	17,093	13,691	6,940	6,162

Long-term employee benefit expenses included in the profit or loss consist of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Current service cost	4,588	2,941	1,291	1,258
Interest cost	325	299	131	143
Past service costs and gains or losses on settlement	909	-	(23)	-
Long service awards	59	214	5	21
Total expense recognised in profit or loss	5,881	3,454	1,404	1,422

Such expenses are included in administrative expenses in profit or loss.

The Company and its subsidiaries expect to pay Baht 0.21 million of long-term employee benefits during the next year (2017: Baht 1.27 million) (Separate financial statements: nil (2016: 0.46)).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefits is 13 years (2017: 15 years) (Separate financial statements: 11 years (2017: 11 years)).

Key actuarial assumptions used for the valuation date are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.78	2.7	2.78	2.7
Future salary increase rate	4.0 - 8.0	4.0 - 8.0	4.0 - 8.0	4.0 - 8.0
Employee turnover rate (depending on age of employees)	0 - 20.0	0 - 15.0	0 - 20.0	0 - 15.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 December 2018 and 2017 are summarised below.

(Unit: Million Baht)

	31 December 2018			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.0)	1.2	(0.4)	0.4
Salary increase rate	1.1	(1.0)	0.4	(0.4)

(Unit: Million Baht)

	31 December 2017			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.0)	1.2	(0.4)	0.4
Salary increase rate	1.2	(1.0)	0.4	(0.4)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 1 million (The Company only: Baht 0.1 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

26. Share capital

On 26 May 2018, the Extraordinary General Meeting of shareholders approved on the following matters.

- 1) To approve the adjustment of the par value of the shares from Baht 10 to Baht 0.50 per share, resulting in an increase in the number of the ordinary shares from 25,000,000 ordinary shares to 500,000,000 ordinary shares.
- 2) To approve an increase in the registered capital of the Company from Baht 250 million to Baht 470 million, comprising 940,000,000 ordinary shares, through the issue of 440,000,000 additional ordinary shares with a par value of Baht 0.50 to be allocated as follows:
 - 2.1) 180,000,000 new ordinary shares to be offered proportionately to the existing shareholders, in a single or several tranches with a par value of Baht 0.50. The Company received the payment of additional ordinary shares during the period. The Company registered the increase in its paid-up share capital with the Ministry of Commerce on 7 June 2018.
 - 2.2) 234,000,000 new ordinary shares to be allocated to an initial public offering.
 - 2.3) 26,000,000 new ordinary shares to be offered to directors, executives and employees of the Company and its subsidiaries and to personnel of schools of which the Company is the licensed operator, at a price equal to the share price of the initial public offering.

During 22 - 26 November 2018, the Company offered 260 million of additional ordinary shares at a price of Baht 5.20 per share to the initial public offering and the directors, executives, and employees of the Company. The Company received full settlement of the additional share capital during 27 November 2018. Moreover, direct costs attributable to the share offering, amounting to Baht 45.7 million, are presented as a deduction from the premium on ordinary shares.

The Company registered the increase in its paid-up capital with the Ministry of Commerce on 27 November 2018.

The Market of Alternative Investment (MAI) has approved the listing of the ordinary shares of the Company as securities on the MAI, to be traded from 29 November 2018.

27. Statutory reserve

According to the Thai Civil and Commercial Code, the Company is required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the Company pays out a dividend, until such reserve reaches ten percent of its registered share capital. The statutory reserve cannot be used for dividend payment.

On 10 May 2018, the Board of Directors Meeting passed resolutions to approve the appropriation of Baht 5.3 million to the legal reserve.

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

28. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salaries, bonuses and wages and other				
employee benefits	442,614	379,699	42,851	41,871
Depreciation	117,447	99,989	80,431	87,131
Amortisation expenses	744	889	727	881
Rental expenses from operating lease				
agreements	45,354	43,104	39,300	41,610
Changes in supplies	22,584	22,285	-	-

29. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	687	230	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	695	448	163	-
Income tax expense reported in the statement of comprehensive income	1,382	678	163	-

The amounts of income tax relating to each component of other comprehensive income for the year are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to				
Actuarial gain	248	-	35	-

The reconciliation between accounting profit (loss) and income tax expense is shown below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
		(Restated)		(Restated)
Accounting profit before tax	104,901	18,595	103,682	17,917
Applicable tax rate	20%, 0%	20%, 0%	20%	20%
Accounting profit before tax multiplied by income tax rate	687	240	20,736	3,583
Tax loss from unrecognized deferred tax assets	-	-	3,349	4,809
Effects of:				
Taxable income	695	448	163	-
Tax exempted revenue	-	(10)	(27,301)	(11,040)
Non-deductible expenses	-	-	3,464	2,703
Additional expense deductions allowed	-	-	(248)	(55)
Income tax expense reported in the statement of comprehensive income	1,382	678	163	-

The components of deferred tax liabilities are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Deferred tax liabilities				
Actuarial gain	248	-	35	-
Gain on re-measuring investments	-	3	-	-
Liabilities under finance lease agreement	1,143	445	163	-
Total	1,391	448	198	-

As at 31 December 2018, the Company and its subsidiaries have deductible temporary differences totalling Baht 97 million (2017: Baht 110 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe that it is unlikely that the tax benefits can be utilised.

Pursuant to the Royal Decree issued under the Revenue Code regarding Exemption from Revenue Taxes No. 588, it is permitted to grant companies or juristic partnerships income tax exemption on the following.

1) Net profit derived from the business of private schools established under the Private schools Act, but not including net profit from the business of non-formal private schools in the type of tutorial schools established under the Private schools Act.

2) Dividend or share of profits of companies or juristic partnerships granted corporate income tax exemption under (1).

The promulgation of this Royal Decree is to meet the objective of corporate income tax exemption for private schools and to encourage the private sector to take part in the education development.

Following the Private School Act B.E. 2550 stipulates the following Sections: "Section 24: Once a license to establish a Formal School has been obtained, such School shall become a juristic person from the date of receiving such license, and the Licensee shall become a representative of such juristic person.

"Section 48: The government shall provide subsidization and promotion to the Formal Schools in addition to the subsidy provided particularly on "(4) Reducing or exempting income tax of the Licensee, as provided for in the Revenue Code".

One of the Main reason for the enactment of the Private School Act B.E. 2550 is that the law on the National Education prescribes the principles of administration and management of private schools that a school shall become a juristic person and have administration and management committee to independently perform the duties of management and administration of education of a private school with the same supervision, monitoring, assessment of quality and standards as those of the state educational establishment. In addition, the government shall provide subsidies and other benefits as well as academic support to the private schools.

The Company has received remuneration from the allocation of net profits and retained earnings of the School. The Company's management believes that the net profits are exempted from income tax under Section 3 (1) of the Royal Decree issued under the Revenue Code on Exemption from Revenue Taxes (No. 588), granting companies or juristic partnerships income tax exemption on net profits derived from the business of private schools established under the law governing private schools.

During the period, the Revenue Department has answered the discussion on the case where a Company has obtained a license to establish a school that the allocated remuneration from the School's operating results paid to that company as a licensee is deemed as payment in return for proceeding the application process to obtain the license, and shall be implied that the licensee is not exempt from corporate income tax.

The Company's management has discussed the treatment with relevant government officials on 7 November 2018 to obtain an understanding on taxation of the Company, who is a licensee to operate private school business. The relevant government officials informed that the Royal Decree issued under the Revenue Code on Exemption from Revenue Taxes No.588 allows companies or juristic partnerships the income tax exemption on net profits derived from the business of private schools established under the law governing private schools and Section 48 (4) of the Private School Act also grants the licensee income tax exemption. The Company's management believes that the consideration received from the allocation of net profits and retained earnings of the School are exempted from corporate income tax in accordance with the Royal Decree issued under the Revenue Code on Exemption from Revenue Taxes No. 588.

30. Earnings per share

Basic earnings per share is calculated by dividing net earnings for the period (not including other comprehensive income) by the weighted average number of ordinary shares issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in par value from Baht 10 each to Baht 0.50 each as discussed in Note 26 to the financial statements. The number of ordinary shares is adjusted as if the share split had occurred at the beginning of the earliest period reported.

Earnings per share were computed as follows:

		Profit for the year		Weighted average number of ordinary shares		Profit per share	
		2018	2017	2018	2017	2018	2017
		(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht) (Restated)
Consolidated	financial		17,917		460,280	0.16	0.04
statements		103,519		627,507			
Separate	financial		17,917		460,280	0.16	0.04
statements		103,519		627,507			

31. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its subsidiaries contributes to the fund monthly at the rate of 3% - 7% of basic salary and employees contribute to the fund monthly at the rate of 3% - 7% of basic salary. The fund, which is managed by CIMB-Principal Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2018 amounting to approximately Baht 2.9 million (2017: Baht 2.5 million) (Separate financial statements: Baht 1.2 million (2017: Baht 1 million)) were recognised as expenses.

32. Dividends

Dividend paid	Approved by	Dividend paid (Thousand Baht)	Dividend paid per Shares (Baht)
Dividend from 2016 net profit	Annual General meeting of the shareholders on 27 April 2017	50,000	2.50
Interim dividends for 2017	Board of Director's meeting on 7 November 2017	20,000	0.80
Total for 2017		70,000	3.30
Interim dividends for 2018	Board of Director's meeting on 10 May 2018	90,000	3.60
Total for 2018		90,000	3.60

Dividend derived from net income from private school business was granted privileges by exemption from income tax.

33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries are principally engaged in operation of international schools. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the year 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

34. Commitments and contingent liabilities**34.1 Operating lease and services commitments**

The Company and its subsidiaries have commitments under operating lease and service agreements relating to land, office building space and office equipment. The terms of the agreements are generally between 1 and 30 years.

Future minimum lease payments were as follows.

Payable within	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
In up to 1 year	43,125	40,372	21,149	31,227
In over 1 and up to 30 years	692,504	790,943	637,003	786,612

34.2 Capital commitments

As at 31 December 2018, the Company and its subsidiaries had capital commitments of Baht 4.4 million (2017: Baht 4 million) (Separate financial statements: Baht 2.4 million (2017: Baht 0.4 million)) mainly in building and building improvement.

34.3 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 1.37 million (2017: Baht 1.57 million) (Separate financial statements: Baht 1.37 million (2017: Baht 1.57 million)) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use and among others.

35. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had asset that were measured at fair value using different levels of inputs as follows:

		As at 31 December 2017			
		Consolidated financial statements			
		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Current investments					
Unit trusts		-	70,018	-	70,018

(Unit: Thousand Baht)

		As at 31 December 2018			
		Separate financial statements			
		Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Investment properties		-	-	1,043,795	1,043,795

(Unit: Thousand Baht)

		As at 31 December 2017			
		Separate financial statements			
		Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Investment properties		-	-	1,050,692	1,050,692

36. Financial instruments

36.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade accounts receivable, other receivable, short-term loan, trade and other payables, long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and other receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, current investment, liabilities under financial lease agreement, short-term loan, long-term loans. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2018					
	Fixed interest rates		Floating	Non-interest bearing	Total	Effective interest rate
	Within	Over 1-5				
	1 year	years				
			interest rate			(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	364	3	367	0.37-0.375
Current investment	516	-	-	-	516	1.65 - 1.80
Trade and other receivables	-	-	-	38	38	-
Financial liabilities						
Trade and other payables	-	-	-	29	29	-
Liabilities under finance lease agreement	3	1	-	-	4	4.94-6.00

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2018						
	Fixed interest rates		Floating	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1-5 years				
			interest rate			(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	128	1	129	0.37-0.375
Current investment	259	-	-	-	259	1.65 - 1.80
Trade and other receivables	-	-	-	14	14	-
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	10	10	-
Liabilities under finance lease agreement	1	-	-	-	1	4.94 - 6.00

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2017						
	Fixed interest rates		Floating	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1-5 years				
			interest rate			(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	69	7	76	0.37 - 0.375
Current investment	-	-	-	70	70	-
Trade and other receivables	-	-	-	34	34	-
<u>Financial liabilities</u>						
Short-term loans	150	-	-	-	150	3.15
Trade and other payables	-	-	-	41	41	-
	-	-	629	-	629	MLR - 1, MLR - 1.50, MLR - 1.75
Long-term loans	3	2	-	-	5	4.94 - 6.00

(Unit: Million Baht)						
Separate financial statements						
As at 31 December 2017						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1-5 years				
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	27	-	27	0.37 - 0.375
Trade and other receivables	-	-	-	4	4	-
<u>Financial liabilities</u>						
Short-term loans	150	-	-	-	150	3.15
Trade and other payables	-	-	-	337	337	-
Long-term loans	-	-	629	-	629	MLR - 1, MLR - 1.50, MLR - 1.75
Liabilities under finance lease agreement	1	-	-	-	1	4.94 - 6.00

36.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or close to the market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

The fair value of investments in unit trust has been determined from their net asset value as announced by Asset Management Company.

During the current period, there were no transfers within the fair value hierarchy.

37. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.52:1 (2017: 8.22:1) and the Company's was 0.13:1 (2017: 6.93:1).

38. Event after the reporting period

On 22 February 2019, a meeting of the Board of Directors of the Company passed the following resolutions.

- 1) To propose to the Annual General Meeting of the Shareholders of the year 2019 on 18 April 2019 to consider and approve the offset of the Company's legal reserve of Baht 21.7 million and the Company's share premium of Baht 49.3 million against the Company's deficit as at 31 December 2018 of Baht 71 million.
- 2) To approve the dissolution of SISB Thonburi Company Limited (Subsidiary) since such subsidiary has ceased its business operation.
- 3) To approve the transfer of leasehold rights and ownership of buildings used in operating Singapore International School of Bangkok to the initial fund of Singapore International School of Bangkok.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2019.

SISB

SISB PUBLIC COMPANY LIMITED

บริษัท เอสไอเอสบี จำกัด (มหาชน)

