

Section 1

Business Operation

1. Policy and Nature of Business Operation Policy

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

SE-EDUCATION Public Company Limited is shortened to SE-ED, which is an abbreviation of **Science, Engineering and Education**. The name reflects the objective of the Company, founded 43 years ago, SE-ED seek to do business in the area that promote education in the field necessary to the development of the nation, with the focus on science, engineering and education. Currently, the Company is also popularly known as **SE-ED**.

Throughout the past 43 years, the Company has been a leading initiator in publishing academic books, in 'How-to...' category. This reputation as Thailand's main publisher of technological books and journals enabled other Company's operations to flourish and enjoy greater success.

The Company has set a long-term direction and marketing strategy which can be briefly described as follows :

1.1 Vision, Mission and Strategies of the Company

Vision : SE-ED shall be a leader in providing easy and convenient access to knowledge to Thai people.

Mission : SE-ED seeks to do business in the areas that promote education for knowledge that is necessary to the development of the nation. It operates the business that will make '**Thais smarter**' by developing the sustainable business with a continuous earning growth at the above the industry's average, being a role-model company that can create work result deems beneficial and accepted by society at large with the happy staff, and able to deliver and maintain an attractive long-term investment returns at the satisfactory level.

Strategies : To achieve the stated vision and mission, the Company stresses the readiness in several areas to develop quality service which responds to the needs of target customers. To do so, the Company focuses on the expansion of SE-ED Book Center and the addition of interesting products in the stores. In addition, the Company will make e-books and other services available in www.se-ed.com, m.se-ed.com and SE-ED Application in order to accommodate the lifestyle change of customers. Lastly, the Company aims to expand its educational business in the future. Thus, the Company will concentrate on the following marketing strategies:

1. The Company determines to ensure growth and bookstore business strength by stressing on the of market expansion to build the potential to cover more sizable communities nationwide. SE-ED Book Center and network formats will be implemented and expanded, selecting the high potential areas for long-term growth, rather than solely taken into account of the initial profitability outcome as a main source of consideration, to promote and ease customer access to the stores more conveniently and equally. It also proceeds to strategically and thoroughly responds to the customers' needs wherever they are, to maintain the Company as the leader in the business, and to support the growth of book business as a whole into the future while creates favorable brand perception and acceptance, with the emphasis on the idea of **'Think of books, think of SE-ED Book Center'**.
2. The Company emphasizes on providing products or services that are convenient fast, and punctual. To do this, the Company focuses on creating impressive experiences, under the idea of **'Think of reading books, you will get to read it by no later than tomorrow'**, therefore the Company launches the project called **'Order Today, Get It Tomorrow'**. The Company uses technology in combination with modern management to link production, warehousing, order picking and delivery together. SE-ED has also improved the books and products order system between branches and on website: www.se-ed.com and m.se-ed.com. According to this integration, it allows more efficient logistic management at best. This reduces the need to acquire more space to support large volume of books in the market, making possible for an increase in service capability and wider coverage of store throughout the country that serve and respond more quickly to the customers' need and create customers' satisfaction. To add up, this fulfills the concept of **'a small store serves as a big one'**, the customers come and get whatever they want. At this point makes the Company more competitive and becomes the company's advantage in competitions.
3. The Company seeks to find and develop attractive and interesting products and create marketing mix in the stores in a consistent manner to allow more attractive store outlook and more frequent customer visits to the stores, while able to acquire products that customers look for within a short period of time, creating differentiation as compared to its counterparts. This results in much better profitability at each branch.

4. The Company understands the importance of excellent services and the promotion of Company's image, by concentrating on staff and team's consistent development, and also create professional working attitude to the staffs to really take care of each customer in more detail aspects, leading to the better customer's satisfaction.
5. The Company uses an integrated marketing communication model by developing suitable tools and channels to promote products, and reinventing itself with several models towards relentless promotional activities. That is to say the Company is stressing the importance of marketing activities as a value creation for business. With this, the Company also directs all of its efforts to the target customers, and in addition, directly respond to the customers' need, which allows success for most of the newly-launched products; such as promotion of products and services through advertisement and public relation via storefront LCD display system which will be installed in the branches to stimulate more books buying sentiment.
6. The Company promotes customer's relationship and business alliances that work closely together. The Company is committed to treating customers as promised, under the etiquette of business operation. The Company also seeks to work on the basis of mutual business success, for the Company opens to the exchange of views in doing business to seek ways in resolving conflicts and difficulties that might occur. For the better cooperation, the information learned can be used to improve the product development and management process to meet the unwavering standard and this should benefit all parties involved.
7. The Company builds and uses the marketing database more earnestly, through the database collection system by recording all historical data about the customers' needs. By providing products and services to customers in needs, the Company ensures the success in creating a good impression for customers. It also brings the information to analyze and use the information to improve services in the future.
8. The Company emphasizes on raising sales of the new products, therefore the Company sets up new channels to provide updates on events. And the Company has a specific team to focus on the new channels in order to increase sales and make the customers aware of the concept **'think of books, think of SE-ED Book Center'**. In addition, the activities will be held so as to promote the interesting products in SE-ED Book Center.
9. The Company's business objective comes from the attempt to solve the country's problem in education and to develop Thai people's potential in English, math and science. Therefore, the growth of the Company will also be the improvement of the country. With such objective, the Company has expanded SE-ED Learning Center business as well as other business units in order to develop a research-based comprehensive business model that offers the most efficient and time-effective solution that will enhance educational achievement of Thai people. In the initial phase, the Company has launched two educational programs for primary students: FAN Math to improve math skills and ACTIVE English to develop English language proficiency.

It is expected that in a few years from now SE-ED Learning Center will grow into a franchise business, making the Company's education business a major contribution in the Company's growth.

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

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

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

1.2 Important Changes and Developments

At the beginning, the Company published the monthly magazine '*Semiconductor Electronics*' and was the distributor of electronic devices from abroad.

In 1978, the Company published the monthly magazine '*Taksa, Science and Technology Edition*' for the general and young readers whose interests are in the areas of science and technology.

In 1979, the Company launched the monthly magazine '*Miti Tee See*' that aimed at the creativity and imagination and, particularly, for those who don't like the heavy science, hoping to gain readers attention in science.

In 1980, the Company started to publish the engineering and scientific textbooks which were later became *the textbook and academic books division*.

In 1983, the Company published the monthly magazine '*Microcomputer*' and began to publish the books about microcomputer. At the same time, the Company set up the management books division for the purpose of publishing the books that can help people work more efficiently rather than publishing books that can only be sold in a short period of time.

In 1985, the Company adapted and introduced the **Standing Order Distribution System** and merged the magazine '*Taksa, Science and Technology Edition*' with '*Miti Tee See*' which resulted in the new magazine called '*Rou - Rorb - Tua*' magazine which was later transformed and changed its name into what is today called '*UpDATE*' magazine. In the meantime, the Company's Children Book division was born in 1986 and '*Wittayasat Am Sanook*' - the first finest set of cartoon books aiming at teaching young learners - was published and warmly welcomed by general public.

The Company continued to take its lead in publication of magazines and educational books, becoming the forefront in knowledge publishing firm in the country with the best distribution system in the book business. The Company also became the book distributor for other publishers producing books in the same fields.

Although, compared to the average publishing industry, SE-ED had satisfied the expectation of both sales volume and sales growth, as at that time the Company is the publishing firm with highest sales volume through bookstores channels and the largest books distributor, the Company found that there were still limitations due to the fact that there were a few good quality bookstores existed in the market. Consequently, the Company's books could not be effectively circulated. This resulted in the inability to increase sales volume of each book sold at the desirable level.

Following an extensive research into the retail industry, the Company realized that the pre - existing bookstores could not be expanded or improved much further. At that time, many new shopping centers had been opened, and the Company believed that they would be good venues for the bookshop business. As the Company had confidence in those malls that they are attractive and able to bring in large communities and would likely change the buying behavior of Thais. Therefore, the strategy of providing more convenient purchasing channel for Thais which was to allow access to reading materials was to set up well - thought - out bookstores in those malls. But as the investment cost was high and no one had seriously ventured in this area of business before, the Company decided to start the bookstore business in leading shopping centers to avoid affecting the previously existing bookstores which were mostly located in commercial buildings.

In the third quarter of 1990 the Company was permitted to be listed on the Stock Exchange of Thailand and started the 'SE-ED Book Center' project that allows Thai people to get access to books and to support the future growth of overall book market by focusing on opening branches in various leading shopping centers. SE-ED Book Centers will sell both books from its publications and also from the others. The first branch of *book center for family and working people* opened in late 1991 at Fortune Town Shopping Center.

In the third quarter of 1996, SE-ED opened SE-ED Book Center in supercenters. The first branch was at Lotus Supercenter, Pattaya with strong belief that supercenters would be the new trend going forward and also suitable locations for the long - term business. The Company further improved its image to be more modern, by using bright and vivid colors. Newly designed bookshelves were installed so that it could be manufactured more easily and more cost effective. Consequently, SE-ED could put new bookstore branches in operation faster and more convenient. It also focused on developing the book distribution center to accommodate more books for more than 600 branches. In 2006, the Company expanded the distribution center area from 7,400 square meters up to about 10,000 square meters, at the end of 2008, the Company expanded the warehouse space by 3,000 square meters which made the total warehousing area to be as large as 13,000 square meters, or 30% increase. In 2010 the Company expanded the space of the warehouse from 13,000 square meters to approximately 15,000 square meters. The Company also developed and tested the business model that is suitable for the Company's competitiveness and business sustainability. At the same time the Company can open a new branch fast with lower operation costs and expenses, allowing the Company to have more chance to be successful.

Furthermore, SE-ED Book Center has developed a relationship with several shopping centers and supercenters, being recognized as an important business alliance. This has enabled SE-ED to develop its business format continuously. Nowadays SE-ED Book Center is a chain bookstore evolving and expanding very fast, becoming the full functional chain bookstore with highest sales volumes and also serving as the very heart of company's business growth since 1997.

SE-ED's business performance has remained at the satisfactory level. In 1997, when Thailand encountered serious economic crisis leading to business collapse and widespread unemployment resulting in lower purchasing power, the publishing business was affected in many ways. Several of SE-ED's major book suppliers encountered the severe loss and liquidity problems, to the point that SE-ED had to allocate asset as bad debt account, largely due to the lower purchasing power and decrease of sales orders from bookstores. SE-ED was seriously aware of granting credit to customers to keep control of the possible bad debt. The competition also became tougher than before. As a result, the sales figures that came from both SE-ED's own published books and other non - SE-ED published books was not as it was hoped to be. It was considered the first time that SE-ED faced accounting losses in 1998, since listed in the Stock Exchange of Thailand.

However, after the severe economic crisis, the Company began to review its business structure's long - term strength. The Company started to diversify risk at a suitable level and, at the same time, tried

to improve financial structure, increasing more capital for unforeseeable economic problems in 1998 and set the reliable financial standard for paying up the long - term loan from financial institutes and for incoming expansion. As a result, The Company can recoup from the almost fatal slump and finally came back to profitability with adequate liquidity and continuous expansion in 1999.

Moreover, in 2008, the Company opened SE-ED Learning Center with the space of 600 square meters, located at Chamchuri Square building - a part of Chulalongkorn University, to facilitate the expansion of youth activities in different forms in the future. This includes the training for professional activities to increase the potential of Thai people in different fields for the general public. In addition, the Company's new business strategies included the development of two supplementary curricular aiming to increase children's potential and intelligence in mathematics and English. The curricular are as follows:

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

In 2013 the Company expanded SE-Ed Book Center by considering the location as the main factor. The Company also focuses on the product mix in the store to increase profitability. The employee ratio is adjusted to increase service efficiency as well. However, the Company has developed the information technology system, communication system for all bookstores branches and headquarters and distribution center in order to support more services which deem to soar in the future, so as to increasing efficiency and reducing the chance to waste any sale potential.

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

Important Changes in 2017

Apart from a normal business operation, the Company had some important developments and changes in 2017, as in the following:

- The Company increased more branches of SE-ED Book Center and renovated the existing stores that had a potential by enlarging them to create better sales and better modernization and considered to the branch is not profitable. The details are as follows:

- New 4 branches were opened. As in December 31, 2017 there were in the total of 394 stores, and 1 points of sales currently in operation.
- Renovated 13 existing branches, some branches had been moved to a new and suitable location, some branches had more space according to the more demands and some branches were modernized to have a more attractive look.
- Closed 24 branches that cannot profitable to enhance profitability. To suit the current economic conditions.
- The Company expanded its franchised SE-ED Learning Center with two curriculums available: FAN Math and ACTive English. All branches listed as follows:
 - 8 branches with only FAN Math curriculum
 - 2 branches with only ACTive English curriculum
 - 20 branches with FAN Math and ACTive English curriculums (2 branches operated by the Company included)
- SBC Event Organizing Team has continued their full operation to boost sales volumes and promote SE-ED Book Center as the full functional bookstore that can serve people to that can be claimed that 'Think of books, think of SE-ED Book Center'. The team is also responsible for strengthening relationships between fellow publishers, local executives, teachers and all supportive customers.
- The "Books for Children" Project by SE-EDUCATION Public Company Limited aimed to help disadvantaged children and many Thai communities to gain access to knowledge and resources by donating books and other learning materials to deprived libraries across the country. From the past 12 years to the end of 2017, the "Books for Children" Project has donated 2.14 million of books and other learning materials to 4,582 schools. The total sum of the list prices of donated books is THB 330 MB. In 2017 only, 116,813 books were donated to 358 educational institutions nationwide. The total sum of the list prices of donated books is THB 14.32 MB.
- The "Renovation for Deprived Libraries" Project by SE-EDUCATION Public Company Limited was the project to donate bookcases for creating the learning center in schools. In 2017, the Company had renovated 38 school libraries in Thailand as follows: The Library of Sub-district Administrative Organization of Koak Sa-ard Sub-district in Kalasin, Ban Samran School in Khonkaen, Paiwong Wittaya School in Ang Thong, Wiset Chaichan "Tanti Wittayabhum" School in Ang Thong, Provincial Police Training Center Region 1 in Saraburi, Chumchon Paphak Samakkee School in Payao, Ban Tungmoke School in Payao, Pracha Samakkee School in Phitsanulok, Ban Wangtalab School in Nakhon Srithammarat, Pamai Utid 6 (Kai Looksue Kaengsong) School in Phitsanulok, Arthorn Utid Border Police School in Phitsanulok,

Wat Wangreebooklert in Nakhon Srithammarat, Ban Mamuang-ain School in Krabi, Ban Pak-rat School in Phetchaburi, Ban Nongkhong School in Prachuap Khiri Khan, Ban Nong Paopee School in Prachuap Khiri Khan, Sheeloan Wittaya School in Roi Et, Namthieng Nariang School in Roi Et, Nabokham Bamrungtham School in Kamphaeng Phet, Klonghad Pittayakhom School in Sarakaew, Chumchon Wat Bamrungtham School in Saraburi, Ban Ponehin School in Roi Et, the Library of (New) Chonburi Central Prison in Chonburi, Ban Sokham School in Surat Thani, Ban Wangthong School in Nakhon Srithammarat, Sansailuang School in Chiangmai, Wat Saranart Thammaram in Rayong, Ban Kohnoi School in Surat Thani, Ban Plaikhlong School in Surat Thani, Wat Mungkhararam School in Nakhon Srithammarat, Wat Ladkhaopoon School in Saraburi, Wat Chaoplug School in Ayudhaya, Wat Bohprasit (Vibool Bamrung School) in Phra Nakhon Si Ayutthaya, Ban Nongyai School in Saraburi, Ban Nongpaiyai School in Nakhon Ratchasima, and Watyai Jomprasat School in Samut Sakhon.

- The 22nd National Book Expo was held at the Queen Sirikit National Convention Center (QSNCC) on the 18th-29th October 2017 with a theme of “Remembrance”. Due to Royal Cremation Ceremony for the late King IX, the number of visitors of the fair had greatly declined. In addition, speakers and entertainment activities in the fair were prohibited. The bestselling and highlighted books of SE-ED booth were books about the late King Rama IX. The highlighted titles, for example, were books in Management and Investment categories: Rich Dad Poor Dad, First Step to Understand Financial Statement, and so on. The star titles in tutoring books, for example, were Tutoring to English GAT by Dr.Supawat Pukcharoen and How to Get 150 from 150 in Thai GAT by Ajarn Klui.
- The International Youth Robot Competition 2017 (IYRC 2017) aims to inspire and train them to think systematically and be able to apply their knowledge in solving any problems through a creative, fun competition which based on STEM an integration of Science, Technology, Engineering, and Mathematics. In 2017, the tryout tournament was held in Thailand and organized by the STEM Education Team of SE-Education PCL, an exclusive organizer of Thailand. The purpose was to find a winner who will be a representative of Thailand and enter the IYRC in Malaysia. The first rounds were taken place in some provinces and leading schools in Bangkok and the winners from each region would compete in the final round.
- The IOD has appraised SE-ED to be excellent (5 stars) level in Corporate Governance Report of Thai Listed Companies 2017 appraisal for 10 consecutive years (2008 - 2017). The Company is the only company from the publishing business category in the service industry to be evaluated ‘excellent’ for 10 consecutive years.

Changes in Capital Structure

SE-EDUCATION Public Company Limited (SE-ED) was established on October 10, 1974 with a registered capital of THB 99,000. Their objective was to do business in knowledge dissemination, with a view to develop the fullest potential of Thai people in areas essential to the national development.

In 2001, at the Annual General Shareholders Meeting 1/2001, dated April 30, 2001, the shareholders approved of additional shares registered by the amount of THB 137,141,560 by divided into the following:

- Warrants offered to shareholders are numbered at 10,549,356 shares, where the proportion of right to exercise per 1 unit can be used to buy common stock of 1 share at the price of THB 16.50 per share, with validity lasting for 5 years, from the date of issuing the paper, allowable for exercise every 3 months and the right to exercise is expired on December 15, 2006.
- Warrants offered to company's directors, staffs, sub-agents are 3,164,800 shares, where the proportion right exercise per 1 unit can be used to buy common stock of 1 share at the price of THB 10 per share, with validity lasting for 5 years from the issuing date listed on the paper, allowable for exercised with the duration of 1 year per warrant and each warrant for every 3 months, with each warrant allowed to buy common stock at the rate of 10, 10, 10, 30 and 40 of the total warrants respectively, and the last date to exercise is on January 14, 2008.

As of 2003, at the Annual General Shareholders Meeting 1/2003, dated April 23, 2003, shareholders have agreed to approve the change of share value (share dilution) from previously THB 10 to THB 1, which the Company has proceeded to register with the Commerce Ministry on May 22, 2003.

In addition, in 2004, at the Board of Directors' meeting as of 1/2004, dated February 4, 2004, the board resolved to allow the Company to re-purchase the shares, for the purpose of monetary management. As the Company had over-excess liquidity of 19,783,600 shares (total worth of THB 122.64 Million, re-purchase value of THB 6.20 per share) which according to the Ministerial rule with regards to 'outline and method of share re-purchase, selling of re-purchase shares and cut-off for the Company's re-purchase shares', stipulated that the Company must sell the re-purchased shares within 3 years after date ending of share re-purchase activity, which was due on September 11, 2007. The Company could not finish the re-purchasing of shares as committed by the Board of Directors resolution. Therefore, to follow the guideline of Ministerial rule, the Board of Directors' meeting as of 4/2007 dated on September 19, 2007, approved the capital reduction by way of reducing the share repurchase by 19,783,600 shares, resulting in the remaining capital of 328,345,090 shares. The Company registered the reduction of registered capital on October 24, 2007.

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

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

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

1.3 Shareholding Structure of the Group

Investment in subsidiaries and associates

In 1984, the Company also invested in 25% of the shares in M&E Co., Ltd. with a paid-up share capital of THB 400,000. The M&E Co., Ltd. prints and publishes technical magazines, EC Magazines and engineering manuals, distributed by SE-ED.

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

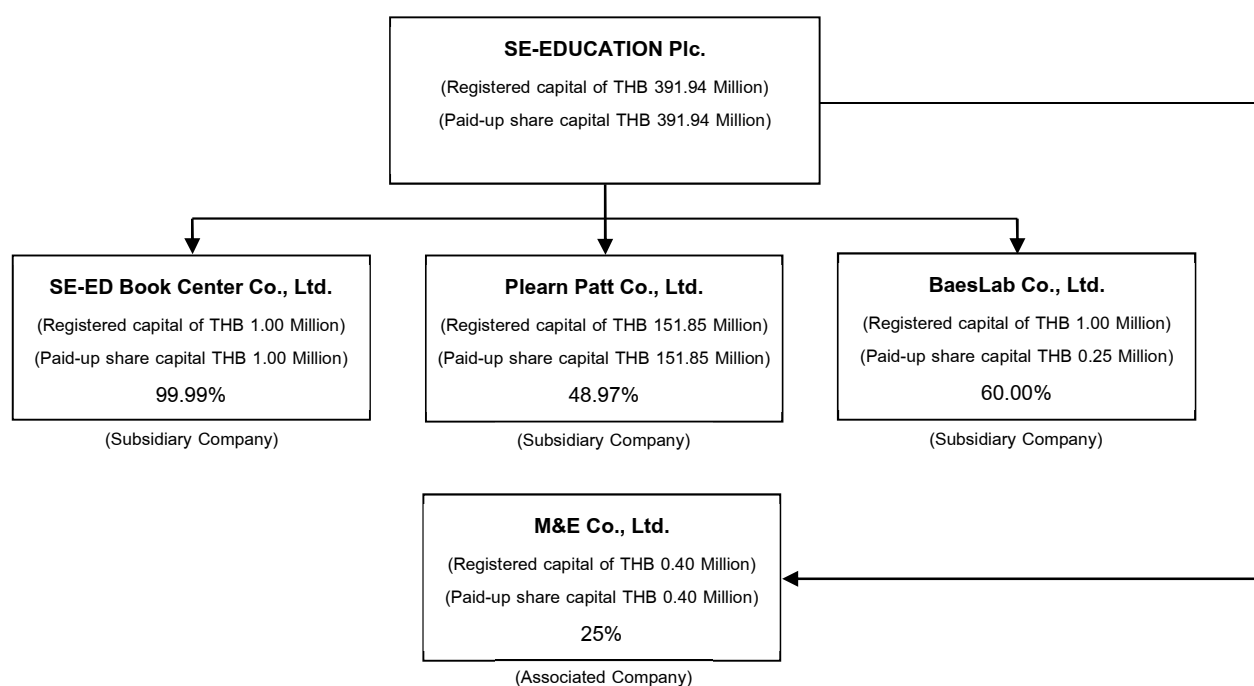
In 2003 the Company acquired 28.75% of the shares of Plearn Patt Co., Ltd. (founded on September 25, 2002) with the paid-up capital in the amount of 80,000,000 Baht. Later in 2005 the Company's share percentage increased to 48.82% with the authorized capital and paid-up capital in the amount of 170,000,000 Baht. The authorized capital and paid-up capital was decreased and remained in the amount of 169,475,500 Baht, representing the shareholding ratio of 48.97%. In the fourth quarter of 2009 Mr Thanong Chotisorayuth, Managing director, took up the position of the acting Director of Plearnpattana School and became the Director of the school in 2010 after receiving approval from the Board of Director. 2009 is also the year that the Company consolidated the financial statement of Plearn Patt Co., Ltd. (subsidiary) and the Company takes part in overseeing the operation of this business. Later on May 18, 2017, Plearnpatt Co., Ltd. had lowered its capital from THB 169,475,500 with THB 10 per share to THB 151,850,500 with THB 8.96 per share.

The registered name of Plearn Patt Co., Ltd. is the name of the school called 'Plearnpattana School', located at Buddhamonthon 2 Road, enrolling students from pre-kindergarten year up to Matayom 6. The first academic year started in 2004. This was the important gathering of more than 70 education enthusiasts from several groups of people such as parents, teachers, academics and school

executives, in collaboration with private organizations who played a significant role towards family institutions and education to create new concept schools, to create quality children for the country.

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

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



Change of Major Shareholders (Information as of Closing Date)

Major Shareholder	May 4, 2017		May 9, 2016		May 7, 2015	
	No. of share	%	No. of share	%	No. of share	%
Mr. Thaweechat Jurangkool	97,950,000	24.99	97,950,000	24.99	85,155,700	21.73
Mr. Wutthiphum Jurangkool	51,550,512	13.15	49,550,512	12.64	49,550,512	12.64
Mr. Rit Thirakomen	27,840,625	7.10	27,840,625	7.10	27,840,625	7.10
DBS BANK LTD	18,845,000	4.80	5,445,000	1.39	5,445,000	1.39
Mr. Pongsak Sivapatrakumpol	13,129,518	3.35	13,129,518	3.35	13,129,518	3.35

Major shareholders of Plearn Patt Co., Ltd. as of December 31, 2017 are as follows:

Major Shareholder	Paid-up share capital	SE-ED Holds shares (proportion) (%)
1. SE-EDUCATION Plc.	8,300,000	48.97
2. Mr. Rit Thirakomen	2,000,000	11.80
3. RAK LUKE GROUP Co., Ltd.	700,000	4.13
4. Mr. Wasin Donrudech	415,000	2.45
5. Ms. Krongtong Bunprakong	410,000	2.42

Major shareholders of BaesLab Co., Ltd. as of December 31, 2017 are as follows:

Major Shareholder	Paid-up share capital	SE-ED Holds shares (proportion) (%)
1. SE-EDUCATION Plc.	60,000	60.00
2. Mr. Preecha Boonsong	32,500	33.00
3. Mrs. Jitra Jandrakul	7,500	8.00

2. The Description of Company's Operation

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

Unit : Thousand Baht

Type of Revenue	Operated By	Company's Shares Proportion (%)	Consolidated financial statements					
			2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
Income from Business								
- Retails ¹	The Company	100	2,778,907	73.74	3,229,343	75.32	3,496,463	76.97
- Wholesale ²	The Company	100	704,962	18.71	777,168	18.13	796,466	17.53
- Publishing service	The Company	100	3,275	0.09	20,057	0.47	191	0.00
Magazines ³	The Company	100	23,724	0.63	27,583	0.64	35,182	0.77
SLC + Kiddy Camp ⁴	The Company	100	7,482	0.20	21,209	0.49	12,299	0.27
Total			3,518,350	93.36	4,075,360	95.05	4,340,601	95.55
Income from education fee, service and sales	Subsidiary	48.97	183,000	4.86	171,519	4.00	160,127	3.53
Others	The Company and its Subsidiary	N/A	71,591	1.90	44,854	1.05	46,032	1.01
Inter-Company Transaction	The Company and its Subsidiary	N/A	-4184	-0.11	-4,184	-0.10	-4,190	-0.09
Total Revenue			3,768,757	100	4,287,549	100	4,542,570	100

Remarks : ¹ Retails - revenue from SE-ED Book Centers.

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

¹ and ² - total sales of Company's own publications in 2017, 2016 and 2015 represents 7.75%, 7.79% and 7.18% of sales revenue respectively.

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

⁴ SLC + Kiddy Camp - revenue from SE-ED Learning Center and SE-ED Kiddy Camp.

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

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

2. Magazines At the end of 2017, the Company has published 3 magazines of science and technology which are,

- **Semiconductor Electronics Plus** : A monthly magazine emphasizing on electronics, launched in 1974, and later the Company changed the name of the magazine from 'Semiconductor Electronics' to the new name of "Semiconductor Electronics Plus", since January 2008, while maintaining similar types of contents to the previous issues.
- **Industrial Technology Review** : A monthly magazine provided reading material on major developments in industry technology and management for plant engineers and general readers, launched in mid-1994.
- **The Absolute Sound & Stage** : A monthly magazine specially provided the knowledge of the sound and light systems on stage technology, work in the studio, and related devices and tools, launched since the end of May 2002.

The Company's revenue from magazines comes from the sales of magazines, advertisements and special editions, as well as revenue from organizing several activities.

3. Distribution The Company distributes books published by SE-ED and other publishers including the companies whose publishing is in the Company's direction, by distributing books to small and large scale stores nationwide roughly around 3,975 stores. And, the Company also sells directly to the educational institutions.

The Company has been appointed as Thailand's sole distributor of Oxford University Press (OUP) for books and related media for English language teaching and learning from January 1st 2007 onward. Under this agreed cooperation between SE-ED and OUP, the business activities of production and distribution associated with English language learning will be increased through the company's distributing channel which promptly allows SE-ED to share some responsibility of resolving the country's problem with regards to English language learning in Thailand in the much greater extent.

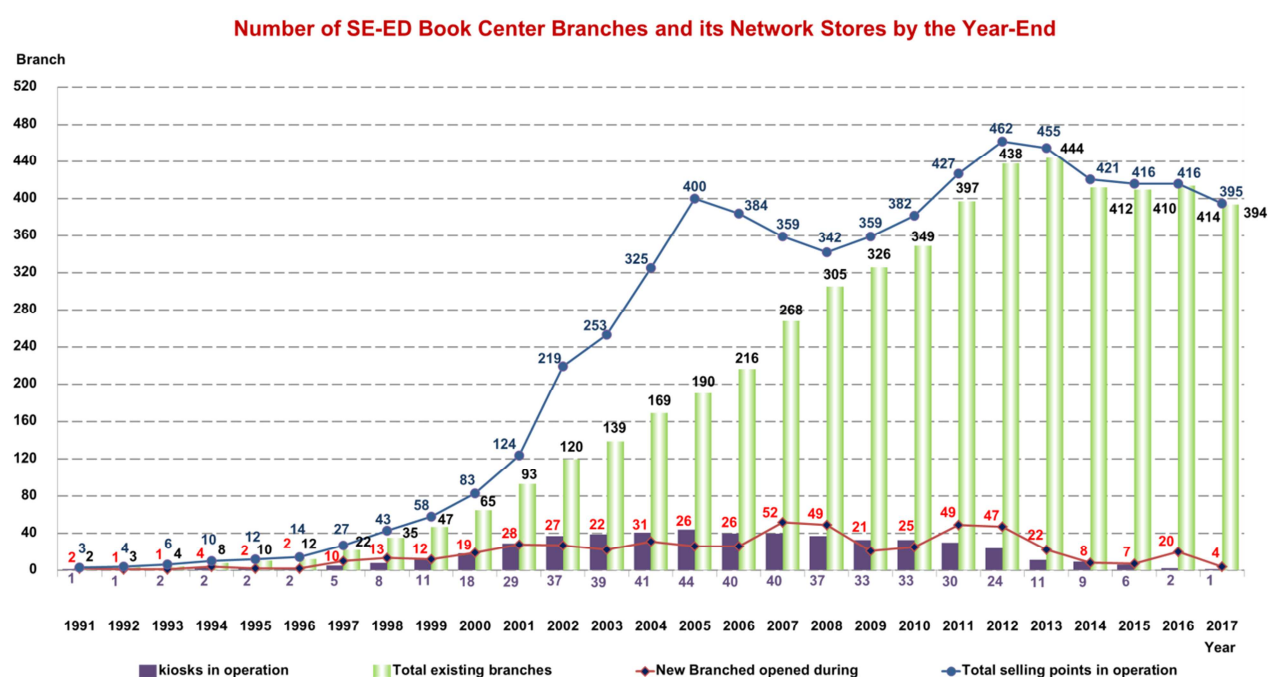
Presently, the Company is the largest book distributor to the chain bookstores. Books which were self-published by the Company is around 1,600 titles, while also help distributing 4,500 titles from other several publishers and organizations.

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

SE-ED Book Centers are medium-sized bookshops selling all kinds of books, with modern designs and good layout plans, efficiently selling and emphasizing being located in convenient locations for people to come to buy books. The main locations are located in

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

By the end of 2017, SE-ED has already opened 530 branches of SBC. From this mentioned figure, there are 394 branches in operation, with 126 branches in Bangkok and nearby provinces, and 268 branches in other provinces. With 391 bookstores operated by the Company, the other 2 branches are designated as SE-ED Book Center Network Bookstores (SE-ED Book Center fully supports the shops, as a book distributor supplying the books) and 1 branches are SE-ED Network Bookstores. (SE-ED does not fully support, since the shop owners can order books by themselves). Moreover, in different formats totaling more than 1 sale and service point. Today, SE-ED Book Center is the complete chain of bookstores with the highest sales in Thailand.



Remarks - There is a reclassification of bookstore branches to be properly suited. Therefore, the number of branches may be different from other published documents by the Company. Branch includes the small size of bookshop of 20-50 square meters. Kiosk means mainly the newsstand sales type. Points of sales means the sales type that the Company takes charge in managing the products in book corners (including newspapers and magazines) in supercenters of department stores.

- *At the end of 2017, there are 394 existing branches in operation. There are 126 branches in Bangkok and its vicinity and 268 branches in other provinces. This figure has included the small scale of 8 branches.*
- *At the end of 2017, there are 2 SE-ED Book Center network stores (SE-ED is responsible for all books supplied to the network stores) and there is 1 SE-ED network store (SE-ED provides special assistance and allows the stores to choose either the name of SE-ED Book Center or SE-ED network but the shop owners can order books by themselves), and 1 kiosk.*

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

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

6. Plearnpattana School SE-ED's proportion in the joint investment on Plearnpattana School accounts for 48.97% SE-ED has cooperated on administration for providing resources and knowledge in order to establish Plearnpattana School as an alternative school. Plearnpattana

School is expected to develop Thai youth's potential, through its flexible curriculum, to be the mainspring of the nation in the future. Plearnpattana School takes children from pre-nursing through Matayom 6.

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

(Unit : Person)

Academic year	2017	2016	2015
The number of students	1,243	1,261	1,230

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

2.2 Marketing and Competition

Policy and Marketing

Pricing Policy : Pricing policy is set to meet the purchasing power of each target group, and the production costs, while maintaining reasonable profits in a long run. However, this will not be applied to magazines sales, which depend on advertising income as the main revenue earning.

Key Success Factors : The factors that contribute to the Company's current leading position and the Company's more important role in the future book business can be summarized as follows:

- **Business policy is evidently conducive to national development :** Since the beginning the Company has all along adhered to its business in knowledge dissemination, with a view to developing the full potential of Thai people in areas essential to the national development. The Company's continued growth is in line with the national development, and fortunately, not severely affected by the economic slump. Besides, its corporate image is clear, well received, and trusted by every party concerned.
- **Tools and business components for future business operation :** Nowadays, the Company's different business divisions support one another efficiently and render more opportunities for success.
 1. The Company has its own largest distribution channel and network store, SE-ED Book Center. The stores spread into major communities all over the country and the Company is always the first to receive offers to select new locations for new branches. As a result, the distribution business had more chances to grow while the bookstore business's cost was lower. Moreover, it allows more possibilities of success for book publishing, as there are direct distribution channels that allowed the customers to receive the products faster and more conveniently.

2. The Company also has its own media and PR tools, including www.se-ed.com, m.se-ed.com for smartphone or tablet, www.thailandindustry.com, www.se-edlearning.com, magazines, 'Arn Kho Sen', a TV program on channel One 31.

Sales and Distribution Channels The Company distributes books and magazines through networks of SE-ED Book Center, and other bookshops in Bangkok and other provinces by managing the distribution channels according to customers, products and services as follows:

1. **Books and Magazines Retail Customers** : The customers are general readers and working people. The Company distributes books and magazines through the network of SE-ED Book Center's 530 branches with 394 branches still operating including 3 branches for network bookstores (as of December 31, 2017) and on www.se-ed.com and m.se-ed.com which the centers of books and entertainment for family and working people, located in shopping centers and supercenter in Bangkok and other provinces and also in the higher educational institutes.
2. **Books and Magazines Wholesale Customers** : This group of customers is accounted for around 4,600 different stores. The Company is responsible for distributing all books and magazines that the Company has the sole rights to distribute to all the bookshops in Bangkok and other provinces, as found appropriate.
 - However, for the distribution of magazines published by SE-ED, the Company uses several transportation companies in each region to distribute to bookshops.
 - For the circulation and distribution to stores in Bangkok and around its vicinity, using its own transportation for distribution, the Company utilizes the "Standing Order" distribution system, a combination of consignment and non-returnable sales system. For most of booksellers in other provinces, the Company uses private transportation company for distribution, a non -returnable sales system has been applied with a limit of returnable quantities.
3. **Advertisers** Major companies in the industrial circle including the computer and electronic circle are both regular and non-regular advertisers in the Company's monthly magazines.

Competition

Industry Overview and Competition: There is still the support from the government sector with the policy to campaign the years 2009 - 2018 the "decade of reading". It is believed that there is still room for the market to expand. As a result there were more business operators entering the book and magazine publishing and bookselling businesses, causing more competitions. It was one of the factors that help enlarge the market size in no time.

In 2017, however, the book business was affected by economic stagnant. A decrease of consumers' power of purchase yielded in the decline of sales in every part of the country. Therefore the

Company decided to close down unprofitable branches, adjust products proportion in stores, and promote e-commerce in order to provide more channels for customers, catching up with changing consumer trends.

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

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

Quantity and Size of Competitors: For the bookstore business, there are more competitors from several large firms interested in doing this business but the market has divided which conform to the products mixed in the stores and to location, as such, this causes not much effect to the Company. While the Company as the market leader with strong financial position and receiving great acceptance by general readers and being ready to expand new branches, the Company can keep a big step ahead by taking advantage of first priority to choose new location and has the lower operating investment. In the future the books business is expected to grow out of a few large firms who are well prepared to face the competition.

Moreover, as the Company’s business model covers publishing, distributing and bookstores, the company always benefits from the new comers in the book business, as the result the effect of competitors is slightly.

Market Share: Although the Company is the market leader in 3 important businesses: the leading retailer in bookstores chain and book distributor (or wholesaler), and books publishers, numerous entrepreneurs show interest in joining and this causes the spread of business concentration. The proportion of the market shares for market leaders in this industry are not significantly different.

As book business has limitation in terms of completeness of database which makes the market share estimation in each segment contains some errors.

For retail bookstore business, the Company believes the network of SE-ED Book Center is the one of the major players who posses quite a large proportion of the market share.

For the business of distributing book to booksellers, the Company becomes the largest distributor in the market, but the proportion is still not high, due to the fact that market share in book business is less concentrated.

For publishing business, the Company always ranks between numbers 1 to 3 in the book market, depending upon which publishing, in each year, produces the best selling titles more or less, but in general the market share is not that significant because it is less concentrated than usual.

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

Bargaining power of buyers and sellers: As the books business has a standard trading condition structure with several traders in which nobody can evidently dominate the market and the needs to be interdependent of each other, there are not many problems in bargaining. However, due to the fact that new large retailers in other businesses expand into the books business and may cause bargaining with publishers and distributors according to the general retail business nature but is still not much effect of the overall business as their market share is still not significantly large enough at present.

2.3 Procurements of Products and Services

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

- 1. Books for distribution :** At present the books that are distributed to all bookstores throughout the country come from the Company's own publishing house and other around 318 publishers who decide to grant the Company as their distributors to distribute their book nationwide. The Company will consider only the products which are in accordance with the Company's marketing direction and have an opportunity to sell.
- 2. Books and other goods SE-ED Book Center sells directly:** SE-ED Book Center receives goods from 2 main channels: the Company's distribution business unit and the other channel and mostly deals directly with suppliers by the marketing department of SE-ED Book Center in charge of consideration and selection of products for sales in the Company bookstores.

Relation with suppliers and the effect of losing them : For value of products bought for reselling from each distributor will not be more than 30% of total selling cost, whereby the proportion of product value purchased from the 10 first largest trading partners against the cost of goods sold for the past 3 years is illustrated as follows :

(Unit: Million Baht)

Description	Year 2017		Year 2016		Year 2015	
	Value	%	Value	%	Value	%
Value of reselling products from the first 10 largest trading partners	846.78	38.56	927.43	35.99	1,082.43	39.89
Total cost of goods sold	2,196.18	100	2,577.01	100	2,713.43	100

In 2017, there is no specific revenue from sales considered to have severe effect on the Company. In addition, the Company is not involved, in any way, with the particular seller and has no obligation to place any order in the future.

Books published by SE-ED: Books and magazines published by the Company are the responsibility of the book publishing and magazine departments to prescribe the direction and selection of original manuscripts to publish including the production process of printing into complete copy before handover to the Company distribution group for distribution.

Production utilization ratio: As the Company does not own a printing press, the production of books and magazines are in the responsibility of in-house work groups to take care of the production throughout the complete cycle and spread the printing jobs to several printers matched with the schedule. Therefore the real production can be increased or decreased without any unnecessary delay.

Raw materials and suppliers: Paper is the main raw material which the Company purchases from local distributors in lump sums. The types of paper used in the production of books and magazines mostly are wood-free, newsprint, coated and cover coated.

Relation with raw material suppliers and the effect of losing them: For the purchasing value of paper, the Company has no particular relation with these suppliers and has no binding obligation to buy from them in the future. In the case that these suppliers cannot provide the Company with paper, the Company can still procure them from other suppliers. The total value the Company expenses for raw materials and finished goods to suppliers was 24.64% of the cost of products in 2017 or 1.14% of cost of goods sold, which can be considered that no specific supplier can cause severe effect to the Company.

Process and production technology: Production process for a new book starts from editorial teams calling for meetings to plan and consider the selection of manuscripts. This manuscript may come from the self-proposed original writer, or from the Company-assigned writer or translator in accordance with the Company's determined guidelines. Then, the editorial team will consider the content, correctness, and readability of the books which also include the activity involved, re-evaluating and opinionating the books in terms of marketability by Company's respectable book advisors who possess knowledge and interest in particular subject areas. After the team agrees on the book, the content may be re-adjusted and formatted at a suitable level for the market, and the use of copyright contract may be signed with a writer, a translator, or a foreign publisher.

In the meantime, the artwork team will start to design the book cover and when the finished manuscript is ready for print, the computer artwork will later take on its duty. After finishing the artwork, the step of proof-reading activity will be taken and corrected until the content and art design are completed. In the case of books, there will be additional step that are the naming of the book and pricing, which also involves the related marketing work that is suitable for the target audiences.

The process of producing magazines is quite similar to the process of book publishing, that is, the editorial team takes responsibility right from the market direction till the end of the production process.

For book and magazine manuscript works, the Company uses Macintosh computers and PC along with all other related tools and equipment, whereby all this computer technology shows sign of having higher efficiency but becoming less expensive. In addition, the editorial staffs in the team are very experienced and possess expertise in writing. They come from people in the editorial team and also general writers. After the manuscript is done, the Company will pay for the printer to print, while paper is supplied directly by the Company. The paper Company then delivers paper straight to the printing press at the determined time so that each manuscript is printed into book and magazine.

Capability, necessity, and expenses in modifying machines to be able to compete: As the Company does not own a printing press, there is no need for the Company to invest in the machinery and equipment in printing. It becomes unnecessary for the Company to develop machinery and equipment. And due to the competitive environment of the printing press business, it equips the Company with bargaining power and, with this, the Company is always allowed to have choices of printing press companies to choose from.

Environmental Impact: The core production team for the Company is actually the editorial team. Therefore, production process is only concerned the production of manuscript and coordination within offices of the Company. Such activity will not result in pollution that can affect the environment and the Company's business is not under the direct control of any government agency.

2.4 Undelivered Jobs

- None -

3. Risk Factors

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

The Board of Directors appointed to the Audit Committee to supervise on the risk management. Thus, the Board of Risk Management Committee was formed and consisted of the management of the Company and reports directly to the Audit Committee so that the Company's risk management is properly controlled. However, there could be some risk factors affecting the Company and stakeholders as follows;

3.1 Operation Risk

- **Risk from problems in key operation ground:**

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

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

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

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

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

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

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

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

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

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

The Company realizes the importance of establishing a proper product loss and prevention effort. The Closed-Circuit Tele-Visions (CCTV) have gradually been installed since the end of fourth quarter in 2006. The Company also established a *Loss Prevention Department (LPD)* to address the issue and set up measures to prevent the book loss specifically. This results in the significant reduction of product loss at the storefronts from 1.59% in 2006 to 0.31%, 0.30% and 0.29% from the sales volume of 2015, 2016 and 2017 respectively. Moreover, along with the use of CCTV, the Company has installed the electronic article surveillance system in the branches to prevent shoplifting. This included monthly running random inspection on the stocks of best selling books.

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

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

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

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

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

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

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

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

- **Risk from renting an estate for the operation of the subsidiary company:** At present the Company's subsidiary, Plearnpattana School, is operating on Buddhamonthon 2 Road in the area of over 32,000 square meters (20 Rai) by rented 22,400 square meters (14 Rai) from the

shareholder of the subsidiary . The estate is rented from the shareholder of the subsidiary under two contracts of 30-years term and worth 10 Million Baht. It is agreed in the contracts that the lessor will not sell the estate to any person without a consent from the subsidiary company. If the lessor absolutely needs to sell the estate without any alternative measure, the lessor agrees to offer the estate to the subsidiary at the same price the lessor offers to the outside party. If the subsidiary company does not accept the offer in 60 days from the date of the offer, the lessor can sell the estate to the outside party. Nonetheless, the subsidiary company is reviewing the terms and conditions in order to sign an additional contract regarding the rental of the estate in order to reduce any possible risk.

- **Risk of Data Loss from Source codes & Libraries in Projects of the Company's**

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

3.2 Business Risk

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

Although electronic media has been rapidly developed and the market of 'e-book' and 'e-book Reader' has opened, the Company still believes that the market will take a considerable time to change the majority of Thais behavior who are not used to reading through electronic media to that point that it is strong enough to effect the book business in significant way. When

the time for such a trend arrives, the Company is certain that it will be able to adapt to the trend very quickly, due to a certain level of supporting structure the Company already has in place. In 2012, the Company started the e-books service while still continue to develop the computer and IT system to increase efficiency and safety in e-Book purchasing.

- **Risk in distribution channels** : Currently, a change in technology happens very fast. The competition in retail business is increasing. There is a competition to offer customers more choices, causing the consumer behavior to change all the time. The Company must make certain that all Company's available market channels are adequate enough to facilitate the market behavior and the customer's needs at all times, and great enough, while allowing channel development to serve the changes on a timely basis.

In the past, the Company has diversified risks of distribution channels through several channels apart from existing traditional bookstores, by opening up its own bookstores called 'SE-ED Book Center' and network stores in the leading department stores, supercenters, local shopping centers, IT centers, higher educational institutes, both in Bangkok and other provinces. SE-ED Book Center has the shared income of 78% of the 2017 total revenue.

In opening up new bookstore branches, the Company has the policy to improve branches periodically to best suit and serve the market in each locality, to prepare for greater competition at all times. The Company also diversifies risk by not attaching itself or opening the bookstores in only one particular group of shopping centers. But it seeks to open stores through several different shopping center owners. Several big branches are under a long-term leasing contract ensure sales stability in each location. Therefore, if any department stores or supercenters encounter problems or cannot operate for any reasons, or changing the leasing policy, the Company's income will not be significantly affected.

The Company has acquired all the assets and products insurance to reduce an unexpected risk that might occur.

In addition, the Company has developed the distribution channel through the Company's website called www.se-ed.com to support the sales of books and products in the E-Commerce system. Additionally, the Company has launched its mobile website, m.se-ed.com, for mobile devices such as smart phones or tablets to allow customers more convenient alternatives to book shopping and finding a greater varieties and numbers of book titles. The Company expects that such channel will bring in a larger revenue pool for the Company in the future as the result of dramatically growing internet usage from general public. The new channel will also aid the increasing e-Book trade in the future.

- **Risk from economic recession affecting the growth of advertising industry**: Risk from economic recession is affecting the growth of the advertising industry and may actually affect the total revenue of the Company as magazines published by the Company generate its main

revenue from advertisements. The Company is aware of the problem and seeks to develop new publications that focus on specific contents for specific market. In 2012, the Company has developed a digital magazine, website www.se-edmag.com, to open up a new market because of the convenience in accessing the contents via electronic and mobile equipment. The chance of higher revenue in advertising will also increase as a result. In addition the Company has a policy of securing long-term advertising contracts with clients and employ the sales promotion strategy by stressing special promotion as an incentive for customers to invest in advertising with the Company, such as deployment of barter system for product-in-exchange-of-advertising to expand customer base and support the business growth and reduce the effect of risk from media advertising industry which may periodically slowdown. Moreover, the Company also made additional revenues from organizing seminars, selling IT products, selling online advertisements on www.thailandindustry.com and in digital magazines to compensate the missing revenue.

- **Risk from reselling censored and pirated books:** As some of the products such as, CDs or other publications may be stipulated and restricted by laws, some products must first obtain a permission before sales and some are directly related to the copyright. This causes the Company to be relatively cautious towards the production and acceptance of product distribution both for retail and wholesale market, so as to avoid any illegal practice, any violation of others' copyrights, any arising conflicts that may lead to court cases and any possibility of protests.

The Company's editorial staff has to select the original manuscripts more carefully and cautiously in order to avoid the problem of copyright infringement. Besides, the Company has specified in the contract with authors or manuscript owners that they have confirmed that their works or products belong to them and did not infringe upon any copyright and will fully compensate all damages incurred to the Company if the copyright infringement occurs. This will reduce the probability of any damages caused by this problem.

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

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

3.3 Financial Risk

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

- **Risk in Capital Management** The Company has set the instructions and financial amount of capital to investing in asset and companies by investing in a low-risk, short-term securities, especially in debt securities. With the Company's limitation, if the financial amount of capital is high, it must be approved by the Board of Directors of the Company.

- **Risk from foreign currency exchange:** As the Company has signed the agreement to be the sole distributor for all Oxford University Press (OUP) English Language Teaching (ELT) books in Thailand and also holds the right to sell in the territory of Cambodia, Laos, Myanmar, and Indonesia in the effort to push forward the English language education in Thailand as well as the neighboring countries, resulting in problem of currency fluctuation caused by the purchase of books in foreign currency. Thus, to minimize the risk at the acceptable and optimal level, the Company has the policy to carefully select contracts to be committed to in order to prevent risks from the exchange rate.

3.4 Production Risk

- **Risk from raw materials and product deficiency:** Paper is the important raw material in book production and price has changed variously according to market demand and production quantity all the time. But the books published by the Company have target group with purchasing power and are well educated enough for the Company to use the policy to set price in accordance with the real cost in that period, and this does not cause a considerable impact to the Company.

As the Company has the major revenue in being a publisher, a distributor, and a retailer, the Company tries at best to maintain the role as respectable neutral element who sells books for every publisher which is in demand by the market, and the Company business policy is determined on the basis of good ethical standard in business practices. The Company has its duty to adhere to the ethical standard of business conduct. The cause of trouble or injustice occurring from the Company business conducts aiming towards any interest groups will not be tolerated. Owing to this, the Company has evidently long been supported by most suppliers in book industry, and it also makes the Company less dependent on the revenue from one particular supplier.

4. Assets Utilization in the Course of Business

4.1 Assets of Company and Subsidiaries

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

(Unit : Million Baht)

Assets	Type	Book Value			Collateral against bank overdrafts and long-term loans		
		31/12/17	31/12/16	31/12/15	31/12/17	31/12/16	31/12/15
Land	Owner	905.48	534.17	536.43	712.17	-	-
Building	Owner	687.76	527.78	544.26	519.37	-	-
Building Decoration	Owner	89.11	101.48	98.99	-	-	-
Office Equipment	Owner	151.60	319.40	339.45	-	-	-
Vehicles	Owner	6.63	8.68	9.38	-	-	-
Work-in-Progress	Owner	4.57	0.83	0.67	-	-	-
Leasehold right on land	Area rights holder	6.10	5.70	6.03	-	-	-
Leasehold right on buildings	Area rights holder	50.79	62.08	63.29	-	-	-
Total		1,902.04	1,560.12	1,598.50	1,231.54	-	-

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

1. The Company has 1 lease contract for office space and services at The TCIF Tower (Interlink Tower) 1858/87-90, Bangna-Trat Rd., Bangna, Bangkok. The contract's term is from March 1, 2016 to February 28, 2019, The contracts' term is 3 years, and the Company has the right to renew the contracts for 3 more years.
2. The Company's lease contracts for the warehouse building (on Kingkeaw Road) which is used as the Company's warehouse and distribution center details as follow:
 - The contract's term is from December 1, 2008 to August 31, 2021, with the remaining term of 3 years and 8 months.
 - The contract's term is from October 11, 2010 to June 30, 2021, with the remaining term of 3 years and 6 months.
3. The Company obtains the leasehold of space usage for 394 SBC branches limiting 1 year to 19 years, with which the contract has the maximum length of contract of 19 years left, and the Company has the right to renew the contracts for 3 more years. In general, the Company has made two types of space renting contracts that are the renting fees from the value of each branch sales, in which case the percentage rate depends upon the contract agreed between the two parties concerned and the rental rate is constant.





4. Currently the Company is the holder of 11 leaseholds for the space usage of operating bookstores in leading shopping centers, The remaining lease term is now 1 year 9 months to 19 years whereas the net book value amount as of December 31, 2017 is THB 50.79 Million.
5. The leasehold of the whole property is the benefits from the use of the property surface according to the lease contract of the subsidiary company. The property is leased from the shareholder of the subsidiary. There are two leaseholds worth 10 Million Baht. The term is 30 years. The area is approximately 32,000 square meters (20 Rai), rented from the shareholder 22,400 square meters (14 Rai). The purpose is to operate an education business. The remaining term is 16 years. The total leasehold value as of December 31, 2017 is THB 6 Million.


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






Copyright Contracts as of December 31, 2017



- Internal Copyright Contracts Total 2,442 Copies
- Foreign Copyright Contracts Total 1,355 Copies

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

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

No.	Marks's Name	Sample	Purpose	Expiration Date *
5	SE-ED BOOK CENTER		- Bookselling	March 13, 2021
6	SE-ED BOOK CENTER		- Bookselling	March 13, 2021
7	SE-ED BOOK CENTER		<ul style="list-style-type: none"> - Leather Utility Bags - Fabric Utility Bags - Shirts (unless underwear and sport wear) - Bookselling 	March 13, 2021 March 13, 2021 March 13, 2021
8	SE-ED BOOK CENTER		- Bookselling	March 13, 2021
9	SE-ED BOOK CENTER		<ul style="list-style-type: none"> - Shirts (unless underwear and sport wear) - Leather Utility Bags - Fabric Utility Bags - Bookselling 	March 13, 2021 March 13, 2021 March 13, 2021
10	SE-ED		<ul style="list-style-type: none"> - Books - Shirts (unless underwear and sport wear) 	March 13, 2021 March 13, 2021
11	SE-ED, KIDDY CAMP		<ul style="list-style-type: none"> - Shirts (unless underwear and sport wear) - Cap 	March 13, 2021
12	SE-ED		- Utility Bags	March 13, 2021
13	SE-ED ENJOY READING		<ul style="list-style-type: none"> - Books - Magazines 	February 16, 2021
14	SE-ED ENJOY READING		<ul style="list-style-type: none"> - Books - Magazines 	February 16, 2021
15	SE-ED Kiddy Card		- Card	March 8, 2026

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

No.	Marks's Name	Sample	Purpose	Expiration Date *
			<ul style="list-style-type: none"> - Education - Educational institution - Management the teaching and learning in the classroom - Education Services - Learning Services 	September 12, 2023
21	ACTIVE ENGLISH BY SE-ED		- Teaching Service	November 10, 2023
			<ul style="list-style-type: none"> - Books - Magazines 	November 10, 2023
			<ul style="list-style-type: none"> - CD - DVD 	March 22, 2022
			<ul style="list-style-type: none"> - Management franchise service - Franchise service - Management control franchise business 	September 12, 2023
			<ul style="list-style-type: none"> - Education - Educational institution - Management the teaching and learning in the classroom - Education Services - Learning Services 	September 12, 2023
			<ul style="list-style-type: none"> - Book - Materials used in teaching except tools and scientific equipment. 	September 12, 2023
22	SE-ED LEARNING CENTER		<ul style="list-style-type: none"> - Management franchise service - Franchise service - Management control franchise business 	September 12, 2023
			<ul style="list-style-type: none"> - Education - Educational institution - Management the teaching and learning in the classroom - Education Services - Learning Services 	September 12, 2023
			<ul style="list-style-type: none"> - Book - Materials used in teaching except tools and scientific equipment. 	September 12, 2023

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

Trademark and Service Marks are on registration processing

-None-

4.2 Investment Policy of the Company and its Subsidiary

The Company has a policy to invest in its subsidiary and associate companies that operate a business relevant to the Company's business so that the investment will support the Company's operation. The operation of the subsidiary and associate companies is assigned to the executives or the Company's directors with particular expertise who will act as the representatives of the Company. As of December 31, 2017 the Company's investment on the subsidiary and associate companies can be summarized as follows :

Company	Relation	Type of Business	Paid Capital (Million Baht)	Share Percentage (%)
SE-ED Book Center Co., Ltd.	Subsidiary	Business Consulting Company	1.00	99.99
Plearn Patt Co., Ltd.	Subsidiary	Private School (Operating Plearnpattana School)	151.85	48.97
BaesLab Co., Ltd.	Subsidiary	Consulting, software and hardware designing and developing business.	0.25	60.00
M&E Co., Ltd.	Associate	Publisher of Engineering Books and Magazines	0.40	25.00

4.3 Information about Interim Assets Appraisal or Valuation

- None -

5. Legal Disputes

As of December 31, 2017 the Company and to associates did not have any lawsuit or legal disputes which may effect to company and its associates' assets more than 5% of shareholders' equity and effect the operation significantly, includes did not have any lawsuit or legal disputes from the regular business which may effect to company and its associate.

6. General Information and Other Significant Information

6.1 General information

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

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

Abbreviated Name : SE-ED

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

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

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

Website : www.se-ed.com

Tel. : 66-2826-8000

Fax. : 66-2826-8999

E-mail : Company Secretary : cs@se-ed.com

: Independent Director : id@se-ed.com

: Investor Relations : ir@se-ed.com

Business : Company's business operation consist

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

Registered No. : 0107536000285

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

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

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

Name and Location of Subsidiary companies

Name : **Plearn Patt Co., Ltd.**
Address : 33/39-40 Moo 17, Suan-Phak Road, Sala Tham Sop, Thawi Watthana, Bangkok 10170, Thailand
Tel. : 66-2885-2670-5
Fax. : 66-2885-2670-5 ext. 502
E-mail : webmaster@plearnpattana.com
Website : www.plearnpattana.com
Business : Private school, operated by Plearnpattana School, which is a school for pre-kindergarten up to Matayom 6
Registered No. : 0105545100716
Registered Capital : THB 151,850,048 (16,947,550 ordinary shares @ Baht 8.96 par value each)
Paid-up share capital : THB 151,850,048 (16,947,550 ordinary shares @ Baht 8.96 par value each)
SE-ED holds : 48.97% of shares

Name : **SE-ED Book Center Co., Ltd.**
Address : 1858/87-90 Interlink Tower, 19th Floor, Bangna-Trat Road, Bangna, Bangkok 10260, Thailand
Tel. : 66-2826-8000
Fax. : 66-2826-8999
Business : Business Consultancy
Registered No. : 0105544044332
Registered Capital : THB 1,000,000 (100,000 ordinary shares @ Baht 10.00 par value each)
Paid-up share capital : THB 1,000,000 (100,000 ordinary shares @ Baht 10.00 par value each)
SE-ED holds : 99.99% of shares

Name : **BaesLab Co., Ltd.**
Address : 1858/87-90 Interlink Tower, 19th Floor, Bangna-Trat Road, Bangna, Bangkok 10260, Thailand
Tel. : 66-2826-8000
Fax. : 66-2826-8999
Business : Provide counseling about selection and distribution of software
Registered No. : 0105556066298
Registered Capital : THB 1,000,000 (100,000 ordinary shares @ Baht 10.00 par value each)
Paid-up share capital : THB 250,000 (100,000 ordinary shares @ Baht 2.50 par value each)
SE-ED holds : 60.00% of shares

Name and Location of Associated Company

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

References

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

Auditor : Ms. Sumana Punpongsanon Auditor ID: 5872 and/or
Ms. Runghapa Lertsuwanku Auditor ID: 3516 and/or
Mr. Chayapon Suppasdtanon Auditor ID: 3972 and/or
Ms. Rosaporn Decharkom Auditor ID: 5659 and/or
Other auditors from the same office

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

Tel. : 66-2264-0777

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

Website : www.ey.com

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

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

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

Fax : 66-2731-5759

Bond holder

Representative : - No bonds -

6.2 Other Significant Information

- None -