



Intense Story
Full Emotion



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SHOP 1781

ANNUAL REPORT

2016

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- Vision

The revolutionist that creates entertainment products with social responsibility

- Mission

To offer quality entertainment products that meet our customer's needs through the force of excellent human resource that is poised to respond to any changes and always explore new opportunities by adhering to the principles of modern management and technology.

- Overview of the Business of RS Group

RS's core business is divided into four groups: media, health and beauty, music and event businesses. The media business has the largest proportion of the overall business, comprising television and radio media with digital TV Channel 8 as the leader and three satellite TV channels: Channel 2, Sabaidee TV, YOU Channel and also COOLfahrenheit 93 radio station. RS has extended its revenue growth further by venturing into the health and beauty business, managing and leveraging its media platforms on hand for maximum benefit.



Message from the Chairman and Chief Executive Officer

“Intense Story, Full Emotion” in addition to the new phenomenon of RS’s “Channel 8” presented to the audience in 2016, the past year was once again marked by intensifying competition in various media. The year witnessed the creation of truly rich content, with a range of emotional experiences. Both seasoned and new operators have been creating programs that grab as many viewers as possible; at the same time, advertising expenditure remains limited. For RS itself, our organization underwent changes in many areas, including the restructuring of the business to operate more efficiently and thereby function at a full capacity and with the focus of working together to achieve desired results. Entering the third year of the full transition to the digital TV business, “Channel 8” presented modern drama series, boxing, news, variety and foreign series, all of which aim to entertain and meet the needs of an increasingly diverse audience. In the meantime, we did not forget that cost efficiency is a key, and of no less importance than the quality of our programming. Another type of media is radio media, including “COOLfahrenheit 93”, which is in an industry that is saturated. We had to adapt in order to maintain our market share and leadership position. This included a move into the business of health and beauty, which faces challenges in the current economic conditions. RS sees the benefit from utilizing our own media channels in order to increase revenue for the Company. We started out by developing health and beauty products, focusing on sales and marketing through our media channels, including “Channel 8”, “Channel 2”, “Sabaidee TV”, radio and other media. The feedback was better than expected; in 2016, RS increased its revenue by expanding sales channels and broadly building its brands under “Lifestar Co., Ltd.”, led by a brand called “Magique” that was advertised on television and via out-of-home media. “Magique” is also sold in stores like Watsons, EVEANDBOY, Tops and Gourmet Market in The Mall branches near your homes.

On the whole in 2016, the figures for economic growth, compared with the previous year, remained flat. The economy grew by 3.2 percent. External factors remain highly uncertain, and the expansion of the global economy is low. The government has introduced economic stimulus measures, such as initiatives to increase income to low earners, help for farmers

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Among the fast changes in the world, coupled with intense and diverse forms of competition, organizations that seek to grow sustainably must be ones of quality.

RS thus does not remain static, we are ready to adapt at any time. In the past year, RS underwent an intensive reorganization, and we constantly develop ourselves. We work with our teams and support our personnel.

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and the strengthening of the agricultural pillar, stimulus for the property sector, tax measures to stimulate the economy and tourism, and the speeding up of government disbursement and investment in infrastructure projects - all of which have progressed while interest rates and inflation remain low. Despite these measures, public sector spending has been low. As a consequence, this affected the advertising industry, which grows in relation to the country's economy. Also, the passing of His Majesty the King Bhumibol Adulyadej on 13 October 2016, the subsequent grief of the people and the mourning period, halted television and radio broadcasting. In the fourth quarter of 2016, ad spending during the first 30 days was postponed; later in the year, it only picked up a little. The media and advertising industry is expected to resume its activities after the first quarter of 2017, which typically sees moderate revenues for the media industry.

For the financial results of 2016, the Company earned total revenue of 3.249 billion baht, down from the previous year. The Company's revenue from its satellite TV business, "Channel 2" and "Sabaidee TV", fell significantly following the contraction of the overall satellite television sector. However, the Company has managed the costs associated with the satellite channels as efficiently as possible in the current situation. It is expected that once the economy improves, satellite television will come back as a major force in the creation of revenue for the Company. It should also be able to earn good profits due to the lower costs, compared to those of digital TV. As for "Channel 8", which enjoys a top rating in the country, the channel earned slightly more revenue than in 2015, despite the impact of the deferral of ad spending in the fourth quarter. The result of a revamp and strengthening of the programming quality can be seen from "Kui Kao Chong 8" (morning news), which has an audience reach of 1.5 million people and enjoys a number one ranking in news program among the new digital television operators, and the third ranking in the country, which includes its highly popular boxing programs and drama series. Revenue from the radio media business fell, given that the industry is relatively mature. However, "COOLfahrenheit 93" was able to maintain its market share in terms of revenue and number of listeners; it was ranked number one in the Easy Listening category, and ranked second nationwide. The music distribution business saw its revenue drop from that of the previous year, due to the increase of consumers who access their music online. The increase in online revenue has yet to compensate the decrease in revenue from traditional music distribution. RS did not stay passive we restructured the music business and are known as a leader in the field, and we moved in a direction believed to be stable and sustainable. We offered the opportunity for artists to be involved in music production investment and output planning as business partners. This has a positive impact on the artist in terms of planning, and maintaining the quality and standard of their work. It also helps them to regularly develop their own capabilities. At the same time, the Company has managed costs more accurately. The music distribution business is still crucial to the Company given it is main source of content; also, most of the artists are able to leverage their earning power in the media business. The revenue from event business increased from the previous year, thanks to recognition of revenue from large events. In terms of new business, health and beauty products under the "LifeStar" company launched products that have become known throughout the country. This helped expand distribution channels to more than a thousand branches of modern retailers in Bangkok and the provinces. On the whole, revenue was stable compared to that of 2015. The low economic expansion and subdued levels of household consumption have not recovered much, which affects the purchasing decisions of consumers. Moreover, in the fourth quarter, the company could not advertise and distribute products through its multiple media channels after October 13, 2016. However, from penetrating external markets, RS learned about the problems and challenges of this business. We believe

that in 2017 we have developed appropriate and improved guidelines, and we are ready to make great strides in our health and beauty business.

Among the fast changes in the world, coupled with intense and diverse forms of competition, organizations that seek to grow sustainably must be ones of quality. RS thus does not remain static, we are ready to adapt at any time. In the past year, RS underwent an intensive reorganization, and we constantly develop ourselves. We work with our teams and support our personnel to improve corporate efficacy to achieve sustainability. This includes the restructuring of the administration to become more streamlined, and close communications between the Board of Directors and the management. Apart from the focus on the development of employee knowledge and skill, the Company also encourages employees and artists of RS to adopt the “Sufficiency Philosophy” of His Majesty King Bhumibol Adulyadej in their everyday lives. The Company has also fostered social benefits in its entertainment business operations. In 2016, we participated in social projects such as “Channel 8 Share To Child”, bringing artists to share the love on Children’s Day at Baan Nontapum children’s home. RS artists signed an agreement to serve as ambassadors for the Thailand Society for the Prevention of Cruelty to Animals. The news team helped flood victims in Ayutthaya province. RS celebrities supported a campaign to eradicate disease-carrying mosquitos and getting rid of mosquito breeding sites at the Government House. Everyone came together to do good deeds in honor of the Father of the Nation, such as going into areas to help victims of a cold spell in Chiang Mai province. And another source of pride for RS included the preparation of a special song “Rak Por... Mai Mee Wan Por Pieng” to commemorate the unparalleled grace of the late king. In terms of policies for good governance, the Company has been ranked among the Very Good CG Scoring from a survey of Corporate Governance Report of Thai Listed Companies 2016. The Company has also reviewed its policy on corporate governance and business ethics annually. The directors, executives and employees have always complied with such policies. In 2016, the Company adopted Anti-corruption Policy and it was assessed to become clearer, more comprehensive, and more aligned with sustainable business practices.

On behalf of the Board of Directors, thank you to the shareholders, business partners, customers, government agencies and benefactors for your unwavering confidence, trust and support for the Company. Also, thank you to all employees and artists who have dedicated their efforts and energy, always ready to adapt to any situation, even in the challenges of today’s media industry. We will work together to lead the organization forward, to become a leading company for all.



Mr. Surachai Chetcotisak
Chairman and Chief Executive Officer

Board of Directors



Mr. Surachai Chetchotisak
Position : Chairman/Chairman of the Executive Committee/Chief Executive Officer



Mrs. Pornpan Techarungchaikul
Position : Director/Member of the Executive Committee/
Chairman of the Corporate Governance Committee/
Chairman of the Risk Management Committee/
Chairman of the Human Development Committee/
Company Secretary/Chief Operating Officer

Mr. Darm Nana
Position : Director/Member of the Executive Committee/
Member of the Corporate Governance Committee/
Member of the Risk Management Committee/
Chief Financial Officer



Mr. Danaisidh Peslapunt
Position : Director/Chief Legal Officer



Mr. Soopachai Nillawan
Position : Director/Executive Vice President





Mr. Sorat Vanichvarakij
Position : Director



Mr. Phisit Dachanabhirom
Position : Independent Director/Chairman of the
Audit Committee/Chairman of the Nomination
and Remuneration Committee



General Pairoj Panichsamai
Position : Independent Director/Member of the
Audit Committee/Member of the Nomination
and Remuneration Committee



Mrs. Wansuda Thanasaranart
Position : Independent Director/Member of the
Audit Committee/Member of the Nomination
and Remuneration Committee

Board of Directors



Mr. Surachai Chetchotisak

Position : Chairman/Chairman of the Executive Committee/Chief Executive Officer

Shareholding : 33.09%

Age 54

Education :

- Honorary Doctorate of Marketing,
Chandrakasem Rajabhat University
- Bachelor of Political Sciences,
Ramkhamhaeng University

Thai Institute of Directors Training :

Director Accreditation Program (DAP) Year 2003

Certificate Program in 2016 : -

Experience:

2012 - Present	Chairman RS Public Company Limited
2003 - Present	Chairman of the Executive Committee RS Public Company Limited
1992 - Present	Chief Executive Officer RS Public Company Limited
2003 - 2012	Vice Chairman RS Public Company Limited

Directorships in other companies that are not owned by the RS Public Company Limited :

- Director, Chetchotisak Co.,Ltd.
- Director, Membership Co.,Ltd.
- Director, Tiger Fun Co.,Ltd.
- Director, Chetchot Co.,Ltd.

Shareholding at the beginning of year 2016 (shares)	389,400,000
Shares buying during year 2016 (shares)	1,246,300
Shares selling/transferring during year 2016 (shares)	54,000,000
Shareholding at the ending of year 2016 (shares)	334,153,700



Mrs. Pornpan Techarungchaikul

Position : Director/Member of the Executive Committee/Chairman of the Corporate Governance Committee/
Chairman of the Risk Management Committee/Chairman of the Human Development Committee/
Company Secretary/Chief Operating Officer

Shareholding : None

Age 46

Education :

- Master of Business Administration (MBA),
Sasin Graduate Institute of Business Administration
of Chulalongkorn University
- Bachelor of Statistics, Chulalongkorn University
- Executive Development Program 4 (EDP4) Year 2009,
Thai Listed Companies Association

Thai Institute of Directors Training :

Director Certification Program (DCP) Year 2007
Director Accreditation Program (DAP) Year 2004

Certificate Program in 2016 : -

Experience :

2011 - Present Chairman of the Corporate Governance
Committee
RS Public Company Limited

2010 - Present Chairman of the Risk Management
Committee
RS Public Company Limited

2008 - Present Company Secretary
RS Public Company Limited

2007 - Present Chief Operating Officer
RS Public Company Limited

2004 - Present Director/Member of the Executive
Committee
RS Public Company Limited

Directorships in other companies that are not owned
by the RS Public Company Limited : -

Shareholding at the beginning of year 2016 (shares) -

Shares buying during year 2016 (shares) -

Shares selling/transferring during year 2016 (shares) -

Shareholding at the ending of year 2016 (shares) -



Mr. Darm Nana

Position : Director/Member of the Executive Committee/Member of the Corporate Governance Committee/Member of the Risk Management Committee/Chief Financial Officer

Shareholding : None

Age 47

Education :

- Master of Business Administration (MBA),
University of Notre Dame, Indiana, USA
- Bachelor of Arts in Economics (BA Econ),
Thammasat University

Thai Institute of Directors Training :

Director Certification Program (DCP) Year 2008
Director Accreditation Program (DAP) Year 2008

Certificate Program in 2016 : -

Experience :

2007 - Present Director/Member of the Executive Committee/Chief Financial Officer
RS Public Company Limited

2011 - 2016 Member of the Corporate Governance Committee
RS Public Company Limited

2010 - 2016 Member of the Risk Management Committee
RS Public Company Limited

2002 - 2007 Senior Vice President
Corporate Banking, HSBC Thailand

Directorships in other companies that are not owned by the RS Public Company Limited : -

Shareholding at the beginning of year 2016 (shares) -
Shares buying during year 2016 (shares) -
Shares selling/transferring during year 2016 (shares) -
Shareholding at the ending of year 2016 (shares) -

**Mr. Danaisidh Peslapunt****Position : Director/Chief Legal Officer****Shareholding : None****Age 61****Education :**

- Thai Barrister at Law from The Institute of Legal Education Thai Bar Association
- Bachelor of Law from Ramkhamhaeng University
- Certificate of International Trade, Institute of Legal Education Thai Bar Association
- Certificate of Tax Law, Institute of Legal Education Thai Bar Association

Thai Institute of Directors Training :

Director Certification Program (DCP) Year 2008
Director Accreditation Program (DAP) Year 2008
Financial Statements for Directors (FSD) Year 2008

Certificate Program in 2016 : -**Experience :**

2015 - Present Chief Legal Officer
RS Public Company Limited

2008 - Present Director
RS Public Company Limited

2007 - 2015 Executive Vice President - Central
Legal Office
RS Public Company Limited

2012 - 2014 Member of the Nomination and
Remuneration Committee
RS Public Company Limited

1997 - 2007 Law Consultant
RS Public Company Limited

**Directorships in other companies that are not owned
by the RS Public Company Limited : -**

Shareholding at the beginning of year 2016 (shares) -
Shares buying during year 2016 (shares) -
Shares selling/transferring during year 2016 (shares) -
Shareholding at the ending of year 2016 (shares) -



Mr. Soopachai Nillawan

Position : Director/Executive Vice President

Shareholding : 0.01%

Age 49

Education:

- Bachelor of Journalism and Communication, Thammasat University
- Executive Development Program 8 (EDP8) Year 2011, Thai Listed Companies Association
- Advanced Retail Management 8 (ARM8) Year 2011, CPALL Public Company Limited

Thai Institute of Directors Training :

Director Accreditation Program (DAP) Year 2016

Certificate Program in 2016 : -

Experience :

2015 - Present Director/Managing Director -
 Music Business
 RS Public Company Limited

2008 - Present Executive Vice President
 RS Public Company Limited

2001 - 2007 Managing Director
 RSiam Co., Ltd.

Directorships in other companies that are not owned by the RS Public Company Limited : -

Shareholding at the beginning of year 2016 (shares)	76,500
Shares buying during year 2016 (shares)	-
Shares selling/transferring during year 2016 (shares)	-
Shareholding at the ending of year 2016 (shares)	76,500



Mr. Sorat Vanichvarakij

Position : Director

Shareholding : 11.39%

Age 43

Education :

- Master of Business Administration (MBA), Asian Institute of Technology (AIT)
- Bachelor of Marketing Business Administration, Assumption University of Thailand (ABAC)

Thai Institute of Directors Training :

Director Certification Program (DCP) Year 2013

Certificate Program in 2016 : -

Experience :

2012 - Present	Director RS Public Company Limited
2000 - Present	Chief Executive Officer Pan Asia Industrial Company Limited

Directorships in other companies that are not owned by the RS Public Company Limited :

- Pan Asia Industrial Company Limited

Shareholding at the beginning

of year 2016 (shares)	114,000,000
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Shares buying during year 2016 (shares)	1,000,000
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Shares selling/transferring during
year 2016 (shares) -

Shareholding at the ending

of year 2016 (shares)	115,000,000
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Mr. Phisit Dachanabhirom

Position : Independent Director/Chairman of the Audit Committee/

Chairman of the Nomination and Remuneration Committee

Shareholding : None

Age 75

Education :

- Bachelor of Accounting, Thammasat University
- Bachelor of Commerce, Thammasat University
- Certified Public Account No.966

Thai Institute of Directors Training :

Director Certification Program (DCP) Year 2007

Audit Committee Program (ACP) Year 2005

Director Accreditation Program (DAP) Year 2004

Certificate Program in 2016 : -

Experience :

2014 - Present	Director Don Muang Tollway Public Company Limited
February 2007 - Present	Independent Director/Chairman of the Audit Committee/Chairman of the Nomination and Remuneration Committee RS Public Company Limited
2003 - Present	Director/Chairman of Audit Committee/Vice Chairman of Selection and Remuneration Committee Jaymart Public Company Limited

2001 - Present	Chairman of the Executive Committee Professional Alliance Group Limited
1992 - Present	Director Polipharm Company Limited
2002 - 2014	Member of the Executive Committee Phuket International Hospital Company Limited

Directorships in other companies that are not owned by the RS Public Company Limited :

- Director, Don Muang Tollway Public Company Limited
- Chairman of the Executive Committee,
Professional Alliance Group Limited
- Director and Chairman of Audit Committee,
Jaymart Public Company Limited
- Director, Phuket International Hospital Company
Limited

Shareholding at the beginning of year 2016 (shares) -	
Shares buying during year 2016 (shares) -	
Shares selling/transferring during year 2016 (shares) -	
Shareholding at the ending of year 2016 (shares) -	



General Pairoj Panichsamai

Position : Independent Director/Member of the Audit Committee/

Member of the Nomination and Remuneration Committee

Shareholding : None

Age 70

Education :

- Master of Social Development, National Institute of Development Administration (NIDA)
- Royal Military Academy Sandhurst U.K.
- Bachelor of Law, School of law LL.B., Ramkhamhaeng University

Thai Institute of Directors Training :

Director Certification Program (DCP) Year 2007
Director Accreditation Program (DAP) Year 2007
Audit Committee Program (ACP) Year 2007
Finance for Non-Finance Director (FN) Year 2007

Certificate Program in 2016 : -

Experience :

2014 - Present Member of the National Legislative Assembly of Thailand 2014
January 2007 - Present Independent Director/Member of the Audit Committee
RS Public Company Limited
February 2007 - Present Member of the Nomination and Remuneration Committee
RS Public Company Limited

2006

Deputy Supreme Commander
Supreme Command Headquarters
(Army)

2005

Chairman of the RTA Advisory Board

2000

Commanding General Army Weapons
Production Control Center

Directorships in other companies that are not owned
by the RS Public Company Limited : -

Shareholding at the beginning of year 2016 (shares) -

Shares buying during year 2016 (shares) -

Shares selling/transferring during year 2016 (shares) -

Shareholding at the ending of year 2016 (shares) -



Mrs. Wansuda Thanasaranart

Position : Independent Director/Member of the Audit Committee/

Member of the Nomination and Remuneration Committee

Shareholding : 0.02%

Age 65

Education :

- Master of Business Administration (MBA),
Thammasat University
- Bachelor of Accounting, Chiangmai University

Thai Institute of Directors Training : -

Director Accreditation Program (DAP) Year 2016

Certificate Program in 2016 : -

Experience :

13 January 2016 - Present Independent Director/
Member of the Audit Committee/
Member of the Nomination and
Remuneration Committee
RS Public Company Limited

2010 - Present Senior Vice President - Chinese and
Corporate customers

Bangkok Bank Public

Company Limited

Directorships in other companies that are not owned
by the RS Public Company Limited : -

Shareholding at the beginning

of year 2016 (shares) 90,000

Shares buying during year 2016 (shares) 120,000

Shares selling/transferring during year 2016 (shares) -

Shareholding at the ending

of year 2016 (shares) 210,000



03



Policy and Overall Business Operations

RS was established in 1976, starting from a comprehensive music business. Later, it was converted into a public company, listing on the Stock Exchange of Thailand in 2003 with a registered capital of 560 million baht. The Company later changed its name to “RS Public Company Limited”. As of December 31, 2016, the Company’s issued and paid-up capital was 1,009,937,646 shares, with a par value of one baht. The Company has expanded continuously since its music business days, going into radio and television media and event management. By late 2013, the Company won the auction for a license to provide digital television services as a national-level business for one regular Standard Definition channel. The Company adapted its existing “Channel 8”, which originally aired on the satellite TV system; from April 2014, it was switched to a digital broadcast instead.

The company operates under Vision, Mission and 5-Year Business Direction as follows:

Vision

“The revolutionist that creates entertainment products with social responsibility.”

Mission

“To offer quality entertainment products that meet our customer’s needs through the force of excellent human resource that is poised to respond to any changes and always explore new opportunities by adhering to the principles of modern management and technology.”

5-Year Business Direction

“RS is an organization that conducts its business based on ‘opportunities’, focusing on leadership positioning and continued investment in sustainable media businesses. Also, the Company expands to businesses related to its media business, to generate significant increases in revenue that thereby strengthen the Company’s total revenue.”

Overview of the Business of the Company and its Subsidiaries

At present, RS’s core business is divided into four groups: media, health and beauty, music and event businesses. The media business has the largest proportion of the overall business, comprising television and radio media with digital TV Channel 8 as the leader. There are also three

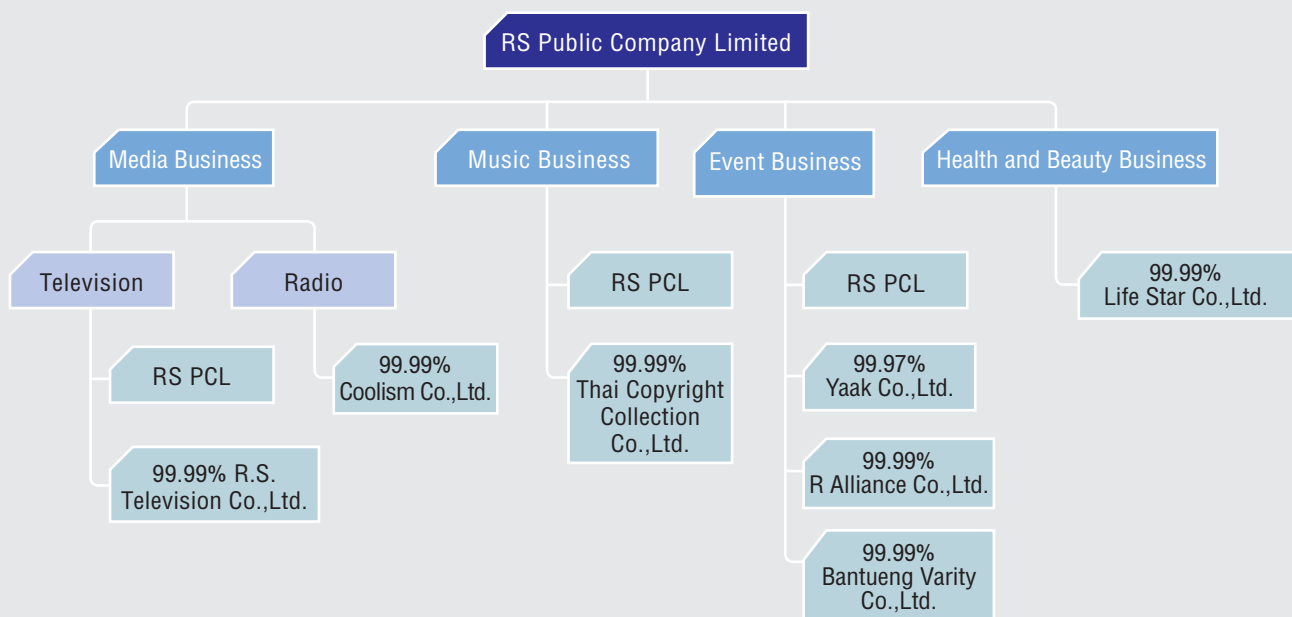


satellite TV channels: Channel 2, Sabaidee TV and YOU Channel. Each of the Company’s channels has garnered positive feedback, both in terms of audience and advertiser client favorability. This also applies to the COOLfahrenheit 93 radio station, which continues to maintain a clear audience base and a number one popularity ranking. As a result, the Company’s media businesses have enjoyed steady growth. The Company has extended its revenue growth further by venturing into the health and beauty business, managing and leveraging its media platforms on hand for maximum benefit. Moreover, the Company has made investments through various subsidiaries. Details are below.

The Operating Subsidiaries that Owned 100 percent by the Company

- R.S. Television Co., Ltd. (99.99%) operates digital television business
- Life Star Co., Ltd. (Formerly: Starz (Thailand) Co., Ltd.) (99.99%) operates beauty products business
- Coolism Co., Ltd. (99.99%) operates radio business
- Thai Copyright Collection Co., Ltd. (99.99%) operates copyright collection
- R Alliance Co., Ltd. (Formerly: Poema Co., Ltd.) (99.99%) operates event organizer
- Yaak Co.,Ltd. (99.97%) operates television program
- Bantueng Varity Co., Ltd. (99.99%) operates television program

The Company's Investment Structure



Remarks :- The percentage shown is the percentage of RS's investment in each company.

- The remaining shareholders of subsidiaries that not owned 100% by the Company are not related person of the Company.
- The temporality suspended subsidiaries are R.S. Sportmaster Co., Ltd., RS International Broadcasting and Sport Management Co., Ltd., Blu Fairy Co., Ltd., Very Well Co., Ltd., Aladdin House Co., Ltd. and D-Media and Production Co., Ltd.
- The subsidiaries that dissolved and going into liquidation is RS In-Store Media Co., Ltd.



04



Business Descriptions

At present, RS Group has four main core businesses which are Media, Health and Beauty, Music and Event Businesses.

Revenue Structure

Type of Revenue	2014		2015		2016	
	Amount (Million Baht)	share in total revenue (%)	Amount (Million Baht)	share in total revenue (%)	Amount (Million Baht)	share in total revenue (%)
Media Business	3,356.8	78	2,246.1	60	1,814.7	58
Health and Beauty Business	1.2	0	231.9	6	227.9	8
Music Business	566.1	13	463.6	13	321.6	10
Event Business	350.2	8	707.4	19	753.2	24
Revenue from Other Business	32.1	1	79.7	2	7.6	0
Total Revenues	4,306.4	100	3,728.7	100	3,124.9	100

Media Business

RS media business consists of two major media channels i.e. TV, and Radio.

TV Media Business

RS Public Company Limited operates digital television Channel 8 and three satellite television channels, including Channel 2, Sabaidee TV and YOU Channel that have distinctive formats, concepts and target viewers, as follows:

Channel 8

Television station “Channel 8” launched a new logo under the concept of “Intense Story, Full Emotion”, which aims to meet the needs of the majority of the country’s TV viewers as well as expand the urban viewership. This is achieved via producing and creating a comprehensive, dynamic entertainment experience, and applying the concept into free TV that reaches people of various ages and genders. This includes programming that draws audiences such as a new, first run drama series; in 2016, Channel 8 launched eight such series, including “Sapai Rot Saeb”, “Pi Leang”, “Monrak A-Soon”, “Baap Ban Pa Gan”, “La Dap Tawan”, “Buang Rak Sa-lak Kaen”, “Mae Nak” and “Kratin Rimrua”. In addition, there were other



diverse programs such as sports programs “8 Max Muay Thai”, “The Champion Muay Thai Dat Cheurk” including global boxing events, of which licenses for the live broadcasts were procured. These included “HBO Boxing”, “Ultimate Fighting Championship (UFC)”. In 2016, the excitement was amplified with the addition of a Friday boxing show during prime time such as “Muay Thai Battle”, followed by “Muay Mun Super Max”, including news presented in a simple, easy to understand format akin to the morning news program that has been on air in the country for the longest time. The channel was ranked first in popularity among new digital TV operators and number three nationwide. Within a single program, “Kui Kao Chong 8” (morning news), followed by “Kao Den Chong 8”, “Kui Kao Yen Chong 8” and “Kao Den Rob Wan Chong 8” and more news programs “Sadut Kao Det”, offered light-hearted news from local and overseas contents, and “Pak Tong Dong Ru” economic news, spotlights on the plight of various communities, menu highlights, and features of hit travel destinations. Moreover, “Channel 8” increased the richness of its variety shows such as “Banterng108”, “Pak Poang”, “Siang Sawan Pichit Lan”, “Krua Lantung”, “Supta Talat Taek”, “Ueng Thueng Sieow Kamlang Song”, “The Guest Tee Sanit Khon Dang”, “Smile Ranger Kabuan-gan Ap Yim” and “English...Sakid Tom Ha”, including the broadcasting of popular foreign series from Korea and China throughout the 24 hours of programming. These programs all helped “Channel 8” to earn the top ratings in the country, from a survey conducted by AGB Nielsen Media Research (Thailand) in December 2016.

Channel 2

Television station “Channel 2” under the concept “Hot Variety, Drama Hits” presented the ultimate variety show line up, drama series that were highly popular on “Channel 8”, and foreign series - all selected and presented in “Channel 2” style. The aim was to retain the viewership base, which prefers a diverse range of entertainment. This also included media coverage in order to promote the channel and better reach the target audience as well as support the many industry partners.



Sabaidee TV

“Sabaidee TV” channel targets Thai music lovers in a variety of genres. Not just limited to country music, there is also music for life, string music, hits from the past, and rare music from the past. The channel operates under the slogan “Thailand’s number one hit music channel”, and “Sabaidee TV” oversees the production and management of content itself under the label of RSiam. The strength lies in the presentation of a wide variety of programs, both in depth and coverage, which allows the channel to fully realize the potential of each artist. Coupled with the selection of distinctive hosts who are memorable and appealing to a diverse group of people, “Sabaidee TV” has become a channel that viewers can watch and enjoy in leisure throughout the day, and communicate with each other via mobile text messages (sms) and screen display at any time.



YOU Channel

“YOU Channel” comes with the concept of “Channel of Thai music for all Thai”, meeting the needs of viewers and listeners of all genders and ages who love music. The channel offers content in the form of music videos or concerts featuring diverse artists, to create trends and provide a platform for the promotion of artists in the RS network.



Marketing and Competition

In 2016, the television media industry experienced intense competition in viewership and for advertising expenditure - much more so than in the past. This was because the National Broadcasting and Telecommunication Commission or NBTC held an auction for 24 digital TV licenses, which increased the number of new players in the industry. Channel 8, as a channel that has extensive experience in television media as it has been long engaged in the satellite TV business, boasts the capacity and know how to produce quality work that continuously engages the audience.

The emergence of digital TV in Thailand has piqued the interest of several parties, whether the audience or advertisers who are pouring money into advertising in the digital TV industry. However, the current level of intense competitiveness, coupled with the low growth of the economy, has made ad spending rather limited. Some of it also shifted to the online media. To survive in this industry, the production of outstanding programs that meet the needs of the target audience as well as the appropriate management of production costs are paramount. And another thing that cannot be ignored is the importing of interesting content to online media at an appropriate time, which can generate another stream of income.

At any rate, nearly 60 percent of viewers in the country will continue to watch satellite TV, and the cost of satellite operations is not high compared to that of digital TV. As such, the Company will continue to focus on its satellite TV channels: Channel 2 and Sabaidee TV. It will also try to maintain leadership in the satellite TV business. It is believed that the country's economic recovery will herald significant increases in ad spending for satellite TV, which translates into the ability to make good profits as well.

Marketing Strategy

1) Strategic branding of the Company and marketing positioning of the programs

The Company has established a clear market position for the business. In each program category, communication of the Company's image and the design of the program aim to respond to the needs of specific target groups, taking the behavior of each group of viewers and the current popular trends into consideration in line with the strategy of the group of companies, which exhibit strength and competitiveness in the market.

2) Strategy to leverage competitive strengths of RS Group as the main factor in the production of quality programming

In addition to defining a clear target audience, as well as the design and production of quality programming, the Company has also leveraged the competitive strengths of the youth and country music segments, which are huge markets with high purchasing power, comprising artists, singers, performers, affiliated MCs, music and other content. These serve as the main components used in program production. When coupled with the strengths of a team with expertise and experience in the production of television and video, this results in the production of high quality content that earns great feedback.

3) Strategy to formulate a sales model that creates the most value for customers

Media advertising sales that meet the needs of and creates the most value to customers in a package type format encompass both the sales of advertising time and related marketing activities. This helps to reinforce and build brand awareness for clients. At the same time, there is a team focused on the blend of such marketing activities under the CSR (Corporate Social Responsibility) angle, to raise awareness and disseminate knowledge about the client's social responsibilities to the consumer. This adds harmony to the program as well as effectively communicates the features of the product. It also leverages the design of the advertising media for many programs; taken together, this helps create the highest value for the advertising expenditure of the customer.

4) Strategy to build overall quality and customer trust

Focus on quality in every aspect of the Company in order to be accepted and trusted by customers. This is not only in terms of production quality to satisfy the customers, but also to service their needs both before and after sales, such as responding to customer needs quickly and accurately, and listening and providing solutions to clients, etc.

5) Strategic development of concepts to satisfy the preferences of the target audience

Conduct constant analysis of the needs of the target audience, to be used in the development of the production model to meet the needs of the viewers and customers, enhancing programming popularity and continuously increasing sales.

6) Strategic management and cost administration

Establish the foundation for streamlined management and cost administration. Use the Company's staff for a portion of the production work and hire external personnel (outsourcing) for other portions.

Procurement of Products or Services

The emergence of digital television has created more new players. The competition for knowledgeable and capable personnel has become intense and unavoidable. However, the Company has a plan to prevent risk with personnel contracts, including script writers, directors and actors. As such, the Company also has selection criteria for employees, both high profile and back office staff, who have potential, expertise and acceptance by the target group. For the high profile employees, the emphasis is on artists affiliated with RS Group while the rest are from the casting process and independent artists. For the production team, in terms of creativity, style and production control, the management team is part of the Company. Part of the production is be done by company staff while part of it is outsourced.

Radio Business

The Company operates through the system frequency of F.M. 93.0 MHz under the brand of COOLfahrenheit 93, with the following details:



Radio Station	COOLfahrenheit 93
Concessioner	Navy Radio Station
On Air Date and Time	24 hours
Signal Coverage	Bangkok and vicinity
Program Concept	50 Minutes Music Freeze Your Mind
Target Audience	Students and working people aged 20 - 44 years old

Radio Station: COOLfahrenheit 93 (F.M. 93.0 MHz)

COOLfahrenheit 93 operates under the Company's policies as a fully commercial radio station, by continuing to focus on maintaining the popularity of the station and expanding to a wider audience through platform radio online. Currently, COOLfahrenheit 93 retains a clear listener base and maintains its popularity; it has been able to steadily occupy a top ranking in terms of popularity over the decades from surveys by AGB Nielsen Media Research (Thailand). This has helped the Company to gain the trust of advertising company customers and product owner customers who continue to use the Company's media platforms.

Radio Program Format

COOLfahrenheit 93 is a station that offers Thai pop music in the EASY LISTENING category. It has gained the most widespread recognition from the listeners and the station is the first to present an unprecedented 50-minute music segment, “50 Minutes Music Freeze your Mind”. Every song has been selected from a listener poll, and programming is bolstered by a professional COOLJ team that has been widely accepted by listeners. Also, there are lifestyle-related activities that appeal to a new generation of working people. All such activities have propelled COOLfahrenheit 93 to become a Number 1 music station on the radio dial and multiscreen (online) among the working segment of the population. This is from a survey by AGB Nielsen Media Research (Thailand). The dynamic marketing strategy has not been static since 2002 (data from December 2016) among the Thai pop music radio programs for working people (20 to 44 years in age).

Marketing and Competition

At present, although fewer people listen to radio, the number of people who listen to music online through websites and smartphones has increased. COOLfahrenheit 93 continuously has more listeners who access music through the website and app. This includes growing communication channels and an increasing numbers of follows and likes on social media, as well.

Marketing and competitiveness of the radio media business is still high due to limited advertising expenditures. The popularity of radio programs is the main factor that customers consider when purchasing airtime. In the meantime, however, the pricing strategy is also an important factor for the purchase of advertising. As a result, customers can get more airtime or more varied advertising styles depending on each company’s sales strategy to attract customers. They get the most value for their advertising expenditures.

Marketing Strategy

1) Strategy on value for money

In order to create maximum benefit to the customer’s existing advertising expenditure in the package sales format, the Company sells advertising with marketing activities. This positively affects the sales promotion efforts and serves as a worthwhile investment. The Company has also designed packages that reach a target audience in the analog (F.M. 93 MHz) system and digital (radio online) system, which covers all platforms of smartphones. This covers advertising buyers’ increasing tendency to utilize popular online digital media.

2) Strategy of promotional activities

The radio media business has become intensely competitive for those who want to create unique programming that adds value for the radio station and the customers as well as for the products featured in various promotional activities. Advertising alone is not sufficient to meet the needs of the customers, and to build the brands of the company and station. For this reason, the Company has improved its implementation strategy to focus on the promotion of a strategic partnership (synergy) with partners in various fields by participating as a media partner in an event or a concert with the same target group. This also results in added value of the products in the promotional activities that are done between the show and the audience.

As for the promotional activities, the Company will focus on activities that can provide quality information and entertainment to the event participants. At the same time, the activities should be able to effectively fulfill the customers’ marketing policies. They should also be clear and appropriate for the target audience, and ultimately enable the Company to generate another income stream for the customer.

In addition, the Company also leverages its advertising and public relations departments to publicize the activities of COOLfahrenheit 93 and its clients, to become widely known and accepted via press releases and advertising in other media, such as online media, television shows, magazines, media outside the home (OOH), etc.

3) Strategic planning of advertising services

The personnel of the Company have been in the radio segment for a long time; they possess good knowledge and understanding of the radio media business. They can advise customers on how to plan for the management of the best quality media as well as how to purchase advertising time or advertising packages that suits their purposes and listeners. The Company can plan special ad hoc activities to meet customer needs and accommodate any shortcomings in each type of product. The Company maintains a policy of partnership with each product that supports a program, which factors into advertising planning to glean the most value from the services of the Company.

Procurement of Products or Services

1. Radio hosts and creative and production personnel

The Company has created a new generation of radio hosts; each must increase their potential and capacity. In particular, they must have basic knowledge of marketing and know how to use technology, social media and online media to achieve maximum benefit. They must also be able to carry the program in line with the expectations of the target audience. Currently, the hosts of the Company must have the skills to facilitate on ground promotional events and accommodate special promotional events. The host will serve as a key contributor in building the popularity of the station.

2. Broadcasting system

The Company has chosen to use a computer system to control the broadcast automation technology to meet international standards. The software is constantly updated to keep up to date and maintain quality in broadcasting via the FM radio and platform radio online systems, which can access all devices from smartphones to PCs.

Health and Beauty Business

RS operates its health and beauty business through Life Star Co., Ltd., with products covering skin care under “Magique” brand, hair care under the “Revive” brand, and food supplements. The products are inspired by global innovation and research institutes both at home and abroad. More than 20 products are offered and advertised through media channels of RS, including Channel 8, Channel 2 and Sabaidee TV. RS believes in leveraging its existing media channels. The Company has further expanded its distribution channels to modern retailers nationwide.



Marketing and Competition

The health and beauty industry in Thailand has a value of over 100 billion baht. The growth rate was consistent even when the national economy experiences low growth. At present, the new generation of consumers pays attention to their health care with the aim of a better quality of life. This includes the need for easier and timelier access to information and data, which makes people able to better choose products that meet their needs, align with their lifestyles, and help them to look better. At any rate, the health and beauty product market has a relatively high value, which has caused competition to intensify. The products are diverse both in terms of product type, brand, price and distribution. The market share is also distributed among a variety of

operators, including operators of global brands and domestic brands. In addition to the quality of the product, which is a key business factor in the health and beauty industry, it is just as important that the marketing, advertising and distribution channels must also meet the needs of consumers. For this reason, the Company believes that, in addition to having strong partners and allies, RS's strengths are to have extensive experience with many different types of media on hand. This will lead the health and beauty products of Life Star to become one of the most chosen brands among consumers.

Marketing Strategy

The Company's health and beauty products are inspired by global innovation as well as by experts from research institutes and partners abroad. Combined with highly efficient factors, with advanced extraction technology and packaging that preserves the quality of the product, the Company opted to set reasonable prices that appeal to the majority of people.

RS first uses advertising through the media channels of the Company, including Channel 8, Channel 2 and Sabaidee TV, followed by advertising on highly popular television channels and ad billboards across the country. This is to make their products broadly known. When customers want to shop, they can call into the Company's call center or purchase goods through the online site of www.shop1781.com. These mean allow the Company to access information about the consumers, including their tastes and needs through a diverse product offering. And the data can be used to leverage other distribution channels such as modern retailers. To meet the needs of consumers, the Company also plans to increase the number of product categories and expand into new distribution channels such as hypermarkets and superstores, convenience stores and drug stores.

For the strategy to promote marketing efforts, the Company has planned activities throughout the year that are appropriate for customers in each distribution channel such as the Shock Deal promotion and promotions in conjunction with various retailers.

Procurement of products or services

RS cooperates with the International Research Institute to derive the key ingredients found in each product. When the key formulations or extracts are ready, the products are produced by partners, who are leading enterprises in the country, as well as by subsidiaries of leading global companies that engage in contract manufacturing.

Music Business

The music business of RS operates in an integrated manner and covers every step of the operations, encompassing the selection of artists, music production, music promotion, strategic media planning and marketing, artist management, and managing music content. Both the artists and the music go through the online platform, such as streaming and downloads, and offline platform, such as television.

- 1) Structuring the music business model - the production of music begins with the offering of ideas, the concept and a definition of the target audience with artists who are ready to partner with RS, which features a team that is efficient and experienced in a variety of media channels, including both offline and online formats. This makes it possible to produce a wide variety of music to satisfy every target group, as well as produce music to market constantly. The process then includes the presentation of the concept and strategy to the Music Business Management Board for approval.

- 2) Policies to select an appropriate amount of productions place an emphasis on the quality of the production and close management of the products in the market from the beginning to the end of the process. This makes the production of each project flow in accordance to the initial plan as well as gauges both the quality and audience response using measurement tools in the social media channel.
- 3) The use of the Company's various media, whether television media or online media such as websites and social media, or public relations from subsidiaries help to enhance efficiency. This demonstrates the use of available media to achieve maximum efficiency.
- 4) Systematically and efficiently manage music rights to generate more revenue for the Company.
- 5) Adding value to the artists who produce the works can be done via events and other kinds of showbiz, including taking on brand ambassador and presenter roles for products with the same positioning and target group as the artist.
- 6) Implementing a policy that creates opportunities for new artists, songwriters and new music creation channels develops the music of RS, always keeping its portfolio current and covering the target audiences.

The music business derives revenue from three main sources:

- 1) Revenue from showbiz and events of the artist in the network is under the strategy to monetize the artist's capacity and maintain a visible profile throughout the year; it also boosts the image of the artist as a brand ambassador or presenter product for various products.
- 2) Revenue from sales of music in different formats via digital content, whether downloading music; downloading ringtones; buying music for mobile ring back tones; downloading full songs through other channels, such as iTunes or through a network of mobile (WAP) music formats; online music streaming through various platforms such as JOOX and Apple Music; listening to music and watching music videos online via YouTube, Line TV.
- 3) Revenue from royalties collected by a Thai music copyright collection company in the name of TCC (Thai Copyright collection CO., LTD.), a subsidiary that serves to store the Company's copyrighted works used in a commercial capacity.

Artist/Singer in the Portfolio

At present, the Company has Thai pop singers and Thai country music singers which include solo artists and groups. They can offer a wide range of music, covering all target groups across the country. Examples of RS artists include Baitoey RSiam, Ja RSiam, Kratae RSiam, Ble Patumrach RSiam, Flame Band, Klerm Band, Eak Surachet, Black Jack, BowVee, Jintara Poonlarp, Beatle, Samosorn Chimi Group, etc.

Marketing and Competition

Currently, consumers have a habit of listening to music that has changed from the past. The important variable is the use of the Internet and the increasing prevalence of smartphones, resulting in consumers turning to music online through various sites and increasingly listening to music on smartphones. The Company thus has to focus more on distribution channels. It must have diverse channels in order to reach consumers thoroughly, without necessarily relying on physical music formats.

Also, in the present, music content has been produced in a diverse range. Consumers can easily access music through various social networks, which causes new forms of content to appear in the music market.

Event Business

The revenue from event business comes from organization's concerts and events.

The organization's concerts and events

Shows and events are another business that rapidly grows in Thailand because products, services and advertising agencies have turned to allocate more budgets for below-the-line activities.

RS is specialized in organizing concerts and events to fulfill marketing plans of agencies, for the promotion of products and services, that have turned to invest in non-media or below-the-line activities in forms of shows and events, and a series of plans for the organization of entertainment activities that can obtain long-term positive effects on business will be presented.

The business of organizing concerts and events in Thailand can be divided into three main groups as follows:

- 1) Presentation and event organizers providing services on the organization of general events to promote products and services for customers.
- 2) Local event promoters providing services on the organization and marketing of stage performances, shows and concerts with their own investments and/or in cooperation with other local companies.
- 3) International event promoters providing services on the organization of shows and concerts as well as on the formulation of marketing plans thereof, with their own investments and/or in cooperation with other companies, by selecting live performance products for marketing in the country.

The competition for the organization of concerts and events in Thailand is rather high because there is a large number of enterprises at all scales including small, medium and large scale. However, on the plus side, this business has a high prospect because most marketing plans for product promotion set aside more budgets every year for below-the-line activities.

Being a large media company gives RS an advantage over others in the organization of concerts and events, that is because we have lots of artists under our care and we run integrated media business of all kinds such as TV, radio and other media channel. These qualities can give assurance that concerts and events organized by the Company can fulfill customer needs.

Marketing and Competition

The Company employs both Mass Customization Strategy and Individual Customization Strategy as a major policy (depending on each category of product or service) by emphasizing the importance of direct customers as the main focus but never forgets to take care of customers in the group of advertising agencies. With regard to the technique of work presentation, the Company aims to make customers aware that any work presented by the Company is a marketing tool to help individual customers achieve success in fulfilling their pre-determined marketing objectives by building on the principle of entertainment marketing to approach consumers.



05



Risk Factors

RS Group has evaluated the risks that might affect its Companies and subsidiaries that may result in impacts toward its business operations as follows:

Risks from announcements on regulations from the Office of the National Broadcasting and Telecommunications Commission (NBTC)

The Company operates television business in the digital terrestrial television and the satellite television business. The television business is considered as a mass communication business that is very influential to the people as people can reach and receive information thoroughly more than any other mass media channels, hence, business operations of the television business is essentially operated under the laws. Office of the National Broadcasting and Telecommunications Commission (NBTC) is the Government agency that supervises television business operators in Thailand with its main duty in supervising, and issuing various regulations in order to control free and fair competition among television business operators with ethical standards. Consumers are to be protected on their benefits, and not to be exploited by business operators such as supervision on the content to have suitable quality with the target group, suitability rating on contents for children and youth, advertising, persons with disabilities rights and protection to access and make use of television's programs, etc. At present, NBTC still makes regular new announcements in accordance with its policy, and problem concerning business operators, hence, announcements from the NBTC still exist together with all the television business operators. Hence, all the announcements that will be issued to control the television business operations, will not be stable, and will require a period of time to realize any impact on business operations of the Company, and eventually reflect risks on business operations.

Risks from intense competition in the television media business

Since the beginning of digital television broadcasting in the middle of 2014, the television industry has encountered intense competition as each channel operator makes various adjustments and adaptations. These include the original operators in the analogue system that have to protect their rankings, and the new operators that have to fight for most of the ratings and advertising budgets in the market. Many strategies have been used to gain popular rating using contents as the main important magnetism to attract audiences, especially during prime time that will have the most intense competition.

Thus, audiences will benefit from variety of choices, and the advertising agencies will have more selections on advertising clients. Hence, "rating" and "good value for money" will be criteria for determining the advertising choices, thus, making it more difficult to sell the advertising time.

However, due to the facts that the Company has experiences in the producing of television programs business and in management of its own channel for a long time, having clear target audience group, strong contents with patterns that match the tastes of the target audience, personnel and working group with quality and experience, as well as the organization of various types of the marketing promotion activities in order to constantly stimulate audiences, and to be known in a wider area, and thus, eventually place the Company's television channel in a high ranking position of the AGB Nielsen Media Research (Thailand). These will enable the Company the ability to capture and maintain market share from competitors in the industry.

Risks from concessions renewal

Concession for Satellite Television Business

The NBTC has made announcements on the regulations and methods in giving permission for radio and television broadcasting in order to organize the satellite television, and

cable television operators into its regulatory mechanisms. The NBTC will issue licenses to operators periodically in which the initial permits will have 1 year duration, and after that consideration will be made to issue licenses of no more than 2 years at a time. NBTC will take into consideration, complaints on violation of inappropriate contents, or advertising that contravene with the law, or any actions that contrary or inconsistent with the regulations on consumers' protection, including other new regulations that NBTC will introduce in future, as the basis to consider the issuing of the renewal licenses to each operator. The periodic issuing of licenses with a rather short operating time may limit business operations, manufacturing plans, and revenue generating of the Company, however, the Company realizes the importance of strictly complying with rules and regulations in order to create confident that continuous renewal of license on satellite television will be granted.

Concession for Radio Business

Normally, the leasing period for the radio station's broadcasting is about 2 years, if the leasing time has not been extended, it will result on impacts on the broadcasting continuity and the Company's revenue. This will include risk on any changes in the contract conditions which may result in the inferior condition from original contract. Moreover, searching for the new radio broadcast's airing time as replacement may result in losing business continuity, and in building similar popularity rating as the previous program, or may cause higher cost as well. However, the Company truly believes that due to its continuously producing good quality performances and receiving high popularity with constant listeners' base group, including as an important business operator who abides with standard payment and strictly conforms to payment conditions on airing time as well as on building good relationship with the concession provider, the Company will receive some trust and, thus, reduce some risk that may happen during concession renewal. Nevertheless, the Company will consider value of the concession renewal by comparing with investment cost. If the concession renewal does not beneficial to the Company, investment on concession renewal may not be considered. In 2015, the company approved to renew the concession for 2 years and it will end in 2017.

Since December 20, 2016, the order by National Council for Peace and Order, using Article 44 of constitution of The Kingdom of Thailand extends the same right and control of frequencies for radio broadcasting which ended in 2017 for another 5 years. The Company realizes the radio business will benefit by the Order, this results in no change of concession cost and rights of use of radio broadcasting.

Risks associated with the advancement of technology

Technology influences lifestyles of people around the world. The progression of communication technology has increased the speed and quantity at which people access information. It has changed how people communicate and

seek entertainment. In the past, information was received through television and newspapers. Now, technology allows humans to be more than just passive receivers. People may seek information on the Internet using their smartphones, tablets, and etc. This has forced TV shows to adapt to social media. Our company recognizes the shift towards these technologies and the opportunity to communicate with audiences through these avenues. An important aspect related to social media is the increasing control, monitoring, and regulation by the government. As of yet, there is no particular department managing or supervising social media directly. Information on social media is less controlled than information on TV, which is under the supervision of the NBTC. Thus, it is likely a department will be delegated to supervise and regulate social media in the near future. This will cause any businesses operating through these channels to be more restricted. It will affect business license applications, fees, and controls on information. However, our company always operates with caution and within legal frameworks, thus ensuring that the company will be able to adapt to any situations.

Risks from copyright violation

During the past few years, the music industry received much impact from many types of copyright violation whether in the forms of pirated physical discs (CD,VCD,DVD, MP3), downloading music from unauthorized websites, using music contents to earn revenues from operators of commercial shops,

restaurants, and karaoke shops, arrangement of many activities and concerts including the using of contents for commercial purposes or for personal entertainment through online channels. These copyright violation activities result in unrealistic reflection on consumer demand of the true music revenue.

However, the Company realizes the importance of this problem and steps have been enforced to correct it by always reviewing the new business plan to alleviate the problem. This is to create flexibility, suitability and update the situation such as adjustment of the internal structure of functional work in order to serve the changing workflow, using sale strategy to be in accordance with present consumers' behaviour, development of the internal working system to serve with various existing platforms in the present market and new platforms that will occur in future. This also includes having department that is especially responsible in protection and suppression of copyright violation, which receives cooperation and support from Government agencies in law enforcement against operators who are guilty in copyright violation. From the above mentioned measures, the Company expects to significantly reduce the impact on risk of being copyright violated.

Risks from occasional huge marketing events

The Company has continuous plan to expand its business, and some acquired project may require a rather high investment cost which may encounter some risk if revenue management cannot be reach according to plan. Causes may derive from many factors such as from rapid change in technology, changes in consumers' behavior, various changing trends, more intensified competitive situation in the industry as well as contract termination, or the occurrence of any event that make it impossible to continue, etc. However, the Company has stipulated the screening process, evaluating its usefulness, and cost effectiveness prior to investment. Study on the project feasibility has to be conducted prior to signing any contract or any other binding condition by using experts from related fields to jointly consider for cautiousness and conciseness of the project. Moreover, advanced planning and early preparation have to be conducted by the arranging of pre-sale from supporting sponsors when the project is still in its production process. Additionally, large project has to be approved by the Company's Board of Directors in order to reduce any risk that may occur from the investment.

Risks from depending on a single manufacturer for health and beauty products

The Company has partnered with well-known manufacturers to produce health and beauty products. The Company selects active ingredients and product qualities. We work with internationally renowned research institutes and manufacturers to develop formulas and production processes, while the manufacturers provide raw materials and manage the production. If any of the manufacturers are unable to produce the products due to

unforeseen problems, we will not be able to deliver the products on time or according to customer's need, which may affect our company's performance.

However, we have a policy to mitigate this risk by spreading production orders among a number of manufactures throughout the country. This allows us to avoid being dependent on one manufacturer, as well as helping us build good relationships with new manufacturers. It also enables us to negotiate with manufacturers and decrease production cost.

Risks from health and beauty products expiring

Production orders of health and beauty products must be in large quantities to reduce cost. Inventory levels must be maintained adequately for further distribution to retailers throughout the country. Due to these necessities, the company has risk of losing products to expirations. On average, most health and beauty products can last up to 3 years. In cases where consumer trends change, or the company is in its early stages of operation, or the company must offer new products frequently, it is important to research trends before creating a product. Research helps with analysis, accurate sales forecasts, and market trends. It is important to keep track of product expiration dates as well as managing stock appropriately. If a product will expire within 18 months and there is a slow sell through rate, the products will be reconsidered by management for a marketing campaign and promotions to liquidate the products as soon as possible.





Property Used in the Business

Property used in the business operations of the Company and subsidiaries company (RS Group) detailed as follows:

Land

The Company and its subsidiaries have leased land from individuals outside the Group, as detailed below:

Location	Renter	Contract term	Rental fee/month (million baht)
431/2-5 Soi Ladphrao 15, Chompon, Chatuchak, Bangkok	RS Public Company Limited	3 years (Aug 2014 - July 2017)	0.41

Equipment

The details of equipment used in the business of RS Group are as follows:

Company	Equipment and machinery	Ownership	Book Value Year 2016 (million baht)	Obligation
1. RS Public Company Limited	Studio recording and broadcast equipment	Owner	246.27	Nil
2. Coolism Co.,Ltd.	Recording equipment	Owner	1.96	Nil

Warehouse

Warehouse of the Company and its subsidiaries are as follows:

Location	Renter	Contract term	Rental fee/month (million baht)
9/102 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani	Life Star Co., Ltd.	1 Year (agreement expires in Apr 2017)	0.20
Building B, Building 2BB 9/46, Moo 5, Phaholyothin Road, Klong 1, Klongluang Pathumthani	Life Star Co., Ltd.	1 Year (Renewal contract to the period of Jan 1 - Dec 31, 2016)	0.10

Concession and Radio leases

The Company and its subsidiaries lease radio stations from government agencies and third parties detailed as follows:

Station	Station Owner	Contract term
F.M. 93.0 MHz	Navy Radio Station	Jan 1, 2016 - Dec 31, 2017

Broadcast transmission service agreement

The Company has entered into a Broadcast transmission service agreement and other services are as follows:

Service Providers	Contract term
1. Thai Public Broadcasting Service 2. Thaicom Public Company Limited	agreement expires on Jun 16, 2028 Aug 1, 2013 - Jul 1, 2023

License for operation right in spectrum of digital television

R.S. Television Co., Ltd., a subsidiary of the Company, is permitted to operate the television business, providing digital television services as a national level service business in the general category with regular definition. The license from the Board of the Office of the National Broadcasting and Telecommunications Commission (NBTC) number B1-S20031-0012-57 is valid for 15 years from April 25, 2014 to April 24, 2029. In the operation of the television business, the board of NBTC has issued guidelines, conditions and responsibilities for the license holders to strictly follow. This includes regulatory measures covering the licensee should any action be in violation of the law, orders or announcements. There shall be legal repercussions such as the order to cease all wrongdoing, imposition of fines, suspension or revocation of the license, and criminal penalties including fines or jail time.

Terms that the licensee must comply with in order to maintain the license (Source: conditions attached to the license to operate digital television services) include the fact that *the qualifications* of the licensee must comply with the law; *television services* shall be provided solely by the licensee and the management by or authorization of other parties to represent the business is prohibited; and the rights afforded by the license may not be assigned to another party so as to impact the operation of the business in a manner not authorized under the license. However, it may be permissible for others to rent airtime for certain programs at certain times, per the stipulations of the Commission. *Station Management* must encompass self-governance measures, ensuring effective operations within the standards of ethical conduct and social responsibility, according to those specified by the Commission. The *Broadcast of Programs* must strictly comply with the declarations of NBTC in regards to the program listing and main points of the content when providing television services. The broadcast of programs that are not specified in the listing is prohibited. A system to monitor the content to ensure that it is not in conflict with the law is required. When *generating revenue* from advertising and business services, there is a limit of 12 and a half minutes per hour. By combining the time for advertising and business services throughout the day, this shall not exceed ten minutes per hour. Moreover, *the payment of fees* for the license must be per the stipulations of the Commission.

The Payment of License Fees Stipulated by the Commission

Unit : million baht

No. installment	For the minimum biding price	For the exceeding amount of the minimum bidding price	Total	Due for payment
	Amount	Amount		
1	190.0	188.5	378.5	Feb 11, 2014
2	114.0	188.5	302.5	May 23, 2015
3	38.0	377.0	415.0	May 23, 2016
4	38.0	377.0	415.0	May 23, 2017
5	-	377.0	377.0	May 23, 2018
6	-	377.0	377.0	May 23, 2019
Total	380.0	1,885.0	2,265.0	

In the case where the licensee fails to adhere to the payment schedule in the above table within the specified period, the licensee must pay an additional fee in an amount equal to the amount of fees to be paid with an interest rate of 7.5 percent multiplied by the ratio of the number of days overdue to the number of days in a year (360 days). Or, the license may be suspended or revoked per the laws, announcements, conditions and regulations announced by the Commission.

Subsequently, on December 20, 2016, the Government Gazette announced the **Head of the National Council for Peace and Order 76/2559 on Measures to Promote the Business of Radio and Television Broadcasting and Telecommunications in the Public Interest** as a measure to help ease the problem of the impact of economic conditions on the income of the operators, which may have resulted in an inability to make payment of the license fee within the time period specified. It was also a means to build confidence for both public and private operators as well as to promote the radio broadcasting, television and telecommunications sectors, creating effectiveness in and strengthening the overall economy of the country. Such measure, per the Head of the National Council for Peace and Order (NCPO), allowed the licensee the option to choose how to pay the fee; a formal request must be made to the Office of NBTC to allow licensees to benefit from an extended period of time. Originally, for the payment of fees under the initial conditions, licensees were required to pay the minimum amount in the 4th and last installment, but the NCPO's declaration allowed the 4th installment to be paid in two periods. Also, for fees in excess of the minimum amount in the remaining 4th to 6th installment periods, the NCPO allowed payment to be extended for six more installments with interest, per the rate set by the Monetary Policy Committee of the Bank of Thailand on the settlement date.

07



Legal Disputes

The Company and the subsidiaries had no legal dispute that significantly affected the Company's business or posed negative effects on the Group's assets of which its overall value, as at December 31, 2016, was higher than 5% of shareholders' equity. The Company and the subsidiaries had no legal dispute arisen from an out-of-the-ordinary course of business of the Group either.



08



General Information and Other Important Information

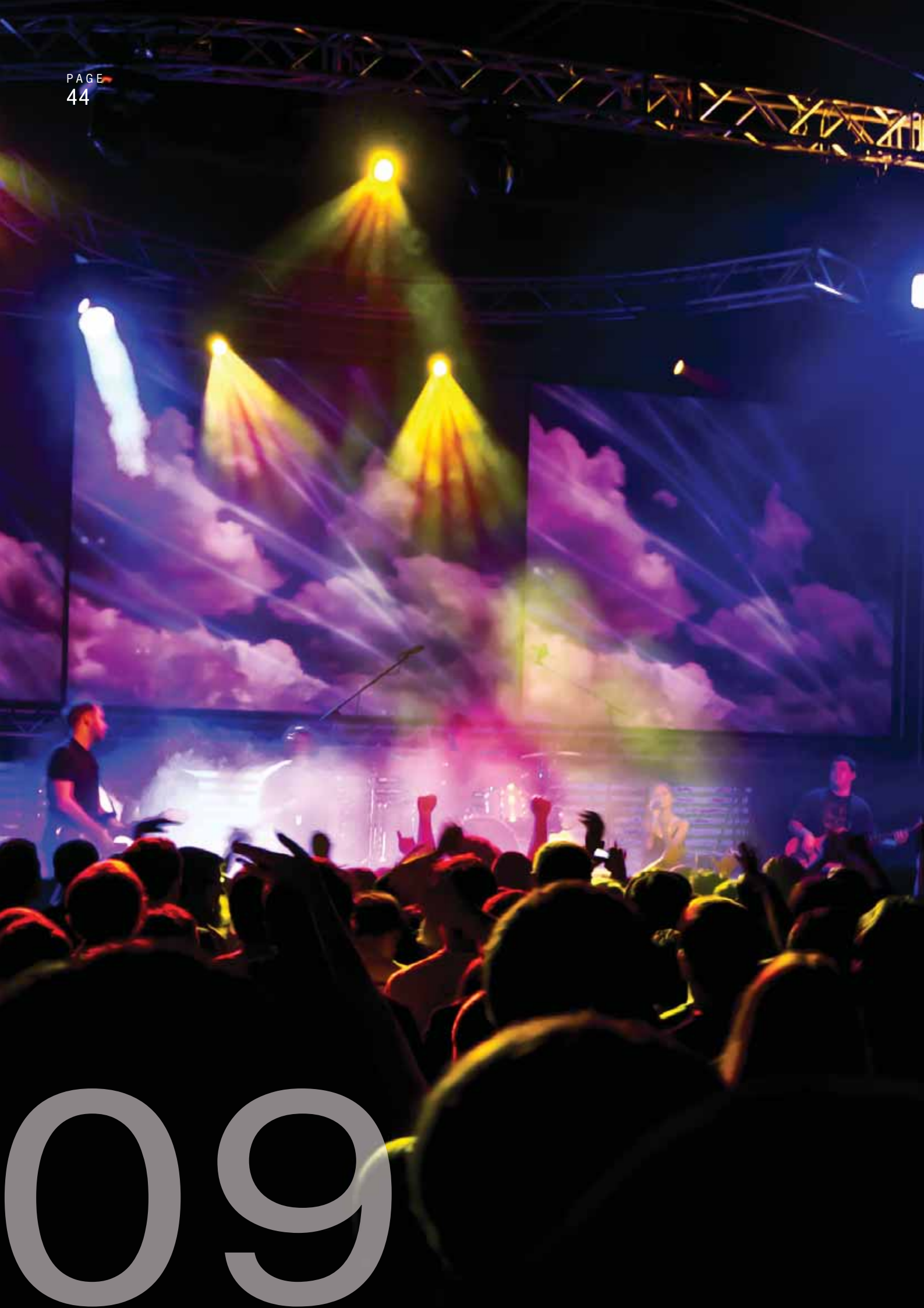
General Information

Company's Name	:	RS Public Company Limited
Type of business	:	Four main businesses: Media including Television and Radio, Health and Beauty, Music and Event Businesses
Address	:	Chetchotisak Building, 419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900, Thailand
Registration No.	:	0107546000016
Website	:	http://www.rs.co.th
Telephone	:	+66 2511 0555
Fax	:	+66 2511 2324
Registered Capital	:	1,009,937,646 baht including 1,009,937,646 ordinary shares at one baht par value (as of December 31, 2016)
Paid-up Capital	:	1,009,937,646 baht including 1,009,937,646 ordinary shares at one baht par value (as of December 31, 2016)
Securities Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone : +66 2009 9000 Fax : +66 2009 9991 Website : http://www.set.or.th/tsd
Auditor	:	PricewaterhouseCoopers ABAS Limited 15 th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand Telephone : +66 2344 1000 Fax : +66 2286 5050 Website : http://www.pwc.com/th
Legal	:	Legal Office, RS Public Company Limited Chetchotisak Building, 419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900, Thailand Telephone : +66 2511 0555 Fax : +66 2938 5622

General Information of the subsidiary that the company holds more than 10 percent

Company Name	Location	Type of Business	Type of Share	Registered Capital (Baht)	Paid-up Capital (Baht)	Percentage of Shareholding (%)
1. R.S. Television Co.,Ltd.	431/4 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Television Business	Ordinary shares	300,000,000	300,000,000	99.99
2. Life Star Co., Ltd. (Formerly: Starz (Thailand) Co.,Ltd.)	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2902 1933, +66 2511 0555 Fax. +66 2938 5621	Media/ Beauty Products Business	Ordinary shares	200,000,000	200,000,000	99.99
3. Coolism Co., Ltd.	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2938 5694	Radio Media Business	Ordinary shares	25,000,000	25,000,000	99.99
4. Yaak Co., Ltd.	431/3 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2938 5630 - 2 Fax. +66 2511 2324	Television Business	Ordinary shares	2,500,000	2,500,000	99.97
5. Thai Copyright Collection Co., Ltd.	203/34-36 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2938 8000 Fax. +66 2938 5583	Copyright Collection	Ordinary shares	5,000,000	5,000,000	99.99
6. R Alliance Co., Ltd. (Formerly: Poema Co., Ltd.)	203/34-36 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Event Business	Ordinary shares	80,000,000	80,000,000	99.99

Company Name	Location	Type of Business	Type of Share	Registered Capital (Baht)	Paid-up Capital (Baht)	Percentage of Shareholding (%)
7. Blu Fairy Co., Ltd.	419/3 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Event Business	Ordinary shares	5,000,000	5,000,000	99.98
8. Verywell Co., Ltd.	431/3 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Event Business	Ordinary shares	4,000,000	4,000,000	99.98
9. Aladdin House Co.,Ltd.	431/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Event Business	Ordinary shares	5,000,000	5,000,000	99.99
10.D Media & Production Co., Ltd.	419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Event Business	Ordinary shares	37,000,000	37,000,000	99.99
11.RS International Broadcasting and Sports Management Co., Ltd.	419/3 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Sport Service and Event Business	Ordinary shares	37,500,000	37,500,000	83.33
12.Bantueng Varity Co., Ltd.	3 rd Floor Chetchotisak Building 2 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Television Business	Ordinary shares	1,000,000	1,000,000	99.99
13.R.S. Sportmaster Co., Ltd.	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Television and Event Business	Ordinary shares	4,500,000	4,500,000	75.98



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Securities and Shareholder Information

Registered Capital and Paid-up Capital

As of December 31, 2016, the Company has the registered capital of 1,009,937,646 baht including 1,009,937,646 ordinary shares at one baht par value. The Company has the paid-up capital of 1,009,937,646 baht including 1,009,937,646 ordinary shares at one baht par value.

Shareholders

The 10 major shareholders as at the book closure date on December 30, 2016 are as follows:-

No.	List of Shareholders	Shares	Percentage
1	Chetchotisak Group *	349,033,500	34.56
2	Vanichvarakij Group **	125,000,000	12.38
3	Bangkok Bank Public Company Limited	70,000,000	6.93
4	Thai NVDR Company Limited	45,684,836	4.52
5	RS Public Company Limited	43,273,300	4.28
6	Mr. Chanyuth Laoraddecha	18,937,600	1.88
7	SIX SIS LTD	18,468,240	1.83
8	Ms. Chomkamol Pumphanmuang	11,400,000	1.13
9	Mr. Sirisak Sonsophon	9,221,100	0.91
10	Ms. Songsri Possavong	8,000,000	0.79

- Remark**
- * Chetchotisak Group including
 1. Mr. Surachai Chetchotisak holds 334,153,700 shares (33.09%)
 2. Mr. Suwat Chetchotisak holds 374,800 shares (0.04%)
 3. Mr. Chet Chetchotisak holds 13,705,000 shares (1.36%)
 4. Mr. Chot Chetchotisak holds 800,000 shares (0.08%)
 - ** Vanichvarakij Group including
 1. Mr. Sorat Vanichvarakij holds 115,000,000 shares (11.39%)
 2. Mr. Yothin Vanichvarakij holds 10,000,000 shares (0.99%)

List of major shareholders who, according to their conducts, were able to assert their influences towards the management policy and operation procedure of the Company with ulterior motives (Shareholding groups or shareholders who owned over 10% and holding position as the Company's director or sending representative as the Company's director).

The Issuance of Other Securities

- Nil -

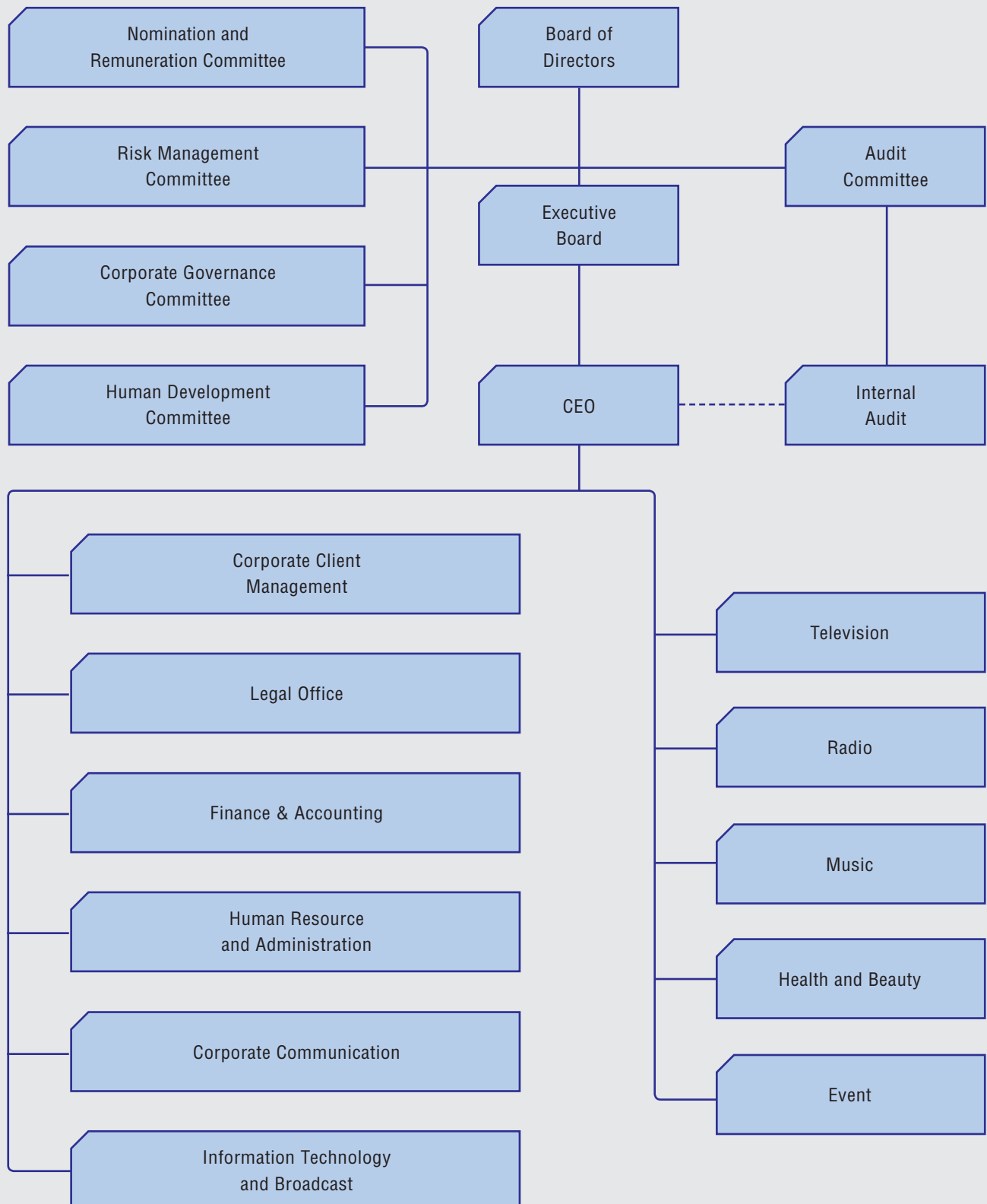
Dividend Payment Policy

The Company and its subsidiaries will pay a dividend not less than 50 percent of net profit after tax and legal reserve. However, the Board of Directors may consider and decide not to follow this policy, or adjust it in order to maximize the benefit to the shareholders.





Management Structure



Management structure of the Company consists of 7 set of committees and subcommittees including: Board of Directors, Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance Committee and Human Development Committee. Details are as follows:

Board of Directors

As at December 31, 2016. The Board of Directors consists of the following qualified persons:

1.	Mr. Surachai Chetchotisak	Chairman, Chairman of the Executive Committee
2.	Mrs. Pornpan Techarungchaikul	Director, Executive Committee, Risk Management Committee Chairman, Corporate Governance Committee Chairman, Human Development Committee Chairman and Company Secretary
3.	Mr. Darm Nana	Director, Executive Committee, Risk Management Committee, Corporate Governance Committee
4.	Mr. Danaisidh Peslapunt	Director
5.	Mr. Soopachai Nillawan	Director
6.	Mr. Sorat Wanichwarakij	Director
7.	Mr. Phisit Dachanabhirom	Independent Director, Audit Committee Chairman, Nomination and Remuneration Committee Chairman
8.	General Pairoj Panichsamai	Independent Director, Audit Committee, Nomination and Remuneration Committee
9.	Mrs. Wansuda Thanasaranart	Independent Director, Audit Committee, Nomination and Remuneration Committee

Definition of Independent Directors

Independent Directors are defined as external director, not involving in Executives, company staff, Executive Director or authorized signatory director, and be independent from major shareholders, Executives and related parties. In addition, Independent Directors are able to consider equitable treatment to shareholders and to preempt any possible conflict of interest between the Company and related parties. Independent Directors shall possess the qualifications as follows:

- (1) Hold shares not exceeding 0.5% of the total number of shares entitled to voting rights in the Company, the parent company, the subsidiary companies, the associated companies or any corporations that may cause a conflict of interest, which shall be inclusive of the shares held his/her related parties*.
- (2) He/she has been neither Executive directors** nor been an employee/staff member/advisor getting salary paid, both in present time and two years before the appointment, of/by the Company, the subsidiary companies, the associated companies, the affiliated companies*** or any corporations that may cause a conflict of interest.

- (3) No relationship by blood or legal registration as parent, spouse, sibling, son/daughter and/or son/daughter in-law of an executive officer or a major shareholder with controlling power, or a candidate who will be nominated as an executive or a person in charge of the operations of the Company or the subsidiary companies.
- (4) Business relations can be divided as follows:
- (a) Relationship types
- ☐ Relationship between professional service providers and users
 - Features: Auditors, other professional service providers such as legal consultants, financial advisors, property appraisers, etc.
 - Significant levels that are categorized non-independence.
 - Auditors: be prohibited in all cases.
 - Other professional service providers: Transaction value exceeds 2 million baht a year.
 - ☐ Trade/Business Relations (apply the similar guidelines to the Stock Exchange's requirements regarding related party transactions:
 - Features: Business transactions in all types including normal transactions, real property leases/ out-leases, asset/service-related transactions, and financial assistance grants or receipts.
 - Significant levels that are categorized non-independence:
Transaction value is ≥ 20 million baht or $\geq 3\%$ of the Company's NTA (net tangible assets), whichever is lower. While considering a value in each time of transaction, the total value of previous transactions over the past 6 months shall be inclusive.
- (b) The same relationship as Type (a) with corporations that are categorized non-independence such as major shareholders, directors (except independent/audit directors) and executives or partners of those corporations.
- (c) Prohibited period for no relationship in both types (a) and (b): In present time and two years before the appointment.
- (d) Exemptions: In a necessary and reasonable case which does not happen frequently or constantly, an independent/audit director may bear a relationship beyond the significant levels, as set out above, during his or her term in office, provided that a prior and unanimous approval from the board of the Company is obtained. Furthermore, the board of the Company must provide the disclosure of information regarding the aforesaid relationship in a registration statement for a public offering or securities placement (filing form), an annual information disclosure (Form 56-1) and an annual report (Form 56-2). If that independent/audit director is nominated for another term, the board of the Company shall provide a description of the said relationship in the notice of the shareholders' meeting on an agenda for the election of director.
- (5) Be not appointed as a representative of any board members or major shareholders of the Company, as well as being not appointed as a representative of other shareholders who bear relationship with major shareholders of the Company.
- (6) No restrictions that make him/her unable to freely express his/her opinions.

- (7) An independent director, with the complete qualifications, as stated in clauses 1-6, may be designated and authorized by the board of the Company to make a decision regarding the operations of the Company, the parent company, the subsidiary companies, the associated companies, the affiliated companies and/or other corporations that may cause a conflict of interest, which such decision can be collectively made (collective decision).

If an independent director of the Company also holds office as an independent director for the parent company, the subsidiary companies and/or the affiliated companies, the board of the Company shall provide the disclosure of such information as well as the disclosure of overall remuneration that certain independent director gets paid, in the filing form, Form 56-1 and Form 56-2 respectively.

Notes

- * Related parties mean persons under Section 258 of Securities and Exchange Act.
- ** Executive directors mean persons who involve in the management of the Company, hold office and are in charge of the Company as an executive, and are authorized signatories to execute a binding document on behalf of the Company, except a specified person in any transaction already been approved by the Board to sign a binding document jointly with other director(s).
- *** Affiliated companies mean subsidiaries of two and up having the same parent company.

Directors with Authority to Sign for the Company

Directors authorized to sign for the Company are Mr. Surachai Chetchotisak, Mr. Danaisidh Peslapunt, Mrs. Pornpan Techarungchaikul, Mr. Darm Nana and Mr. Soopachai Nillawan. Two of above directors can jointly sign and affix the Company seal.

Roles of Board of Directors

The Extraordinary General Meeting of Shareholders No. 1/2003 held on January 13, 2003 had the resolution to determine the scope of Board of Directors' authority in that Board of Directors is authorized to commit any acts necessary for or related to the normal business operation of the Company. The Board of Directors is in charged with overseeing the Company's operations to be in compliance with the country's laws and regulations as well as the policies and resolutions of shareholders' meetings. The Board of Directors can appoint the committee or assign any other persons to take any or several actions under the control of the Board of Directors except for the actions stated below. Those actions can be performed after receiving the approval from the shareholders' meeting. In cases where the committee or any person has a conflict of interest with the Company or its subsidiaries, the committee involved in that conflict may not vote on that case.

- (A) Any case that the laws mention must be in compliance with the resolution of the shareholders' meeting.
- (B) Performing cases where the committee gains the interest or where the laws and regulations the Stock Exchange of Thailand are mentioned must be approved by the shareholders' meeting.

The following cases must be approved by the Board of Directors' meeting and the shareholders' meeting with a voting score of three-fourths of the number of shareholders attending the meeting and voting:

- (A) Trading or transferring the Company's businesses or an important part of the business.
- (B) Acquiring or receiving transferred business from other companies or private entities.
- (C) Making, rectifying or terminating the renting contracts for the entire business of the Company or an important section of it. Appointing any person to run the Company's business or form a merger with any person for the purpose of profit and loss sharing.
- (D) Amending the Articles of Association or Memorandum of Association.

- (E) Increasing or reducing capital, issuing debentures, forming mergers or closing the Company.
- (F) Any actions mentioned in the Securities Act or announcements by the Stock Exchange of Thailand requiring the approval of the shareholders' meeting, such as the acquisition or disposal of assets of the listed company or any related items.

Responsibilities and the scope of Board of Directors' authority of the RS Public Company Limited comprise of the following topics:

1. Consider and approve vision and mission of the Company's group of companies.
2. Ensure that implementation of all operations are in accordance with good corporate governance and code of conduct manual of the Company's group of companies.
3. Approve, and/or agree with the policy, plan and annual budget, and supervise that the management proceeds efficiently and effectively according to the stipulated policy and plan.
4. Consider and approve significant items that are stipulated by law, regulation, announcement, policy, order, or authorized power of the Company.

The Company's Board of Directors is responsible for consideration the list of new Directors who have been screened and presented by the Nomination and Remuneration Committee. The listed Directors must be ready to dedicate their times, knowledge, and capabilities for the Company, and understand the duties and responsibilities of Director as well. The Company has in place the procedure to keep new directors informed about its business and operation for them to possess profound knowledge and understanding in the Company's business.

In addition, the Board of Directors conduct the annual assessment of their performance in line with the self-assessment form to inspect, as well as enhance the efficiency of, their performance.

Roles of Chairman

To serve as a president in Board of Directors Meeting, cast a vote in case of equal votes in the meeting, call the Board of Directors Meeting and serve as a president in Shareholders Meeting, including having statutory duty which specifies as Chairman's duty.

Board of Directors Meeting Attendance for year 2016

Name	Position	No. of Attendance
1. Mr. Surachai Chetchotisak	Chairman	6/6
2. Mrs. Pornpan Techarungchaiku	Director	6/6
3. Mr. Darm Nana	Director	6/6
4. Mr. Danaisidh Peslapunt	Director	6/6
5. Mr. Soopachai Nillawan	Director	6/6
6. Mr. Sorat Wanichwarakij	Director	6/6
7. Mr. Phisit Dachanabhirom	Independent Director	6/6
8. General Pairoj Panichsamai	Independent Director	6/6
9. Mrs. Wansuda Thanasaranart	Independent Director	5/6

Audit Committee

As at December 31, 2016, the members of the Audit Committee consists of :

1. Mr. Phisit Dachanabhirom ¹	Chairman
2. General Pairoj Panichsamai	Director
3. Mrs. Wansuda Thanasaranart	Director

Remark : ¹ Mr. Phisit Dachanabhirom is the Audit Committee Member that has knowledges and experiences in reviewing the Financial Statements. He is the certified auditor CPA License No. 966. He renders his audit services for non-listed company.

Responsibilities of Audit Committee

- A. Attend the Board of Directors Meetings as to participate in policy determination, business decision making and corporate governance issues.
- B. Consider and recommend the appointment and withdrawn of the auditor and the proposed audit fee including the following issues:
 - ❑ To ensure the independence of the external auditor, the Audit Committee shall consider any factors that may conflict with the auditor's efficient and professional operations.
 - ❑ To freely discuss significant matters, the Audit Committee shall meet privately with the external auditor once a year, without the management team being present.
- C. Consider the policy and code of conduct of the internal audit department as to ensure their continual appropriateness and effectiveness.
- D. Review the annual audit plans of the internal audit department.
- E. Review the internal control and internal audit system as to ensure their appropriateness and effectiveness by coordinating with the internal and external auditors. The Audit Committee shall consider the following issues:
 - ❑ To strengthen the independence of the internal audit department, the Audit Committee shall approve any selection, promotion, rotation or termination of the department head.
 - ❑ To ensure the independence of the internal audit department, the Audit Committee shall consider other factors that might impact its independent performance, including reporting and supervision processes.
- F. Consider the quarterly audit report and recommendations of the internal and external auditors as well as follow up the action taken according to such recommendations.
- G. Review the quarterly financial reports of the Company and subsidiaries as to ensure that they are accurate, credible and have adequate information disclosures according to the good corporate governance principle.
- H. Ensure that the Company is in compliance with the rules or regulations prescribed by the Stock Exchange of Thailand and any other laws related to its business.
- I. Review the related transactions of the Company, its subsidiaries and any persons that may cause the conflict of interest, to ensure that the related transactions are in appropriate conditions without any benefit embezzlement.

- J. Coordinate with the external auditor to consider any problems or restrictions encountered in performing financial statements audit.
- K. Prepare the Audit Committee report. The report must be signed by the Chairman of the Audit Committee and disclosed in the Company's Annual Report. Its report should include the following information:
- ❑ The number of committee meetings and attendance of each member.
 - ❑ Comments on:
 - o Accurateness, completeness and creditability of the Company's financial report.
 - o Adequacy of the firm's internal control system.
 - o Compliance with SEC's and SET's laws and regulation and other laws relevant to the Company's business.
 - o Suitability of the external auditor.
 - o Transactions that may cause conflicts of interest.
 - o Other concerns that have arisen as the audit committee performed its duties as defined in the committee's charter.
 - ❑ Anything else which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.
- L. The Audit Committee is authorized to invite the executive directors, Management or concerned persons to either provide necessary information or attend the meeting.
- M. Consider any other matters as assigned by the Board of Directors with the consent of the Audit Committee.

Nomination and Remuneration Committee

As at December 31, 2016, the Nomination and Remuneration Committee consists of 3 qualified persons:

1. Mr. Phisit Dachanabhirom	Chairman
2. General Pairoj Panichsamai	Director
3. Mrs. Wansuda Thanasaranart	Director

Duties and responsibilities of the Nomination and Remuneration Committee

- (a) Establish criteria and procedures for selecting a person who is qualified to hold office as a director, select best candidate in adherence to the procedures set out, and make the recommendation to the board who shall subsequently propose the nominee for appointment by the meeting of the shareholders of the Company. The duties and responsibilities can be outlined as follows:
- ❑ Determine qualifications of a director in accordance with the structure, size and composition set forth by the board, by taking the following steps:
 - o Consider a combined suitability of knowledge, experience and expertise to determine desired qualifications.

- o Assess the independence of each candidate to see whether he/she is completely or incompletely qualified as an independent director, and to consider whether or not it is necessary to find a new independent director in the case that the number of independent directors do not reach the numbers as stated in the board's policy.
- o Consider each candidate's promising dedication of time.
- Select and nominate a suitable candidate for the board to consider and propose that nominee for final consideration and appointment by the meeting of the shareholders of the Company.
 - o Determine a method of director selection that suits the Company's characteristics.
 - o Go through the list of candidates, and select the best one who meets the qualification requirements set out.
 - o Conduct a careful check to make sure that the best candidate who will be nominated for the appointment by the shareholders' meeting is duly qualified in accordance with the rules and regulations established by the authorities.
 - o Approach that qualified candidate to make sure that he/she agrees to accept the position as director when he/she is appointed by the shareholders of the Company.
 - o Propose his/her name for consideration and approval by the board. Upon the board's approval, a notice of the meeting of the shareholders of the Company in this regard will be made and sent to the shareholders calling them to meet, discuss and consider whether or not to appoint that nominee.
- (b) Develop a model and guidelines on the payment of directors' remuneration which will be recommended to the Board who will then propose them to the meeting of the shareholders of the Company for approval.
- (c) Establish guidelines for evaluating CEO performance.
- (d) Determine the annual remuneration of directors.
- (e) Offer new ESOP (or warrants) to directors and employees under diverse conditions that will induce directors and staff members to perform duties with their best effort, add long-term value to the shareholders, and truly enable to retain efficient and competent personnel; however, there is not too high such incentive scheme and should be fair to the shareholders of the Company.

The Board of Directors' Meeting No. 3/2007 on February 26, 2007 has approved the appointment of the Nomination and Remuneration Committee. And the scope of authority of the Board Nomination and Remuneration Committee.

Executive Committee

As at December 31, 2016, the 3 members of Executive Committee consist of:

- | | |
|----------------------------------|----------|
| 1. Mr. Surachai Chetchotisak | Chairman |
| 2. Mrs. Pornpan Techarungchaikul | Director |
| 3. Mr. Darm Nana | Director |

Responsibilities of the Executive Committee

The Board of Directors Meeting No. 1/2003 held on January 28, 2003 and the Board of Directors Meeting No. 2/2013 held on May 14, 2013 had the resolution to determine the scope of Executive Committee's authority in that Executive Committee is authorized to commit any acts necessary for or related to the normal business operation of the Company.

- (A) To approve loans or apply for credit from financial institutions as well as acting as surety or making payments for general activities of the Company. The credit limit of each item must be less than 50 million baht or equivalent.
- (B) To appoint and remove the company employees who are ranked below Managing Director (currently changed to Chief Executive Officer).
- (C) To initiate, suggest and formulate policy for the business direction and business strategy of the Company and present it to the Board of Directors.
- (D) To form corporate and management structures and Executive Committee. To oversee all aspects of the recruiting, training, employment and removal of company employees.
- (E) To formulate business plans and management powers, approve the annual budget for business operations and expenses, manage business plan and strategy of the Company according with the policy and business direction which presented to the Board of Directors.
- (F) To be responsible for other duties assigned by the Board of Directors in each period.

Approval for carrying out the activities mentioned above would not be granted in cases where the Executive Committee, or parties authorized by the Executive Committee, is authorized to approve activities that may conflict with the Company's interests under the regulations and announcements of the Stock Exchange of Thailand. Exceptions would be made for those activities carried out under policies and regulations approved by the Board of Directors, whereby the Board of Directors has the authority to amend or change the responsibilities of the Executive Committee whenever necessary.

Risk Management Committee

As at December 31, 2016, the Risk Management Committee consists of 2 qualified persons:

- | | | |
|----|-------------------------------|----------|
| 1. | Mrs. Pornpan Techarungchaikul | Chairman |
| 2. | Mr. Darm Nana | Director |

Duties and responsibilities of the Risk Management Committee

The Company's Board of Directors meeting no. 5/2010 on August 16, 2010, has the resolution to appoint the Risk Management Committee, and has authorized its scope of duties and responsibilities as follows:

- (a) Consider the policy, framework, and procedure on the risk management which includes giving advice to the Company's Board of Directors and management team on risk management.
- (b) Supervise and support the risk management so that it is according to plan, and results in achievements for the organization as well as in the project level.

- (c) Consider the Company's important risks on the organization level, and evaluate the risk management procedures to be in accordance with the Company's strategy and business plan.
- (d) Report performance to the Audit Committee and the Company's Board of Directors.

Corporate Governance Committee

As at December 31, 2016, the Corporate Governance Committee consists of 2 qualified persons:

- | | | |
|----|-------------------------------|----------|
| 1. | Mrs. Pornpan Techarungchaikul | Chairman |
| 2. | Mr. Darm Nana | Director |

Duties and responsibilities of the Corporate Governance Committee

The Company's Board of Directors meeting no. 1/2011 on February 23, 2011, has the resolution to appoint the Corporate Governance Committee, and has authorized its scope of duties and responsibilities as follows:

- (a) Propose guideline or policy on the good corporate governance to the Audit Committee and the Company's Board of Directors.
- (b) Review or improve guideline or policy on the Company's good corporate governance.
- (c) Give suggestions on good corporate governance to the Audit Committee and the Company's Board of Directors.
- (d) Supervise Directors and the Management team to comply with the good corporate governance's policy.

Human Development Committee

As at December 31, 2016, the members of Human Development Committee are:

- | | | |
|----|-------------------------------|----------|
| 1. | Mrs. Pornpan Techarungchaikul | Chairman |
| 2. | Miss Praornsri Udampol | Director |
| 3. | Mr. Chakrit Pichyangkul | Director |

Responsibilities of Human Development Committee

Human Development Committee's responsibilities are as follows:

- (a) To present human resource policy and management direction.
- (b) To draw techniques and strategies for human resource development.
- (c) To oversee and supervise human resource operation.
- (d) To consider and make decisions on human resource development issues based on the direction approved by the Company's committee.

Management Team

As at December 31, 2016, the members of Management Team are as follows:

1.	Mr. Surachai Chetchotisak	Chief Executive Officer
2.	Mrs. Pornpan Techarungchaikul	Chief Operating Officer
3.	Mr. Darm Nana	Chief Financial Officer
4.	Mr. Danaisidh Peslapunt	Chief Legal Officer
5.	Mr. Soopachai Nilawan	Senior Vice President
6.	Ms. Nongluk Ngamroj	Senior Vice President

Remark: 1. Executive refers to executive as per definition from announcement of the Securities and Exchange Commission (SEC) no sor.jor 14/2540
2. Ms. Chutima Tichachart resigned from the management team on November 1, 2016.

Roles and Responsibilities of the Chief Executive Officer

The Board of Directors Meeting No. 1/2003 held on January 28, 2003 and the Board of Directors Meeting No. 2/2013 held on May 14, 2013 had the resolution to determine the scope of Managing Director's authority in that Managing Director (presently called "Chief Executive Officer") is authorized to approved commit any acts necessary for or related to the normal business operation of the Company. The Managing Director (presently called "Chief Executive Officer") is concerned with the Company in general and has the authority to carry out any activity that is necessary. The credit limit of each item must be less than 25 million baht or equivalent. However, the Managing Director (presently called "Chief Executive Officer") has no authority to deal with important assets received or sold out of the Company; or matters concerning persons who may be in conflict with, or have conflict of interest with the activities of the Company or affiliated companies. In such instances, the Audit Committee and/or the Board of Directors, depending on the case, will consider the matter.

Nomination of Directors and Executives

The Board of Directors Meeting No. 3/2007 held on February 26, 2007 had its resolution to appoint the Nomination and Remuneration Committee and also approved the responsibilities of the Nomination and Remuneration Committee. Hence, personnel selection for the Company's Director must proceed through the Nomination and Remuneration Committee. The Director's selection procedures must be done by the Nomination and Remuneration Committee whose consideration will be based as per qualification in section 68 of the Public Company Limited Act B.E. 2535 (1992) and the related announcements of the Securities and Exchange Commission. Moreover, considerations will be based on ability, experience, knowledge, and specific skill for the benefit and development of the Company's business, and dedicating their times and efforts in conducting their duties. Then, the list will be submitted to the Board of Directors and shareholders' meeting for approval.

For appointment of the Board of Directors, the shareholders' meeting appoints the Director based on majority votes with the following regulations and guidelines:

- a) One shareholder has one vote per one share.
- b) Shareholders can vote for each directorial appointment.
- c) Persons who receive the highest sequential votes will be appointed as Directors equal to the required number of that particular election. In the case of any persons receiving equal sequential votes which are more than the required number, the Chairman will make the final decision.

Company Secretary

The Board of Directors has appointed the Chief Operating Officer to be the Company Secretary. The current Company Secretary is Mrs. Pornpan Techarungchaikul. The Company Secretary duty is to ensure that the Company complies with the Good Corporate Governance of the Stock Exchange of Thailand.

Name	Mrs. Pornpan Techarungchaikul
Position	Director, Executive Committee Corporate Governance Committee Chairman Risk Management Committee Chairman Human Development Committee Chairman Company Secretary and Chief Operating Officer
Age	46
Education	Master degree (MBA) from Sasin Graduate institute of Business Administration of Chulalongkorn University Bachelor degree of Statistics Chulalongkorn University Executive Development Program 4 (EDP 4) Year 2009 Thai Listed Companies Association
Shareholding	None
Relationship between Management	None
Experience	2004 - Present : Director/Executive Committee RS Public Company Limited 2008 - Present : Company Secretary RS Public Company Limited 2007 - Present : Chief Operating Officer RS Public Company Limited

Executive Remuneration

Cash Remuneration

(A) Directors

List	Year 2016		
	No.	Amount of money (baht)	Detail of Remuneration
Directors	9	1,110,000	Fixed remuneration and Meeting allowance
Audit Committee	3	1,748,000	Fixed remuneration and Meeting allowance

Detail of Remuneration and Meeting allowance are as follows:

No.	Board of Director	Year 2016	
		Fixed remuneration (baht)	Meeting allowance (baht)
1	Mr. Surachai Chetchotisak	-	150,000
2	Mrs. Pornpan Techarungchaikul	-	120,000
3	Mr. Darm Nana	-	120,000
4	Mr. Danaisidh Peslapunt	-	120,000
5	Mr. Soopachai Nilawan	-	120,000
6	Mr. Sorat Vanichwarakij	-	120,000
7	Mr. Phisit Dachanabhirom	-	120,000
8	General Pairoj Panichsamai	-	120,000
9	Mrs. Wansuda Thanasaranart	-	120,000
	Total		1,025,000

Remark: 1. Director remuneration is the benefit paid to the Company's directors in accordance with Section 90 of the Public Company Limited Act B.E.2535 (1992) (excluding salary and relevant benefits paid to the directors who also serve as the Company's executives). There is no remuneration for the directors of subsidiaries.

(B) Executive Directors and Management Team

List	Year 2016		
	No.	Amount of money (million baht)	Detail of remuneration
Executive Directors	3	-	-
Management Team	7	68.18	Salary/bonus/other allowance

In 2016, the Company has paid provident fund to 6 Executives at approximate amount of 2.29 million baht.

Other Remuneration

-Nil-

Personnel

The number of employees in the Company and its subsidiaries as of 31 December 2016 is 1,109 persons of which categorized into RS employees of 611 persons and subsidiaries' employees of 498 persons. The total rewards of company staff amounted to 760 million baht, paid in the form of salaries, overtime and welfare payments, bonus and provident fund, as well as provident fund for employees totaling about 18 million baht.

Human Resources Development Policy

1. The Company realizes the importance of employees as human capital, the most valuable factor that is instrumental in steering the organization towards growth on a sustainable basis. Hence, annual operational plan and budget have been clearly specified and arranged accordingly. Human resources development is divided into three levels i.e. Organization Development, Career Development and Training Development. In 2016, there are altogether 11 training courses of 26 series, which can be separated; in-house training of 194 hours and external training of 277 hours and detailed as follows:

1.1 Organization development has promoted the creation of corporate culture within companies under the RS Public Company Limited and since the orientation of new employees through Welcome Day Activity, there are 10 series with 124 attendances.

1.2 Employees' Career Development that defines progressive career path and stipulates the promotion path.

1.3 Training and development is stipulated by using the "Competency Base Training" together with research on the "Training Need" with development methods on both public training, and In-house training. These trainings cover on the Knowledge Development, Attitude Development, and Skill Development including 1) Winner Mindset with 1 series of 24 attendances; 2) Passion to Win Camp with 1 series of 39 attendances; 3) Basic System of TV Broadcasting with 2 series of 90 attendances; 4) Children's Rights and Business Principles with 1 series of 19 attendances; 5) Team Building CCM 2016 with 1 series of 107 attendances. All participants consisting of all position in the Company from operation personnel to management level.

The Company also hosted the trainings those required by law 1) 4 groups of safety training for general employees and new employees (163 participants); 2) 2 groups of basic first aid and resuscitation training (56 participants); 3) one group of workplace safety officer training at the executive management level (12 participants); and 4) 2 groups of workplace safety officer training in the group head level (51 participants).

2. The Company indicates the importance in continuously building employee engagement through diverse activities such as the Sufficient and Feel Good New Year gift which is 100% non-toxic jasmine rice from farm in Surin Province, giving to all management, employees, artists, singers, stars and announcers, etc.
3. The Company also realizes in building appreciation towards corporate social responsibility (CSR) to employees, and to be continuously in accordance with the corporate vision by promoting and arranging for activities such as activity for “RS Birthday Charity” which has been arranged monthly throughout the 2016. This allows employees, stars and artists who have birthday in each month to share their happiness with the socially disadvantaged patients with serious disease, children, the elderly and the disabled in institutions and organizations as follows:
 - “13th RS Birthday Charity” in January 2016 at the Home for Children with Disabilities (Baan Nontapum)
 - “14th RS Birthday Charity” in February 2016 “Pre-Loved Items in Usable Condition Project” with Yuvabadhana Foundation
 - “15th RS Birthday Charity” in March 2016 at the Phramongkutklao Hospital
 - “16th RS Birthday Charity” in April 2016 at the Home for Disabled Animals, Pakkred
 - “17th RS Birthday Charity” in May 2016 at the Srisangwan School of the Foundation to Help Disabled Persons
 - “18th RS Birthday Charity” in June 2016 at the Chulabhorn Research Institute
4. The Company has announced policy on safety, health, and environment in the working place by arranging all levels of employees to join in many levels of safety levels. This is to move its safety policy to be more substantially viable and correspondence with related laws and safety standards.

In 2016, the Company has expanded and monitored the safety performance as the safety, health, and environment committee members has reviewed and presented its plan to all level of employees in order to make continuous improvement such as 1) Set up of the safety meeting, represented by all level of employees to monitor, report, and follow up on unsafe spots in the working place; 2) make improvement in the working area at points where accident might occur, and setting up of various safety signs; 3) improve the fire escape route system, fire exit signs, and the emergency light to be with the specified standard; 4) regularly check fire extinguishers in each building; and 5) collect record of accident and sickness of employees who use service of the Company’s nursing facility in order to analyze the cause, solution, and supply with information concerning knowledge in health, and safety in the work place so that employees can adjust their working behavior for a better health and safety, etc. In 2016, the unemployment rate of employees using the Company’s medical room was at 0.11%.





Corporate Governance

The Company has stipulated its policy on corporate governance by emphasizing on the control and internal audit system, and corporate governance of Management to efficiently following its policy. This is for long term benefits of shareholders, including transparency on business operations, information disclosure, and with proper risk management as well as the Social and Environment Responsibility for sustaining development.

In 2016, the Company has been continuously granted the Very Good CG Scoring from Thai Listed Companies Good Corporate Governance Survey Year 2016.

The summary of corporate governance practices in 2016 is as follows:

Corporate Governance Policy

The Company's Board of Directors stipulates policy on good corporate governance in a written format, and considers reviewing the good corporate governance policy and code of conduct manual for the Company Group. Follow up on evaluation of policy compliance is set to at least once a year. The Company publishes manuals to Directors and employees for references and practices and announced in the Company's intranet.

The Company's Board of Directors Meeting No. 1/2017 on February 22, 2017 reconsidered, improved, and had its resolution to approve the good corporate governance policy and code of conduct manual for RS Group, and followed up on evaluation of policy compliance.

Moreover, the Company has complied with the good corporate governance policy for listed companies in the Stock Exchange of Thailand as states in the 5 following guidelines:

- Shareholder Rights
- Equal Right to Shareholders
- Rights of Stakeholders
- Information Disclosure and Transparency
- Responsibilities of the Board of Directors and Sub-Committees

Shareholder Rights

The Company stresses the importance of respecting the shareholders' right by following regulations as stipulated by law. In 2016, the Company had ordinary shareholders' meeting on April 27, 2016. All Directors attended the meetings except Mr. Soopachai Nillawan was on his business trip. (List of the Company's Board of Directors attendances could be checked at the minutes of the shareholders' meeting).

The Company encourages and facilitates shareholders and investors to participate in shareholders' meeting by seeking the meeting place where is accessible and sufficient public transports are provided.

The Company has policy on equal treatment of shareholders by realizing on the importance of shareholders' right on sufficient and timely information disclosure. Concerning shareholders' meeting, the Company will issue notice of meeting which includes details on different meeting's agendas at least 7 days prior to the meeting date as stipulated by law.

In 2016, Thailand Securities Depository Co., Ltd., which was the Company's registrar, issued notice of meeting to shareholders at least 7 days, or 14 days prior to the meeting date as stipulated by law.

In 2016, the Company had issued notice of meeting which included details on different meeting's agendas prior to the meeting date as stipulated by law, and each agenda contained principles, and reasons and suggestions of the Board of Directors. Moreover, the Company also published shareholders' notice of meeting, and documents for the meeting in Thai and English language at the Company's website on <http://www.rs.co.th/investor.html> at least 30 days before the meeting date and the Annual Report was posted on the Company's website at least 7 days before the meeting date, as to facilitate rapid access for shareholders. Minutes of the meetings in 2016 were posted on the website within 14 days after the meeting. Prior to the start of meeting, Chairman of the meeting had authorized the Company Secretary to explain voting procedure to the meeting, and during the meeting, the Chairman gave equal opportunity to shareholders in asking additional questions, and making suggestions prior to vote casting in each agenda. Support was also given in using voting paper in case of important agenda for transparency and accountability. Minute of the meeting was written correctly and completely within the specific timeframe as stipulated by law, and had good filing system for shareholders' checking.

In 2016, the Company gave shareholders' right much more than stipulated by law such as publishing important and updated information through its websites, and not curtailing the shareholders' right on the Company's information that had to be disclosed by regulations. Concerning the meeting, no additional meeting agenda, or changing of important information would be conducted without prior notification to shareholders, including additional important information would not be distributed abruptly in the meeting, and not limiting shareholders' right to come in late for the meeting. During the meeting, the Chairman opened equal opportunity to shareholders to ask questions, giving ideas, and making suggestions on operating results of the Company. Moreover, shareholders were given opportunity to send in their questions in advanced of the meeting date through the Company's websites, or by mail to the Board of Directors. Thus, rights given to shareholders, and supporting shareholders to exercise their rights were in accordance with good corporate governance policy.

Equal Right to Shareholders

For shareholders who cannot attend the meeting, the Company proposes proxies to be given to the Independent Director, who is Chairman of the Audit Committee, to vote on their behalves in the meeting. In the 2016 shareholders meeting, there were 22 shareholders who gave proxy to Chairman of the Audit Committee.

On December 1, 2016, the Company published information through its websites for minority shareholders to propose agenda for the ordinary shareholders' meeting. This included clear cut regulations in advanced for consideration on additional agenda for minority shareholders to make proposal. The Company also regulated procedures for minority shareholders to propose person's names for consideration as Director, and including assisting information on qualifications, and agreement of the proposed person. However, no shareholder proposed on new agenda, and person's name for Director.

The Company has established the measure in a written statement to prevent directors, executives, staff members and employees from abusing insider information in the interests of their own or their related parties. By this measure, the Company's directors, executives, staff members and employees are required to report a transaction that may cause a conflict of interest between the organization and them or their related parties via the designated law office to screen and forward such report completed with its comments to the Board, and the Board is fully authorized to make a decision on any transaction, which may cause a conflict of interest, for the Company's overall benefit. The Company's directors and/or executives with their interests in any transactions shall be banned from participating in a decision making process on those transactions, as detailed in the topic of insider information protection; moreover, related party transactions shall be made in accordance with relevant requirements established by Stock Exchange of Thailand, as detailed in the topic of precautionary measures or procedures for the approval of related party transactions. The certain policy has been implemented since the year 2008 for banning directors and top executives(**) from buying and selling their shares in the Company 3 weeks before the publication of financial statements and 2 days after that.

The Company has regulation in prohibiting the using of opportunity or information by Director, Executive, or employee for their own benefits, or conducting business competition with the Company, or with related business. This includes using of inside information for the Company's stock trading. All regulations have been stated in the code of conduct manual, and discloses in the topic of using of internal information.

Remark: (**) means Executive as per definition of the Securities and Exchange Commission who is responsible for changes in shareholding as stipulated by law.

Rights of Stakeholders

The Company recognizes the importance of rights for all groups of stakeholders whether from internal stakeholders such as employees, the Company's management, and its subsidiaries, or external stakeholders such as competitors, creditors, government agencies, and other related parties. The Company realizes the supporting pressure from stakeholders especially from communities and public, in which it always gives significance to the causes (example can be seen from "Role and Social Responsibility and Human Resources Development Policy"). Regulations and procedures are in written format, including rules on disciplinary punishment, so that there will be guideline procedures for related persons i.e. Directors, Management and employees of RS Group etc. to follow when performing duties for the Company with honesty and ethics towards the Company and groups of stakeholders. Details in the code of conduct manual which covers business and employee's code of conduct are as follows:

Responsibilities toward social and environment

The Company has the policy to conduct its business for the benefits of the economy, society, and environment by considering its duties and responsibilities towards the nation, society and environment. Businesses must be operated and controlled completely under the laws and regulations, as well as determinations to press on developing trends for social quality and environment internally or cooperation with government agencies and communities. Responsibilities toward social and environment must be whole heartedly and consistently promoted to all levels of employees and staff on becoming good citizens who make beneficial contributions toward communities and societies. Employees must also be supported to jointly participate in constantly creating activities for communities and societies in order to create good corporate culture in the future. These have to be reviewed, evaluated, and followed up consistently on progress of the Company's operations to ensure that policies on social and environment have been executed as planned. Also, the Company has promoted the campaign of efficient use of resources e.g. paperless campaign and energy saving by turning off air-conditioner and electricity during break time etc. (Example can be seen from "Role and Social Responsibility and Human Resources Development Policy").

Customer

The Company is determined to distribute quality products and provide quality services to its customers, as well as having the service units to take care, explain all enquiries, and recommend solutions on problems to customers.

Shareholders

The Company is run with a good and efficient expertise. The current and future risk is carefully assessed for the benefit of shareholders, and controlled to be certain that the operational results and financial situations of the company as well as information to shareholders are completely reported.

Employee

The Company considers employees as its value assets and acknowledges the importance of employees. The appropriate welfare and remuneration are arranged in line with the knowledge, ability, responsibility and performance of each employee and aligning with short-term company's performance including salary, bonus and provident fund as well as long-term company's performance including Key Performance Indicators (KPI) assessment and compensation among industry. RS Group also realizes the importance in healthcare, safety, and working environment as safe precaution against life and property of its employees, and follows on the labor laws' regulations. Hence, the Company has arranged for health check, life and health insurances for employees, and consistently checks safety in the work place.

The Company's Board of Directors also considers and approves the policy concerning safety, occupational health, and environment in the workplace.

The Company supports knowledge training for its employees, Directors and executives. (Examples are under "Social Role and Responsibilities, and Human Resources Development Policy").

Trading Partner and Creditor

The Company adheres to honesty and justice towards its trading partners by taking into consideration for the best benefits to the Company, and bases on justified remunerations on both sides, and avoids bias or any circumstances that give rise to the conflict of interests and upholds and complies with contracts, terms of agreement, and obligations towards trading partners and creditors. This also includes anti-corruption and anti-bribery payment to obtain benefit for the Company's business. (Examples are under "Policies on Anti-Corruption").

The Company's criteria for selecting suppliers/vendors/outside service providers detailed as follows:

- Quality of product and service
- Ability, specialization, expertise and experience
- Trading policy
- Business reputation
- Financial status

Competitor

The Company supports free and fair trade competition as well as treating competitors professionally.

Virtue

The Company is engrossed in doing the rightful things and performing its duties with honesty and straightforwardness in accordance with legislations and regulations. This conduct is applied to any activities and decision-making. The company operates its business with honesty and takes into account the influencing risks.

Equality and Human Rights for All Parties Concerned

The Company neither hinders or withholds the privileges from, nor discriminates against any persons who are different in races, nationalities, religious, genders, age, or education, including non-involvement on any human rights infringement.

Copyright

The Company has the policy on non-violation of any copyright.

The Company's Board of Directors reviews and makes improvement on code of conduct manual of RS Group at least once a year. In 2017, the Company's Board of Directors meeting No. 1/2017, has reviewed, improved and approved RS Group's code of conduct manual, and publishes in the Company's website. It includes information on new employee's training for all employees' acknowledgement, and controlling process for strict compliance on the code of conduct.

The Company has had the policy that directors, executives and staff members at all levels are required to strictly observe and follow the best practices described in the Group's ethics handbook. In the past year, the Company and the subsidiaries had no legal dispute that significantly affected the Company's business or posed negative effects on the Group's assets of which its overall value, as at December 31, 2016, was higher than 5% of shareholders' equity. The Company and the subsidiaries had no legal dispute arisen from an out-of-the-ordinary course of business of the Group either.

The Company has anticipated in sharing the development mechanism with stakeholders in strengthening operating results of the Company. This is to build business security with information transparency, listening to comments, complaints, or suggestions (except the appeals regarding fraud or misbehaved employee in the organization and the additional information can be seen on Policies on Anti-Corruption) either from employee and stakeholder via the Management, Internal Audit unit, Investor Relations unit, Company Secretary or Audit Committee as to pass to the Board of Directors through website at <http://www.rs.co.th/investor.html> or through telephone numbers at +66 2938 4307 and +66 2511 0555 ext 1496 or to the stated units above. All information will be collected and checked through the Company's stipulated process, and will be reported to the Board of Directors.

Complaint of financial and accounting reports, internal control, risk management, compliance with law and code of conduct can be done through the Company Secretary who receives and summarizes all topics, and quarterly submits to the Audit Committee, and Board of Directors. The Company gives importance to the secrecy of information received in order to build confidence to sender, and complaint will only be known to assigned and related persons.

Information Disclosure and Transparency

The Company gives the importance to efficient internal control system on the Management and operational levels, by clearly stipulated the Management's business authorizations. Assets' usages are controlled, and responsibilities of operator, controller, and evaluator are separated from each other to create suitable check and balance system. Moreover, there is internal control on the financial system with financial report system reporting directly to the responsible management unit.

The Company's internal control unit reports directly to the Audit Committee to be certain that the main operations and important financial activities proceed efficiently within the directed guidelines. The Company has its policy on Compliance Control in correspondence with the concerned law and related regulations.

Sub - Committees

The Company's Board of Directors appoints the Sub - Committees to make details screening by regulating their responsibilities and scope of duties within each committee.

Most members of the Sub - Committees are Independent Directors except the Executive Committee, Risk Management Committee, Good Corporate Governance Committee and Human Development Committee and the Chairman of the Board will not hold positions as member in all committees. Moreover, it also regulates Independent Directors as Chairman of each committee with exception in the Executive Committee, Risk Management Committee, Good Corporate Governance Committee and Human Development Committee. At present, the Company has 6 Sub - Committees of the Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance Committee and Human Development Committee.

The details concerning the member's names, duties, and responsibilities are in topic "Management Structure".

The Company's Board of Directors appoints sub-committees in order to operate and oversee the Company, detailed as follows:

- ❑ **Audit Committee** has duration of 3 years, and consists of 3 Independent Directors. Names and duties of the Audit Committee are listed in "Management Structure".

The Company's Board of Directors appoints Mr. Phisit Dachanabhirom, the Independent Director, who has vast knowledge and experiences in financial and accounting field, and to become Chairman of the Audit Committee.

In 2016, the Audit Committee had 4 meetings in which all members attended all meetings and consistently reported their operating results to the Company's Board of Directors. There was one meeting that the Audit Committee met privately with the external auditor without the management team being present.

- ❑ **Nomination and Remuneration Committee**

The Company's Board of Directors meeting No. 3/2007, on February 26, 2007, has appointed the Nomination and Remuneration Committee, its scope of authority, and remuneration. The committee consists of 3 qualified persons which has 3 Independent Directors in which one of them is the Chairman of the Nomination and Remuneration Committee, the committee has 3 years duration (details in the "Management Structure").

In 2016, the committee had 2 meetings in which all members attended all meetings. The committee consistently reported their operating results to the Company's Board of Directors.

Details of important performances in 2016 could be summarized as follows:

1. Considered the nomination and selection of qualified and suitable person as replacement for Board of Directors retired member.
2. Considered and approved additional Human Development Committee
3. Considered, reviewed and approved the charter of the Nomination and Remuneration Committee.
4. Considered and reviewed the appropriateness of the pattern and criteria of the remuneration.
5. Reviewed the annual Directors' remuneration.

6. Considered the Chief Executive Officer evaluation criteria.
7. Evaluate the performance of the Nomination and Remuneration Committee in 2016.
8. Reported their duties to the Board of Directors on regular basis.

The Nomination and Remuneration Committee commented that the stated items were suitable to the utmost long-term benefit for the Company, Shareholders and Stakeholders.

- ❑ **The Executive Committee** consists of 3 qualified persons, and their names are listed in the “Management Structure”.

In 2016, the Executive Committee had total 24 meetings.

Details of important performances in 2016 could be summarized as follows:

1. Made preparation, suggestion, and stipulate guideline on business policy of the Company to the Board of Directors.
2. Stipulate business plans, administration, and approval on the budget for the annual business plan and annual spending budget, and then, proceed as per business plan and business strategy in accordance with the stated business policy, and guideline as stated to the Board of Directors.
3. Direct, control, and supervise on the management so that it would be in accordance with the laid down strategies and plans.
4. Other assigned duties given in specific periods by the Board of Directors.

The Executive Committee had performed its duties with caution to its full capability and in relation with good corporate governance policy and code of conduct of the Company’s group for the benefit of the Company, shareholders and stakeholders in the long term.

- ❑ **Risk Management Committee**

The Company’s Board of Directors meeting No. 5/2010 on August 16, 2010 had the resolution to appoint, authorize the scope of responsibilities and consider remuneration of the Risk Management Committee. The Committee consisted of 2 qualified persons (details listed in the “Management Structure”).



In 2016, the Company's Risk Management Committee had 1 meeting which was to plan, reviewing the system, or evaluate efficiency of the risk management.

Details of important performances in 2016 could be summarized as follows:

1. Consideration on important risks of the Company, proceed with risk management and evaluation on risk management to be in accordance with strategies and business plan of the Company.
2. Supervise and support that risk management was according to plan.

Risk Management Committee had performed its duties with caution to its full capability and in relation with good corporate governance policy and code of conduct of the Company's group for the benefit of the Company, shareholders, and stakeholders in the long term.

❑ **Corporate Governance Committee**

The Company's Board of Directors meeting No. 1/2011 on February 23, 2011 had the resolution to appoint, authorize the scope of responsibilities and consider remuneration of the Corporate Governance Committee. The Committee consisted of 2 qualified persons (details listed in the "Management Structure").

Corporate Governance Committee reviews and improves the good corporate governance policy, code of conduct and other relevant policy as well as follows up the assessment of such policies.

Details of important performances in 2016 could be summarized as follows:

1. Reviewed the good corporate governance policy and code of conduct of RS Group and other relevant policy.
2. Promoted the administration works to be in accordance with the good corporate governance policy and code of conduct of RS Group and other relevant policy.
3. Gave advises on the good corporate governance to the Company's Board of Directors.
4. Setting up on guidelines and reviewing of report on good corporate governance for presentation in the annual report.

The Corporate Governance Committee had the opinion that the stated items were appropriate and for the benefits of Company, shareholders, and stakeholders in the long term.

❑ **The Human Development Committee** consists of 3 qualified persons, their names and responsibilities are listed in the "Management Structure".

In 2016, the Human Development Committee had 4 meeting.

Details of important performances in 2016 could be summarized as follows:

1. Reviewed and developed the policy, and given guidelines on human development.
2. Developed the strategies and techniques on the human development.
3. Supervised and supported operations on human development.
4. Considered and made decisions on issues concerning the human development as per approved guidelines by the Board of Directors.

The Human Development Committee had performed its duties with caution to its full capability and in relation with good corporate governance policy and code of conduct of the Company's group for the benefit of the Company, shareholders, and stakeholders in the long term.

Company Secretary

The Board of Directors has appointed the Chief Operating Officer to be the Company Secretary who is Mrs. Pornpan Techarungchaikul. The Company Secretary duty is to ensure that the Company complies with the Good Corporate Governance of the Stock Exchange of Thailand. The major role and duty of the Company Secretary are as follows:

- Advise the legal, accounting and tax issue and necessary regulations to the Board of Directors.
- Oversee the Board of Directors' activities.
- Coordinate the concerned party as to ensure the implementation of the resolutions of the Board of Directors.

The Company Secretary has knowledge in both the accounting and legal aspect, however, the Company also promotes people who support the work of the Company Secretary and the Company's Board of Directors to attend the "Company Secretary Program" (CSP) of the Thai Institute of Directors (IOD). Moreover, the legal office has been assigned by the Company to work for the Board of Directors to be in accordance with rules, regulations, or law as a compliance unit.

Director Meeting

The Director meetings are arranged at least quarterly and extraordinary meetings in between as deemed necessary. All meetings have apparently set-out agenda and planned meeting date and are intended to consistently monitor company's performance. In case that the Company does not have a monthly meeting, the Company has the policy to send the monthly operational report to the Board of Directors, so that the Board of Directors can supervise, and control management's operations consistently and effectively. Invitation, agenda and information hand-outs are duly distributed 7 days prior to the meeting so directors have a chance to familiarize themselves to the issues. Chairman of the Board of Directors and the Chief Executive Officer make decision on agendas for the Board of Directors' meeting with emphasizing that important subjects have to be in the meeting agendas. Directors can freely submit agenda and the Board of Directors can access necessary information from the Chief Executive Officer. Independent Directors/Audit Committee (the definition and qualification shown in Management Section) have attended all meetings. In 2016, there have been 6 meetings at the Company premises. Every director attends all meetings except Mr. Soopachai Nillawan did not attend 1 meeting due to his business trip.

If any director has significant conflict of interest in any agenda, such director shall not attend the meeting during the consideration of that agenda.

In addition, the Board of Directors' minimum quorum for meeting resolution must not be less than two third of total number of Directors.

The Company's Board of Directors has its policy in allowing the non-executive Directors to conduct their own meeting as deem necessary. This is to debate all issues concerning the Management without their present, and the Chief Executive Officer will be informed of the meeting result.

Self - Evaluation on the Performance of the Board of Directors

The Company's Board of Directors arranges for its self - evaluation annually by using the Company's self - evaluation form. The Board of Directors will individually and jointly consider their performances for their joint consideration in order to improve for more efficient operations.

Self - evaluation elements consist of the structure and qualification; roles, duties and responsibilities; meeting; and duties of the Board of Directors, relationship with management, self - development of the Board, and development of Executives.

In addition, the Nomination and Remuneration Committee will supply suggestions on regulations for the evaluation on performance of Chief Executive Officer and propose for the approval of the Board of Directors. Results of the performance will be evaluated by the evaluation form specified by the Nomination and Remuneration Committee and to be evaluated by the Company's Board of Directors which only consists of Independent Directors for further improvement.

The Company's Board of Directors arranged for its self-evaluation on yearly basis. On February 22, 2017, the Company's Board of Directors' meeting No. 1/2017, had made annual consideration on self-evaluation of the Company's Board of Directors of 2016, so that the Company's Board of Directors could jointly consider the performances, and problems for further improvement. Results on performance of the Chief Executive Officer for the year 2016 had been evaluated by the Company's Board of Directors which consisted of only Independent Directors for further consideration and improvement.

Moreover, the Board of Directors has assessed performance evaluations of all other committees and individual person including Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee, Executive Committee and Human Development Committee.

Remuneration

The Company has clearly and transparently stipulated policy on remuneration for Directors and Executives. During the ordinary shareholders' meeting No. 1/2003, the Company's Board of Directors' meeting No. 5/2003 and the Annual General Meeting 2013, remuneration for Directors was approved to be within the similar level of the same industry which was high enough to attract and protect the qualified Directors and be in accordance with the Company's operating results. For Chief Executive Officer's performance evaluation, the Nomination and Remuneration Committee supplied inputs on regulations for the evaluation on performance of Chief Executive Officer and propose for the approval of the Board of Directors. Results on the performance were evaluated by the Company's Board of Directors which only consisted of Independent Directors. (Details on remuneration for Directors and Executives were shown in "Management Structure").

Directors and Executives' Development

The Company's Board of Directors has the policy on assigning the present Director to introduce new Director to the Company, and lecturing on the summarization of the Company's business plan, operating results, strategy, competitive situations, vision, corporate culture, corporate governance, business ethics and other details concerning the Company's operation etc.

The Company's Board of Directors has the policy to create and develop new knowledge for Directors and Executives by encouraging them to attend seminars and meetings which provide useful topics that have been arranged by the Thai Institute of Directors, and other related organizations in order to support efficient operations, with all costs to be financially supported by the Company. In 2016, the Company has supported for the training detailed as follows:

No.	Director's Name	Position	2016 Training
1	Mr. Soopachai Nillawan	Director and Executive Vice President	Director Accreditation Program (DAP) Year 2016
2	Mrs. Wansuda Thanasaranart	Independent Director, Audit Committee and Nomination and Remuneration Committee	Director Accreditation Program (DAP) Year 2016

Succession Plan for the Chief Executive Officer and high level Executives

The Company's Board of Directors supports the arrangement of succession plan that will assist in smooth operation of the Company. Moreover, the Board of Directors also makes preparation for the executive development program for the succession plan of the Chief Executive Officer and high level Executives (**) in case that they cannot perform their duties. This is to reduce risks from dis-continuation in corporate management with the following procedures:

1. The Executive Board and Human Development Committee have to consider and select high potential Executives for further development and preparation.
2. The Human Development Committee is to develop the assigned group by preparing for the high level development plan for high level Executives.
3. The Executive Board and Human Development Committee will together make the appropriate selection on candidates for the positions of the Chief Executive Officer and high level Executives. For the selected position of the Chief Executive Officer, the selection will precede to the Nomination and Remuneration Committee, and the Company's Board of Directors for consideration.
4. The Nomination and Remuneration Committee will make consideration on the proposed person concerning the suitability, knowledge, and competency that will benefit the Company with other necessary related information for proposal in the Company's Board of Directors meeting and further appointment.

Investor Relations

The Company's Board of Directors realizes that financial and non-financial information result in decision making impact on investors and stakeholders. Then, disclosure on information must be importantly correct, complete, and adequate through various media channels of the Stock Exchange of Thailand, and the Company's website. Moreover, meetings have been arranged between the Company's Management team and securities analysts, institutional fund and general investors in order to have question and answer sessions equally. Hence, the Company assigns the "Investor Relations Unit" to communicate and provides services on information, corporate news, and Company's various activities to institutional investors, shareholders, analysts, related government agencies, and the general investors. Investor Relations Department can be reached at

Telephone No. : +66 938 4307 and +66 2511 0555 ext 1496
Website : <http://www.rs.co.th/investor.html>
Facebook : <https://www.facebook.com/pages/rs-ir/256459961140733>
Twitter : https://twitter.com/rs_ir
E-mail Address: ir@rs.co.th

In 2016, the Company provided information through many activities including:

- Hosted Analyst Meeting to announce the Company's operating results in every quarter. The analysts had opportunity to ask questions on various topics with the Management with the meeting's documents to be posted on the Company's website.
- Participated in events organized by the Stock Exchange of Thailand and finance companies for meetings with institutional and foreign investors such as CNS Corporate Access Day and Thailand Focus 2016 "A New Growth Strategy", etc. To reports operating results including provides an opportunity for investors to meet the Executives and question Executives on various issues. Minute of the meeting was published on the Company's website. Report on annual form F 56-1, and the annual report F 56-2 were published through SET Community Portal (SCP) system of the Stock Exchange of Thailand, and on the Company's website. The annual report will be delivered to shareholders and general public annually.

Nomination of Directors and Executives

The Board of Directors Meeting No. 3/2007 held on February 26, 2007 had its resolution to appoint the Nomination and Remuneration Committee and also approved the responsibilities of the Nomination and Remuneration Committee. Hence, personnel selection for the Company's Director must proceed through the Nomination and Remuneration Committee. The Director's selection procedures must be done by the Nomination and Remuneration Committee whose consideration will be based as per qualification in section 68 of the Public Company Limited Act B.E. 2535 (1992) and the related announcements of the Securities and Exchange Commission. Moreover, considerations will be based on ability, experiences, knowledge, and specific skill for the benefit and development of Company's business, and dedicating their times and efforts in conducting their duties. Then, the list will be submitted to the Board of Directors and shareholders' meeting for approval.

To appoint the Board of Directors, the shareholders' meeting appoints the director based on majority scores with the following regulations and guidelines:

- The voting score of each shareholder is equal: one share equals one score
- Shareholders can vote for each directorial appointment.
- Persons who receive the highest scores will be appointed to the committee. In the case of any persons receiving equal scores, the nomination president will make the final decision.

Diversity policy in the Board of Directors' structure

The Company Board of Directors has stipulated the qualification for director recruitment so that it will correspond with the business operations' strategy of the Company, and contains diversity for those who perform their duties as directors. Consideration will be made for the missing skill presented in the Board of Directors including profession, specialized skill, and gender, etc. Hence, in 2015, the Board of Directors consists of 1 female Independence Director to add variety in the Board of Directors' structure. Moreover, the Board of Directors also uses the information in the director pool to search for the new director but the qualification is still not suitable to the Company at the time. In the director recruitment, the Board of Directors prepares the Board Skill Matrix to specify qualification of the required director with consideration from business operations' strategy of the Company.

The Board of Directors Independence from Management

The Company's Board of Directors consists of 4 non-Executive Directors (3 Independent Directors), and 5 Executive Directors, details of each Directors are shown in "Management Team Profile".

Chairman of the Board of Directors is the same person as the Chairman of Executive Committee, and represents major group of shareholders. However, as structure of the Company's Board of Directors consists of one third of Independent Directors, there is check and balance in business operations.

The Company's Board of Directors acknowledges that the 3 Independent Directors have qualified as per regulations stipulated by the Company as in details from "Management Structure of the Company". The Company's Board of Directors is in agreement and appoints Mr. Phisit Dachanabhirom, the Independent Director, who has vast knowledge and experiences in financial and accounting field, to become Chairman of the Audit Committee.

Suitability of the Board of Directors

The Company's Board of Directors has stipulated suitable qualifications for persons to hold this position as person with knowledge, experiences, and specific capability for Company's benefit. This includes donating time, knowledge, capability, and effort in performing duty for the Company. There is also regulations for all Directors and high level Executives (**) to report their securities holding consistently to the Company's Board of Directors.

Director, in the Company's Board of Directors, is not allowed to hold position as Director in the registered companies of more than 3 companies, and Executive Director is not allowed to hold position as Director in other registered companies of more than 2 companies. This includes holding position as Director of the Company's Chairman of Executive Committee and high level Executive (**) in other registered companies must be approved by the Company's Board of Directors beforehand.

Director or the high level executive of the Company must not be employed as employee or partner of the Company's external auditor company during the past 2 years.

Remark: (**) means Executive under definition of the S.E.C.

The Board of Directors' Efficiency in Performing Its Duties

Policy Stipulation

The Company's Board of Directors participates in regulating vision, mission, duty, strategy, target, business plan, and budget of the Company. This also includes supervision on the Management team to proceed as business plan, and agreed budget efficiently and effectively, arrangement on good corporate governance policy, internal control system, internal auditing and suitable risk management and policy, including consistently follow up on operating performances in the Board of Directors' meeting. Moreover, the Board of Directors has to make consideration on regulations and separation of duties, and responsibilities clearly among the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, Executive Committee, Human Development Committee and the Chief Executive Officer.

The Board of Directors Meeting No. 1/2017 on February 22, 2017, the Board of Directors reviewed and approved the Company's vision and mission at least once a year.

Management Supervision

The Company's Board of Directors has to make evaluation on adequacy of internal control, and result on risk management and compliance with the good corporate governance policy at least once a year. On February 22, 2017, the Company's Board of Directors meeting No. 1/2017 has evaluated on the adequacy of internal control, result on risk management and compliance with the good corporate governance policy.

Supervision on the Operations of subsidiaries and associated companies

For the appointment of Directors for subsidiaries and associated companies, the nomination and voting are under the management from 2014 onwards, and has to receive approval from the Company's Board of Directors. Persons who are appointed as Directors for subsidiaries and associated companies have the duties to operate for the best interest of the subsidiaries and associated companies. The appointed Directors require approval from the Company's Board of Directors prior to making resolution, or voting on important issue that is on the same level that requires approval from the Board of Directors if this is operated by the Company itself.

Moreover, in case of the subsidiaries, the appointed persons have to oversee that the subsidiaries have regulations concerning transactions of related companies, with data collection, and accounting record that can be verified, and complied for the financial statement on time, as well as appropriate and concise internal control system.

During 2016, the Company has conformed to the Good Corporate Governance except for the following instant :

1. Did not disclose the Executive Directors' remunerations that had been received as Directors from other companies as it is not information of the Company.
2. The Chairman was the same person as the Chief Executive Officer, and was the major shareholders' representative. However, the Company Board of Directors' structure consisted of one third of Independent Directors, thus, creating the balance and review in the business operations that showed transparency and compact management.
3. The Director did not set out the term of the position for Independent Director not more than 9 years as the Director commented that Independent Director has knowledge, ability and long-term experiences. To serve as a long-term Independent Director will be able to clearer understand the Company's operation.
4. The Company did not assign the Director and top management to report to Board of Director or those who are assigned in regard to stock trading at least 1 day before trading date. The Company sets out rules and regulations as well as policy on the use of the company's internal information.

Monitoring Internal Use of Internal Information

The Company has explained to the administrators their responsibilities in reporting the number of shares in the company owned by them, their spouses and their children who are considered as minors, and any changes made to the holdings, to the Stock Exchange of Thailand, in accordance with Article 59, where the penalty is indicated in Article 275 of the Securities and Exchange Act B.E. 2535 (1992). Apart from the legislative measures, the company has the policy covering the internal information usage written in the Code of Conduct for the group, approved by the Board of Directors on March 1, 2006, to serve as a guideline to all directors,

management and employees. The code of conduct was latest reviewed, improved and approved by the resolution of the Board of Directors Meeting No. 1/2016 held on February 22, 2017.

In addition, the Company has laid out rules and regulations on the use of the company's internal information as follows:

- (1) The Director, Executive, staff members and the employees of the company are obliged to treat the internal information of the Company with confidentiality.
- (2) The Director, Executive, staff members and the employees of the Company should not directly or indirectly disclose confidential or internal information of the Company for the personal benefit of any individual.
- (3) The Director, Executive, the staff members and the employees of the Company should not buy, sell, transfer or receive the Company's assets by using the confidential or internal information that may cause direct or indirect damage to the Company.

The above mentioned regulations include the spouses or a person who cohabits as husband and wife, parents, descendant, adopter or adopted and brothers and sisters of full blood or brothers and sisters of half blood of the Board of Directors, the staff members and employees of the Company. Any violation of the Company's regulations would be considered as a serious breach of those regulations which could lead to a penalty ranging from a verbal warning to being asked to leave the Company.

Since 2008, the Company's Board of Directors has specified the policy forbidding Directors, and high level Executives to trade the Company stock during the periods of 3 weeks before publishing of the financial statements, and 2 days after disclosing of the financial statements.

Auditor Remuneration

Remuneration from auditing service

The Company and its subsidiaries have paid the audit fees to PricewaterhouseCoopers ABAS Co., Ltd., the Company's auditing company for the year 2016, that includes person or business related to the auditors and auditing office under the auditing company during the past year, to the amount of 4.30 million baht which separates into 1.00 million baht from the Company and 3.30 million baht from its subsidiaries.

Other fee

The Company has paid the fees to PricewaterhouseCoopers ABAS Co., Ltd. to review the form of summarized annual license fee (Nor Sor 1) and the form of revenue by category (Nor Sor 2), announced by the NBTC on License Fees for Operating Radio or Television Broadcasting Business B.E. 2555 (2012), amounting to 0.15 million baht.





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Responsibilities toward society, environment, and related persons

The Company encourages sustainable development with responsibilities toward society, environment, and all stakeholders which is in accordance with company's vision and can be divided into group activities as shown below.

1. Equitable business practices

The Company strives for legitimacy practice, and performs its duties with honesty and straight forwardness under the Company's rules and regulations and performs the business ethics in all its activities and decision makings of the Company.

2. Complying with laws and human rights

The Company stresses the importance on complying with laws and human rights by adhering on its business practises to be in accordance with laws. This also includes the human rights which is the basic rights of all human beings who are born with equality with the same honour, and privilege without deprivation or non-allowance of any special rights, or any discrimination due to their differences on races, nationalities, religions, sexes, colour of their skins, ages, languages, or educational institutions, and including other items unrelated to the discrimination on human rights.

3. Treating Labor Force Fairly

The Company recognizes the importance of human capital, which is the most important factor that will drive the organization towards its goals. The Company has thus laid out a plan to enhance and develop its human resources as follows:

- 1) Make a clear plan and budget each year, and have a plan to develop human resources development on three levels: Organizational Development, Career Development, and Training Development. In 2016, 11 series of training courses for 26 groups were conducted, encompassing a total of 194 hours of internal training and 6 hours of external training - a total of 200 hours. The training included those required by law: 1) four groups of safety training for general employees and new employees (163 participants); 2) two groups of basic first aid and resuscitation training (56 participants); 3) one group of workplace safety officer training at the executive management level (12 participants); and 4) two groups of workplace safety officer training in the group head level (51 participants).
- 2) Arrange annual health check ups for employees, with an appropriate health check up program, and negotiate with the hospital to provide added screening programs to employees at a special price. Also, coordinate with the hospital to bring the check up program to the Company's premises.
- 3) Allocate staff welfare benefits such as coverage of medical expenses through life insurance and group accident insurance plans, and other financial assistance such as for an employee's funeral; death of an employee's father, mother, child or lawful spouse; employee's marriage; and employee's ordination, among others.



- 4) Focusing on the importance of continuously building engagement among employees by arranging various activities such as the giving of meaningful gifts, such as 100% organic rice from farmers in Surin. This was given as New year gifts to executives, employees, artists, singers, actors and broadcasters.
- 5) Announce the safety policy covering workplace health and environment, with a working group comprised of employees from all levels and covering all working systems. This is to drive security policies towards tangible results and in accordance with laws and standards related to safety.

4. Responsibilities toward customer and consumer

The Company strives to create and produce all types of media and entertainment portfolios for continuous satisfaction to the customers, distribution of quality products and services to customers as well as supplying the working unit to give services, care, explanation on queries and various problem-solving for customers.

5. Roles and Responsibilities toward Community, Environment, and Society

The Company adheres to conduct its business for benefit of the economy, society, and environment with consideration on its duty and responsibility towards the country, society, and environment as well as operating and controlling its business completely under the scope of laws and other related regulations. This also includes determination in driving trend for the quality development of society, and environment on its own and by cooperation with the government and community. Responsibility towards society and environment must wholeheartedly and continuously be promoted to all levels of employees into becoming good and valuable citizen of the communities and society. Supports are to be given constantly to employees for participation in various activities for the communities and society in establishing good corporate culture in future. In 2016, RS Group has the roles and responsibilities of Corporate Social Responsibility as follow:

RS Birthday Charity 2016 Event

RS Public Company Limited continued its activity, titled “RS Birthday Charity 2016”, for its employees, artists, singers and actors. Each month, those with birthdays came together to share joy with the socially disadvantaged, patients with serious diseases, children, the elderly and the disabled under foundations for public welfare and other public organizations. Examples of activities included the provision of lunch, essential consumer goods, and entertainment in the form of singing and dancing with the children at the Home for Children with Disabilities (Baan Nontapum), Pakkred. Artists, singers, actors and RS staff also donated pre-loved items in usable condition to the project as a way of generating funds to support the education of Thai youth; the latter receive scholarships from Yuvabadhana Foundation. Other initiatives included the hosting of lunch for patients on the grounds of the Phramongkutklao Hospital; donating food and essential supplies to the dogs and cats at the Home for Disabled Animals, Pakkred; providing luncheon for the children in the cafeteria area of Srisangwan School of the Foundation to Help Disabled Persons under royal patronage of HRH the Princess Mother Somdej Phra Srinagarindra Boromrajajonani; and decorating potted plants in the global environmental month to help create a vibrant atmosphere to the cancer patients of Chulabhorn Research Institute.



Objectives:

1. To provide assistance to individuals, organizations and various charities.
2. To give moral support to children, elders, disabled people, and other chronically ill patients who suffer from affliction and require assistance.
3. To encourage interested artists, actors and actresses and other employees to continuously participate in helping society.
4. To give artists, actors and actresses some parts in participating in building good deeds and good role model to the general public.
5. To encourage employees to feel committed to the organization.



Other CSR Activities in 2016



Dr. Ongart Singlumpong, Managing Director of Channel 8 led a team of actors, including **Baitoey RSiam** and **Martin Midal**, to donate 400,000 baht from the sales of a Channel 8 calendar to Ramathibodi Hospital Foundation in support of the Chakri Narueput Bodin Institute of Medicine.



The “**Laeng Ni Mai Laeng Nam Jai Duay Garn Hai Lohit**” for blood donation brought the lead actresses from Channel 8 **Mod-Napaphat** to meet Prime Minister General Prayut Chan-o-cha. They helped support a Songkran campaign that encouraged appropriate behavior, water conservation and blood donation to help victims of road accidents during Songkran. The latter was to help build up the blood supply, which could be dispatched to hospitals in a timely manner.



Mungkorn-Paphawin and **Farsai-Ornjira**, actors from Channel 8 joined the press conference for the “**Day of Blooming Poppies**” campaign, which invited people in Thailand to purchase poppies. The money generated from the sales helped support the families of wounded veterans as well as the Veterans Family Relief Foundation Under the Patronage HRH the Princess Mother Srinagarindra Boromrajajonani on Veteran’s Day.

Police Lieutenant General Sanit Mahathawon, Permanent Commander of the Metropolitan Police, and Police Major General Songpol Wattanachai, Metropolitan Chief Commander 6, along with Channel 8, held “**Pong-gan Ak-kee Pai Chuang Tessakan Duj Jeen**” or the Fire Protection Campaign for Chinese New Year. Channel 8 artists and actors such as **Lala**, **Lulu** and **Fai - Walulee Ditsayabuth** joined the campaign.





Her Majesty Queen Sirikit, Council Chairwoman of the Thai Red Cross, graciously appointed Mr. Paen Wannamethee, Secretary General of the Thai Red Cross Society, as her representative to visit flood-stricken areas, along with a team of broadcasters from Channel 8 such as **LeeShare-Wiyada**, **Koi-Bunyita**, **Naz-Ticamporn**, **A-Donnakrit**, **Lulu** and **Lala**. The group donated drinking water to people who have suffered from the flood crisis in Phak Hai district of Ayutthaya province.



RS artists including **Kratae-Kratai**, **RSiam**, **Black Jack-Jarupong**, **Noey-Senorita**, **Poi-Pornwara**, **Third-Lapat** and many more took part in the water saving and Songkran safety campaign called “Save Water Save Life”.



Prime Minister General Prayut Chan-o-cha with Professor Khlinik Kiatikhun, Dr. Piyasakon Sakolsattayatorn, Minister of Public Health, Dr. Amnuay Kajeena, Director General of the Department of Disease Control, and RS artists such as **Baitoey-Suteewan** and **Alice-Chayada** supported a campaign to clear the breeding grounds of **Aedes Aegypti** mosquitoes. At the same time, they launched an application to vanquish the mosquito larvae. The government used the opportunity during the dry season to accelerate the clearance of such mosquitoes using three guidelines for the prevention of three diseases.



ACM Chaiyaphruek Ditsayasarin, Assistant to the Air Force Commander, and Channel 8 joined forces to do good for HM the King, to help victims of the cold spell in Sarapee district, Chiang Mai province. Stars from Channel 8 including **Baitoey-Suteewan**, **Mod-Napaphat**, **Bowling-Prissana** and **Mungkorn-Paphawin** took a plane from Mitpracha Air Force Base units to help the frigid area's residents, which included the elderly. They donated 250 blankets to people in remote areas, and they helped to coordinate mobile medical units at Sarapee Pitayakhom School in Sarapee district of Chiang Mai province.



RS celebrities such as **Ja RSiam** and **Fluke-Jira** met Prime Minister General Prayut Chan-o-cha to lend their support for the **60+ Earth Hour campaign**. They invited the people of Thailand to turn off their unnecessary lights for one hour, from 20:30 to 21:30 hrs. This was part of a larger effort with more than 7,000 participating cities around the world. According to statistics, the lights off for one hour in 2015 saved up to 1,699 megawatts of electricity that reduced emissions of carbon dioxide by 1,073 tons. This translated into the reduction of the cost of electricity production by up to 6,656,699 baht.



Kung-Suthirat RSiam, the host of Ueng Thueng Sieow show, along with actress from Channel 8 **Kanomjean-Kulamart**, served as presenters for promotion activities to support **Dok Kaew Kalaya** (the official flower that symbolizes the Day of the Disabled) on the occasion of **National Day of Disabled Persons**. Funds raised helped support the "Dok Kaew Kalaya Fund" for people with disabilities on the dedicated day.



“Channel 8 Events to Return the Love” offered entertainment and donations, water blessings, and meals for the elderly on National Seniors Day at the **Seniors Home of Bang Khae 2**. Artists present at this merit-making event included **Mod-Napaphat**, **Eang-Sitha**, **Pek-Rattapoom** and **Selina Pearce**.



To deliver happiness to the children at Baan Na Noi School and Baan Na Lab School in Nan province, part of the “Channel 8 Events to Return Love” program, RS artists and actors from Channel 8 boarded a C-130 military aircraft from the Mitpracha Air Force Base to send love by volunteering to provide music entertainment to the children. They also delivered school supplies, sports equipment and scholarships. The stars are such as **Lala**, **Lulu**, **Bowling-Prissana** and **Eang-Sitha**.



Mr. Soopachai Nillawan, Managing Director of Music Business, RS PCL along with artists from Camp Kamikaze including **Thankyou-Sinchanok**, **Third-Lapat**, **Marc-Thanat**, **Angie-Thiticha**, **Green-Piyapoom**, **Part-Kieran**, **Neko-Neranchara**, **Pide-Magorn** etc., they donated food and entertainment to the children of Baan Ratchawadee Girls Home under the campaign “**Kamikaze Gift and Share to Send New Year Happiness to Children**”.

6. Environmental Management

The Company has promoted in establishing campaign and building conscious among employees on conservation, and using resources and energy cleverly and efficiently. This also includes support and creates activities that are beneficial for the preservation, conservation, and on continuously consuming natural resources, environment, and various energy sources. This is executed by promoting on campaigns and building joint conscious into realizing the benefit, value, and efficiently consuming resources which includes electricity usage conservation by switching off light switches, and electrical appliances after each usage, turn off light switches during lunch break, turn off the air conditioning units half an hour before leaving office, using stairs instead of the elevator, water conservation by having official to monitor leakages of equipment, oil conservation by prior planning before any journey, using e-mail instead of using paper document delivery, and also including other energy saving in the work-place such as using 2 sides of paper, etc. Apart from constant public relation campaign by supplying information to employees, energy conservation campaigns are used for stimulation under the “OFFICE No. 5” campaign with award to be presented to the working unit with the most outstanding achievement on energy conservation as well.

Awards Earned in 2016



A-Donnakrit, Koi-Bunyita and LeeShare-Wiyada, entertainment news anchors on “Channel 8 News Talk” on Channel 8 received the “Prachabdi” and “Khem Cherd Choo-kiat” awards in 2016, which recognizes media that offers activities that benefit those in difficult situations. The award was arranged by the Ministry of Social Development and Human Security.



Stars from Channel 8 and RSiam artists such as Jintara Poonlarp, Bowling-Prissana, Mungkorn-Paphawin and Arm-Pipat COOLJ from the Cool93 received the “Artists Against Smoking in Thai Society Award” in 2016 from the Network of Health Professionals for a Smoking-Free Thailand at the Medical Association of Thailand building.



Mod-Napaphat and Mungkorn-Paphawin participated in the pin presentation to act as the Ambassador to the Thai Society for the Prevention of Cruelty to Animals (TSPCA) to work for the protection of and in assistance to abused animals.



Kung-Suthirat RSiam, the host of the program “Ueng Thueng Sieow” from Channel 8 was awarded the plaque of honor as a **“person who works to benefit children and youth”** in 2016 in the category of **“media for children and youth that prevents societal problems”**. The award was granted by the Office of Welfare Promotion, Protection of Children, Youth and the Disadvantaged, Disabled and Elderly under the Ministry of Social Development and Human Security.



RSiam stresses being the number one country music label in Thailand, and swept up 6 out of 15 honors in the **12th Annual Mahanakorn Award series** held by FM 95 Look Tung Mahanakorn led by National Artist Chai Muangsingh, BowVee, Kratae-Kratai RSiam, Deunpen AmNuayPorn and Nuch-Wilawan RSiam.



Kung-Suthirat and Noo-Meter from RSiam received the decorative pouch pin for 2016 from the 2nd Royal Infantry Regiment for being a **person who does good deeds and always supports the infantry regiment’s activities**.



Kratae-Kratai RSiam went to accept the award **“MThai Top Talk About 2016”** in the category of artists who are the most talked about in the online world from surveys conducted by MThai.



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Internal Control and Risk Management

The Company emphasizes the importance of promoting the internal control to be sufficient and suitable for its business operations in order to protect against damage or improper beneficial usage. The audit department is responsible for auditing important operations and financial activities, and submitting the audit report directly to the Audit Committee. This is to give the audit department enough independence in its operations.

At present, chief of the internal control is Miss Korapin Naksuprangsri, Assistant Vice President of the Audit Department.

Education/Training:

- Bachelor degree in Accounting Chulalongkorn University
- Master degree in Business Administration Thammasat University
- Participated in various training and seminar courses from the Federation of Accounting Professions, Institute of Internal Auditors of Thailand, Thai Institute of Directors (IOD), and Stock Exchange of Thailand.

Experiences:

- 1993 - 2001 Assistant Manager of “KPMG Phoomchai Audit Co., Ltd.”
- Dec 2001 - Present Assistant Vice President of the Audit Department at RS PCL.

During the committee meeting no. 1/2017 on February 22, 2017 in which 3 members of the Audit Committee were presented, the Audit Committee had evaluated the sufficiency of internal control system by checking information from the Executives, and reply from questionnaires on sufficiency of the Company’s internal control system by themselves. Evaluation on the Company’s internal control system could be summarized into 5 parts as follows:

1. Corporation and environment: The Company recognizes good environment in the work place by stipulating on good corporate governance policy and using code of conduct booklet of the Company’s group of companies. These are publicised as references and guidelines for operations, and to be followed up and evaluated on the result of the policy. Moreover, the Company’s Board of Directors has to clearly stipulate the business operations’ target, review the business plan, and give suggestion to the management for consideration and operation.
2. Risk Management: The Company emphasizes the importance of risk management by appointing the Risk Management Committee to specify the policy, regulation, and with support to be given to ensure that the risk management is in accordance to policy, or plan and with successful implementation.
3. Operational control of the management: The Company has the policy, regulation, operational guideline, authorization, approving power in order to have strict control.
4. Information systems and data communications: The Company has arranged for the information systems that systematically relating to the accounting, and financial reporting operations, and is in accordance with the controlling policy and regulations.
5. Monitoring System: The Company’s Board of Directors acknowledges the operating results comparing to targets for every quarter, and having the internal control department that evaluates the sufficiency, and efficiency of the existing control system, and monitoring the internal control system of various work-units to be in accordance with the approved controlling plan from the Audit Committee.

Hence, the Board of Directors has the opinion that, at present, the Company has sufficient internal control system concerning transactions with major shareholders, directors, executives, or persons related to the stated persons. On the internal control under other topics, the Board of Directors has the opinion that the Company already has sufficient internal control.





Policies on Anti-Corruption

The Company places great importance on countering corruption. The board of director's meeting no. 1/2017 on February 22, 2017 deliberated anti-corruption policies to set clear guidelines.

Policies and Guidance

The board of directors operates the business following the Corporate Governance Policy and the Business Code of Conduct of RS Public Company Limited to ensure transparency and to prevent corruption in all its forms. This promotes awareness and values of honesty and anti-corruption, which have become an organizational culture. This is achieved by monitoring and managing risks, and in-house systems in order to prevent corruption.

Practice

1. Set guidelines for offering and accepting gifts, benefits, or related expenses to adhere to the business code of conducts handbook of RS Public Company Limited
2. Set clear guidelines for business relations; including authorities related to countering corruption, positions related to purchasing or hiring processes. This should include transparency and honesty in the purchasing department.
3. Set clear guidelines for internal controls including delegating responsibilities or duties clearly and appropriately, chains of approval, and authority to review.
4. Communicate the Corporate Governance Policy and the Business Code of Conduct Handbook of RS Public Company limited, as well as anti-corruption policies
5. Create channels to report evidence of corruption involving the Company for staff members and stakeholders. Also, ensure fairness and protection for whistleblowers.

Fraud Risks Assessment

The Risk Management Committee sets plans, reviews systems, and assesses risk management annually, which includes risks from corruption.



Awareness and Prevention of Risks due to Corruption and Overseeing the Implementation of Anti-Corruption Policies

1. To hold training workshops, communicate, and ensure for staff members acknowledge anti-corruption policy and guidance
2. To create opportunity for staff members at all levels to give opinions and suggestions to improve internal systems and prevent corruption.
3. Directors, administrators, and managers at all levels are responsible for monitoring

their subordinates to act in a transparent and honest manner, as well as to communicate with and acknowledge anyone who is involved.

4. The Internal Audit department must carry-out the Company's annual assessment. If any corruption is found, that information must be brought to the attention of the committee and the board of directors.
5. The channel to report clues and evidence of corruption, either from staff members or the stakeholders, is via email at IA_Anti_Corruption@rs.co.th. Whistleblowers must cooperate after initiating the process.

Protection and Confidentiality Measures of the Complainant

The Company recognized the importance of keeping complaints confidential to ensure the confidence of whistleblowers. The complaint will only be known to those who investigate and are involved. This group of individuals must ensure the confidentiality of the complainant and their information, and will not reveal it to anyone unless it is necessary to the investigation or is requested by law. If an individual purposely reveals the information, they will receive disciplinary punishment and/or legal punishment depending on each case.





15



Related Party Transactions

Details and information of related party transactions of the Company, subsidiary companies, and related companies are illustrated in the note of the financial statements as of December 31, 2016. The Company's Audit Committee had examined the related party transactions and made a remark that those related party transactions are in accordance with general commercial conditions, and rules and regulations of the Stock Exchange of Thailand with complete evidence of all transactions as well as adequate disclosure of the financial statements.

In 2016, the Company and its subsidiaries underwent related party transactions with individuals who may possess a conflict of interest from January 1, 2016 as follows:

Person who may encounter conflicts	Relationship
Mr. Surachai Chetchotisak	He is a director and holds 33.09% of the Company's paid-up capital.
Chetchotisak Company Limited	Mr. Surachai Chetchotisak is a director and holds 18.70% of the paid-up capital of Chetchotisak Co., Ltd.
	Mrs. Sujeera Chetchotisak holds 6.30% of the paid-up capital of Chetchotisak Co., Ltd. She is a wife of Mr. Surachai Chetchotisak, a director and holds 33.09% of the shares with voting rights of the company.
	Mr. Suwat Chetchotisak is a director and holds 14.35% of the paid-up capital of Chetchotisak Co., Ltd. He holds 0.04% of the Company's paid-up capital and he is also Mr. Surachai Chetchotisak's brother.
	Miss Malee Chetchotisak is a director and holds 14.50% of the paid-up capital of Chetchotisak Co., Ltd. She is a sibling of Mr. Surachai Chetchotisak and Mr. Suwat Chetchotisak.
Membership Co.,Ltd.	Mr. Surachai Chetchotisak is a director and holds 50.00% of the paid-up capital of Membership Co., Ltd. This percentage includes shareholding by his wife on Chetchot Co., Ltd. which is the major shareholder of Membership Co., Ltd.
	Mr. Chot Chetchotisak holds 10.00% of the paid-up capital of Membership Co., Ltd. He holds 0.08% of the Company's paid-up capital and he is also Mr. Surachai Chetchotisak's son.
	Mr. Chet Chetchotisak holds 30.00% of the paid-up capital of Membership Co., Ltd. He holds 1.36% of the Company's paid-up capital and he is also Mr. Surachai Chetchotisak's son.

Remark: The shareholding proportion of persons who may encounter conflicts was dated on December 31, 2016

Nature of Related Party Transactions and Pricing Conditions and Policy

The pricing of related party transactions was principally concentrated on the assets rental and appropriate determined based on the market price and other conditions insignificantly different from those in the market. The related party transactions comprised of:

Office Rental

In the financial statements for the year ended December 31, 2016, the Company and subsidiaries made payment of the office rental, common service fee, public utilities expense and other rentals to Chetchotisak Company Limited, Membership Company Limited (Prior named SS2C Co., Ltd.) and Chetchotisak Committee (representing the party with whom the conflict of interest may arise) in the amount 70.14 million baht, 10.70 million baht and 0.26 million baht respectively.

The Company also rented the Chetchotisak building 1 - 3 from Chetchotisak Company Limited with the purpose for using them as office buildings and park building by paying rental and common service fee at the rate of 327 baht per square meter which is reasonable when comparing to nearby buildings which charged the rental and common service fee at 480 - 690 baht per square meter.

For other building rental fee, near to the vicinity of to Chetchotisak Company Limited and Membership Company Limited (as per details in chart Office Rental on items 4, 5, and 6), the rental and common service fee were to be paid as flat rate (the flat rate service fee means the rental and common service fee will be charged for the whole building rather than the number of square meters based on the conditions of each building), with the purpose for using them as office and car park buildings.

However, the office the Company rented from Chetchotisak Company Limited (as per details in chart Office Rental on items 5, and 6) was the office Chetchotisak Company Limited rented from the Mr.Kriengkrai Chetchotisak and improved the townhouse utility space into the office. The Company provided facilitation of public utilities and charged the rental/service fees at the charter rate, with an average rate about 287 baht per square meter (calculate from rental/service charge as total package cost divided by average usage area of the building) which was at lower average rate than the Chetchotisak building 1-3. This was reasonable rate as in the detailed comparison in previous section. Moreover, reason that the Company had to sub-rent from the Chetchotisak Company Limited, because this company was an expert in office rental management.

The rental agreement with the party with whom the conflict of interest may arise, the details as follow:

Office Rental

Building/Location	Renter	Rent by	Rented space (square meter)	Rental fee, Central Service fee/month (million baht)	Contract term		Approved by (**)
					Start	End (*)	
1. Chetchotisak Building 1 419/1 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS Public Company Limited	3,745	1.22	June 2015	May 2018	Board of Directors
2. Chetchotisak Building 2 419/2 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS Public Company Limited	4,645	1.52	June 2015	May 2018	Board of Directors
		Coolism Co., Ltd.	1,200	0.39	June 2015	May 2018	Board of Directors
		Life Star Co., Ltd.	200	0.07	June 2015	May 2018	Board of Directors
3. Chetchotisak Building 3 419/3 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS Public Company Limited	2,242	0.73	June 2015	May 2018	Board of Directors
4. 419/4 Soi Ladphrao 15, Chatuchak, Bangkok	Membership Co., Ltd.	RS Public Company Limited (***)	(Lump sum price)	0.76	January 2016	December 2018	Board of Directors
5. 203/18-20 Soi Ladphrao 15, Chatuchak, Bangkok	Mr. Kriengkai Chetchotisak/ Chetchotisak Co., Ltd.	RS Public Company Limited	(Lump sum price)	0.19	June 2015	May 2018	Board of Directors
6. 203/34-36 Soi Ladphrao 15, Chatuchak, Bangkok	Mr. Kriengkai Chetchotisak/ Chetchotisak Co., Ltd.	Thai Copyright Collection Co.,Ltd.	(Lump sum price)	0.15	June 2015	May 2018	Board of Directors

Remark :

- * The rental agreement may be renewed at expiry. (The rental agreement renewal may not be automatically enabled and the reconsideration at any renewal shall be made).
- ** The Related Party Transactions were approved as per the regulations of the Capital Market Supervisory Board, and were disclosed as per the Stock Exchange of Thailand's announcements.
- *** There is a change of rental name from RS PCL to R.S. Television Co., Ltd. during the rental period from January 1, 2017 - December 31, 2018.

Land Rental

In the financial statements for the year ended December 31, 2016, the Company and subsidiaries made payment of land rental to Chetchotisak Company Limited and Chetchotisak Committee in the amount of Baht 0.32 million.

The Company and subsidiary company rented the land from the Chetchotisak Company Limited and Chetchotisak Committee while this land had been subleased from Mr. Kriengkai Chetchotisak for using as equipment storage building by charging the land rental at the rate of Baht 36 - 105 per square wah, which was considered reasonable when compared to the rental of nearby land. The rental details were as follows:

Location	Renter	Rent by	Rented space	Rental fee/month (Baht)	Contract term		Approved by (**)
					Start	End (*)	
1. Land Soi Ladphrao 15 Chatuchak, Bangkok	Chetchotisak Committee	RS Public Company Limited	152 square wah	22,000	Jun 2015	May 2018	Management
2. Land Soi Ladphrao 15 Chatuchak, Bangkok	Chetchotisak Co., Ltd.	Life Star Co., Ltd.	52 square meter	5,500	Jun 2015	July 2018	Management

Note :

- * The rental agreement may be renewed at expiry. (The rental agreement renewal may not be automatically enabled and the reconsideration at any renewal shall be made).
- ** This agreement was proceeded by Management since the size of the transaction did not meet the criteria that required the approval of the Board of Directors as per the regulations of the Capital Market Supervisory Board.

Purchase of Fixed Assets

-Nil-

Guarantee

-Nil-

The Necessity and Rationale of the Related Party Transactions

All related party transactions are done under the necessity and rationale of the transactions to optimize the firm benefit. Throughout 2016, the related party transactions between the Company and the subsidiary companies and related parties, the core transaction of which are Land rental, Office rental and Guarantee, were under normal course of business, no special condition and no transfer of interest. Pricing, fee rate and/or interest rate could be compared with other entities' transactions and has been disclosed in the notes to financial statements of 2016.

The Audit Committee has reviewed the related party transactions such as sales and purchase of goods or assets, copyright, production service, organizing concerts and marketing activities, sales of advertising, services, loan interest, and etc., disclosed in the notes to financial statements of 2016 and has the following comments. The mentioned transactions occurred under normal course of business, necessity and rationale of the connected transactions to optimize the organization's benefit.

Measures or Steps of Approval in Related Party Transactions

The Company has set a policy for the approval of related party transactions. The related party transactions has rooted in necessity, rationale and optimal of the firm benefit and conditions are indifferent to the transaction with external parties. In case of the significant related party transactions, conducted in accordance with the rule governing listed securities, all approval must be consented by the Audit Committee, the Board of Directors and Shareholders' meeting excluding votes of the related persons. Nevertheless, all procedures must be in line with concerned regulations of the Capital Market Supervisory Board.

Policy and Future Potential of Related Party Transactions, including acquisition and disposal of assets

The Company still maintains the policy for transactions between the Company and the subsidiary companies such as office rental, land rental and guarantee of loan from bank by the Company and the Company's directors. However, the Company has no policy that may lead to conflict of interests between the related persons (such as loan and guarantee of loan etc.), except for the case that will optimize the firm benefit, and conditions are indifferent or better than the transaction with external parties. The Company will ensure that all related party transactions according to concerned regulations of the Capital Market Supervisory Board, will be consented by the Board of Directors and Shareholders' meeting.



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Financial Highlight

Statement of Financial Position as at December 31, 2014, 2015 and 2016

Consolidated financial statements						
	31 December 2014		31 December 2015		31 December 2016	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
Current assets :						
Cash and cash equivalents	381,535	8.3%	757,112	15.6%	103,762	2.5%
Short-term investment						
- 12 month fixed deposits	4,465	0.1%	4,522	0.1%	-	-
Trade and others accounts receivable (net)	1,100,765	24.1%	875,712	18.1%	647,567	15.6%
Inventories (net)	106,767	2.3%	163,095	3.4%	129,680	3.1%
Value added tax	25,694	0.6%	40,928	0.8%	67,630	1.6%
Other current assets (net)	6,601	0.1%	97,985	2.0%	1,483	0.0%
Total current assets	1,625,826	35.5%	1,939,354	40.0%	950,123	23.0%
Non-current assets :						
Investments in associated company (net)	5,406	0.1%	5,103	0.1%	4,104	0.1%
Plant and equipment (net)	388,231	8.5%	384,016	7.9%	473,046	11.4%
License for operation right in spectrum						
of digital television (net)	1,937,315	42.3%	1,802,058	37.2%	1,666,431	40.3%
Intangible assets (net)	372,633	8.1%	323,571	6.7%	551,610	13.3%
Prepaid expense - non current	-	-	-	-	35,417	0.9%
Withholding tax (net)	92,454	2.0%	130,538	2.7%	124,080	3.0%
Deferred tax assets (net)	117,361	2.6%	228,020	4.7%	303,618	7.3%
Other non-current assets (net)	37,359	0.8%	31,266	0.6%	30,860	0.7%
Total non-current assets	2,950,757	64.5%	2,904,572	60.0%	3,189,166	77.0%
Total assets	4,576,584	100.0%	4,843,927	100.0%	4,139,289	100.0%

Consolidated financial statements

	31 December 2014		31 December 2015		31 December 2016	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities and equity						
Current liabilities :						
Trade and other accounts payable	840,927	18.4%	1,419,374	29.3%	589,116	14.2%
Current portion of liability under finance lease agreements (net)	7,655	0.2%	5,865	0.1%	11,668	0.3%
Current portion of payable for license for operation right in spectrum of digital television (net)	235,349	5.1%	361,675	7.5%	378,076	9.1%
Short-term loans from financial institution	-	-	-	-	706,000	17.1%
Provision for goods returned	36,735	0.8%	14,366	0.3%	1,892	0.0%
Value added tax	57,379	1.3%	48,410	1.0%	43,962	1.1%
Accrued income tax	84,102	1.8%	37,642	0.8%	22,905	0.6%
Withholding tax payable	23,338	0.5%	11,949	0.2%	15,150	0.4%
Total current liabilities	1,285,484	28.1%	1,899,282	39.2%	1,768,769	42.7%
Non-current liabilities :						
Liabilities under financial lease agreement (net)	5,103	0.1%	7,206	0.1%	24,702	0.6%
Long-term loans from financial institution	-	-	-	-	444,060	10.7%
Payable for cost of license for operation right in spectrum of digital television (net)	1,467,594	32.1%	1,105,919	22.8%	727,843	17.6%
Provision for other losses	3,705	0.1%	1,659	0.0%	-	-
Employee benefit obligations	65,351	1.4%	85,546	1.8%	97,959	2.4%
Other non-current liabilities	6,017	0.1%	17,156	0.4%	16,432	0.4%
Total non-current liabilities	1,547,771	33.8%	1,217,486	25.1%	1,310,996	31.7%
Total liabilities	2,833,255	61.9%	3,116,768	64.3%	3,079,765	74.4%

Liabilities and equity (Cont'd)

Equity :

Share capital

Authorised share capital

1,026,000,280 ordinary shares of par

Baht 1 each

1,026,000 22.4%

1,013,891,880 ordinary shares of par

Baht 1 each

1,013,592 20.9%

1,009,937,646 ordinary shares of par

Baht 1 each

1,009,938 24.4%

Issued and fully paid-up share capital

1,022,346,046 ordinary shares of par

Baht 1 each

1,022,346 22.3% - - - -

1,009,937,646 ordinary shares of par

Baht 1 each

- - 1,009,938 20.9% 1,009,938 24.4%

Premium on share capital

255,225 5.6% 255,825 5.3% 255,825 6.2%

Treasury shares

(74,672) (1.6%) - - (465,275) (11.2%)

Difference between the purchase price of investment in subsidiaries under common control and their net book value

(16,594) (0.4%) (16,594) (0.3%) - -

Retained earnings

Appropriated - legal reserve

69,910 1.5% 91,781 1.9% 100,895 2.4%

Appropriated - treasury share reserve

74,672 1.6% - - 465,275 11.2%

Unappropriated

382,381 8.4% 375,901 7.8% (317,336) (7.7%)

Equity attributable to owners of the parent

1,713,268 37.4% 1,716,850 35.4% 1,049,321 25.4%

Non-controlling interests

30,061 0.7% 10,308 0.2% 10,203 0.2%

Total equity

1,743,329 38.1% 1,727,159 35.7% 1,059,524 25.6%

Total liabilities and equity

4,576,584 100.0% 4,843,927 100.0% 4,139,289 100.0%

Remarks : Statement of Financial Position as at December 31, 2014 has been reclassified by Management Team.

Statement of Comprehensive Income For the Year Ended December 31, 2014, 2015 and 2016

Consolidated financial statements						
	2014		2015		2016	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue						
Revenue from sales	311,682	7.2%	795,468	21.0%	838,345	25.8%
Revenue from services	3,994,770	92.2%	2,933,238	77.6%	2,286,574	70.4%
Revenue from sales and services	4,306,451	99.4%	3,728,706	98.6%	3,124,919	96.2%
Other income	26,925	0.6%	51,551	1.4%	123,590	3.8%
Total revenues	4,333,377	100.0%	3,780,258	100.0%	3,248,509	100.0%
Cost of sales and services						
Cost of sales	(277,516)	(6.4%)	(379,644)	(10.0%)	(399,755)	(12.3%)
Cost of services	(2,640,518)	(60.9%)	(2,323,358)	(61.5%)	(1,931,248)	(59.5%)
Total cost of sales and services	(2,918,034)	(67.3%)	(2,703,002)	(71.5%)	(2,331,004)	(71.8%)
Expenses						
Selling expenses	(322,500)	(7.4%)	(345,119)	(9.1%)	(441,939)	(13.6%)
Administrative expenses	(535,930)	(12.4%)	(531,188)	(14.1%)	(516,763)	(15.9%)
Other expenses	(4,016)	(0.1%)	(83)	(0.0%)	(1,907)	(0.1%)
Total expenses	(862,446)	(19.9%)	(876,390)	(23.2%)	(960,609)	(29.6%)
Profit (loss) before finance costs and income tax						
	552,897	12.8%	200,865	5.3%	(43,104)	(1.3%)
Finance costs	(77,802)	(1.8%)	(81,085)	(2.1%)	(83,373)	(2.6%)
Profit (loss) before income tax	475,095	11.0%	119,781	3.2%	(126,477)	(3.9%)
Income tax credit (expense)	(107,452)	(2.5%)	12,330	0.3%	24,235	0.7%
Profit (loss) for the year	367,644	8.5%	132,110	3.5%	(102,241)	(3.1%)
Other comprehensive income						
Items that will not be reclassified to profit of loss						
- Actuarial gain on defined employee benefit plan	1,567	0.0%	-	-	-	-
- Change in deferred tax asset on actuarial						
- Gain on defined employee benefit plan	(313)	(0.0%)	-	-	-	-
Total comprehensive income (loss) for the year	368,897	8.5%	132,110	3.5%	(102,241)	(3.1%)

Consolidated financial statements					
2014		2015		2016	
Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Profit (loss) attributable to					
Owner of the parent					
Non - controlling interests					
Total comprehensive income (loss)					
attributable to					
Owner of the parent					
Non - controlling interests					
Earnings (loss) per share for profit attributable					
to the equity holders of the parent					
Basic earnings (loss) per share (Baht)					
Weighted average number of Ordinary					
shares in issue during the year (shares)					

Remarks : Statement of Comprehensive Income for the year ended December 31, 2014 has been reclassified by Management Team.

Statement of Cash Flows For the Year Ended December 31, 2014, 2015 and 2016

Consolidated financial statements						
	2014		2015		2016	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash flows from operating activities						
Profit (loss) before income tax	475,095	124.5%	119,781	15.8%	(126,477)	(121.9%)
Adjustments:						
Depreciation and amortisation	1,078,491	282.7%	546,667	72.2%	468,499	451.5%
Allowance for doubtful accounts	4,294	1.1%	19,176	2.5%	4,932	4.8%
Allowance for doubtful in recoverable of withholding tax (reversal)	2,635	0.7%	(3,114)	(0.4%)	(1,361)	(1.3%)
Allowance for obsolete inventories (reversal)	(7,491)	(2.0%)	29,915	4.0%	17,555	16.9%
Loss from inventories destruction	-	-	3,889	0.5%	6,960	6.7%
Reversal of provision for goods returned	(37,733)	(9.9%)	(22,369)	(3.0%)	(12,474)	(12.0%)
Allowance for impairment - intangible assets (reversal)	19,719	5.2%	(4,490)	(0.6%)	15,153	14.6%
Allowance for impairment - other current assets and other non-current assets (reversal)	(302)	(0.1%)	673	0.1%	(1,010)	(1.0%)
Allowance for impairment - investment in an associated company	90	0.0%	303	0.0%	999	1.0%
Provision for litigation case (reversal)	1,756	0.5%	(2,045)	(0.3%)	-	-
(Gain) loss on write-off property, plant and equipment	-	-	808	0.1%	456	0.4%
(Gain) loss on disposal of property, plant and equipment	306	0.1%	(744)	(0.1%)	(419)	(0.4%)
Employee benefit obligations	17,151	4.5%	20,194	2.7%	12,414	12.0%
Interest income	(2,957)	(0.8%)	(2,455)	(0.3%)	(1,742)	(1.7%)
Finance costs - interest expense	77,802	20.4%	81,085	10.7%	83,373	80.4%
	1,628,857	426.9%	787,272	104.0%	466,858	449.9%
Changes in working capital						
Trade and other accounts receivable	(36,910)	(9.7%)	205,862	27.2%	223,220	215.1%
Inventories	(60,365)	(15.8%)	(90,133)	(11.9%)	8,900	8.6%
Value added tax	(17,330)	(4.5%)	(24,203)	(3.2%)	(31,150)	(30.0%)
Other current assets	8,312	2.2%	(91,212)	(12.0%)	96,948	93.4%
Prepaid expense-non current	-	-	-	-	(35,417)	(34.1%)
Other non-current assets	10,857	2.8%	5,189	0.7%	970	0.9%
Trade and other accounts payable	(6,164)	(1.6%)	588,867	77.8%	(850,748)	(819.9%)
Withholding tax payable	7,849	2.1%	(11,389)	(1.5%)	3,200	3.1%
Other non-current liabilities	(3,456)	(0.9%)	11,139	1.5%	(2,384)	(2.3%)
Cash generated from operating activities before interest income received, finance costs paid and income tax paid	1,531,652	401.4%	1,381,392	182.5%	(119,603)	(115.3%)
Withholding tax refunded	883	0.2%	12,298	1.6%	61,887	59.6%
Income tax paid	(155,875)	(40.9%)	(192,056)	(25.4%)	(120,167)	(115.8%)
Net cash generated from (used in) operating activities	1,376,660	360.8%	1,201,634	158.7%	(177,883)	(171.4%)

Consolidated financial statements						
	2014		2015		2016	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash flows from investing activities						
Interest income received	3,139	0.8%	2,471	0.3%	1,735	1.7%
Increase in short-term loans to related companies	(91,000)	(23.9%)	(68,500)	(9.0%)	(30,000)	(28.9%)
Receipts from short-term loans to related companies	91,000	23.9%	68,500	9.0%	30,000	28.9%
Decrease in short-term loans to employees	41	0.0%	59	0.0%	-	-
Short-term investment-12-month fixed deposits	(74)	(0.0%)	(57)	(0.0%)	4,522	4.4%
Purchases of property, plant and equipment	(141,258)	(37.0%)	(88,984)	(11.8%)	(139,435)	(134.4%)
Proceeds from disposals of property, plant and equipment	473	0.1%	8,694	1.1%	6,949	6.7%
Purchases of intangible assets	(550,934)	(144.4%)	(274,409)	(36.2%)	(471,238)	(454.2%)
Proceeds from disposals intangible assets	-	-	531	0.1%	-	-
Net cash receipts (payments) from investing activities	(688,614)	(180.5%)	(351,696)	(46.5%)	(597,467)	(575.8%)
Cash flows from financing activities						
Interest expense paid	(26,195)	(6.9%)	(13,365)	(1.8%)	(28,400)	(27.4%)
Proceeds from short-term loans from financial institutions	755,000	197.9%	470,000	62.1%	3,046,000	2,935.6%
Payments on short-term loans from financial institutions	(755,000)	(197.9%)	(470,000)	(62.1%)	(2,340,000)	(2,255.2%)
Proceeds from long-term loans from financial institutions	65,000	17.0%	-	-	444,060	428.0%
Payments on long-term loans from financial institutions	(351,915)	(92.2%)	-	-	-	-
Payments on liability under finance lease agreements	(6,133)	(1.6%)	(10,216)	(1.3%)	(19,266)	(18.6%)
Advance payment of license for operation right in spectrum of digital television	(340,500)	(89.2%)	(302,500)	(40.0%)	(415,000)	(400.0%)
Payments on short-term loans from related companies	(8,000)	(2.1%)	-	-	-	-
Dividend paid	(310,955)	(81.5%)	(180,916)	(23.9%)	(100,109)	(96.5%)
Decrease in non-controlling interests from dividend payment	(10)	(0.0%)	(11,478)	(1.5%)	(9)	(0.0%)
Decrease in non-controlling interests from decrease capital	-	-	(18,750)	(2.5%)	-	-
Proceeds from increase in share capital	100,049	26.2%	-	-	-	-
Receipts from resale of treasury shares	-	-	62,864	8.3%	(465,275)	(448.4%)
Net cash receipts (payments) from financing activities	(878,658)	(230.3%)	(474,361)	(62.7%)	122,001	117.6%
Net increase (decrease) in cash and cash equivalents	(190,612)	(50.0%)	375,576	49.6%	(653,350)	(629.7%)
Cash and cash equivalents, opening balance	572,147	150.0%	381,535	50.4%	757,112	729.7%
Cash and cash equivalents, closing balance	381,535	100.0%	757,112	100.0%	103,762	100.0%
Non-cash transactions and additional information:						
Outstanding payables arising from purchases of property, plant and equipment as at 31 December	19,459		9,039		28,752	
Outstanding payables arising from purchases of intangible assets as at 31 December	-		-		416	
Outstanding payables arising from purchase of property, plant and equipment under finance lease agreement as at 31 December	-		9,960		41,278	
Payable for cost of license for operation right in spectrum of digital television as at 31 December	1,702,942		-		-	
Accrued interest income from related company as at 31 December	-		-		2,490	
Allowance for doubtful account accrued interest income from related company as at 31 December	-		-		(2,490)	
Decrease in treasury shares	-		(52,347)		-	
Decrease in premium on share capital from decreasing in treasury shares	-		39,939		-	

Remarks : Statement of Cash Flows for the year ended December 31, 2014 has been reclassified by Management Team.

Key Financial Ratios

Consolidated financial statements			
	2014	2015	2016
Liquidity Ratios			
Current Ratio (time)	1.26	1.02	0.54
Quick Ratio (time)	0.97	0.75	0.34
Cash Flows from Operating Ratio (time)	1.07	0.75	-0.10
Receivable Turnover Ratio (time)	5.25	4.87	5.36
Collection Days (day)	69	75	68
Inventory Turnover Ratio (time)	33.48	16.85	11.91
Average Number of Days Sales (day)	11	22	31
Account Payable Turnover Ratio (time)	19.29	17.79	15.58
Payment Days (day)	19	21	23
Cash Cycle (day)	61	76	76
Profitability Ratios			
Gross Profit Margin (%)	32.24%	27.51%	25.41%
Operating Profit Margin (%)	12.21%	4.00%	-5.33%
Operating Cash Flows to Operating Profit Ratio (%)	261.74%	804.77%	N/A
Net Profit Margin (%)	7.87%	3.22%	-3.14%
Return on Equity (%)	20.69%	7.09%	-7.39%
Efficiency Ratios			
Return on Asset (%)	14.69%	4.26%	-0.96%
Return on Fixed Asset (%)	128.83%	55.93%	0.51%
Assets Turnover (time)	1.15	0.80	0.72
Leverage Ratios			
Debt to Equity Ratio (time)	1.65	1.82	2.94
Interest Coverage Ratio (time)	7.11	2.48	-0.52
Debt Service Coverage Ratio (Cash basis) (time)	0.72	1.15	-0.06
Dividend Payout Ratio (%)	88.41%	83.03%	-
Per Share			
Book Value per Share (baht)	1.7353	1.7102	1.0961
Earnings (loss) per Share (baht)	0.3465	0.1208	-0.1043





Management Discussion and Analysis

The analysis in this section has been prepared from the overall turnover of RS Public Company Limited and its subsidiaries (the “Company”) in accordance with data based on audited financial statements. In order to demonstrate the overall performance of the Company, the analysis has been divided into four main business segments, including the media business, music business, event business, and the health and beauty business, per the schedule.

Business groups	Type	
1) Media Business	Television Media Business	“Channel 8” “Channel 2” “Sabaidee TV” “You Channel”
	Radio Media Business	“COOL Fahrenheit 93”
2) Music Business	<ul style="list-style-type: none"> - Digital Business - Copyright Collection - Artist Management ⁽¹⁾ 	
3) Event Business	<ul style="list-style-type: none"> - Concerts and Marketing Organization - Tailor-Made Event 	
4) Health and Beauty Business	<ul style="list-style-type: none"> - The Skin Care Products - Hair Care Products - The Food Supplements Products 	

Remarks : ⁽¹⁾ In 2016, the Company’s artist management business was reorganized to fall under the umbrella of the music business (formerly, it was grouped under event business)

1. Overall Business

The media industry saw a decline in 2016 due largely to the suspension of regular broadcasts during the mourning period. Throughout the 30 days following October 13, 2016, the only broadcasts were news programs, including live television and radio updates on events related to the passing of His Majesty King Bhumibol Adulyadej. The media and advertising market continued to be affected until the end of 2016. Research results of AGB Nielsen Media Research (Thailand) shows that advertising expenditure for the television and radio media industry (ADEX) for the year 2016 dropped by 13.802 billion baht, compared to 2015, as a result of the decrease in media spending on both television and radio. As for digital television, advertising expenditure experienced the smallest decrease; it declined by only 538 million baht or 2.6 percent, followed by for radio which decreased by 413 million baht or 7.3 percent.

The decline in advertising expenditure is in line with the decline in nationwide television viewers which contracted by 4.3 percent in December 2016 when compared to the same period in 2015. However, the proportion of digital television viewers rose to 43.7 percent of overall viewers in December 2016, compared with 29.3 percent in December 2015.

2. Summary of 2016 Performance

The consolidated financial statements of the company for the year ended December 31, 2016 shows net loss of 102.1 million baht, a decrease by 223.7 million baht or 184.0 percent from a net profit of 121.6 million baht in 2015. This is mainly due to revenue shortfall from television business as a result of the suspension of regular television broadcasting during the fourth quarter of 2016. The marketing expenses for health and beauty products increased since mid-2016 related to expansion to retail channels and a launch of health and beauty products nationwide. These contributed to net loss by 102.1 million baht in 2016, down by 223.7 million baht from 2015.

Summary of Operating Results by Business Category

2.1 Revenue

Revenue from sales and services for the year ended December 31, 2016 amount of 3.125 billion baht, decreased from the same period in 2015 by 603.8 million baht, or 16.2 percent. The sources of revenue can be broken down by business units, as follows:

Unit : million baht	Year 2015		Year 2016		Year 2017	
	amount	%	amount	%	amount	(y-y)
Revenue from media business	2,246.1	60.3	1,814.7	58.1	-431.4	-19.2%
Revenue from music business	463.6	12.4	321.6	10.3	-142.0	-30.6%
Revenue from event business	707.4	19.0	753.2	24.1	45.7	6.5%
Revenue from health and beauty business	231.9	6.2	227.9	7.3	-4.1	-1.7%
Revenue from other services	79.7	2.1	7.6	0.2	-72.1	-90.5%
Revenue from sales and services	3,728.7	100	3,124.9	100	-603.8	-16.2%

2.1.1 Revenue from Media Business

Revenue from the media business consists of revenue from television and radio. In 2016, total revenue from the media business amounted to 1.815 billion baht, a decrease by 431.4 million baht, or 19.2 percent from the same period in 2015 as a result of the followings:

- **Television Media Business** : consists of revenue from “Channel 8” which operates under Digital Terrestrial Television (DTT) license in SD Variety category, and revenue from “Channel 2”, and “Sabaidee TV” which are satellite television channels.

The overall revenue from the television media business saw a decline, due to the impact of the contraction in ad spending for satellite television, which has significant implications on the decrease in overall advertising expenditure. The use of advertising through satellite television for 2016, compared to 2015, decreased by 2.560 billion baht or 42.3 percent. As a result, the revenue of “Channel 2” and “Sabaidee TV” fell. As for digital television, the drop in advertising expenditure, compared to 2015 is 2.6 percent mainly due to the suspension of broadcasts for the 30-day mourning period during the fourth quarter, which continued to affect the industry until the end of the year. Nevertheless, revenue generated from “Channel 8”, which is the main revenue stream in the Company’s television media business, was strong, countering the performance of the overall market.

Throughout 2016, “Channel 8” under the concept “Intense Story, Full Emotion”, along with the newly unveiled logo and the addition of new programs to expand the urban viewership base, continued to enjoy popularity in its sports programs, namely, “8 Max Muay Thai”, “The Champion Muay Thai Dat Cheurk”, “HBO Boxing”, “Ultimate Fighting Championship (UFC)” and “Muay Thai Battle” and the new boxing show in the Friday prime time line up, called “Muay Thai Battle” and “Muay Mun Super Max”. For news category “Kui Kao Chong 8” (morning news) has set a new rating record for “Channel 8” which ranks number one in news program among new digital television operators and number three nationwide. With this progress in news category, it has expanded new programs of “Sadut Kao Det” and “Pak Tong Dong Ru”. As for drama series, 8 new series were aired, including “Sapai Rot Saeb”, “Monrak A-Soon”, “Pi Leang”, “La Dap Tawan”, “Baap Ban-pa-garn”, “Buang Rak Sa-lak Kaen”, “Mae Nak” and “Kratin Rimrua”. In addition, the channel added more fun with 3 new variety shows, including “The Guest Tee Sanit Khon Dang”, “Smile Ranger Kabuan-gan Ap Yim” and “English...Sakid Tom Ha”. Moreover, the new programming included popular foreign series from Korea and China - with the aim to capture new viewers. According to the survey conducted by AGB Nielsen Media Research (Thailand), the viewers of “Channel 8” at the end of 2016 had increased 13.9 percent from the end of previous year.

- **Radio Media Business** : consists of revenue from the radio media business, or its “COOL Fahrenheit 93” radio channel. On the whole, revenue from the radio media business in 2016 decreased 11.9 percent from the previous year. This was mainly due to industry-wide shifts in media consumption behavior. Moreover, in 2016, the Company ceased operations for “Sabaidee Radio 88.5”. According to AGB Nielsen Media Research (Thailand), “COOL Fahrenheit 93” remains number one ranking for Easy Listening category and number two nationwide. There were well-received events for its audience throughout the year, including “Ink Eat All Around”, “COOL Music Alive”, “COOL Outing”, “COOL Music Fest” and “One Life”.

2.1.2 Revenue from Music Business

Revenue from the music business consists of revenue from the digital segment, copyright collection and artist management. The Company stopped manufacturing and distributing physical records since the first quarter of 2016, to better align with changing consumer behavior. As a result, the overall revenue for 2016 was 321.6 million baht, down by 142.0 million baht or 30.6 percent from the previous year. Also, the popular trend of downloading ringtones subsided. However, the increase in revenue from music streaming services and YouTube has yet to compensate the decrease in revenue from other channels. Nonetheless, after a business restructuring and streamlining operating costs, its profitability has continued to improve.

2.1.3 Revenue from Event Business

Revenue from the event business consists of revenue from concerts and marketing events organization. In 2016, revenue from event business was 753.2 million baht, an increase of 45.7 million baht from the previous year or 6.5 percent. This is attributed to the continuous hosting of successful concerts, including “The Next Venture Concert 2016”, “Love Laugh Cry with 9 Men” and concerts for various media of the Company such as “Channel 8 Pob Puen” and “Sabaidee Sunjorn”.

2.1.4 Revenue from Health and Beauty Business

Revenue from the health and beauty business comprised revenue from the facial care products under the “Magique” brand, hair care products under the “Revive” brand, and the food supplements products. The Company generated revenue of 227.9 million baht, which is relatively stable as compared with 2015 at 231.9 million baht. The main reason for the decrease was the suspension of sales via television media in the fourth quarter. This is also due to the fact that the economy has been stagnant for some time, which affects consumers’ purchasing decisions on new products. However, when the advertising market started to return to normal, the Company expanded its sales channels through its television programs and further leveraged its media outlets. It also increased the number of staff at its call center to better respond to the needs of an increasing number of customers. Moreover, the Company continues to exercise sales promotion and marketing activities in order to boost sales and to promote the product awareness in the market. There were also an expansion of sales outlets and co-promotions with Watsons, EVEANDBOY, Tops Market, Gourmet Market and Home Fresh Mart.

2.2 Cost of Sales and Services

Cost of sales and services amounted to 2.331 billion baht, a decrease of 372.0 million baht from the previous year, or 13.8 percent. This was mainly due to a decrease in the cost for satellite television operations, as a result of rigorous cost control to align with the diminishing revenue from satellite television. Another reason for lower cost was from music business, which showed a significant decrease in cost from the above mentioned operation. Even though the costs associated with “Channel 8” increased, it was in proportion to the growth in revenue. This also reflected the increase in the quality of the content and equipment needed for operations, costs for broadcasting drama series and the new program additions - all with the ongoing aim of boosting the channel’s popularity and increasing viewership.

2.3 Selling and Administrative Expenses, Other Expenses and Finance Costs

Selling and administrative expenses and other expenses of 960.6 million baht increased by 84.2 million baht from 2015, or a 9.6 percent increase. This resulted from the increase in marketing expenses for the Company’s health and beauty products in an attempt to expand its sales channel to mass market.

Finance costs of 83.4 million baht increased by 2.3 million baht from 2015 or 2.8 percent. The reason was from higher bank interest expenses in line with the newly drawn long-term loans to support the digital television concession installment.

2.4 Gross Profit Margin, Net Profit Margin and Return On Equity (ROE)

	2015	2016
Gross Profit Margin	27.5%	25.4%
Net Profit Margin	3.2%	-3.1%
Return On Equity (ROE)	7.1%	-7.4%

In 2016, the Company’s gross margin, net margin, and rate of return on equity decreased from the previous year. This was mainly due to the decrease in earnings from the media and health and beauty businesses.

3. Assets

3.1 Asset Components

As at December 31, 2016, the Company had the total assets in the amount of 4.139 billion baht, of which 23.0% was current assets and 77.0% was non-current assets.

Total assets, as of December 31, 2016, amounted to 4.139 billion baht, reflecting a decrease of 14.5 percent from 2015, mainly driven by a decrease in cash and cash equivalents by 86.3 percent from share repurchase program and investment in various types of content. Trade and other accounts receivable (net) declined by 26.1 percent in accordance with the decrease in revenue. During 2016, amortization of the DTT license amounted to 135.6 million baht. Intangible assets (net) increased by 70.5 percent from an increase in new TV program content, comprising drama series and international series.

3.2 Quality of the Assets

3.2.1 Trade Accounts Receivable - Others (net)

Unit : million baht	2015	2016
Current	364.7	266.0
Overdue :		
Less than 3 months	270.7	205.9
3 - 6 months	21.2	13.5
6 - 12 months	25.0	3.5
Over 12 months	48.6	70.7
Total	730.2	559.6
Less: Allowance for doubtful accounts	-60.5	-63.4
Trade accounts receivable - others (net)	669.7	496.2
Receivable turnover ratio (time)	4.87	5.36
Collection days (day)	75	68
Allowance for doubtful accounts/Trade accounts receivable - others	8.3%	11.3%

As of December 31, 2016, the Company had trade accounts receivable (net) of 496.2 million baht, down from last year's 173.5 million baht or 25.9 percent, reflecting the reduction of revenue from sales and services including the repayment of debt during the year. On the whole, the majority of trade accounts receivable were from regular trading activities; the Company may have arranged a portion as advance payments or as part of the credit terms, which averaged about 60 to 90 days, depending on the type of sales or service provided.

In the aging report, it can be seen that unpaid receivables encompassed over 80 percent of debtors; such obligations were not yet due and less than three months outstanding, which was in accordance with the duration of credit granted by the Company. Also, in 2015 and 2016, the Company's average debt period was about 68 to 75 days, which was close to the Company's average term in the credit policy of approximately 60 to 90 days.

As such, the Company maintains a policy to consistently consider and review the allowance for doubtful accounts for defaulting debtors during each accounting period, in order to more accurately demonstrate the value of the outstanding principal in the financial statement, based on the anticipated amount to be received. The method used is to consider the principal of each debtor that has the tendency to have problems with payment, as well as issues with following up on debt claims. The principal that is to be considered shall include all debt obligations that the debtor in question owes to the Company, as well as the strict follow up on claims against such debtor.

3.2.2 Inventories (net)

Unit : million baht	2015	2016
Inventories	203.6	187.7
Less: Allowance for obsolete inventories	-40.5	-58.0
Inventories (net)	163.1	129.7
Inventory turnover ratio (time)	16.85	11.91
Average number of days sales (day)	22	31
Allowance for obsolete inventories/Inventories	19.9%	30.9%

As of 31 December 2016, inventories (net) consisted of finished goods in the beauty product category, the “SUN BOX” set-top boxes, and television programs and contract productions that were works in progress. The total value was 129.7 million baht, down 33.4 million baht from last year or 20.5 percent, mainly from contract production works.

From the above table, the Company’s average sales period did not exceed one month. From works in the television program category and contract productions, which had a short term delivery time frame. In terms of finished products, the Company maintained a policy to control inventories to levels that were appropriate and sufficient to meet the needs of consumers. Also, there is a policy of destroying inventory with no value and no use; this helps to reduce the cost of warehouse inventory management. Additionally, for unsold inventory or works in progress with a long delivery period, the Company policy is to regularly review the value of the inventory in each accounting period; this is to keep the inventory in the financial statements with a net worth that would accurately reflect any future benefit. In 2016, the Company had a ratio for the allowance for obsolete inventories to the value of inventories of 30.9 percent, an increase from last year, which stood at 19.9 percent from the recording of the allowance for obsolete inventories, namely, the “SUN BOX” set-top boxes.

3.2.3 Intangible Assets (net)

Unit : million baht	2015	2016
Inventories	1,462.7	1,933.7
Less: Allowance for obsolete inventories	-810.5	-1,038.4
Allowance for impairment of assets	-328.6	-343.7
Intangible assets (net)	323.6	551.6

As of December 31, 2016, intangible assets (net) consisted of rights for all the drama series, and rights for songs, computer software and others. The total net worth was 551.6 million baht, up by 228.0 million baht from last year, representing a 70.5 percent increase. This was from the increase in foreign drama series content and various computer software for a range of operational functions.

In the above table, allowances for impairment at the end of 2015 and 2016 were 328.6 million baht and 343.7 million baht, respectively, primarily from music rights and long-standing film rights. For music rights, as their useful life cannot be determined, the Company no longer amortized the rights, but instead used a test for impairment. The Company's policy is to consistently review the expected net worth in all accounting periods to reduce the risk that the monetary values of such assets in the financial statement are higher than their expected benefits to be recovered in the future.

4. Liquidity

4.1 Cash Flow

Unit : million baht	2015	2016
Cash flow from operating activities	1,201.6	-177.9
Cash flow from investing activities	-351.7	-597.4
Cash flow from financing activities	-474.3	122.0
Net increase (decrease) in cash and cash equivalents	375.6	-653.3
Cash and cash equivalents, closing balance	757.1	103.8

For the year ending December 31, 2016, the Company held cash and cash equivalents of 103.8 million baht, down from last year by 653.3 million baht. This was mainly due to the repurchase of shares at 465.3 million baht; payment of 100.1 million baht in dividends; investment in new TV program content, including dramas, news and variety shows; and investments in equipment and operational systems to optimize production and operations. Moreover, during the year, the Company paid 415.0 million baht for the DTT license. It obtained loans, both short term and long term, from financial institutions of 1.150 billion baht.

4.2 Key Liquidity Ratios

	2015	2016
Current Ratio (time)	1.02	0.54
Quick Ratio (time)	0.75	0.34
Collection days (day)	75	68
Average number of days sales (day)	22	31
Payment days (day)	21	23
Cash cycle (day)	76	76

In 2016, the Company had a current ratio and liquidity ratio of 0.54 times and 0.34 times, respectively, representing a decrease from 2015, which had rates of 1.02 times and 0.75 times, respectively. With plans to increase investment in drama, foreign series and other program content for "Channel 8", to enhance the competitiveness relative to other channels, as well as plans to grow the health and beauty business, it was therefore necessary to increase working capital. At any rate, there was normal management of working capital, with the average

collection period remaining in line with the Company's policy. The sale of goods or delivery of contract productions to customers, including the making of payments, was based on the Company's normal business operations.

5. Sources of Funds

Liabilities, Equity and Debt to Equity Ratio

Unit : million baht	2015	2016
Short-term loans from financial institution	-	706.0
Long-term loans from financial institution	-	444.1
Payable for cost of license for operation right in spectrum of digital television (net)	1,467.6	1,105.9
Other current liabilities	1,537.6	684.7
Other non-current liabilities	111.6	139.1
Total liabilities	3,116.8	3,079.8
Equity attributable to owners of the parent	1,716.9	1,049.3
Debt to equity ratio (time)	1.82	2.94

As of December 31, 2016, the Company had total liabilities of 3.080 billion baht, down from last year by 37.0 million baht or 1.2 percent. Major changes included increase in short term loans from financial institutions of 706.0 million baht to be used as working capital and increase in long term loans from financial institutions by 444.1 million baht to pay for the DTT license. Meanwhile, current liabilities decreased by 852.9 million baht, mainly from unearned revenue as contracted services were successfully delivered, and from the DTT license payment.

On December 31, 2016, the Company's portion of the parent company shareholders was 1.049 billion baht, down from last year's 667.5 million baht or 38.9 percent. This reflected the repurchase of shares in the amount of 465.3 million baht, the payment of dividends to shareholders in the amount of 100.1 million baht, and net loss for the period of 102.1 million baht.

In 2016, the ratio of debt to shareholders' equity was 2.94 times - an increase from 2015, which maintained the ratio of 1.82 times. This was mainly attributed to the increase in short term and long term loans from financial institutions.

6. Key Factors and Influence that May Affect the Performance and Financial Position of the Company in the Future

In 2016, "Channel 8" formulated a strategy to continue strengthening its popular programming segments, led by sports, news, drama series and variety programs, to boost ratings and align with the 35 percent increase in advertising rates from 2016.

For the health and beauty business, following the well-received strategy for new sales channels in mid-December of 2016, the Company plans to add more product categories (SKU) to respond to the needs of consumers and to expand its distribution channels to home shopping and other retail outlets.

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Audit Committee Report

To Shareholders,

RS Public Company Ltd.

In 2016, the Audit Committee performed its duties in accordance with the Audit Committee Charter approved by the Board of Directors and encouraged all related practices to ensure good corporate governance. This included strengthening the conformity of transparency, ethics, and code of conduct compliance to create confidence towards shareholders, and other stakeholders. The financial statements of 2016 had been reviewed by the Audit Committee, executives and the authorized auditors to ensure that the Company's financial statements and financial data disclosure are entire, sufficient and meet the general accounting standard. The Audit Committee also suggested the improvements of internal control system to align the system with rules, and good corporate governance policies, especially those concerning with conflict of interest.

The Audit Committee also held meetings with external auditors and internal audit department in order to discuss the issues on risk assessment and prevention, audit results and the adequacy of the internal control systems. Moreover, the Audit Committee brought into close consideration the internal audit plans and major company's operations to ensure transparency and compliance with laws and regulations. In 2016 the Audit Committee held 4 meetings, including those with external auditors without executives or management presence, in order to be well-informed all problems and concerns from audit findings. In addition, the Audit Committee has self-assessed the Audit Committee performance for 2016.

The Audit Committee also nominated PricewaterhouseCoopers ABAS Ltd. to be chosen as external auditor for 2017 upon closely considered the Company's qualification, independence, experience and audit fee. This has been proposed to the Board of Directors for further approval in Shareholders' Meeting.

A handwritten signature in black ink, appearing to read 'Phisit Dachanabhirom'.

(Phisit Dachanabhirom)
Chairman of the Audit Committee

Board of Directors' Report

To Shareholders,

RS Public Company Ltd.

The Board of Director is responsible for the reporting of the consolidated financial statements on the Company and subsidiaries, contents of which have been consistently prepared with respect to the Thai generally accepted accounting standards where prudence are duly exercised and information disclosed in the notes accompanying the statements.

The Extraordinary General Meeting of Shareholders No. 1/2003 has approved an Audit Committee comprising independent directors who are not involved in the day-to-day operations to take responsibility over the quality of the financial reports and internal controls, which the Audit Committee's opinion was described in Audit Committee Report shown in this annual report.

The Board of Director has considered that the company has good internal control and has concurred with the Audit Committee, the Executives and the authorised auditors for the consolidated financial statements of 2016 on the Company and subsidiaries that the Company's the financial position and the result of operation presents fairly in conformity with generally accepted accounting principles.



(Surachai Chetchotisak)
Chairman/Chief Executive Officer

Independent Auditor's Report

To the shareholders of RS Public Company Limited

My opinion

In my opinion, the consolidated financial statements of RS Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of 'license for operation right in spectrum of digital television'</p> <p><i>Refer to note 15 License for operation right in spectrum of digital television (net) to the consolidated and company financial statements</i></p> <p>As at 31 December 2016, the amortisation loss of the 'license for operation right in spectrum of digital television' net amount with accumulate of Baht 1.67 billion net of accumulated amortisation. There was a transition from analog television to digital television, however digital television doesn't have a nationwide audience. Therefore, the market share of digital television is still less than analog television. The result is that the competitiveness of digital television is less than analog television.</p> <p>The above circumstances indicated that the recoverable amount from using the 'license for operation right in spectrum of digital television' might be less than the net book value. The management has evaluated the impairment loss of the 'license for operation right in spectrum of digital television' and found no impairment loss is needed.</p> <p>I focused on the impairment test of the 'license for operation right in spectrum of digital television' because it was a significant amount and significant assumptions were made by the management to assume the overall growth rates and discount rates. The small changes in factors of these can result in a significant change in the cash flow forecast.</p>	<p>I evaluated and challenged the management about the Group's cash flow forecast and the process by which they were drawn up, and tested the underlying values used in calculations.</p> <p>I compared the Group's forecast to the previous year's cash flow forecast and evaluated and challenged significant amendments. And I compared the Group's cash flow forecast to the actual result for the year.</p> <p>I challenged the management about the key assumptions. These are the revenue growth rates and the discount rate. I understood management's plans for future growth and considered these were achievable over the appropriate term. I also compared the revenue growth rates to economic and industry forecasts. In addition, I assessed the discount rate for the cost of capital for the Group and an actual interest rate.</p> <p>I performed sensitivity analysis around the revenue growth rate and discount rate to find the extent of change in those assumptions that would be required for the intangible asset to be impaired.</p> <p>Based on available evidence, management's assumptions applied in the valuation of 'license for operation right in spectrum of digital television' were reasonable.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Deferred tax assets on tax loss of subsidiaries which were not profitable</p> <p><i>Refer to note 18 Deferred tax assets (net) to the consolidated and company financial statements</i></p> <p>At 31 December 2016, the Group had deferred tax assets of Baht 304 million, of which Baht 143 million relates to taxable loss from the Company and the Group's subsidiaries.</p> <p>The Group recognised the deferred tax asset for tax losses carried forward to the extent that it was probable that future taxable profits will allow it to be recovered. The Group's management prepared income projections which contain estimates of future taxable income mainly to support the recoverability of the deferred tax asset for tax losses carried forward. However, changes in key assumptions, the revenue and profit growth rates, may impact these projections.</p> <p>I focused on the area of deferred tax assets because it is a significant amount and the amount of those deferred tax assets required management's judgments on the future profitability of the Group's subsidiaries mainly to support the recoverability of the deferred tax asset for tax losses carried forward.</p>	<p>I understood the underlying transaction basis for the significant deferred tax assets and I found evidence to support the rationale on which the deferred tax assets had been recognised. I assessed the available tax losses carried forward by considering their expiry periods together with the relevant tax laws regarding the recovery of deferred tax assets. In addition, I evaluated the arithmetical accuracy in the tax computation and projection.</p> <p>I evaluated and challenged the management about the assumptions used in the five-year business plan including expiry periods set by the relevant tax laws, assumptions for future growth which is driven by revenue, and profit growth rates. The revenue growth rates in the business plan were compared to economic and industry forecasts.</p> <p>Based on my procedures performed I consider the management's key assumptions used in the estimate of future taxable income to be within a reasonable level.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Recognition of amortisation expense of production cost of drama series</p> <p><i>Refer to note 2.10 intangible assets to the consolidated and company financial statements</i></p> <p>At 31 December 2016, The Group holds the cost of production of drama series amounting to Baht 299 million which represents 54% of the total intangible assets. The intangible assets were carried at cost less accumulated amortisation. The cost of production for drama series was amortised based on the expected pattern of consumption of the future economic benefits embodied in the assets.</p> <p>The management divided the cost of production of drama series into two parts. The first component amortised based on the number of broadcasts under the channel's on-air forecast schedule and the remaining part is amortised using the straight-line method.</p> <p>I focused on the amortisation method based on the number of broadcasts under the channel's on-air forecast schedule because this significantly involved the management's judgments. In addition, the cost of production drama series was a significant amount.</p>	<p>I understood and performed the amortisation method testing by</p> <ul style="list-style-type: none">• Assessing the appropriateness of management's judgments about the forecast and estimation of the number of broadcasts of each series by comparing the forecast channel's on-air schedule.• Evaluating the actual consumption of certain drama series by comparing to the channel's on-air schedule which was used in the calculation for amortisation expense.• Evaluating the arithmetical accuracy in the calculation performed. <p>Based on available evidence, I consider the management's judgement to be reasonable and within acceptable range.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Sudwin Panyawongkhanti

Certified Public Accountant (Thailand) No. 3534

Bangkok

22 February 2017

RS Public Company Limited
Statement of Financial Position
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	103,761,958	757,111,787	23,739,791	518,611,127
Short-term investment - 12-month fixed deposits	8	-	4,522,302	-	-
Trade and others accounts receivable (net)	9	647,567,198	875,711,663	568,171,986	1,023,419,799
Short-term loans to related companies (net)	35 d)	-	-	577,700,000	494,274,774
Inventories (net)	10	129,679,765	163,095,437	3,525,818	54,667,935
Value added tax	23	67,630,189	40,928,458	-	-
Other current assets (net)	11	1,483,466	97,984,687	326,904	96,728,841
Total current assets		950,122,576	1,939,354,334	1,173,464,499	2,187,702,476
Non-current assets					
Trade accounts receivable					
-related company - non current	9	-	-	291,364,640	-
Investments in subsidiaries (net)	12	-	-	581,361,593	481,732,849
Investments in associated company (net)	13	4,103,678	5,102,753	-	-
Plant and equipment (net)	14	473,046,349	384,016,267	450,699,505	358,736,941
License for operation right in spectrum					
of digital television (net)	15	1,666,431,413	1,802,058,253	-	-
Intangible assets (net)	16	551,610,176	323,571,197	142,171,290	109,666,456
Prepaid expense - non current		35,416,667	-	-	-
Withholding tax (net)	17	124,080,113	130,537,536	55,838,141	69,548,760
Deferred tax assets (net)	18	303,617,658	228,020,379	94,574,938	108,772,378
Other non-current assets (net)	19	30,859,926	31,265,889	27,713,927	28,119,889
Total non-current assets		3,189,165,980	2,904,572,274	1,643,724,034	1,156,577,273
Total assets		4,139,288,556	4,843,926,608	2,817,188,533	3,344,279,749

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Financial Position
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other accounts payable	20	589,116,455	1,419,373,826	264,066,264	1,121,993,242
Current portion of liability under finance lease agreements (net)	21	11,667,631	5,865,272	11,667,631	5,865,272
Current portion of payable for license for operation right in spectrum of digital television (net)	15	378,075,913	361,674,762	-	-
Short-term loans from financial institution	22	706,000,000	-	598,000,000	-
Short-term loans from related companies	35 e)	-	-	140,400,000	48,000,000
Provision for goods returned		1,891,930	14,365,874	-	14,365,874
Value added tax	23	43,962,189	48,410,441	33,707,868	26,430,661
Accrued income tax		22,905,356	37,642,175	-	-
Withholding tax payable		15,149,577	11,949,157	4,989,690	6,762,080
Total current liabilities		1,768,769,051	1,899,281,507	1,052,831,453	1,223,417,129
Non-current liabilities					
Liabilities under financial lease agreements (net)	21	24,702,002	7,206,218	24,702,002	7,206,218
Long-term loans from financial institution	24	444,060,000	-	-	-
Payable for cost of license for operation right in spectrum of digital television (net)	15	727,842,925	1,105,918,838	-	-
Provision for other losses		-	1,659,333	-	-
Employee benefit obligations	25	97,959,294	85,545,748	84,092,281	74,813,289
Other non-current liabilities	26	16,431,623	17,156,186	10,832,374	11,007,788
Total non-current liabilities		1,310,995,844	1,217,486,323	119,626,657	93,027,295
Total liabilities		3,079,764,895	3,116,767,830	1,172,458,110	1,316,444,424

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Financial Position
As at 31 December 2016

		Consolidated financial statements		Separate financial statements	
		31 December 2016 Baht	31 December 2015 Baht	31 December 2016 Baht	31 December 2015 Baht
	Notes				
Liabilities and equity (Cont'd)					
Equity					
Share capital	27.1				
Authorised share capital					
1,013,591,880 ordinary shares of par Baht 1 each			1,013,591,880		1,013,591,880
1,009,937,646 ordinary shares of par Baht 1 each		1,009,937,646		1,009,937,646	
Issued and fully paid-up share capital					
1,009,937,646 ordinary shares of par Baht 1 each		1,009,937,646	1,009,937,646	1,009,937,646	1,009,937,646
Premium on share capital	27.1	255,824,816	255,824,816	255,824,816	255,824,816
Treasury shares	27.2	(465,274,840)	-	(465,274,840)	-
Difference between the purchase price of investment in subsidiaries under common control and their net book value		-	(16,593,840)	-	-
Retained earnings					
Appropriated - legal reserve		100,894,958	91,780,991	100,894,958	91,780,991
Appropriated - treasury share reserve		465,274,840	-	465,274,840	-
Unappropriated		(317,336,467)	375,900,765	278,073,003	670,291,872
Equity attributable to owners of the parent		1,049,320,953	1,716,850,378	1,644,730,423	2,027,835,325
Non-controlling interests		10,202,708	10,308,400	-	-
Total equity		1,059,523,661	1,727,158,778	1,644,730,423	2,027,835,325
Total liabilities and equity		4,139,288,556	4,843,926,608	2,817,188,533	3,344,279,749

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue					
Revenue from sales		838,344,671	795,468,082	602,604,617	526,270,615
Revenue from services		2,286,574,490	2,933,238,304	823,641,491	1,410,569,657
Total revenue and services income		3,124,919,161	3,728,706,386	1,426,246,108	1,936,840,272
Cost of sales		(399,755,366)	(379,643,823)	(304,699,156)	(252,743,876)
Cost of services		(1,931,248,198)	(2,323,358,482)	(810,971,576)	(1,215,832,602)
Total cost of sales and services		(2,331,003,564)	(2,703,002,305)	(1,115,670,732)	(1,468,576,478)
Gross profit		793,915,597	1,025,704,081	310,575,376	468,263,794
Other income	29	123,589,627	51,551,204	444,284,393	611,176,175
Profit before expenses		917,505,224	1,077,255,285	754,859,769	1,079,439,969
Selling expenses		(441,938,595)	(345,119,294)	(124,755,919)	(140,965,440)
Administrative expenses		(516,763,250)	(531,187,500)	(427,375,121)	(479,581,259)
Allowance for impairment on investment in subsidiaries		-	-	11,870,455	(35,076,889)
Other expenses	30	(1,907,295)	(83,033)	(2,057,180)	(1,080,279)
Finance costs	32	(83,372,848)	(81,084,844)	(16,065,241)	(4,751,313)
Profit (loss) before income tax		(126,476,764)	119,780,614	196,476,763	417,984,789
Income tax credit (expense)	33	24,235,322	12,329,876	(14,197,440)	19,427,875
Profit (loss) for the year		(102,241,442)	132,110,490	182,279,323	437,412,664
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the year		(102,241,442)	132,110,490	182,279,323	437,412,664

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016 Baht	Reclassified 2015 Baht	2016 Baht	Reclassified 2015 Baht
Profit (loss) attributable to					
Owners of the parent		(102,145,200)	121,634,482	182,279,323	437,412,664
Non - controlling interests		(96,242)	10,476,008	-	-
		(102,241,442)	132,110,490	182,279,323	437,412,664
Total comprehensive income (loss) attributable to					
Owners of the parent		(102,145,200)	121,634,482	182,279,323	437,412,664
Non - controlling interests		(96,242)	10,476,008	-	-
		(102,241,442)	132,110,490	182,279,323	437,412,664
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share (Baht)	34.1	(0.1043)	0.1208	0.1862	0.4345

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Consolidated financial statements (Baht)										
For the year ended 31 December 2015										
	Attributable to owners of the parent						Total owners of the parent	Non-controlling interests	Total	
	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Difference between the purchase price of investments in subsidiaries under common control and their net book value	Retained earnings					
					Appropriated					Unappropriated
					Legal reserve	Treasury shares reserve				
Notes										
Opening balance as at 1 January 2015	1,022,346,046	255,224,632	(74,671,816)	(16,593,840)	69,910,358	74,671,816	382,380,696	1,713,267,892	30,060,669	1,743,328,561
Changes in equity for the year										
Resale of treasury shares	-	40,539,101	22,324,499	-	-	-	-	62,863,600	-	62,863,600
Decrease in share capital from decreasing in treasury shares	(12,408,400)	(39,938,917)	52,347,317	-	-	-	-	-	-	-
Decrease in non-controlling interests from decrease in share capital of subsidiary	-	-	-	-	-	-	-	-	(18,750,000)	(18,750,000)
Treasury shares reserve	-	-	-	-	-	(74,671,816)	74,671,816	-	-	-
Legal reserve	-	-	-	-	21,870,633	-	(21,870,633)	-	-	-
Dividends payment	-	-	-	-	-	-	(180,915,596)	(180,915,596)	(11,478,277)	(192,393,873)
Total comprehensive income for the period	-	-	-	-	-	-	121,634,482	121,634,482	10,476,008	132,110,490
Closing balance as at 31 December 2015	1,009,937,646	255,824,816	-	(16,593,840)	91,780,991	-	375,900,765	1,716,850,378	10,308,400	1,727,158,778

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2016

Consolidated financial statements (Baht)

For the year ended 31 December 2016									
Notes	Attributable to owners of the parent								
	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Difference between the purchase price of investments in subsidiaries under common control and their net book value	Retained earnings		Total owners of the parent	Non-controlling interests	Total
					Appropriated	Unappropriated			
					Legal reserve	Treasury shares reserve			
Opening balance as at 1 January 2016	1,009,937,646	255,824,816	-	(16,593,840)	91,780,991	-	375,900,765	10,308,400	1,727,158,778
Changes in equity for the year									
Resale of treasury shares	-	-	(465,274,840)	-	-	-	-	-	(465,274,840)
Treasury shares reserve	-	-	-	-	-	465,274,840	(465,274,840)	-	-
Difference between the purchase price of investments in subsidiaries under common control and their net book value	-	-	-	16,593,840	-	-	(16,593,840)	-	-
Legal reserve	-	-	-	-	9,113,967	-	(9,113,967)	-	-
Dividends payment	-	-	-	-	-	-	(100,109,385)	(9,450)	(100,118,835)
Total comprehensive income for the period	-	-	-	-	-	-	(102,145,200)	(96,242)	(102,241,442)
Closing balance as at 31 December 2016	1,009,937,646	255,824,816	(465,274,840)	-	100,894,958	465,274,840	(317,336,467)	10,202,708	1,059,523,661

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2016

		Separate financial statements (Baht)					
		For the year ended 31 December 2015					
		Attributable to owners					
Notes		Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings		Total
					Appropriated	Unappropriated	
					Legal reserve	Treasury shares reserve	
	Opening balance as at 1 January 2015	1,022,346,046	255,224,632	(74,671,816)	69,910,358	74,671,816	1,708,474,657
	Changes in equity for the period						
	Resale of treasury shares	-	40,539,101	22,324,499	-	-	62,863,600
	Decrease in share capital	(12,408,400)	(39,938,917)	52,347,317	-	-	-
	Treasury shares reserve	-	-	-	-	(74,671,816)	-
	Legal reserve	-	-	-	21,870,633	-	-
	Dividend payment	-	-	-	-	-	-
	Total comprehensive income (loss) for the year	-	-	-	-	-	(180,915,596)
							437,412,664
	Closing balance as at 31 December 2015	1,009,937,646	255,824,816	-	91,780,991	-	2,027,835,325

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2016

		Separate financial statements (Baht)					
		For the year ended 31 December 2016					
		Attributable to owners					
Notes		Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings		Total
					Appropriated	Unappropriated	
					Legal reserve	Treasury shares reserve	
	Opening balance as at 1 January 2016	1,009,937,646	255,824,816	-	91,780,991	-	2,027,835,325
	Changes in equity for the period						
	Resale of treasury shares	-	-	(465,274,840)	-	-	(465,274,840)
27.2	Treasury shares reserve	-	-	-	-	465,274,840	-
	Legal reserve	-	-	-	9,113,967	-	-
28	Dividend payment	-	-	-	-	(9,113,967)	-
	Total comprehensive income (loss) for the year	-	-	-	-	(100,109,385)	(100,109,385)
		-	-	-	-	182,279,323	182,279,323
	Closing balance as at 31 December 2016	1,009,937,646	255,824,816	(465,274,840)	100,894,958	465,274,840	1,644,730,423

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit (loss) before income tax		(126,476,764)	119,780,614	196,476,763	417,984,789
Adjustments:					
Depreciation and amortisation	14, 15, 16, 31	468,498,619	546,666,741	110,597,903	88,988,709
Allowance for doubtful accounts	9	4,931,692	19,175,827	3,015,651	2,661,161
Allowance for doubtful in recoverable of withholding tax		(1,360,952)	(3,114,451)	-	-
Allowance for doubtful accounts for short-term loans to related companies (reversal)	35 d)	-	-	(9,425,226)	(10,574,774)
Allowance for obsolete inventories (reversal)	10	17,555,279	29,915,367	(3,565,749)	(3,630,215)
Loss from inventories destruction		6,959,939	3,888,845	6,959,234	3,888,845
Reversal of provision for goods returned		(12,473,944)	(22,369,059)	(14,365,874)	(22,369,059)
(Reversal of) allowance for impairment - intangible assets	16	15,152,801	(4,490,167)	15,460,069	15,802,735
Allowance for impairment					
- other current assets and other non-current assets	11, 19	(1,010,122)	672,755	93,536	(138,802)
Allowance for impairment - investment in an associated company	13	999,075	303,337	-	-
(Reversal of) allowance for impairments					
- investments in subsidiaries	12	-	-	(11,773,751)	49,370,541
Reversal of provision for loss on investment in subsidiaries	12	-	-	12,997,200	(2,949,109)
(Reversal of) provision for litigation case	30	-	(2,045,499)	-	-
(Gain) loss on write-off property, plant and equipment	30	455,998	807,675	438,754	509,063
Gain on disposal of property, plant and equipment	29	(418,842)	(744,323)	(276,618)	(27,945)
Employee benefit obligations	25	12,413,546	20,194,264	9,278,992	18,106,055
Dividend income	28	-	-	(122,813,200)	(369,578,855)
Interest income	29	(1,741,591)	(2,454,665)	(25,992,049)	(19,099,399)
Finance costs - interest expense	32	83,372,848	81,084,844	16,065,241	4,751,313
		466,857,582	787,272,105	183,170,876	173,695,053
Changes in working capital					
Trade and other accounts receivable		223,219,784	205,862,089	34,853,007	(228,559,402)
Inventories		8,900,454	(90,133,029)	47,748,632	(49,342,837)
Value added tax		(31,149,983)	(24,203,392)	7,277,207	(641,099)
Other current assets		96,947,535	(91,212,310)	96,848,251	(94,040,584)
Prepaid expense - non current		(35,416,667)	-	-	-
Other non-current assets		969,771	5,189,222	(133,888)	4,316,968
Trade and other accounts payable		(850,748,041)	588,867,436	(877,491,970)	646,929,951
Withholding tax payable		3,200,420	(11,388,929)	(1,772,390)	1,081,495
Other non-current liabilities		(2,383,896)	11,138,796	(175,414)	10,091,694
Cash generated from operating activities before interest income received, finance costs paid and income tax paid		(119,603,041)	1,381,391,988	(509,675,689)	463,531,239
Withholding tax refunded	17	61,886,965	12,297,788	37,010,317	12,297,788
Income tax paid		(120,167,366)	(192,056,271)	(23,299,698)	(32,922,621)
Net cash generated from (used in) operating activities		(177,883,442)	1,201,633,505	(495,965,070)	442,906,406

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2016

Notes	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from investing activities				
Interest income received	1,734,580	2,470,534	25,010,734	16,236,570
Increase in short-term loans to related companies	35 d) (30,000,000)	(68,500,000)	(815,500,000)	(338,500,000)
Receipts from short-term loans to related companies	35 d) 30,000,000	68,500,000	741,500,000	184,500,000
Decrease in short-term loans to employees	-	59,101	-	-
Payments on investments in subsidiaries	-	-	(100,852,193)	-
Short-term investment-12-month fixed deposits	4,522,302	(57,462)	-	-
Receipts from decrease in share capital of subsidiaries	-	-	-	93,750,000
Receipts from dividend income	-	-	249,809,030	379,079,203
Purchases of property, plant and equipment	(139,435,339)	(88,983,784)	(142,928,538)	(70,385,388)
Proceeds from disposals of property, plant and equipment	6,948,891	8,693,737	13,074,284	248,598
Purchases of intangible assets	(471,237,618)	(274,408,741)	(60,523,831)	(10,884,255)
Proceeds from disposals intangible assets	-	530,895	262,296	-
Net cash receipts (payments) from investing activities	(597,467,184)	(351,695,720)	(90,148,218)	254,044,728
Cash flows from financing activities				
Interest expense paid	(28,399,595)	(13,364,724)	(14,507,890)	(4,939,309)
Proceeds from short-term loans from financial institutions	3,046,000,000	470,000,000	2,573,000,000	370,000,000
Payments on short-term loans from financial institutions	(2,340,000,000)	(470,000,000)	(1,975,000,000)	(370,000,000)
Proceeds from long-term loans from financial institutions	444,060,000	-	-	-
Payments on liability under finance lease agreements	(19,265,933)	(10,216,316)	(19,265,933)	(10,216,316)
Advance payment of license for operation right in spectrum of digital television	(415,000,000)	(302,500,000)	-	-
Proceeds from short-term loans from related companies	35 e) -	-	223,500,000	127,500,000
Payments on short-term loans from related companies	35 e) -	-	(131,100,000)	(325,545,000)
Dividend paid	28 (100,109,385)	(180,915,596)	(100,109,385)	(180,915,596)
Decrease in non-controlling interests from dividend payment	(9,450)	(11,478,277)	-	-
Decrease in non-controlling interests from decrease capital	27.3 -	(18,750,000)	-	-
Receipts from resale of treasury shares	27.2 (465,274,840)	62,863,600	(465,274,840)	62,863,600
Net cash payments from financing activities	122,000,797	(474,361,313)	91,241,952	(331,252,621)
Net increase (decrease) in cash and cash equivalents	(653,349,829)	375,576,472	(494,871,336)	365,698,513
Cash and cash equivalents, opening balance	757,111,787	381,535,315	518,611,127	152,912,614
Cash and cash equivalents, closing balance	103,761,958	757,111,787	23,739,791	518,611,127
Non-cash transactions and additional information:				
Outstanding payables arising from purchases of property, plant and equipment as at 31 December	28,751,749	9,038,606	27,742,761	8,817,124
Outstanding payables arising from purchases of intangible assets as at 31 December	415,588	-	368,080	-
Payable arising from purchase of property, plant and equipment under finance lease agreement as at 31 December	41,278,000	9,960,000	41,278,000	9,960,000
Outstanding receivables arising from disposals of property, plant and equipment as at 31 December	-	-	-	5,945,521
Outstanding receivables arising from disposals of intangible assets as at 31 December	-	-	-	500,679
Accrued interest income from related company as at 31 December	2,489,884	-	-	-
Allowance for doubtful account accrued interest income from related company as at 31 December	(2,487,884)	-	-	-
Decrease in treasury shares	27.2 -	(52,347,317)	-	(52,347,317)
Decrease in premium on share capital from decreasing in treasury shares	27.2 -	39,938,917	-	39,938,917

The accompanying notes on pages 138 to 196 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

1 General information

RS Public Company Limited (the “Company”) is incorporated as a limited company registered in Thailand on 17 April 1992 and on 15 January 2003, the Company converted to be a public company limited and listed on the Stock Exchange of Thailand on 22 May 2003. The address of the Company’s registered office is as follows:

419/1 Soi Ladphao 15, Ladphao Road, Jompon, Jatujak, Bangkok, Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

The principal business operations of the Group are entertainment business including media, music distribution, showbiz and other business supporting the Group’s core business.

These consolidated and separate financial statements were authorised for issue by the board of directors on 22 February 2017.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under Securities and Exchange Act.

Where necessary, the comparative figures have been adjusted and reclassified to conform with changes in the presentation in the current period.

The consolidated and separate financial statements have been prepared under the historical cost convention except otherwise disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New and revised financial reporting standards, and related interpretations

2.2.1 New and revised financial reporting standards and interpretations are effective on 1 January 2016.

- a) New and revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This standard has no impact to the Group.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. This standard has no impact to the Group.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. This standard has no impact to the Group, except for disclosures.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting Company as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss. This standard has no impact to the Group.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Group, except for disclosures.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model. This standard has no impact to the Group.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. This standard has no impact to the Group.

TAS 41, 'Agriculture' requires biological assets including agricultural produce, harvested product of the entity's biological assets, to be measured at fair value less cost to sell. The practical guide on TAS 41 issued by the FAP excludes bearer plant from the scope of TAS 41. The guide required bearer plant to be measured at cost less accumulated depreciation and impairment losses, if any, according to TAS 16. This standard has no impact to the Group.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New and revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New and revised financial reporting standards and interpretations are effective on 1 January 2016. (Cont'd)

- a) New and revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group: (Cont'd)

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. This standard has no impact to the Group.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11. This standard has no impact to the Group.

TFRS 4 (revised 2015) applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. The standard exempts an insurer temporarily from some requirements of other standards, including the requirement to consider the Framework in selecting accounting policies for insurance contracts. However, the standard (a) prohibits provision for possible claims under contracts that are not in existence at the end of the reporting period; (b) requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets; and (c) requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expired, and to present insurance liabilities without offsetting them against related reinsurance assets. The management is currently assessing the impact of TFRS 4. This standard has no impact to the Group.

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. This standard has no impact to the Group, except for disclosures.

TFRS10 (revised 2015) 'Consolidated' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. . This standard has no impact to the Group.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose. This standard has no impact to the Group.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). This standard has no impact to the Group.

TFRIC 21, 'Levies', the Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of TAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. This standard has no impact to the Group.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New and revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New and revised financial reporting standards and interpretations are effective on 1 January 2016. (Cont'd)

- b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29
	Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New and revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TAS41(revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New and revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The management is in process to assess the impact to the financial statements from the above revised standards.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New and revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29
	Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates

(1) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in statement of comprehensive income.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's principal subsidiaries is set out in Note 12.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates (Cont'd)

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal associates is set out in Note 13.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

Cash comprises cash on hand, deposit held at call with banks but exclude deposits with banks that are held to maturity, certificates of deposit issued by commercial banks and financial institutions, and restricted deposits. Cash equivalents comprise short-term highly liquid investments with maturities of three months or less from the date of acquisition.

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the differences between the carrying amount of receivable and the amount expected to be collected. Bad debts are recognised in the profit or loss within administrative expense.

2.7 Inventories

Inventories are presented in the statement of financial position at the lower of cost or net realisable value. Cost is determined on the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts. The cost of finished goods and work in process : movie, drama, CD and others comprise direct production cost, making a film and other production cost. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expense. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset, to their residual value over the estimate useful lives as follows:

Buildings	20 years
Buildings improvements	8 years 7 months
Machineries and equipment	5 - 10 years
Furniture, fixtures and office equipment	5 - 10 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of plant and equipment are calculated by comparing net proceeds from disposal of assets with assets' carrying amount and are taken into other income and other expenses.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.9 License for operation right in spectrum of digital television

The digital television licence consists of expenditure that are directly attributable to the acquisition of the commercial digital terrestrial television license at national level for a news channel category, is measured at cash price equivalent instalments discounted to present value using a discount rate, quoted by bank, for this particular purpose less accumulated amortisation and impairment losses. The difference between the cash price equivalent and the total payments to be made is recognised as a financial cost over the license fee payment periods, amortised from the date that it is ready to provide service. Amortisation of digital television license is based on a straight-line basic over the estimated useful lives of 15 years.

2.10 Intangible assets

Production cost of drama and showbiz

Production cost of drama and showbiz are carried at cost less accumulated amortisation and allowance impairment losses (if any).

During the year 2015, the Group changed the amortisation method from amortised based on projected revenues to amortised based on actual on-air times.

Copyright of others

Copyright of others are carried at cost less accumulated amortisation and impairment losses (if any). The Group amortized copyright base on straight line method over the term of relevant agreements.

Copyright of musical master tape

Copyright of musical master tape have indefinite useful lives. The Group does not amortised them but tests for any impairment.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group is recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 10 years.

RS Public Company Limited
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2 Accounting policies (Cont'd)

2.11 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Leases - where a Group company is the lessee

Finance leases

The Group leases certain plants and equipment. Leases of plants or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The plants or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.13 Borrowings

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.14 Current and deferred income taxes (Cont'd)

Deferred tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefit obligations

Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.16 Financial assets and financial liabilities

Financial assets carried on the statement of financial position include cash and cash equivalents, trade and other accounts receivable, short-term borrowing to a subsidiary, other current assets and other non-current assets. Financial liabilities carried on the statement of financial position include short-term borrowings from financial institutions, trade and other accounts payable, short-term borrowings from related companies, other current liabilities, liability under finance lease agreements, payable for cost of license for operation right in spectrum of digital television and employee benefit obligations. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

The Company enters into forward foreign currency exchange contracts to protect the Company from movements in exchange rates by establishing the rate at which a foreign currency liability will be settled. The forward foreign currency exchange contracts are not recognised in the financial statements on inception but only when they are settled according to the contract terms.

2.17 Provisions - general

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Share capital

Ordinary shares and non-redeemable preference shares with (if any) discretionary dividends are classified as equity. Other shares including mandatory redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group.

2.19.1 Revenue from sales of goods

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.19 Revenue recognition

2.19.2 Revenue from rendering of services

- a) Revenue from sales of advertising and promotion being the revenue from the sales of advertising media, i.e., the media of TV, radio, modern trade and others, is recognised when service has been provided.
- b) Revenue from event is recognised upon performance completed.
- c) Revenue from production activity are recognised based on the proportion of completed service.
- d) Television station sublease income is recognised over the period of the sublease.
- e) Revenue from concert is recognised when the concert has been exhibited.
- f) Revenue from artist is recognised when the service has been provided.
- g) Revenue from digital downloads are recognised once it has been downloaded.
- h) Management income is recognised when service has been provided.

2.19.3 Revenue from copyright

- a) Revenue from music copyright is recognised once the copyright has been delivered or recognised on a straight-line basis over the agreement period.
- b) Revenue from film copyright is recognised when the film have been exhibited.

2.19.4 Revenue from interest income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

2.19.5 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.20 Finance costs

Finance costs comprise interest expense and fee from short-term borrowings from a financial institutions and related companies and interest expense from liabilities under finance lease contracts.

2.21 Dividends

Dividends and interim dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders and board of directors, respectively.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

RS Public Company Limited
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3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

The principal finance risk faced by the Group are exchange rate risk as certain transactions are entered into in foreign currencies. Foreign exchange forward contracts are taken out to protect the currency risk in future purchase.

However, as at 31 December 2016 and 2015, there are no outstanding foreign exchange forward contract.

3.1.2 Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Group's exposure to interest rate risk relates primarily to its deposits with financial institutions and borrowings. The Group realised that the risk of fluctuation in the interest rate risk did not affect significantly to the Group's cash flows. However, the management believe that the effect of interest rate fluctuation will not affect materially to the Group.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value estimation

The different levels of fair value defined by valuation method are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of long-term borrowings from financial institutions are presented in Note 24.

RS Public Company Limited
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4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

(b) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefits include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 25.

(c) License operation right in spectrum of digital television and intangible assets

The initial recognised and measure of license operation right in spectrum of digital television and intangible assets and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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6 Reclassification

During the year ended 31 December 2016, the Company reclassified the comparative figures to conform to change in presentation in current year.

	Consolidated	
	As previously reported Baht	Debit (Credit) from reclassification Baht
		Reclassification Baht
Consolidated statement of comprehensive income for the year ended 31 December 2015		
Revenues		
Revenue from sales	-	795,468,082
Revenue from services	-	2,933,238,304
Revenue from media business	2,246,138,300	(2,246,138,300)
Revenue from music business	374,962,586	(374,962,586)
Revenue from event business	796,019,155	(796,019,155)
Revenue from other services	311,586,345	(311,586,345)
Other income	50,803,881	747,323
Expenses		
Cost of sales	-	(379,643,823)
Cost of services	-	(2,323,358,482)
Cost of sales and services	(2,706,851,881)	2,706,851,881
Selling expenses	(207,026,213)	(138,093,081)
Administrative expenses	(665,431,005)	134,243,505

	Company	
	As previously reported Baht	Debit (Credit) from reclassification Baht
		Reclassification Baht
Separate statement of comprehensive income for the year ended 31 December 2015		
Revenues		
Revenue from sales	-	526,270,615
Revenue from services	-	1,410,569,657
Revenue from media business	882,103,508	(882,103,508)
Revenue from music business	323,351,395	(323,351,395)
Revenue from event business	750,123,332	(750,123,332)
Revenue from other services	53,262,037	(53,262,037)
Other income	539,148,230	72,027,945
Expenses		
Cost of sales	-	(252,743,876)
Cost of services	-	(1,215,832,602)
Cost of sales and services	(1,468,576,478)	1,468,576,478
Selling expenses	(70,550,083)	(70,415,357)
Administrative expenses	(549,996,616)	70,415,357

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	10,952,337	6,804,963	7,869,942	4,056,559
Cash at banks				
- savings accounts	87,138,053	677,505,069	15,066,493	441,841,839
- current accounts	5,658,917	72,800,736	803,356	72,711,710
- 3-month fixed deposits accounts	12,651	1,019	-	1,019
	<u>103,761,958</u>	<u>757,111,787</u>	<u>23,739,791</u>	<u>518,611,127</u>

As at 31 December 2016, savings accounts carry interest at the rates of 0.10% - 0.62% per annum (2015 : 0.30% - 1.70% per annum)

As at 31 December 2016, fixed deposits accounts (3-month) carry interest at the rates of 1.37% per annum (2015 : 0.90% - 1.00% per annum).

8 Short-term investments

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash at bank fixed deposits accounts (12-month)	-	4,522,302	-	-

As at 31 December 2015, fixed deposits accounts (12-month) carry interest at the rates of 1.00% per annum.

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9 Trade and other accounts receivable (net)

	Note	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivable					
- others		559,605,691	730,219,610	108,681,736	258,584,219
- related companies	35 b)	-	-	710,225,807	529,447,172
<u>Less</u> Trade accounts receivable					
- related company		-	-	(291,364,640)	-
- non current		-	-	-	-
		559,605,691	730,219,610	527,542,903	788,031,391
Other accounts receivable					
- others		53,290,331	53,685,998	45,613,153	46,037,055
- related companies		-	-	-	-
Accrued income					
- others		74,824,468	123,040,971	42,757,136	92,074,160
Accrued dividend income		-	-	-	126,995,830
Advance payments					
- employees		8,440,880	11,241,829	820,933	2,392,480
- related companies	35 b)	-	-	180,713	142,797
Accrued interest income					
- others		7,011	-	3,400	-
- related companies	35 b)	2,489,884	-	10,316,955	9,339,040
Prepaid expenses - others		71,843,224	73,035,970	30,425,476	44,880,078
		770,501,489	991,224,378	657,660,669	975,123,391
<u>Less</u> Allowance for doubtful accounts					
- Trade accounts receivable					
- others		(63,415,499)	(60,499,530)	(36,688,994)	(36,194,460)
- Other accounts receivables					
- others		(53,100,066)	(53,253,082)	(45,578,383)	(45,731,399)
- Accrued income - others		(3,928,842)	(1,760,103)	(3,928,842)	(1,760,103)
- Accrued interest income					
- related companies	35 b)	(2,489,884)	-	(3,292,464)	(2,787,070)
		(122,934,291)	(115,512,715)	(89,488,683)	(86,473,032)
		647,567,198	875,711,663	568,171,986	1,023,419,799

Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Others				
Current	265,999,298	364,700,544	37,350,759	116,215,330
Overdue				
Less than 3 months	205,946,763	270,706,750	23,884,375	98,025,610
3 - 6 months	13,466,298	21,168,060	2,585,351	1,849,897
6 - 12 months	3,485,347	24,990,970	458,199	5,327,366
Over 12 months	70,707,985	48,653,286	44,403,052	37,166,016
	559,605,691	730,219,610	108,681,736	258,584,219

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9 Trade and other accounts receivable (net) (Cont'd)

Trade accounts receivable classified by aging are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Related companies				
Current	-	-	100,800,170	123,574,107
Overdue				
Less than 3 months	-	-	96,764,008	71,952,455
3 - 6 months	-	-	94,215,062	79,418,617
6 - 12 months	-	-	127,081,927	119,732,553
Over 12 months	-	-	291,364,640	134,769,440
	-	-	710,225,807	529,447,172

As at 31 December 2016, in the separate financial statements, there is a long outstanding balance of accounts receivable of Baht 291,364,640 due from R.S. Television Co., Ltd., a subsidiary. The management considered that the subsidiary is in core business which is able to generate cash flow to the Group. The subsidiary need a large amount of working capital in the initial stage. The management assessed the collectability of this debt and review the repayment plan obtained from the subsidiary. The management is confident that the subsidiary has ability to settle the debt eventually. However, the management considers to classify the balance as non-current assets and also view that the allowance for doubtful debt is not necessary unless the subsidiary cannot repay as planned.

10 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Finished goods: Films and Music ,Tapes, CDs, VCDs, DVDs, movie and others	622,273	5,367,046	622,273	5,366,428
Beauty products	108,872,773	52,920,879	-	-
Souvenirs	1,288,288	17,020,844	1,288,288	17,020,844
Total finished goods	110,783,334	75,308,769	1,910,561	22,387,272
Work in process: movie and others				
Music	1,516,529	-	1,516,529	-
TV Program	6,352,480	1,325,560	-	30,000
Concert and production house	1,004,404	3,527,445	-	-
Events	-	1,201,787	869,418	1,015,065
Total work in process	8,873,413	6,054,792	2,385,947	1,045,065
Raw material	-	2,463,875	-	2,463,876
Satellite television receivers	64,614,658	79,498,003	-	-
Advance payment for inventories	1,829,625	2,591,000	-	-
Others	1,622,942	37,667,926	-	33,108,161
Total	187,723,972	203,584,365	4,296,508	59,004,374
<u>Less</u> Allowance for obsolete inventories	(58,044,207)	(40,488,928)	(770,690)	(4,336,439)
Inventories (net)	129,679,765	163,095,437	3,525,818	54,667,935

The cost of inventories recognised as expense and included in cost of sales in the consolidated and company financial statements amounted to Baht 67,051,602 and Baht 814,002 (2015 : Baht 333,812,861 and Baht 241,197,573) respectively.

The Group recorded allowance for obsolete inventory which was recognised in the consolidated financial statements of Baht 17,555,279 and reversed allowance for obsolete inventory which was recognised in the company financial statements of Baht 3,565,749 (2015 : recorded Baht 29,915,367 and reversed Baht 3,630,215) respectively. The amount reversed has been included in cost of sales in the statement of comprehensive income.

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11 Other current assets (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Refundable deposits	600,000	94,431,832	-	94,431,832
Guarantees	260,698	2,595,375	-	1,721,219
Others	657,256	1,438,282	361,392	1,056,592
	1,517,954	98,465,489	361,392	97,209,643
Less Allowance for impairment	(34,488)	(480,802)	(34,488)	(480,802)
Other current assets (net)	1,483,466	97,984,687	326,904	96,782,841

12 Investments in subsidiaries (net)

Investments in subsidiaries which recorded by the cost method as at 31 December 2016 and 2015, consisted of:

			Percentage of shareholding	
Company name	Nature of business	Registered in	2016 %	2015 %
Operating subsidiaries				
R.S. Television Co., Ltd. Life Star Co., Ltd. (Formerly: Starz (Thailand) Co., Ltd.)	Digital TV business	Thailand	100%	100%
Coolism Co., Ltd.	Beauty products	Thailand	100%	100%
Thai Copyright Collection Co., Ltd.	Radio business	Thailand	100%	100%
R Alliance Co., Ltd (Formerly: Poema Co., Ltd.)	Copyrights collection	Thailand	100%	100%
Yaak Co., Ltd.	Event organizer	Thailand	100%	100%
RS International Broadcasting and Sport Management Co., Ltd.	TV program	Thailand	100%	100%
Blu Fairy Co., Ltd.	Event and sport activity organizer	Thailand	83%	83%
Very Well Co., Ltd.	Event organizer	Thailand	100%	100%
D-Media and Production Co., Ltd.	Event organizer	Thailand	100%	100%
Bantueng Varity Co., Ltd.	TV program	Thailand	100%	-
Non-operating subsidiaries				
Aladdin House Co., Ltd.	Event organizer	Thailand	100%	100%
RS In-Store Media Co., Ltd.	Event organizer	Thailand	65%	65%
R.S. Sportmaster Co., Ltd.	TV Program and event organizer	Thailand	76%	76%
Avant Co., Ltd.	Event organizer	Thailand	100%	100%
R Siam Co., Ltd.	Music production	Thailand	100%	100%
RS Film and Distribution Co., Ltd.	Distribution Movie and production	Thailand	100%	100%
Bangkok Organizer Co., Ltd.	Concert and event organizer	Thailand	100%	100%
S-One Sport Co., Ltd.	Rental football stadium	Thailand	100%	100%

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12 Investments in subsidiaries (net) (Cont'd)

Investments in subsidiaries which recorded by the cost method as at 31 December 2016 and 2015, consisted of: (Cont'd)

	Separate financial statements									
	Paid up capital		Cost Method		Allowance for impairment		Carrying value		Dividend income (Note 29)	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Operating subsidiaries										
R.S. Television Co., Ltd.	300,000,000	200,000,000	300,209,300	200,209,300	-	-	300,209,300	200,209,300	-	-
Life Star Co., Ltd. (Formerly: Starz (Thailand) Co., Ltd.) RS International Broadcasting and Sport Management Co., Ltd.	200,000,000	200,000,000	199,999,300	199,999,300	-	-	199,999,300	199,999,300	36,999,870	114,099,601
D-Media and Production Co., Ltd.	37,500,000	37,500,000	191,250,000	191,250,000	(154,567,097)	(154,938,192)	36,682,903	36,311,808	-	57,374,954
Coolism Co., Ltd.	37,000,000	37,000,000	32,775,000	32,775,000	(26,289,091)	(26,821,103)	6,485,909	5,953,897	-	-
Thai Copyright Collection Co., Ltd.	25,000,000	25,000,000	5,199,993	5,199,993	-	-	5,199,993	5,199,993	69,198,062	183,064,874
Blu Fairy Co., Ltd.	5,000,000	5,000,000	4,999,400	4,999,400	-	-	4,999,400	4,999,400	8,294,005	12,635,984
Very Well Co., Ltd.	5,000,000	5,000,000	4,009,993	4,009,993	-	-	4,009,993	4,009,993	193,973	498,930
R Alliance Co., Ltd. (Formerly: Poema Co., Ltd.)	4,000,000	4,000,000	3,999,300	3,999,300	-	-	3,999,300	3,999,300	631,889	608,693
Yaak Co., Ltd.	80,000,000	80,000,000	2,499,300	80,000,000	(76,069,917)	(75,877,273)	3,930,083	4,122,727	-	-
Bantueung Varsity Co., Ltd.	2,500,000	2,500,000	852,193	2,499,300	-	(2,499,300)	2,499,300	-	7,495,401	-
Total	1,000,000	-	852,193	-	-	-	852,193	-	-	-
	697,000,000	596,000,000	825,793,779	724,941,586	(256,926,105)	(260,135,868)	568,867,674	464,805,718	122,813,200	368,283,036
Non-operating subsidiaries										
Aladdin House Co., Ltd.	5,000,000	5,000,000	4,999,300	4,999,300	-	-	4,999,300	4,999,300	-	1,295,819
R.S. In-Store Media Co., Ltd.**	30,000,000	30,000,000	19,499,300	19,499,300	(12,004,681)	(11,743,799)	7,494,619	7,755,501	-	-
Bangkok Organizer Co., Ltd.*	3,000,000	3,000,000	-	2,999,300	-	(221,974)	-	2,777,326	-	-
Avant Co., Ltd.*	4,000,000	4,000,000	-	3,999,300	-	(3,603,596)	-	395,704	-	-
R Siam Co., Ltd.*	1,000,000	1,000,000	-	999,300	-	-	-	999,300	-	-
R.S. Sportmaster Co., Ltd.	4,500,000	4,500,000	2,667,595	2,667,595	(2,667,595)	(2,667,595)	-	-	-	-
RS Film and Distribution Co., Ltd.*	5,000,000	5,000,000	-	4,999,300	-	(4,999,300)	-	-	-	-
S-One Sport Co., Ltd.	-	15,000,000	-	33,800,530	-	(33,800,530)	-	-	-	-
Total	52,500,000	67,500,000	27,166,195	73,963,925	(14,672,276)	(57,036,794)	12,493,919	16,927,131	-	1,295,819
Grand Total	749,500,000	663,500,000	852,959,974	798,905,511	(271,598,381)	(317,172,662)	581,361,593	481,732,849	122,813,200	369,578,855

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12 Investments in subsidiaries (net) (Cont'd)

Investments in subsidiaries which recorded by the cost method as at 31 December 2016 and 2015, consisted of:
 (Cont'd)

- * The liquidation process is complete
- ** Dissolute and in the process of liquidation

The aforementioned subsidiaries have been reported as part of the group's consolidated financial statements. The voting right of the parent company in the subsidiaries does not differ from its shareholding and parent company does not own any preferred shares of the aforementioned subsidiaries.

- The non-controlling interest of the RS International Broadcasting and Sport Management Co., Ltd., RS In-Store Media Co., Ltd. and R.S. Sportmaster Co., Ltd. are subsidiaries company and not material, so the Company therefore did not disclose the financial information of these subsidiaries.

Movement of investment in subsidiaries for the year ended 31 December 2016 and 2015 are as follows:

- On 25 March 2016, the Company has entered a share purchase agreement with Nano Life Co., Ltd. to acquire all of its 100,000 ordinary share for the amount of Baht 107,208. The Company received shares and registered in the list of shareholders of Nano Life Co., Ltd. on 11 April 2016. Than Nano Life Co., Ltd. changed its name to Bantueng Varsity Co., Ltd. on 4 May 2016.
- On 28 April 2016, Bantueng Varsity Co., Ltd. called for addition paid-up 7.45 Baht per shares amounting to Baht 745,000 for 100,000 ordinary shares with a par value of Baht 10 per share.
- During the year, there are subsidiaries which have already ceased their operations and were liquidated. The companies registered for the dissolution with the Ministry of Commerce. Avant Co., Ltd. registered for the dissolution on 25 November 2016. Bangkok Organizer Co., Ltd., R Siam Co., Ltd., and RS Film and Distribution Co., Ltd. registered for the dissolution on 28 November 2016. Commencing the date of registration for dissolution, the financial information of these four subsidiaries were excluded from the consolidated financial information.
- S-One Sport Co., Ltd. is subsidiary which was under the bankruptcy process and the absolute receivership. Therefore, the financial information of it was excluded from the consolidated financial information.

13 Investment in an associated company (net)

		Consolidated financial statements			
		Baht		Percentage	
Name	Nature of business	Issued and paid-up share capital		Percentage of shareholding	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Idea Power Co., Ltd.	Organizer	20,000,000	20,000,000	25.00	25.00

		Consolidated financial statements			
		Investments at equity method		Investments at cost method	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Investment in Idea Power Co., Ltd.		4,103,678	5,102,753	6,303,621	6,303,621
<u>Less</u> Allowance for impairment		-	-	(2,199,943)	(1,200,868)
Total investment in an associated company (net)		4,103,678	5,102,753	4,103,678	5,102,753

The net movement of investment in associated company for the years ended 31 December 2016 and 2015 comprise:

		Consolidated financial statements	
		2016 Baht	2015 Baht
Opening net book amount		5,102,753	5,406,090
Share of loss for the year		(999,075)	(303,337)
Closing net book amount		4,103,678	5,102,753

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13 Investment in an associated company (net) (Cont'd)

Summary of financial information of associated company

Financial information of Idea Power Co., Ltd. which are accounted for using the equity method.

Summary statement of financial position

	Idea Power Co., Ltd.	
	As at 31 December	
	2016 Baht	2015 Baht
Current assets	15,777,710	16,056,439
Non-current assets	711,596	150,000
	16,489,306	16,206,439
Current liabilities	74,598	73,370
Non-current liabilities	-	-
	74,598	73,370
Net assets	16,414,708	16,133,069

Summary statement of comprehensive income

	Idea Power Co., Ltd.	
	For the year ended 31 December	
	2016 Baht	2015 Baht
Revenue	690,512	20,257,504
Profit before income tax	371,505	336,408
Income tax	(74,598)	(70,612)
Net profit	296,907	265,796
Equity method base on percentage of shareholding	74,227	66,449

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14 Buildings and equipment (net)

Consolidated financial statements (Baht)						
	Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
As at 1 January 2015						
Cost	33,740,121	214,240,652	415,289,846	40,470,555	81,053,828	784,795,002
<u>Less</u> Accumulated depreciation	(30,228,741)	(129,331,116)	(218,954,995)	(18,049,593)	-	(396,564,445)
Net book amount	3,511,380	84,909,536	196,334,851	22,420,962	81,053,828	388,230,557
For the year ended 31 December 2015						
Opening net book amount	3,511,380	84,909,536	196,334,851	22,420,962	81,053,828	388,230,557
Additions	626,301	12,299,896	48,639,920	12,517,009	14,294,350	88,377,476
Transfer from construction in progress	660,000	840,000	6,806,439	-	(8,306,439)	-
Write-off - cost	(1,773,491)	(23,216,678)	(18,561,323)	(392,523)	-	(43,944,015)
- accumulated depreciation	1,601,079	16,092,820	17,100,504	392,522	-	35,186,925
Depreciation charge (Note 31)	(2,404,245)	(26,326,793)	(49,731,234)	(5,372,404)	-	(83,834,676)
Closing net book amount	2,221,024	64,598,781	200,589,157	29,565,566	87,041,739	384,016,267
As at 31 December 2015						
Cost	33,252,931	204,163,870	452,174,882	52,595,041	87,041,739	829,228,463
<u>Less</u> Accumulated depreciation	(31,031,907)	(139,565,089)	(251,585,725)	(23,029,475)	-	(445,212,196)
Net book amount	2,221,024	64,598,781	200,589,157	29,565,566	87,041,739	384,016,267

RS Public Company Limited
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14 Buildings and equipment (net) (Cont'd)

Consolidated financial statements (Baht)

	Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
As at 1 January 2016						
Cost	33,252,931	204,163,870	452,174,882	52,595,041	87,041,739	829,228,463
Less Accumulated depreciation	(31,031,907)	(139,565,089)	(251,585,725)	(23,029,475)	-	(445,212,196)
Net book amount	2,221,024	64,598,781	200,589,157	29,565,566	87,041,739	384,016,267
For the year ended 31 December 2016						
Opening net book amount	2,221,024	64,598,781	200,589,157	29,565,566	87,041,739	384,016,267
Additions	936,134	30,435,461	33,075,750	31,670,517	104,308,620	200,426,482
Transfer from construction in progress	-	181,301,135	9,888,830	-	(191,189,965)	-
Disposals - cost	-	(896,675)	(8,852,394)	(15,669,500)	-	(25,418,569)
- accumulated depreciation	-	886,200	8,543,680	9,458,640	-	18,888,520
Write-off - cost	-	(1,945,030)	(2,707,234)	(1,414,659)	-	(6,066,923)
- accumulated depreciation	-	1,944,961	2,677,146	990,261	-	5,612,368
Depreciation charge (Note 31)	(2,219,770)	(27,130,588)	(63,949,585)	(11,111,853)	-	(104,411,796)
Closing net book amount	937,388	249,194,245	179,265,350	43,488,972	160,394	473,046,349
As at 31 December 2016						
Cost	34,189,065	413,058,761	483,579,834	67,181,399	160,394	998,169,453
Less Accumulated depreciation	(33,251,677)	(163,864,516)	(304,314,484)	(23,692,427)	-	(525,123,104)
Net book amount	937,388	249,194,245	179,265,350	43,488,972	160,394	473,046,349

For the year ended 31 December 2016

Opening net book amount
Additions
Transfer from construction in progress
Disposals - cost
- accumulated depreciation
Write-off - cost
- accumulated depreciation
Depreciation charge (Note 31)

Closing net book amount

As at 31 December 2016

Cost
Less Accumulated depreciation
Net book amount

14 Buildings and equipment (net) (Cont'd)

Separate financial statements (Baht)						
	Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
As at 1 January 2015						
Cost	24,292,689	139,738,183	390,036,926	35,433,285	81,053,828	670,554,911
Less Accumulated depreciation	(21,295,185)	(62,598,272)	(198,745,126)	(17,743,678)	-	(300,382,261)
Net book amount	2,997,504	77,139,911	191,291,800	17,689,607	81,053,828	370,172,650
For the year ended 31 December 2015						
Opening net book amount	2,997,504	77,139,911	191,291,800	17,689,607	81,053,828	370,172,650
Additions	772,401	6,178,500	37,951,774	12,517,009	13,855,469	71,275,153
Transfer from construction in progress	660,000	840,000	6,806,439	-	(8,306,439)	-
Disposals - cost	-	(16,713,419)	(11,267,070)	(392,523)	-	(28,373,012)
- accumulated depreciation	-	10,791,395	11,022,922	392,522	-	22,206,839
Write-off - cost	(221,747)	(234,500)	(500,100)	-	-	(956,347)
- accumulated depreciation	112,718	142,714	191,851	-	-	447,283
Depreciation charge (Note 31)	(2,449,042)	(23,298,178)	(45,923,454)	(4,364,951)	-	(76,035,625)
Closing net book amount	1,871,834	54,846,423	189,574,162	25,841,664	86,602,858	358,736,941
As at 31 December 2015						
Cost	25,503,343	129,808,764	423,027,969	47,557,771	86,602,858	712,500,705
Less Accumulated depreciation	(23,631,509)	(74,962,341)	(233,453,807)	(21,716,107)	-	(353,763,764)
Net book amount	1,871,834	54,846,423	189,574,162	25,841,664	86,602,858	358,736,941

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14 Buildings and equipment (net) (Cont'd)

Separate financial statements (Baht)

	Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
As at 1 January 2016						
Cost	25,503,343	129,808,764	423,027,969	47,557,771	86,602,858	712,500,705
<u>Less</u> Accumulated depreciation	(23,631,509)	(74,962,341)	(233,453,807)	(21,716,107)	-	(353,763,764)
Net book amount	1,871,834	54,846,423	189,574,162	25,841,664	86,602,858	358,736,941
For the year ended 31 December 2016						
Opening net book amount	1,871,834	54,846,423	189,574,162	25,841,664	86,602,858	358,736,941
Additions	936,134	35,729,931	31,400,050	31,670,239	103,395,821	203,132,175
Transfer from construction in progress	-	181,301,135	8,537,150	-	(189,838,285)	-
Disposals - cost	-	(337,301)	(21,151,281)	(15,672,294)	-	(37,160,876)
- accumulated depreciation	-	333,747	14,568,736	9,460,727	-	24,363,210
Write-off - cost	-	(43,000)	(1,227,272)	(1,414,659)	-	(2,684,931)
- accumulated depreciation	-	43,000	1,214,344	990,261	-	2,247,605
Depreciation charge (Note 31)	(2,112,343)	(25,603,731)	(60,114,227)	(10,104,318)	-	(97,934,619)
Closing net book amount	695,625	246,270,204	162,801,662	40,771,620	160,394	450,699,505
As at 31 December 2016						
Cost	26,439,477	346,459,529	440,586,617	62,141,057	160,394	875,787,074
<u>Less</u> Accumulated depreciation	(25,743,852)	(100,189,325)	(277,784,955)	(21,369,437)	-	(425,087,569)
Net book amount	695,625	246,270,204	162,801,662	40,771,620	160,394	450,699,505

As at 31 December 2016, the gross carrying amount of fully depreciated buildings and equipment that are still in used as included in the consolidated and company financial statements were Baht 209,801,826 and Baht 177,518,206 (2015 : Baht 197,007,572 and Baht 164,116,445), respectively.

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14 Buildings and equipment (net) (Cont'd)

Leased assets included above, where the Company and the subsidiaries are the lessee under the financial lease agreement comprise vehicles as follows :

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost of the assets under the financial lease agreements	60,153,041	27,439,701	60,153,041	27,439,701
<u>Less</u> Accumulated depreciation	(12,877,093)	(12,303,902)	(12,877,093)	(12,303,902)
Net book amount	<u>47,275,948</u>	<u>15,135,799</u>	<u>47,275,948</u>	<u>15,135,799</u>

15 License for operation right in spectrum of digital television (net)

Movement of license for operation right in spectrum of digital television during the years ended 31 December 2016 and 2015 are summarised below.

	Consolidated financial statements	
	2016 Baht	2015 Baht
Cash equivalent value (present value)	2,030,326,376	2,030,326,376
<u>Less</u> Accumulated amortisation	(363,894,963)	(228,268,123)
	<u>1,666,431,413</u>	<u>1,802,058,253</u>

On 25 April 2014, the subsidiary ("RS Television Co., Ltd.") were granted license for operation right in spectrum of digital television for commercial digital terrestrial television licence at national level for a news channel category of total bid amount of Baht 2,265 million (exclusive of VAT) for a period of 15 years (commencing 25 April 2014 to 24 April 2029).

The subsidiary was required to make payment under the following payment conditions:

- 1) For the minimum bid price amounting to Baht 380 million, the amount is divided into 4 instalments and has to be paid within 3 years (23 May 2017) from the date of acquiring the license.
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,885 million, the amount is divided into 6 instalments and has to be paid within 5 years (23 May 2019) from the date of acquiring the license as specified by National Broadcasting and Telecommunications Commission ("NBTC").
- 3) The subsidiary placed the letter of guarantee issued by a financial institution for the remaining license fee with NBTC. As at 31 December 2016, the outstanding balance of letter of guarantee was Baht 1,251 million (2015: Baht 1,695 million).
- 4) Obligation to pay for license are as follows:

For the minimum bidding price		For the exceeding amount of the minimum bidding price	Total	Due for payment
No. installments	Million Baht	Million Baht	Million Baht	
1	190.0	188.5	378.5	11 February 2014
2	114.0	188.5	302.5	23 May 2015
3	38.0	377.0	415.0	23 May 2016
4	38.0	377.0	415.0	23 May 2017
5	-	377.0	377.0	23 May 2018
6	-	377.0	377.0	23 May 2019
Total	380.0	1,885.0	2,265.0	

The subsidiary recognised license at the date of license granted at the cash equivalent value (present value).

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15 License for operation right in spectrum of digital television (net) (Cont'd)

Movement of obligation for the license for operation right in spectrum of digital television as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Opening net book amount	1,584,000,000	1,886,500,000
Repayments	(415,000,000)	(302,500,000)
Closing net book amount	<u>1,169,000,000</u>	<u>1,584,000,000</u>

As at 31 December 2016 and 2015, the subsidiary has obligation to pay the license for operation right in spectrum of digital television as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
License of operation right in spectrum of digital television	1,169,000,000	1,584,000,000
<u>Less</u> future finance charges	(63,081,162)	(116,406,400)
	1,105,918,838	1,467,593,600
<u>Less</u> current portion	(378,075,913)	(361,674,762)
	<u>727,842,925</u>	<u>1,105,918,838</u>

As at 31 December 2016 and 2015, the payments to be made in subsequent years are as follows:

	Consolidated financial statements	
<u>Due within</u>	2016 Baht	2015 Baht
1 year	415,000,000	415,000,000
2 - 5 years	754,000,000	1,169,000,000
	<u>1,169,000,000</u>	<u>1,584,000,000</u>

On 20 December 2016, National Council for Peace and Order (NCPO) issued an order under Section 44 to promote the business of radio broadcasting, television broadcasting and telecommunications for public interest. The order allows the licence holders, who were unable to comply with the initial terms and conditions of licence fee payment from the fourth instalment onwards, to extend the payment term by providing a written notification to NBTC in advance. In case NBTC deems the requests appropriate, those licence holders are able to pay the rest of licence fees in accordance with the terms and conditions within this order, which are extended. On 31 December 2016, the Group is in a process of consideration.

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16 Intangible assets (net)

As at 1 January 2015

Cost
Less Accumulated amortisation
Allowance for impairment

Net book amount

For the year ended 31 December 2015

Opening net book amount
Additions
Transferred in (out)
Write-off- cost
- accumulated amortisation
Amortisation charge (Note 31)
Impairment

Closing net book amount

As at 31 December 2015

Cost
Less Accumulated amortisation
Allowance for impairment

Net book amount

	Consolidated financial statements (Baht)					Separate Financial Statements (Baht)				
	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Total	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Total
As at 1 January 2015										
Cost	289,874,488	749,570,916	812,789,106	70,897,141	1,923,131,651	289,874,528	624,028,723	86,612,538	2,094,546	1,002,610,335
Less Accumulated amortisation	(82,403,675)	(522,508,076)	(612,516,402)	-	(1,217,428,153)	(82,403,675)	(446,493,756)	(42,441,304)	-	(571,338,735)
Allowance for impairment	(136,990,545)	(174,242,368)	(19,246,792)	(2,590,918)	(333,070,623)	(136,990,545)	(166,242,356)	-	-	(303,232,901)
Net book amount	70,480,268	52,820,472	181,025,912	68,306,223	372,632,875	70,480,308	11,292,611	44,171,234	2,094,546	128,038,699
For the year ended 31 December 2015										
Opening net book amount	70,480,268	52,820,472	181,025,912	68,306,223	372,632,875	70,480,308	11,292,611	44,171,234	2,094,546	128,038,699
Additions	-	-	9,658,574	255,162,813	264,821,387	-	-	6,871,539	4,012,716	10,884,255
Transferred in (out)	5,947,262	301,285,508	-	(307,232,770)	-	5,947,262	-	-	(5,947,262)	-
Write-off- cost	-	(4,999,972)	(720,258,500)	-	(725,258,472)	-	-	(725,000)	-	(725,000)
- accumulated amortisation	-	4,999,988	719,727,589	-	724,727,577	-	-	224,321	-	224,321
Amortisation charge (Note 31)	(299,999)	(155,007,407)	(162,534,931)	-	(317,842,337)	(299,999)	(4,581,198)	(8,071,887)	-	(12,953,084)
Impairment	(15,802,735)	-	17,701,984	2,590,918	4,490,167	(15,802,735)	-	-	-	(15,802,735)
Closing net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456
As at 31 December 2015										
Cost	295,821,750	1,045,856,452	102,189,180	18,827,184	1,462,694,566	295,821,790	624,028,723	92,759,077	160,000	1,012,769,590
Less Accumulated amortisation	(82,703,674)	(672,515,495)	(55,323,744)	-	(810,542,913)	(82,703,674)	(451,074,954)	(50,288,870)	-	(584,067,498)
Allowance for impairment	(152,793,280)	(174,242,368)	(1,544,808)	-	(328,580,456)	(152,793,280)	(166,242,356)	-	-	(319,035,636)
Net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456

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16 Intangible assets (net) (Cont'd)

	Consolidated financial statements (Baht)				Separate Financial Statements (Baht)					
	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Total	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Total
As at 1 January 2016										
Cost	295,821,750	1,045,856,452	102,189,180	18,827,184	1,462,694,566	295,821,790	624,028,723	92,759,077	160,000	1,012,769,590
<u>Less</u> Accumulated amortisation	(82,703,674)	(672,515,495)	(55,323,744)	-	(810,542,913)	(82,703,674)	(451,074,954)	(50,288,870)	-	(584,067,498)
Allowance for impairment	(152,793,280)	(174,242,368)	(1,544,808)	-	(328,580,456)	(152,793,280)	(166,242,356)	-	-	(319,035,636)
Net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456
For the year ended 31 December 2016										
Opening net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456
Addition	4,501,408	-	40,917,373	426,234,425	471,653,206	4,501,408	-	39,198,503	17,192,000	60,891,911
Transferred in (out)	-	317,690,622	-	(317,690,622)	-	-	160,000	-	(160,000)	-
Disposal- cost	-	-	-	-	-	-	(160,000)	(117,040)	-	(277,040)
- accumulated amortisation	-	-	-	-	-	-	-	14,744	-	14,744
Write-off- cost	-	-	(635,721)	-	(635,721)	-	-	(12,221)	-	(12,221)
- accumulated amortisation	-	-	634,278	-	634,278	-	-	10,793	-	10,793
Amortisation charge (Note 31)	(60,000)	(218,370,927)	(10,029,056)	-	(228,459,983)	(60,000)	(3,132,579)	(9,470,705)	-	(12,663,284)
Impairment	(15,460,045)	307,244	-	-	(15,152,801)	(15,460,069)	-	-	-	(15,460,069)
Closing net book amount	49,306,159	298,725,528	76,207,502	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290
As at 31 December 2016										
Cost	300,323,158	1,363,547,074	142,470,832	127,370,987	1,933,712,051	300,323,198	624,028,723	131,828,319	17,192,000	1,073,372,240
<u>Less</u> Accumulated amortisation	(82,763,674)	(890,886,422)	(64,718,522)	-	(1,038,368,618)	(82,763,674)	(454,207,533)	(59,734,038)	-	(596,705,245)
Allowance for impairment	(168,253,325)	(173,935,124)	(1,544,808)	-	(343,733,257)	(168,253,349)	(166,242,356)	-	-	(334,495,705)
Net book amount	49,306,159	298,725,528	76,207,502	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290

As at 31 December 2016, the gross carrying amount of fully amortised intangible assets that are still in used as included in the consolidated and company financial statements were Baht 79,360,064 and Baht 78,956,164 (2015 : Baht 59,252,293 and Baht 56,842,014), respectively.

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17 Withholding tax (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Withholding tax	131,947,576	139,765,951	55,838,141	69,548,760
<u>Less</u> Allowance for doubtful in recoverable of withholding tax	(7,867,463)	(9,228,415)	-	-
	<u>124,080,113</u>	<u>130,537,536</u>	<u>55,838,141</u>	<u>69,548,760</u>

During the year, the group received withholding tax in the consolidated and company financial statements amounted to Baht 61,886,965 and Baht 37,010,317 (2015 : Baht 12,297,788 and Baht 12,297,788) respectively.

18 Deferred tax (net)

The analysis of deferred tax assets and liabilities (net) as at 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	98,614,369	111,228,506	15,091,755	38,945,349
Deferred tax assets to be recovered after more than 12 months	206,682,177	117,413,048	81,162,071	70,448,204
	<u>305,296,546</u>	<u>228,641,554</u>	<u>96,253,826</u>	<u>109,393,553</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	898,031	(77,800)	898,031	(77,800)
Deferred tax liabilities to be settled after more than 12 months	(2,576,919)	(543,375)	(2,576,919)	(543,375)
	<u>(1,678,888)</u>	<u>(621,175)</u>	<u>(1,678,888)</u>	<u>(621,175)</u>
Deferred tax assets (net)	<u>303,617,658</u>	<u>228,020,379</u>	<u>94,574,938</u>	<u>108,772,378</u>

The movement of deferred taxes for the years ended 31 December 2016 and 2015 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance for the year	228,020,379	117,360,680	108,772,378	88,366,146
Increase to the statement of comprehensive income	75,597,279	110,659,699	(14,197,440)	20,406,232
Closing balance for the year	<u>303,617,658</u>	<u>228,020,379</u>	<u>94,574,938</u>	<u>108,772,378</u>

Deferred tax assets and deferred tax liabilities presented by considering net position of each taxable unit as at 31 December 2016 and 2015 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets (net)	303,617,658	228,020,379	94,574,938	108,772,378
Deferred tax liabilities (net)	-	-	-	-
	<u>303,617,658</u>	<u>228,020,379</u>	<u>94,574,938</u>	<u>108,772,378</u>

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18 Deferred tax (net) (Cont'd)

Deferred tax assets and deferred tax liabilities presented by net tax taxable entities for the year ended 31 December 2016 and 2015 comprises the following:

	Consolidated financial statements			Separate Financial Statements		
	1 January 2016 Baht	Increase (decrease) to the statement of income Baht	31 December 2016 Baht	1 January 2016 Baht	Increase (decrease) to the statement of income Baht	31 December 2016 Baht
Deferred tax assets:						
Allowance for doubtful accounts	13,282,224	5,819,641	19,101,865	8,396,278	5,748,855	14,145,133
Intangible assets	39,592,323	(63,408)	39,528,915	13,079,936	(7,812,479)	5,267,457
Provision for goods returned	2,873,175	(2,494,789)	378,386	2,873,175	(2,873,175)	-
Allowance for slow moving	9,069,298	3,511,055	12,580,353	867,288	(713,150)	154,138
Liabilities under finance lease agreement	2,336,066	115,958	2,452,024	2,336,066	115,958	2,452,024
License for operation right in spectrum of digital television	18,470,404	7,590,414	26,060,818	-	-	-
Employee benefit obligations	17,109,150	2,482,709	19,591,859	14,962,658	1,855,798	16,818,456
Tax loss carry forward	83,513,917	59,530,803	143,044,720	24,483,155	(9,624,143)	14,859,012
Allowance for impairment of investments	42,394,997	(1,787,016)	40,607,981	42,394,997	(1,787,016)	40,607,981
Depreciation expense from building and equipment	-	1,949,625	1,949,625	-	1,949,625	1,949,625
Total deferred tax assets	228,641,554	76,654,992	305,295,546	109,393,553	(13,139,727)	96,253,826
Deferred tax liabilities:						
Assets under finance lease agreement	(621,175)	(1,057,713)	(1,678,888)	(621,175)	(1,057,713)	(1,678,888)
Total deferred tax liabilities	(621,175)	(1,057,713)	(1,678,888)	(621,175)	(1,057,713)	(1,678,888)
Deferred tax assets (net)	228,020,379	75,597,279	303,617,658	108,772,378	(14,197,440)	94,574,938

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18 Deferred tax (net) (Cont'd)

Deferred tax assets and deferred tax liabilities presented by net tax taxable entities for the year ended 31 December 2016 and 2015 comprises the following: (Cont'd)

	Consolidated financial statements		Separate Financial Statements			
	1 January 2015 Baht	Increase (decrease) to the statement of income Baht	31 December 2015 Baht	1 January 2015 Baht	Increase (decrease) to the statement of income Baht	31 December 2015 Baht
Deferred tax assets:						
Allowance for doubtful accounts	7,960,676	5,321,548	13,282,224	7,737,854	658,424	8,396,278
Intangible assets	34,584,086	5,008,237	39,592,323	25,831,526	(12,751,590)	13,079,936
Provision for goods returned	7,346,987	(4,473,812)	2,873,175	7,346,987	(4,473,812)	2,873,175
Allowance for slow moving	2,463,340	6,605,958	9,069,298	1,379,939	(512,651)	867,288
Liabilities under finance lease agreement	-	2,336,066	2,336,066	-	2,336,066	2,336,066
License for operation right in spectrum of digital television	8,188,927	10,281,477	18,470,404	-	-	-
Employee benefit obligations	13,070,296	4,038,854	17,109,150	11,341,447	3,621,211	14,962,658
Tax loss carry forward	49,420,394	34,093,523	83,513,917	34,728,393	(10,245,238)	24,483,155
Allowance for impairment of investments	-	42,394,997	42,394,997	-	42,394,997	42,394,997
Total deferred tax assets	123,034,706	105,606,848	228,641,554	88,366,146	21,027,407	109,393,553
Deferred tax liabilities:						
Intangible assets	(5,674,026)	5,674,026	-	-	-	-
Assets under finance lease agreement	-	(621,175)	(621,175)	-	(621,175)	(621,175)
Total deferred tax liabilities	(5,674,026)	5,052,851	(621,175)	-	(621,175)	(621,175)
Deferred tax assets (net)	117,360,680	110,659,699	228,020,379	88,366,146	20,406,232	108,772,378

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19 Other non-current assets (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Refundable deposits	557,673	557,673	557,673	557,673
Guarantees	39,788,130	40,757,901	31,242,131	31,108,243
	40,345,803	41,315,574	31,799,804	31,665,916
<u>Less</u> Allowance for impairment of guarantees	(9,485,877)	(10,049,685)	(4,085,877)	(3,546,027)
Other non-current asset (net)	30,859,926	31,265,889	27,713,927	28,119,889

20 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts payable					
- other companies		130,421,797	168,813,426	40,453,007	67,251,140
- related companies	35 c)	-	-	25,247,406	113,953,850
Other accounts payable					
- other companies		35,312,967	24,213,770	28,804,620	22,710,528
- related companies	35 c)	3,720,985	3,598,412	3,651,447	3,465,566
Unearned revenue					
- other companies		132,067,313	704,803,756	31,812,878	619,064,055
- related companies	35 c)	-	-	40,504,358	51,594,944
Accrued expenses					
- Accrued commission and promotion expenses					
- other companies		202,490,061	228,498,470	59,624,854	86,988,338
- related companies	35 c)	-	-	997,996	-
- Accrued project expenses					
- other companies		62,034,949	205,987,287	28,537,698	71,067,871
- related companies	35 c)	-	-	-	20,051,654
- Accrued interest expenses					
- other companies		361,939	-	-	-
- related companies	35 c)	-	-	401,631	130,356
- Other accrued expenses					
- other companies		22,706,444	83,458,705	4,030,369	65,714,940
		589,116,455	1,419,373,826	264,066,264	1,121,993,242

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21 Liabilities under financial lease agreements (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liabilities under financial lease agreements	38,965,125	14,153,197	38,965,125	14,153,197
<u>Less</u> Future finance changes on finance lease	(2,595,492)	(1,081,707)	(2,595,492)	(1,081,707)
	36,369,633	13,071,490	36,369,633	13,071,490
<u>Less</u> Current portion	(11,667,631)	(5,865,272)	(11,667,631)	(5,865,272)
	<u>24,702,002</u>	<u>7,206,218</u>	<u>24,702,002</u>	<u>7,206,218</u>

As at 31 December 2016 and 31 December 2015, payments to be made for financial lease agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	13,025,844	6,432,135	13,025,844	6,432,135
More than 1 year but no longer than 5 years	25,939,281	7,721,062	25,939,281	7,721,062
	<u>38,965,125</u>	<u>14,153,197</u>	<u>38,965,125</u>	<u>14,153,197</u>

22 Short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
Type of short-term loans	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Promissory notes	<u>706,000,000</u>	<u>-</u>	<u>598,000,000</u>	<u>-</u>

As at 31 December 2016, roll able-over promissory notes denominated in Thai Baht bear interest rate approximately of 3.10% per annum to 3.60% per annum. The outstanding principal and interest are due for payable during February and March 2017.

The movement of short-term loans from financial institution for the year ended 31 December 2016 and for the year ended 31 December 2015 is as follows:

	Consolidated financial statements		Separate financial statements	
Promissory notes	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening net book amount	-	-	-	-
Additions	3,046,000,000	-	2,573,000,000	-
Repayments	(2,340,000,000)	-	(1,975,000,000)	-
Closing net book amount	<u>706,000,000</u>	<u>-</u>	<u>598,000,000</u>	<u>-</u>

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23 Value added tax

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Undue output tax	(88,179,440)	(95,525,631)	(52,906,013)	(46,430,213)
Undue input tax	60,418,191	61,766,158	3,065,294	11,265,888
Value added tax	51,429,249	26,277,490	16,132,851	8,733,664
	<u>23,668,000</u>	<u>(7,481,983)</u>	<u>(33,707,868)</u>	<u>(26,430,661)</u>

Value added tax present by net position of each taxable unit as at 31 December 2016 and 2015 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Value added tax (assets)	67,630,189	40,928,458	-	-
Value added tax (liabilities)	(43,962,189)	(48,410,441)	(33,707,868)	(26,430,661)
	<u>23,668,000</u>	<u>(7,481,983)</u>	<u>(33,707,868)</u>	<u>(26,430,661)</u>

24 Long-term loans from a financial institution

The movements of long-term loans from a financial institution for the year ended 31 December 2016 and 31 December 2015 are as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Balance as at 1 January 2016	-	-
Additions during the year	444,060,000	-
Repayments during the year	-	-
Balance as at 31 December 2016	<u>444,060,000</u>	<u>-</u>

On 31 December 2016, the Group has credit facilities for long-term loans from a financial institution amounted to Baht 1.60 billion. Interest rate is Minimum Loan Rate (MLR) less a fixed percentage as stipulated in the contract. The principal is due for payable on a quarterly installment basis. The first installment is due to pay 25 months after the loan drawn down date (26 May 2016). Interest is payable monthly within 96 months starting from the loan drawn down date.

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24 Long-term loans from a financial institution (Cont'd)

The effective interest rates at the statements of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loans from a financial institution	4.25%	-	4.25%	-

The carrying amounts and fair value of certain long-term borrowing are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loans from a financial institution	444,060,000	-	444,060,000	-
	444,060,000	-	444,060,000	-

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.25% (2015 : Nil) and are within level 2 of the fair value hierarchy.

As at 31 December 2016 and 31 December 2015, repayment periods of the long-term loans from a financial institution are summarised below:

	Consolidated	Company
	2016 Baht	2015 Baht
<u>Due within the years ending</u>		
Between 1 year	-	-
Between 2 years and 5 years	360,000,000	-
Over 5 years	84,060,000	-
	444,060,000	-

25 Employee benefit obligations

Employee benefit obligations as at 31 December 2016 and 2015

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Statement of financial position				
Employee benefit obligation	97,959,294	85,545,748	84,092,281	74,813,289

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25 Employee benefit obligations (Cont'd)

The movement of employee benefit obligations as 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	85,545,748	65,351,484	74,813,289	56,707,234
Current service cost	9,626,100	9,114,836	7,036,956	8,011,683
Past service cost	-	8,591,010	-	7,930,865
Interest cost	2,787,446	2,488,418	2,242,036	2,163,507
Closing balance	97,959,294	85,545,748	84,092,281	74,813,289

	Consolidated and Separate Financial Statements	
	2016 Baht	2015 Baht
Discount rate	3.50%	3.50%
Inflation rate	3.00%	3.00%
Salary increase rate	7.00 - 7.50%	7.00 - 7.50%

Sensitivity analysis form each significant assumption are as follows:

		Impact on defined benefit obligation Increase (Decrease)			
	Change in assumption	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Discount rate	Increase by 1 %	(10,198,869)	(9,390,463)	(8,691,390)	(7,996,726)
Discount rate	Decrease by 1%	11,858,406	10,982,712	10,085,983	9,332,597
Salary growth rate	Increase by 1 %	13,250,483	11,330,128	11,297,659	9,640,551
Salary growth rate	Decrease by 1%	(11,489,778)	(9,843,699)	(9,815,474)	(8,393,408)
Turnover rate	Increase by 20 %	(14,065,131)	(12,038,711)	(11,889,888)	(10,149,428)
Turnover rate	Decrease by 20%	17,729,684	15,096,944	14,921,219	12,665,532

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions use the projected unit credit method.

26 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deposits received	-	-	66,000	66,000
Retention payable	16,431,623	17,156,186	10,766,374	10,941,788
	16,431,623	17,156,186	10,832,374	11,007,788

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27 Share capital

27.1 Ordinary shares and provision on share capital

	Consolidated and Separate financial statements		
	Ordinary shares Shares	Ordinary shares Bath	Share Premium Bath
Opening balance as at 1 January 2015	1,022,346,046	1,022,346,046	255,224,632
Increase shares capital (Note 27.2)	(12,408,400)	(12,408,400)	600,184
Closing balance as at 31 December 2015	1,009,937,646	1,009,937,646	255,824,816
Decrease shares capital (Note 27.2)	-	-	-
Closing balance as at 31 December 2016	1,009,937,646	1,009,937,646	255,824,816

27.2 Treasury shares/treasury shares reserve

Treasury shares

On 22 February 2012, the Company's Board of Director No. 1/2012 passed a resolution to repurchase not more than 26 million shares or not more than 2.9% of the Company's paid-up capital (As at 31 December 2011 the Company has share capital issued 882,654,428 shares.), the maximum of repurchase amount is not over than Baht 75 million. The repurchase is being made for financial management purposes, since the Company has excess liquidity, and it is to be made through the Stock Exchange of Thailand. The repurchase within 6 months start from 8 March 2012 to 7 September 2012 and the reissue period for the repurchased shares runs for 3 years, beginning 6 months after the completion date of the share repurchase.

As at 31 December 2014, the Company has treasury shares 17,700,000 shares, repurchase value totalling Baht 74,671,816 and the market price of treasury shares totalling Baht 297,360,000.

On 5 February 2015, the Company has sold treasury shares 441,600 shares at Baht 21.00 per share totaling Baht 9,273,600.

On 3 September 2015, the Company has reissue treasury shares 3,000,000 shares at Baht 10.80 to Baht 11.00 per share totalling Baht 32,700,000.

On 4 September 2015, the Company has reissue treasury shares 1,850,000 shares at Baht 11.00 to Baht 11.40 per share totalling Baht 20,890,000.

On 18 September 2015, the Company has registered with Ministry of Commerce to decrease share capital for outstanding treasury shares which were not resale within the period for 12,408,400 shares of Baht 1 per each.

On 2 February 2016, the Company's Board of Director No. 1/2016 passed a resolution to repurchase the Company's paid up capital detail as follows:

- The maximum amount for the share repurchase are not exceeding Baht 470.00 million.
- Number of repurchased shares will be not exceeding 50.70 million shares at par value of Baht 1 per share, which is equivalent to 5.02% of the total issued shares.
- Repurchasing of shares on the Stock Exchange of Thailand.
- The repurchase period will be within 6 months since 25 February 2016.
- In determining the repurchase price, the average market price during 30 days prior to the date on which the Company discloses the information of shares repurchase will be used as the basis of calculation. The repurchase price must be not exceed average closing price during 5 working days prior to each trading date plus 15% of such average closing price. The average market price during 30 days during 18 December 2015 to 1 February 2016 was Baht 9.27 per share.

February 2016, the Company has purchased treasury shares 4,840,300 shares at Baht 9.10 to Baht 9.70 per share totalling Baht 45,850,070.

March 2016, the Company has purchased treasury shares 9,637,600 shares at Baht 10.10 to Baht 10.60 per share totalling Baht 99,155,940.

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27 Share capital (Cont'd)

27.2 Treasury shares/treasury shares reserve (Cont'd)

Treasury shares

April 2016, the Company has purchased treasury shares 13,740,600 shares at Baht 10.10 to Baht 12.10 per share totalling Baht 151,530,140.

May 2016, the Company has purchased treasury shares 15,054,800 shares at Baht 10.40 to Baht 11.70 per share totalling Baht 168,738,690.

The movement of treasury shares and premium on share capital for the years ended 31 December 2016 and 2015 are as follows:

Consolidated and Separate financial statements			
	Shares	Amount of treasury shares Baht	Premium on treasury shares Baht
Opening balance as at 1 January 2015	17,700,000	74,671,816	-
Reissuance	(5,291,600)	(22,324,499)	(40,539,101)
Decrease in share capital	(12,408,400)	(52,347,317)	39,938,917
Closing balance as at 31 December 2015	-	-	(600,184)
Reissuance			
Decrease in share capital	43,273,300	465,274,840	-
Closing balance as at 31 December 2016	43,273,300	465,274,840	(600,184)

27.3 Decrease in share capital of subsidiary

On 10 April 2015, the shareholders at the RS International's Broadcasting and Sport Management Co.,Ltd.'s extraordinary meeting approved to decrease share capital in an amount of Baht 112,500,000, for the 1,125,000 ordinary shares of Baht 100 per each. The RS International's Broadcasting and Sport Management Co.,Ltd. has registered to decrease share capital on 20 April 2015. The subsidiary paid to non-controlling interest amounting to Baht 18,750,000 as a result.

27.4 Increase in share capital of subsidiary

On 29 December 2016, the shareholders at the R.S. Television Co.,Ltd.'s extraordinary passed a resolution to approve increase the authorised share capital from 2,000,000 ordinary shares with a par value of Baht 100 per share to 3,000,000 ordinary shares with a par value of Baht 100 per share. On 29 December 2016, the Company received subscription of 1,000,000 additional shares at Baht 100 par value which were priced at Baht 100 per share. The paid-up share capital totalling Baht 100,000,000 and Baht 100,000,000, respectively. The Company registered the increased share capital with the ministry of commerce on 30 December 2016.

28 Dividend payment

At the Company's Annual General Shareholders' Meeting on 27 April 2016, the shareholders approved a dividend payment from the operating results for the year 2015 of Baht 0.10 per share, totally Baht 100,109,385. This dividend was paid on 11 May 2016.

At the Company's Annual General Shareholders' Meeting on 22 April 2015, the shareholders approved a dividend payment from the operating results for the year 2014 of Baht 0.18 per share, totally Baht 180,915,596. This dividend was paid on 8 May 2015.

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29 Other income

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Net gain from exchange rate	2,038,922	907,276	1,866,035	466,109
Interest income	1,741,591	2,454,665	25,992,049	19,099,399
Dividend income (Note 12)	-	-	122,813,200	369,578,855
Gain from disposal of buildings and equipment	418,842	747,323	276,618	27,945
Rental income	407,634	447,401	8,117,654	4,951,993
Management fee	-	27,084	225,861,968	209,545,089
Pirate of copyright income	391,308	30,974,673	-	-
Other income	118,591,330	15,992,782	59,356,869	7,506,785
	123,589,627	51,551,204	444,284,393	611,176,175

Pirate of copyright income represent income charged from a company for sport pirate of copyright.

30 Other expenses

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Loss from write off intangible assets and buildings and equipment	(455,998)	(807,675)	(438,754)	(509,063)
Gain on impairment of assets	524,183	-	216,940	-
Loss on impairment of investment in other companies	(999,076)	(303,337)	-	-
Reversal of (loss) from provision	-	2,045,499	-	-
Gain (loss) from liquidation in subsidiaries	1,268,868	-	(103,747)	-
Others	(2,245,272)	(1,017,520)	(1,731,619)	(571,216)
	(1,907,295)	(83,033)	(2,057,180)	(1,080,279)

31 Expense by nature

The following significant expenditure items, classified by nature for the years ended 31 December 2016 and 2015, have been charged in the profit before finance costs and income tax:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Change in inventories of finished goods and work in process	15,860,392	(104,263,368)	54,707,866	(46,779,519)
Raw material and consumables used	2,126,282,856	2,518,675,593	760,655,617	1,076,890,660
Staff costs	688,790,268	699,654,492	469,640,036	601,185,761
Depreciation charge (Note 14)	104,411,795	83,834,676	97,934,619	76,035,625
Amortisation charge (Note 15 and 16)	364,086,823	453,098,611	12,663,284	12,953,084
Rental expenses and utilities expenses	109,421,784	109,847,523	93,900,822	93,501,298
Promotion and advertising expenses	108,781,805	235,291,463	14,790,006	96,554,702
(Reversed) loss from impairment of assets	16,902,815	(3,778,393)	15,656,163	13,620,854
Loss from inventory destruction and obsolescence of inventories	23,525,589	1,714,223	2,405,077	1,689,938

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32 Finance costs

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest expense from short-term borrowings from financial institutions	(28,761,534)	(13,364,725)	(13,676,726)	(2,264,438)
Interest expense from short-term borrowings from related companies (Note 35 a))	-	-	(1,102,439)	(1,917,874)
Interest expense for liability under finance lease agreements	(1,286,076)	(569,001)	(1,286,076)	(569,001)
Interest expense from license for operation right in section of digital television	(53,325,238)	(67,151,118)	-	-
	<u>(83,372,848)</u>	<u>(81,084,844)</u>	<u>(16,065,241)</u>	<u>(4,751,313)</u>

33 Income tax

Reconciliation of income tax expense for the years ended 31 December 2016 and 2015 comprises:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current income tax on taxable profit for the year	(51,361,957)	(96,920,630)	-	-
Under recorded prior year income tax	-	(1,409,193)	-	(978,357)
Origination of temporary differences (Note 18)	75,597,279	110,659,699	(14,197,440)	20,406,232
Total income tax credit (expense)	<u>24,235,322</u>	<u>12,329,876</u>	<u>(14,197,440)</u>	<u>19,427,875</u>

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit (loss) before tax accounting base	(126,476,764)	119,780,614	196,476,763	417,984,789
Tax calculated at the rate of 20% (2015 : 20%)	25,295,353	(23,956,123)	(39,295,353)	(83,596,958)
Tax effect of:				
Non-deductible expenses	(9,167,357)	(8,610,843)	(6,234,948)	(6,566,038)
Additional deductible expenses	2,441,020	284,807	359,044	47,562
Temporary deferred of previously unrecognised deferred tax	(664,828)	3,626,231	(698,146)	1,384,823
Allowance for impairment in subsidiaries and loan to related parties	6,340,571	42,394,997	7,109,323	35,221,072
Tax exemption - dividend received	-	-	24,562,640	73,915,771
Underecorded prior year income tax	(9,437)	(1,409,193)	-	(978,357)
Tax charge	<u>24,235,322</u>	<u>12,329,876</u>	<u>(14,197,440)</u>	<u>19,427,875</u>

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34 Earnings (loss) per share

34.1 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Profit (loss) attributable to ordinary shareholders (Baht)	(102,145,200)	121,634,482	182,279,323	437,412,664
Weighted average number of Ordinary shares in issue during the year (shares)	978,992,072	1,006,634,753	978,992,072	1,006,634,753
Basic earnings (loss) per share (Baht)	(0.1043)	0.1208	0.1862	0.4345

35 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The significant investments in subsidiaries and associates are set out in Notes 12 and 13.

Significant related parties transactions other than subsidiaries and associates can be summarized as follows:

Related parties	Type of business	Type of relation
Chetchotsak Co., Ltd. Idea Power Co., Ltd. Membership Co., Ltd. (Formerly: SS2C Co., Ltd.) Key management personnel	Rental service Organizer Rental service -	Common shareholder and directors Indirect shareholding and common directors of subsidiaries Common shareholder and directors Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group company

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35 Related party transactions (Cont'd)

Significant related parties transactions can be summarised as follows:

- a) Revenues and expenses transaction between the Group with related parties for the year ended 31 December 2016 and 2015.

	Separate Financial Statements						
	For the year ended 31 December 2015 (Baht)						
						Other income	
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from license	Other income	Revenue from management service	Interest income
Subsidiaries							
R.S. Television Co., Ltd.	49,775,048	4,372,500	23,276,673	-	26,322,283	127,534,943	24,251,169
Life Star Co., Ltd.							
(Formerly: Starz (Thailand) Co., Ltd.)	23,530,921	(67)	2,525,073	-	-	60,000,000	-
Coolism Co., Ltd.	-	-	2,744,449	-	-	24,003,900	-
Thai Copyright Collection Co., Ltd.	7,850	45,448,946	-	-	-	10,325,100	-
R Alliance Co., Ltd.							
(Formerly: Poema Co., Ltd.)	-	-	-	-	-	-	137,705
Yaak Co., Ltd.	32,787,517	-	-	-	-	3,606,050	577,049
Bantueng Varsity Co., Ltd.	3,529,950	-	-	-	-	391,975	-
R.S. Sportmaster Co., Ltd.	-	-	-	-	-	-	93,600
Total	109,631,286	49,821,379	28,546,195	-	26,322,283	225,861,968	25,059,523
							11,044,198

35 Related party transactions (Cont'd)

Significant related parties transactions can be summarised as follows: (Cont'd)

- a) Revenues and expenses transaction between the Group with related parties for the year ended 31 December 2016 and 2015. (Cont'd)

	Separate Financial Statements								
	For the year ended 31 December 2015 (Baht)								
		Revenue from media	Revenue from music	Revenue from showbiz	Revenue from license	Other income	Revenue from management service	Interest income	Other income
Subsidiaries									
R.S. Television Co., Ltd.	182,012,693	639,410	6,907,550	-	-	6,925,433	80,785,724	15,941,424	2,064,950
Life Star Co., Ltd.									
(Formerly: Starz (Thailand) Co., Ltd.)	124,030,954	466,884	3,657,224	-	-	1,226,565	90,259,121	3,288	961,640
Coolism Co., Ltd.	-	-	58,643	-	-	270,000	24,484,632	-	211,846
Thai Copyright Collection Co., Ltd.	9,813	53,544,841	-	-	-	-	13,687,612	-	14,357
R Alliance Co., Ltd.									
(Formerly: Poema Co., Ltd.)	-	-	3,900,000	-	-	-	-	437,151	-
Yaak Co., Ltd.	-	-	1,600	-	-	-	328,000	878,685	1,250,000
Very Well Co., Ltd.	-	-	4,043,100	-	-	-	-	-	1,800
Blu Fairy Co., Ltd.	-	-	5,096,000	-	-	-	-	1,644	-
RS International Broadcasting and Sport Management Co., Ltd.	1,860,000	-	-	-	-	-	-	-	-
R.S. Sportmaster Co., Ltd.	-	-	-	-	-	-	-	93,600	-
S-One Sport Co., Ltd.	-	-	-	-	-	-	-	814,200	-
Total	307,913,460	54,651,135	23,664,117	-	-	8,421,998	209,545,089	18,169,992	4,504,593

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35 Related party transactions (Cont'd)

- a) Revenues and expenses transaction between the Group with related parties for the years ended 31 December 2016 and 2015. (Cont'd)

		Consolidated Financial Statements			
		For the year ended 31 December 2016 (Baht)	For the year ended 31 December 2016 (Baht)		
		Cost of sales and service	administrative expenses	Cost of sales and service	Selling and administrative expenses
	Chetchotsak Co., Ltd.	28,100,425	42,047,979	29,548,746	47,722,673
	Membership Co., Ltd. (Formerly: SS2C Co., Ltd.)	4,364,070	6,337,838	-	-
	Total	32,464,495	48,385,817	29,548,746	47,722,673
		Separate Financial Statements			
		For the year ended 31 December 2016 (Baht)	For the year ended 31 December 2016 (Baht)		
		Cost of sales and service	administrative expenses	Cost of sales and service	Selling and administrative expenses
	Chetchotsak Co., Ltd.	27,157,673	32,603,361	28,635,318	47,722,673
	Membership Co., Ltd. (Formerly: SS2C Co., Ltd.)	2,131,800	6,337,838	-	-
	Total	29,289,473	38,941,199	28,635,318	47,722,673

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35 Related party transactions (Cont'd)

a) Revenues and expenses transaction between the Group with related parties for the years ended 31 December 2016 and 2015. (Cont'd)

	Separate Financial Statements							
	For the year ended 31 December 2016 (Baht)		For the year ended 31 December 2015 (Baht)					
	Cost of sales and service	Selling and administrative expenses	Finance cost - interest expense	Key management's remuneration	Cost of sales and service	Selling and administrative expenses	Finance cost - interest expense	Key management's remuneration
Subsidiaries								
R.S. Television Co., Ltd.	24,823,386	1,259,100	-	-	51,796,722	44,626,250	-	-
Life Star Co., Ltd.								
(Formerly: Starz (Thailand) Co., Ltd.)	3,928,834	74,327	4,098	-	51,442,490	7,365,179	59,538	-
Coolism Co., Ltd.	548,842	100,000	348,402	-	6,582,134	10,000	303,476	-
Thai Copyright Collection Co., Ltd.	-	-	-	-	-	-	-	-
Yaak Co., Ltd.	20,886,100	-	-	-	2,700,000	-	-	-
Aladdin House Co., Ltd.	-	-	68,899	-	-	-	77,245	-
Very Well Co., Ltd.	-	-	75,714	-	-	-	68,284	-
Blu Fairy Co., Ltd.	-	-	57,703	-	-	-	41,978	-
RS International Broadcasting and Sport Management Co., Ltd.	-	-	436,933	-	-	-	1,168,055	-
RS In-Store Media Co., Ltd.	-	-	60,485	-	-	-	152,877	-
Bantueung Varity Co., Ltd.	2,263,500	-	1,639	-	-	-	-	-
D-Media and Production Co., Ltd.	-	-	48,566	-	-	-	-	-
Avant Co., Ltd.	-	-	-	-	-	-	4,782	-
R Siam Co., Ltd.	-	-	-	-	-	-	12,637	-
Bangkok Organizer Co., Ltd.	-	-	-	-	-	-	29,002	-
Total	52,450,662	1,433,427	1,102,439	-	112,521,346	52,001,429	1,917,874	-

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

35 Related party transactions (Cont'd)

- b) Outstanding balance arising from trade and other accounts receivable as at 31 December 2016 and 2015 are as follows:

Consolidation Financial Statements								
As at 31 December 2016 (Baht)					As at 31 December 2015 (Baht)			
Trade accounts receivable	Accrued Interest income	Allowance for doubtful accounts - accrued interest income	Advance payments	Trade accounts receivable	Accrued Interest income	Allowance for doubtful accounts - accrued interest income	Advance payments	
-	2,489,884	(2,489,884)	-	-	2,489,884	(2,079,438)	-	
-	2,489,884	(2,489,884)	-	-	2,489,884	(2,079,438)	-	
Separate Financial Statements								
As at 31 December 2016 (Baht)					As at 31 December 2015 (Baht)			
Trade accounts receivable	Accrued Interest income	Allowance for doubtful accounts - accrued interest income	Advance payments	Trade accounts receivable	Accrued Interest income	Allowance for doubtful accounts - accrued interest income	Advance payments	
602,095,439	6,213,049	-	-	456,604,770	3,206,761	-	-	
83,608,315	-	-	-	59,516,856	-	-	-	
4,490,158	-	-	-	3,428,538	-	-	-	
1,847,735	-	-	-	3,068,803	-	-	-	
-	-	-	2,665	-	-	-	915	
17,437,915	-	-	-	2,762,205	2,121,973	-	-	
-	-	-	2,315	-	-	-	900	
-	-	-	4,067	4,066,000	-	-	1,481	
-	-	-	1,750	-	-	-	10	
-	-	-	5,200	-	-	-	900	
746,245	-	-	-	-	-	-	-	
-	1,614,022	(802,580)	164,716	-	1,520,422	(707,632)	138,591	
-	-	-	-	-	-	-	-	
-	2,489,884	(2,489,884)	-	-	2,489,884	(2,079,438)	-	
710,225,807	10,316,955	(3,292,464)	180,713	529,447,172	9,339,040	(2,787,070)	142,797	
Subsidiaries								
S-One Sport Co., Ltd.								
Total								
Subsidiaries								
Life Star Co., Ltd.								
(Formerly: Starz (Thailand) Co., Ltd.)								
Coolism Co., Ltd.								
Thai Copyright Collection Co., Ltd.								
R Alliance Co., Ltd.								
(Formerly: Poema Co., Ltd.)								
Yaak Co., Ltd.								
Aladdin House Co., Ltd.								
Very Well Co., Ltd.								
Blu Fairy Co., Ltd.								
D-Media and Production Co., Ltd.								
Bantueg Varsity Co., Ltd.								
R.S. Sportmaster Co., Ltd.								
RS Film and Distribution Co., Ltd.								
S-One Sport Co., Ltd.								
Total								

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

35 Related party transactions (Cont'd)

- c) Outstanding balance of trade and others accounts payable as at 31 December 2016 and 2015 are as follows:

	Consolidated financial statements									
	As at 31 December 2016 (Baht)					As at 31 December 2015 (Baht)				
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses
Chetchotsak Co., Ltd. (Note 20)	-	1,654,580	-	-	-	-	3,375,712	-	-	-
Membership Co., Ltd. (Formerly: SS2C Co., Ltd.)	-	2,066,405	-	-	-	-	222,700	-	-	-
Total	-	3,720,985	-	-	-	-	3,598,412	-	-	-
	Separate financial statements									
	As at 31 December 2016 (Baht)					As at 31 December 2015 (Baht)				
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses
Chetchotsak Co., Ltd. (Note 20)	-	1,305,189	-	-	-	-	2,963,013	-	-	-
Membership Co., Ltd. (Formerly: SS2C Co., Ltd.)	-	2,066,405	-	-	-	-	222,700	-	-	-
Total	-	3,371,594	-	-	-	-	3,185,713	-	-	-

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

35 Related party transactions (Cont'd)

- c) Outstanding balance of trade and others accounts payable as at 31 December 2016 and 2015 are as follows: (Cont'd)

	Separate financial statements					As at 31 December 2015 (Baht)				
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses
Subsidiaries (Note 20)										
R.S. Television Co., Ltd.	8,836,542	279,853	-	-	997,996	44,001,056	279,853	-	-	18,470,544
Life Star Co., Ltd. (Formerly: Starz (Thailand) Co., Ltd.)	-	-	56,000	-	-	65,918,898	-	226,000	-	1,581,110
Coolism Co., Ltd.	94,614	-	-	215,615	-	4,033,092	-	-	-	-
Thai Copyright Collection Co., Ltd.	12,500	-	40,448,358	-	-	804	-	51,368,944	-	-
Yaak Co., Ltd.	15,360,010	-	-	-	-	-	-	-	-	-
Bantueing Varsity Co., Ltd.	943,740	-	-	1,639	-	-	-	-	-	-
D-Media and Production Co., Ltd.	-	-	-	18,852	-	-	-	-	12,221	-
Aladdin House Co., Ltd.	-	-	-	16,967	-	-	-	-	13,579	-
Very Well Co., Ltd.	-	-	-	18,476	-	-	-	-	6,789	-
Blu Fairy Co., Ltd.	-	-	-	16,967	-	-	-	-	-	-
RS International Broadcasting and Sport Management Co., Ltd.	-	-	-	113,115	-	-	-	-	70,610	-
RS In-Store Media Co., Ltd.	-	-	-	-	-	-	-	-	27,157	-
Total	25,247,406	279,853	40,504,358	401,631	997,996	113,953,850	279,853	51,594,944	130,356	20,051,654
Grand total	25,247,406	3,651,447	40,504,358	401,631	997,996	113,953,850	3,465,566	51,594,944	130,356	20,051,654

35 Related party transactions (Cont'd)

d) Short-term loans to related companies (net)

[illegible]

For the year ended 31 December 2016

35 Related party transactions (Cont'd)

d) Short-term loans to related companies (net)

[illegible]

35 Related party transactions (Cont'd)

- e) Short-term loans from related companies

Separate financial statements

	For the year ended 31 December 2016 (Baht)				For the year ended 31 December 2015 (Baht)			
	Short-term loans				Short-term loans			
	Opening balance	Increase during the period	Payments during the period	Closing balance	Opening balance	Increase during the period	Payments during the period	Closing balance
Subsidiaries								
Coolism Co., Ltd.	-	189,000,000	(100,000,000)	89,000,000	90,000,000	25,000,000	(115,000,000)	-
RS In-Store Media Co., Ltd.	10,000,000	1,000,000	(11,000,000)	-	7,000,000	3,000,000	-	10,000,000
RS International Broadcasting and Sport Management Co., Ltd.	26,000,000	4,000,000	-	30,000,000	139,000,000	75,000,000	(188,000,000)	26,000,000
Aladdin House Co., Ltd.	4,500,000	-	-	4,500,000	6,000,000	-	(1,500,000)	4,500,000
Very Well Co., Ltd.	5,000,000	-	(100,000)	4,900,000	-	6,000,000	(1,000,000)	5,000,000
Blu Fairy Co., Ltd.	2,500,000	2,000,000	-	4,500,000	-	3,500,000	(1,000,000)	2,500,000
D-Media and Production Co., Ltd.	-	5,000,000	-	5,000,000	-	-	-	-
Bantueung Varsity Co., Ltd.	-	2,500,000	-	2,500,000	-	-	-	-
Avant Co., Ltd.	-	-	-	-	750,000	-	(750,000)	-
R Siam Co., Ltd.	-	-	-	-	1,000,000	-	(1,000,000)	-
Bangkok Organizer Co., Ltd.	-	-	-	-	2,295,000	-	(2,295,000)	-
Life Star Co., Ltd.	-	-	-	-	-	-	-	-
(Formerly: Starz (Thailand) Co., Ltd.)	-	20,000,000	(20,000,000)	-	-	15,000,000	(15,000,000)	-
Total	48,000,000	223,500,000	(131,100,000)	140,400,000	246,045,000	127,500,000	(325,545,000)	48,000,000

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

35 Related party transactions (Cont'd)

f) Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Salaries and other short-term employee benefits	160,488,746	152,873,823	137,786,906	141,440,823
Post-employment benefits	4,013,808	5,936,291	3,082,573	5,144,456
	164,502,554	158,810,114	140,869,479	146,585,279

36 Segment information

To assess the group's operation, The group considers the gross profit from the revenue transactions comprising revenues from media, revenues from music, revenues from event business, revenues from health and beauty and revenues from other services. Intercompany sales were already eliminated. Group profit was determined by subtracting cost of sales and services.

Consolidated financial statements								
For the year ended 31 December 2016								
	Media business Baht	Music business Baht	Event business Baht	Health and beauty Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues external	1,814,720,195	321,567,493	753,156,702	227,876,041	7,598,730	3,124,919,161	-	3,124,919,161
internal	289,518,869	49,553,150	20,886,017	-	73,989,664	433,947,700	(433,947,700)	-
Total revenues	2,104,239,064	371,120,643	774,042,719	227,876,041	81,588,394	3,558,866,861	(433,947,700)	3,124,919,161
Cost of sales and services	1,857,220,682	253,583,303	434,655,561	58,856,375	79,974,585	2,684,290,506	(353,286,942)	2,331,003,564
Gross profit	247,018,382	117,537,340	339,387,158	169,019,666	1,613,809	874,576,355	(80,660,758)	793,915,597
Fixed assets	319,479,862	12,694,528	692	16,278,441	124,592,826	473,046,349	-	473,046,349
Intangible assets	2,074,848,449	49,368,622	-	4,538,237	89,286,281	2,218,041,589	-	2,218,041,589

Consolidated financial statements								
For the year ended 31 December 2015								
	Media business Baht	Music business Baht	Event business Baht	Health and beauty Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues external	2,246,138,300	463,541,174	707,440,567	231,926,508	79,659,837	3,728,706,386	-	3,728,706,386
internal	564,941,446	60,275,343	36,288,161	381,815	100,186,849	762,073,614	(762,073,614)	-
Total revenues	2,811,079,746	523,816,517	743,728,728	232,308,323	179,846,686	4,490,780,000	(762,073,614)	3,728,706,386
Cost of sales and services	2,349,707,827	310,662,526	495,929,803	63,922,717	163,901,387	3,384,124,260	(681,121,955)	2,703,002,305
Gross profit	461,371,919	213,153,991	247,798,925	168,385,606	15,945,299	1,106,655,740	(80,951,659)	1,025,704,081
Fixed assets	219,490,316	24,504,953	1,258	6,564,122	133,455,618	384,016,267	-	384,016,267
Intangible assets	2,022,670,801	60,395,859	-	-	42,562,790	2,125,629,450	-	2,125,629,450

37 Credit facilities

As at 31 December 2016 and 2015, undrawn borrowing facilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Various credit facilities				
- Unused	5,090	990	2,207	820

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

38 Commitments, contingent liabilities and significant agreements

38.1 Commitments

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Capital Commitments				
Purchase assets	-	174,989,500	-	174,989,500
Operating lease Commitments				
Within 1 year	65,502,891	59,846,390	57,292,411	59,646,390
Later than 1 year but not later than 3 years	29,362,431	82,450,722	26,274,731	82,450,722
Total	94,865,322	142,297,112	83,567,142	142,097,112

38.2 Significant agreements with related parties and other entities

- The subsidiary have entered an agreement with five companies whereby those companies are to provide satellite transmission services during year 2012-2023. The Company is obligated to pay transmission service fee and other expenses as stipulated in the agreements. The Company is required to comply with conditions stipulated in the agreements.
- The subsidiary has entered into 1 agreements to buy airtime of Radio Broadcast Station with the government agency for the period of 2 years starting from 1 January 2016 to 31 December 2017 as stipulated in the agreements.
- The National Broadcasting and Telecommunications Commission (NBTC) granted licenses to the Company and two subsidiaries to operate telecommunication business. The Company and the subsidiaries are obligated to comply with certain conditions as stated in the licenses, and to pay annual license fee, together in accordance with conditions and requirements stipulated by the NBTC.
- The subsidiary has entered into the Standard Definition Terrestrial Digital Television Network Services agreement with Organization of Thailand Public Broadcasting Services (TPBS) for operation digital television for 15 years and had obligated to pay service fees as stipulated in the agreements. The subsidiary has submitted bank guarantee at 5% of total contract amount to the TPBS.

38.3 Contingent liabilities

As at 31 December 2016 and 2015, the Group had contingent liabilities with the local banks as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Guarantee to the Company, its subsidiary and other companies (Baht Million)	4.93	15.11	0.26	3.71

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

39 Significant claims and legal litigations

39.1 As at 31 December 2016 and 2015, the Company and the subsidiaries were sued, with the plaintiff demanding the Company to pay for the damage caused by the Company's alleged copyright violation action in the amount of Baht 38.32 million and Baht 102.63 million, respectively. This case is still being adjudicated. Then, the management has not recorded related provision.

39.2 Sponsor fee for broadcasting FIFA world cup 2014

In June 2014 the subsidiary company and National Broadcasting and Telecommunications Commission (NBTC) have agreed to whereby the subsidiary company shall broadcast all matches of FIFA World Cup 2014 to Free TV and NBTC shall sponsor to the subsidiary company.

Presently the subsidiary company is in process to appeal to receive sponsor fee for the remaining amount of Baht 57.14 million from the NBTC. This case is still being adjudicated in an supreme administrative court.





RS Public Company Limited

Chetchotisak Building, 419/1 Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak,
Bangkok 10900, Thailand

Tel : +66 2511 0555

Fax : +66 2511 2324



rsfriendspage



RS_Corporate