



# ANNUAL REPORT 2018

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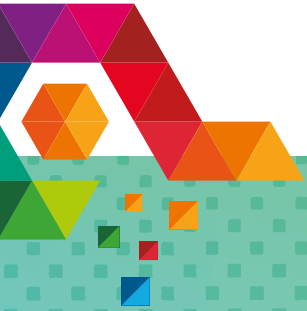
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# 5-Year Business Direction



“RS is an organization that does business with “opportunity” by focusing on market leadership, continual investment in the business to sustain the commerce business, and expansion to related businesses. The contribution from new businesses is to increase significantly, strengthening the Company’s total revenue.”

## Message from the Chairman and Chief Executive Officer

“Regardless of the success achieved in the past, it cannot be replicated in the present, and today’s great success cannot guarantee that it would be sustained in the future. The key to success in today’s business is to have a strong and diverse business structure, a flexible organization that is ready and quickly adaptable, and a good team attitude.” In 2018, RS faced various fluctuations and external factors at all times once again, but with the organization’s non-stop drive, it also marks another year that RS enjoyed success, and the highest profit since the Company was founded

RS’s business structure is diverse and flexible, resulting in a new business model. Starting from the Company’s areas of business expertise and important advantage in TV and radio media, including music, the organization extended into the health and beauty business, developing the Multi-platform Commerce (“MPC”). At present, we do not rely on sales via a single channel but rather leverage all media channels of the Company to promote one another. Combined with the ability to create both TV programs and various music works, this capacity extends to marketing and sales promotion efforts. We are able to analyze lifestyles and understand the needs of customers even more. We can transform viewers and listeners into buyers, pushing the brands of RS products and partners towards the highest sales figures for the fourth consecutive year.

As a complete MPC business, supporting factors include increasing the number of the customer base to over 1 million as well as analyzing and managing the database system. A team of skilled professionals takes care of customers, ensuring continuous repeat purchase rates. We are also developing other sales channels, strengthening both offline and online channels. And what we never stop developing is product quality, to directly meet the issues and lifestyles of customers.

As for the results for 2018, the Company earned total revenues of 3,827 million baht, an increase of 9 percent from the previous year due to revenue growth from the MPC business, which has a strong and complete business ecosystem throughout, from upstream to downstream activities. This includes having product-manufacturing partners, and results in a variety of quality products in all sales channels of the Company: Health & Beauty Products, Home & Lifestyle Products, and now expanding into accessory products, including various services. There are a total of nearly 100 items. Even though during the middle of last year, the entire health and beauty industry was temporarily affected by the news of the suppression of contaminated products, prohibited substances, and illegal activities, the overall market signaled a clear recovery since September. Sales from RS’s MPC business returned, earning higher revenue than ever since the fourth quarter. This included a huge campaign in 4 years, “Shop1781 New Year Grand Sale”, that received overwhelming feedback from customers and helped to make RS’s annual performance shine.

Channel 8 brought its Thai drama ratings to the top, creating great momentum at the end of the year. This included the sharing of and being the talk of the online world for “Sap Kraseu” and “Sin Lai Hong”. The international series and the news programs still maintain a strong audience base, making Channel 8 ratings stable throughout the year. Although revenue from outside of Channel 8 was affected by the overall media industry,

which remained flat, Channel 8 reflects one of the key channels for generating revenue for the MPC business, with continuous remarkable growth. The DNA of the RS brand, encompassing music, radio and other businesses, is comprised of the ability to make better profits; although revenue from such businesses are stable, the Company restructured the business to operate faster and increase the value of its existing resources effectively.

The personnel mark another important force for success. RS people are open, ready to receive new changes and challenges, seek opportunities at all times, and maintain a good attitude towards their work. We share a “Passion to Win” together. The strength and power of ideas from employees in the organization has helped create a new business that has grown significantly in the past. They know the corporate culture very well, and we focus on developing people to grow, instead of seeking external personnel. We groom our employees to learn from work experience, combined with seeking additional knowledge from outside sources; this makes employees feel bound to the organization and aim for the same success. We communicate through various activities, which create encouragement and appreciation for the success of our employees. Executives are hands on, working closely with the staff. This enables managers to communicate directly with the employees. The employees themselves understand the image of the Company, and they are ready to move in the same direction, with the shared “Passion to Win”.

The goal of RS for 2019 is to completely enter an era of new business operations. The MPC business will grow, becoming the main income generator for the group. In





addition to the current sales channels that will be developed in tandem with the development of Big Data, the direct sales channel or LifestarBIZ, and online channel, will comprise another important part in generating revenue for higher growth. The media and music businesses remain an important base, helping the Company extend into other new businesses. The year 2019 will also see RS expand both vertically and horizontally. By seeking opportunities, collaborating with business partners in interesting businesses, and leveraging RS businesses, the Company will expand its business network and create tremendous growth. This will then strengthen the group to be stable and sustainable in the long term.

RS is ready for change all the time. But without the support from its shareholders, organizational partners, customers, employees, and stakeholders, RS would not be able to advance to where it is today. On behalf of the Management and the Board of Directors, we extend our thanks to all of you. And we sincerely hope that you will continue to support and grow with us in a sustainable manner.



Mr. Surachai Chetchotisak  
Chairman and Chief Executive Officer



## Board of Directors' Report



To Shareholders,  
RS Public Company Limited

The Board of Directors 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. 1/2546 (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 Directors has considered that the Company has good internal control and has concurred with the Audit Committee, the Executives and the authorized auditors for the consolidated financial statements of 2018 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.

Mr. Surachai Chetchotisak  
Chairman and Chief Executive Officer



## Audit Committee Report



To Shareholders,  
RS Public Company Limited

In 2018, 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 2018 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 2018, the Audit Committee held 6 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 2018. Also, nominated Pricewaterhouse Coopers ABAS Ltd. to be chosen as external auditor for 2019 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.

Mr. Phisit Dachanabhirom  
Chairman of the Audit Committee

## Board of Directors



### **Mr. Surachai Chetchotisak**

Chairman, Chairman of the Executive Committee  
and Chief Executive Officer



### **Mrs. Pornpan Techarungchaikul**

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 and Chief Operating Officer



### **Mr. Darm Nana**

Director, Member of the Executive Committee  
and Chief Financial Officer





### **Mr. Danaisidh Peslapunt**

Director,  
Member of the Corporate Governance Committee,  
Member of the Risk Management Committee  
and Chief Legal Officer



### **Mr. Ong-Art Singlumpong**

Director



### **Mr. Sorat Vanichvarakij**

Director



## Board of Directors



### **Mr. Phisit Dachanabhirom**

Independent Director,  
Chairman of the Audit Committee  
and Chairman of the Nomination and Remuneration Committee



### **General Pairoj Panichsamai**

Independent Director,  
Member of the Audit Committee  
and Member of the Nomination and Remuneration Committee



### **Mrs. Wansuda Thanasaranart**

Independent Director,  
Member of the Audit Committee  
and Member of the Nomination and Remuneration Committee



## Mr. Surachai Chetchotisak

Chairman, Chairman of the Executive Committee  
and Chief Executive Officer

Age 56

Shareholding : 36.26%

### 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 2018 :

-

### 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 2018 (shares)	321,000,000
Shares buying during year 2018 (shares)	45,300,000
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	366,300,000

Family Relationship among Directors and Executives : None



### **Mrs. Pornpan Techarungchaikul**

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 and Chief Operating Officer

**Age 48**

Shareholding : None

#### **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
- Capital Market Academy Leader Program (Batch 23), Capital Market Academy

#### **Thai Institute of Directors Training :**

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

#### **Certificate Program in 2018 :**

-

#### **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 and Chairman of the Human Development 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 2018 (shares)	-
Shares buying during year 2018 (shares)	-
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	-

**Family Relationship among Directors and Executives : None**





## Mr. Darm Nana

Director, Member of the Executive Committee  
and Chief Financial Officer

Age 49

Shareholding : None

### 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 2018 :

-

### Experience :

2007 - Present	Director, Member of the Executive Committee and 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 2018 (shares)	-
Shares buying during year 2018 (shares)	-
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	-

Family Relationship among Directors and Executives : None



### Mr. Danaisidh Peslapunt

Director,  
Member of the Corporate Governance Committee,  
Member of the Risk Management Committee and Chief Legal Officer

Age 63

Shareholding : None

#### 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 2018 :

-

#### Experience :

1 Feb 2017 - Present	Member of the Corporate Governance Committee and Member of the Risk Management Committee, RS Public Company Limited
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 2018 (shares)	-
Shares buying during year 2018 (shares)	-
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	-

Family Relationship among Directors and Executives : None



## Mr. Ong-Art Singlumpong

Director

Age 49

Shareholding : None

### Education :

- Doctor of Philosophy, Mass Communication, Thammasat University
- Master of Arts, Communication Arts, Chulalongkorn University
- Bachelor of Advertising (BBA), Ramkhamhaeng University

### Thai Institute of Directors Training :

Director Accreditation Program (DAP) Year 2018

### Certificate Program in 2018 :

-

### Experience :

4 Apr 2018 - Present	Director, RS Public Company Limited
9 Feb 2017 - Present	Senior Executive Vice President, RS Public Company Limited
22 Jun 2017 - Present	Director, R.S. Television Company Limited
2016 - Present	Senior Executive Vice President of Channel 8, R.S. Television Company Limited
2014 - 2016	Managing Director of Channel 8, RS Public Company Limited
2013 - 2014	Executive Vice President of Channel 8, RS Public Company Limited
2012 - 2013	Vice President of Channel 8, RS Public Company Limited

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

-

Shareholding at the beginning of year 2018 (shares)	-
Shares buying during year 2018 (shares)	-
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	-

Family Relationship among Directors and Executives : None



## Mr. Sorat Vanichvarakij

Director

Age 45

Shareholding : 11.19%

### 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 2018 :

-

### 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 2018 (shares)	115,000,000
Shares buying during year 2018 (shares)	13,000,000
Shares selling/transferring during year 2018 (shares)	15,000,000
Shareholding at the ending of year 2018 (shares)	113,000,000

Family Relationship among Directors and Executives : None





## Mr. Phisit Dachanabhirom

Independent Director,  
Chairman of the Audit Committee  
and Chairman of the Nomination and Remuneration Committee  
Age 77

Shareholding : None

### 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 2018 :

-

### Experience :

2018 - Present	Chairman of the Committee, BJC Staff Savings Cooperative Limited
2014 - Present	Director, Don Muang Tollway Public Company Limited
Feb 2007 - Present	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee, RS Public Company Limited
2003 - Present	Director, Chairman of Audit Committee and 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 and Member of the Executive Committee, 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 :

Chairman of the Committee, BJC Staff Savings Cooperative 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, Polipharm Company Limited

Shareholding at the beginning of year 2018 (shares)	-
Shares buying during year 2018 (shares)	-
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	-

Family Relationship among Directors and Executives : None



## General Pairoj Panichsamai

Independent Director,  
Member of the Audit Committee  
and Member of the Nomination and Remuneration Committee

Age 72

Shareholding : None

### 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 2018 :

-

### Experience :

2014 - Present	Member of the National Legislative Assembly of Thailand 2014
Jan 2007 - Present	Independent Director and Member of the Audit Committee, RS Public Company Limited
Feb 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, Royal Thai Army
2000	Commanding General Army Weapons Production Center, Royal Thai Army

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

-

Shareholding at the beginning of year 2018 (shares)	-
Shares buying during year 2018 (shares)	-
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	-

Family Relationship among Directors and Executives : None



### **Mrs. Wansuda Thanasaranart**

Independent Director,  
Member of the Audit Committee  
and Member of the Nomination and Remuneration Committee

**Age 67**

Shareholding : None

#### **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 2018 :**

-

#### **Experience :**

Jan 2016 - Present	Independent Director, Member of the Audit Committee and 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 2018 (shares)	-
Shares buying during year 2018 (shares)	-
Shares selling/transferring during year 2018 (shares)	-
Shareholding at the ending of year 2018 (shares)	-

**Family Relationship among Directors and Executives : None**

## Policy and Overall Business Operations

RS Public Company Limited (“RS” or “Company”) was established in 1976, starting from a comprehensive music business. Later, it was converted into a public company, listed 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, 2018, the Company’s issued and paid-up capital was 1,010,149,192 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 business. Since April 2014, the Company has adapted its existing “Channel 8”, which originally aired on the satellite TV system, to a standard-definition digital TV instead. In the same year, the Company began selling health and beauty products, advertising through the Company’s television and radio channels as well as launching products via online channels and retail outlets. This effort includes the development of a telesales system that collects and analyzes customer data in order to make product recommendations, close sales, and develop effective after-sales services. In 2018, the Company continued to develop and expand its distribution channels, this new business called the Multi-platform Commerce business. The business keeps expanding not only into single-level direct sales channels, but also collaborating with partners to offer a variety of products, including home and lifestyle products as well as accessories and various services. The Company has also worked to develop and increase the number of its telesales teams, so they are able to analyze customer data more accurately and serve more than 1 million customers in total, making this business distinctive and unlike any other with a high and continuous growth rate.



### Vision

“Reimagine the media and entertainment business as the platform to grow in other industries. At RS, we strive to innovate and adapt to every sustainable business opportunity.”

### Mission

“We will bring our strengths in media business to exploit every opportunities to 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 does business with “opportunity” by focusing on market leadership, continual investment in the business to sustain the commerce business, and expansion to related businesses. The contribution from new businesses is to increase significantly, strengthening the Company’s total revenue.”

## Significant Changes and Developments over the Past 3 Years

The Company has changed the nature of the organization from being a leader in the media business into a Multi-platform Commerce business, which boasts its own products and those of its partners. This includes having a customer data analysis system and a telesales system via “Call 1781”. The Company also expanded its distribution channels to be more diverse, creating a comprehensive multi-channel business.

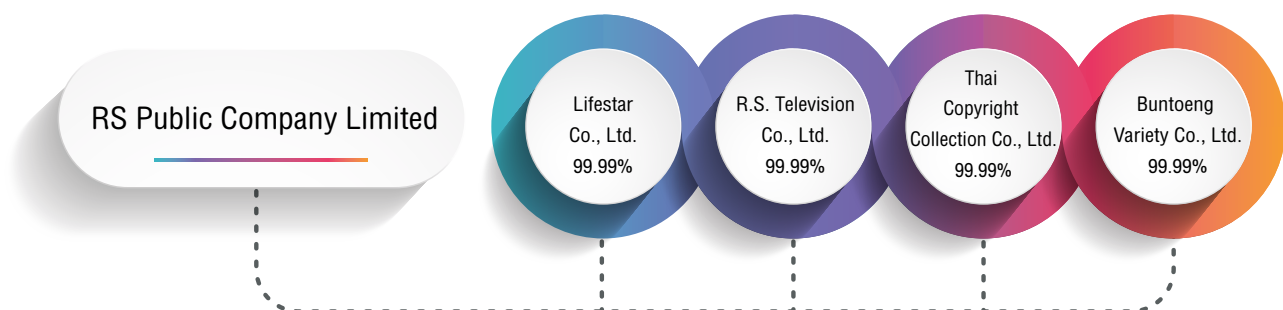
## Business Overview of the Company and its Subsidiaries

Currently, RS’s main business is divided into 3 groups: Multi-platform Commerce business, media business, and music and others. The Multi-platform Commerce business generates the highest proportion of the overall revenue, operating under Lifestar Company Limited to sell health & beauty products, home & lifestyle products, and accessories & others. The products are sold through all media channels of the Company, which consist of television media, with Channel 8 leading digital TV under R.S. Television Company Limited. There are also 4 satellite TV channels, radio media via the COOLfahrenheit station, online channels, modern retail outlets and single-level direct sales. In addition, the Company has invested through various subsidiaries, with the details provided below.

### Subsidiaries Owned and Operated by the Company

- Lifestar Co., Ltd. (99.99%) sells the products through various retail channels
- R.S. Television Co., Ltd. (99.99%) operates digital television business
- Thai Copyright Collection Co., Ltd. (99.99%) operates copyright collection
- Buntoeng Variety Co., Ltd. (99.99%) operates television program production

### The Company’s Investment Structure



#### Remark.

- 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 temporarily suspended subsidiaries consist of Coolism Co., Ltd, R.S. Sportmaster Co., Ltd., RS International Broadcasting and Sports Management Co., Ltd., R Alliance Co., Ltd., Yaak Co., Ltd. and Goodlife Group Co., Ltd.

## Business Description





At present, RS Group has 3 main core businesses which consist of Multi-platform Commerce, Media, and Music & Other businesses.

### Revenue Structure

Type of Revenue	2016		2017		2018	
	Amount (million baht)	share in total revenue (%)	Amount (million baht)	share in total revenue (%)	Amount (million baht)	share in total revenue (%)
Multi-platform Commerce business	227.7	8	1,389.1	40	2,126.8	56
Media business	1,694.8	56	1,703.5	49	1,344.7	35
Music & Other business	1,076.1	36	409.1	11	355.2	9
<b>Total Revenue</b>	<b>2,998.6</b>	<b>100</b>	<b>3,501.7</b>	<b>100</b>	<b>3,826.7</b>	<b>100</b>

### Multi-platform Commerce (“MPC”)



Multi-platform Commerce (“MPC”) operates under Lifestar Company Limited (“Lifestar”), offering a wide range of products including Health & Beauty Products, Home & Lifestyle Products and Accessories & Others. The health and beauty products are grouped into skin care products under the brand “Magique”, hair care products under the brand “Revive” and dietary food supplements under the brand “S.O.M.”. Lifestar has collaborated with research institutes and manufacturers of international standard products both domestically and internationally. They produce quality products that meet customers’ needs while working with partners who own their own products directly, creating more than 100 products that are sold through the sales channels of the MPC business. The procurement of products is based on research data by leading research and analysis firms that Lifestar works with, as well as from data collected from customers directly. The Company understands the trends, demand and conditions of the overall market and the needs of consumers before developing each type of product -- both before and during the sale of each type of product. The Company also randomly checks product quality by regularly sending components for inspection with the research firms. If the product is from a partner, it is randomly checked before being delivered to the warehouse as well as when it leaves the warehouse en route to the consumers.





The Company continues to develop, diversify and enhance its multi-channel sales. At present, customers are reached through both the offline and online media channels of the Company. There are a total of over 17 million customers reached per day through: 1) offline media that the Company owns, including Channel 8, 4 satellite TV channels and radio media via COOLfahrenheit; 2) online media on the Company's own platform, including [www.shop1781.com](http://www.shop1781.com) that had more than 3 million page views in 2018, and LINE SHOP via @ Shop1781, @ HOME1781 and @COOLanything, with over 450,000 followers. During the year, Lifestar has entered into trade agreements with other leading online platforms in the country to offer products through those channels as well. Also, the Company: 3) sells products in the modern retail stores (Modern Trade) and drug stores with more than 600 locations nationwide; and 4) utilizes single-level direct sales or LifestarBIZ as a new sales channel. The latter fully enhances the variety of sales channels of the Company, resulting in the expansion of the customer base away from those who only watch and listen to programs through the Company's media.

For sales through various channels, if customers wish to purchase products and services, they can contact the call center or call 1781 to order. Lifestar has also been continuously developing their telesales systems, to support the growing number of customers that has exceeded 1 million names. The system can analyze customer data to meet the needs and lifestyles of customers more accurately, including developing the skills and capabilities of the call center teams (Outbound Call Center) to be able to offer products that meet customers' needs and effectively close sales. In addition, the development of a Customer Relationship Management (CRM) system helps to take care of important VIP customers, creating satisfaction and maintaining the loyalty of this important customer base.

Lifestar has also hired an external company to deliver products to customers. For customers in the Bangkok and metropolitan areas, the products will be delivered within the next day after the order date. Customers in upcountry areas will receive their product within 1 to 5 days. More than 99 percent of the payments are based on cash collection upon delivery to the customer.



## Marketing and Competition

The Thai retail market features a market size of nearly 5 trillion baht, with a relatively stable growth rate of around 5 percent per year. It is expected that E-Commerce will play an increasing role in the market with prospects for a high growth rate of more than 15 percent per year. In the next 3 to 5 years, it is expected that the market share will be at 8 to 10 percent of the overall Thai retail market based on the availability of products, delivery and secure payment systems. At the end of 2018, over 90 percent of the MPC revenue was from advertising and distribution through the offline media of the Company. In terms of the competition, the Company is considered to have no direct competitors. The purchasing behavior of customers through such channels is driven by satisfaction and the decision to buy the product based on the product's features, price, promotion and qualities that meet the needs of customers at that time. This also includes audiences and listeners, including music fans and program fans that access the Company's media, which is different from other companies' media.

Based on the analysis of Kasikorn Research Center, even though the online shopping market has played a greater role in consumer shopping behavior, in the next 5 years, consumers are still choosing to buy products through offline and online channels, depending on the type of product and emotional sentiment or demand at that moment. However, the retailer must differentiate each product, along with provide impressive service or create a customized experience for each customer, with the flexibility to adjust quickly. The latter is in order to meet the needs of each customer, who is always seeking experiences or new things in order to compel them to make repeat purchases. Also, such customers may be able to share information or experiences with others who in turn become new customers. In accordance with the MPC business expansion approach of the Company, it can be seen that in 2018, in addition to advertising and selling through the Company's media channels, there has been a high growth rate from the close analysis of data and customer needs, as well as having a more effective call center team. Lifestar has also expanded to new distribution channels, including both online channels and via modern retail stores. They have also launched direct, single-level sales channels. These distribution channels will help increase the revenue of the MPC business.

In terms of the products that are distributed, including health & beauty products, home & lifestyle products, and accessories & others, over 85 percent of the total revenue is from the sale of health & beauty products. In Thailand, the health & beauty market is larger than 100 billion baht; it also enjoys a steady growth rate, even though the country's economy is growing at a low level. In mid-2018, although the overall market was affected by the detection of contaminated products and prohibited substances as well as the suppression of illegal products, which temporarily impacted the overall market, the market returned to normal in the fourth quarter. Consumers now understand more about product information, and have more confidence in quality products. The Company was only temporarily affected but on the whole, this is considered a good thing for the industry, which is screening manufacturers and removing products with poor quality from the market. In the end, consumers become more confident in using consumer products.

In addition to adding a telesales team and after-sales service team to offer promotions that immediately match customers' needs so that they can continue using the products, Lifestar also analyzes customer data to know their tastes, preferences and other needs. This helps new product development to be in line with the increasing variety of products. There are now more than 100 products on offer to customers. In addition, Lifestar also provides promotions to suit various festivals and holidays for customers in each channel, including the highly successful 1781 New Year Grand Sale campaign and the Shock Deal via LINE Account promotion. In addition, Lifestar also plans to organize additional external activities to allow customers to try new products that are launched into the market.

## Procurement of Products or Services

Lifestar, in collaboration with the International Research Institute, invented important ingredients that comprise each product. Once a vital ingredient or extract is obtained, it is produced by leading national manufacturers. Some components are also produced by Lifestar partners who are contracted to produce quality products. The Company then advertises and brings the products to the market through the Company's sales channels.



## Media Business

RS media business consists of 2 major media channels i.e. Television and Radio.

### Television Media Business

RS operates digital television “Channel 8” and 4 satellite television channels, including Sabaidee TV, Channel 2, Series Channel and Ploen TV that have distinctive formats, concepts and target viewers, as follows:



#### Channel 8

The Channel 8 television station, under the concept of “Intense Story, Full Emotion”, presents programs that meet the needs of the majority of television viewers in Thailand (mass market). The concept has been implemented as free TV that resonates with people of various genders and ages. The anchor programs include news shows that are simple and easy to understand; they have become popular with ratings among the category leaders. “Morning News”, “Evening News”, and other news programs cover local happenings of ordinary people and their grievances, as well as invite viewers to taste excellent dishes and visit popular tourist attractions. The programs include “Cho Praden”, “Pak Tong Dong Ru”, and “Sakit Kao Det”, as well as program in the sports category, i.e. “Muay Thai Super Champ”. In addition, the Company received the live broadcast rights for international-level boxing such as “HBO Boxing” and “Ultimate Fighting Championship (UFC)”. Moreover, Channel 8 continues to lead in the category of popular international series, including “Sankat Mochan Mahabali Hanumaan”, followed by “Phikkhanet Mahathep Aiyara”. Channel 8 edits the content for brevity as well as to fit with the voiceovers, along with matching the accompanying soundtrack to better suit the tastes of Thai audiences. Offerings also include modern Indian series and Bollywood Blockbusters. For 2018, there were 7 dramas, including “Por Pla Lai”, “Budsaba Puen Foon”, “Sanae Nang Kruan”, “Payak Ka”, “Rak Chan Sawan Jad Hai”, “Sap Kraseu”, and “Sin Lai Hong”. Dramas in 2018 gained popularity both in terms of ratings and heavy mentions on online platforms. Channel 8 also added more entertainment with various variety programs, which have been popular all along, including “Krua Lan Thung” and “Eung Teung Siew”. The variety of popular program types has made Channel 8 among the top-ranked channels in the country, according to AGB Nielsen Media Research (Thailand)’s survey in December 2018.



#### Satellite Television

The business consists of 4 main channels: Sabaidee TV, Channel 2, Series Channel, and Ploen TV. Each channel maintains its own concept and types of programs, as follows:

#### Sabaidee TV

“Sabaidee TV” targets Thai music lovers, presenting a variety of music genres, including folk songs, music for life, string music, popular songs in the past, and old songs that are hard to find. The strength of Sabaidee TV channel lies in overseeing the production and management of content under the RSiam music label, resulting in a variety of programs. Coupled with the selection of unique program operators, the programming is memorable and loved by a variety of groups, making the



Sabaidee TV channel a fun way to watch television throughout the day. And, ongoing events make it possible to communicate with and reach out to more audiences.

### Channel 2

“Channel 2” showcases superb dramas and international series from China, India and Korea that have been highly popular on Channel 8. Each has been carefully selected and concisely presented on Channel 2, to retain the audience base by catering to their favorite entertainment styles.

### Series Channel

“Series Channel” presents foreign series and movies, including those from China, India and Korea, catering to audiences who enjoy watching such series and movies throughout the day.

### Ploen TV

“Ploen TV” addresses the needs of most audiences in the country, presenting news and variety shows of Channel 8 on its own channel. Audiences can find and view their favorite content, fully aligned to their tastes.

### Marketing and Competition

The television media industry has seen increasingly intense competition for viewers and ad spending at a much higher rate than in the past. The licensing of the digital TV business rose to encompass 24 licenses (22 channels), which increased the number of competitors. Channel 8, as a television industry veteran with many years of experience, initially as a satellite television business, has the capacity to keep producing quality work that engages the audience.

The current high competition among operators, along with the economic slowdown, has caused ad spending to be quite limited, with some budgets shifting to online media advertising. To be able to survive in this industry, operators must produce outstanding programs that are interesting and relevant to the needs of the target group. They must also apply proper cost management of their program productions, an extremely important factor. Another thing that cannot be ignored is to put out interesting content on online media at the right time, which can be another source of income.

The intense competition resulted in rich and diverse content on digital television, which in turn made the viewership of satellite television decrease. Nevertheless, as the cost of satellite television is not high, compared to that of digital TV, the Company will continue to impart importance to all 4 of its satellite television channels, aiming to maintain its leadership position in the satellite TV business as well as to control production costs at a moderate level. One measure is to re-broadcast content that was popular in the past in order to attract diverse and unique viewers. Another measure is to seek new sources of revenue by using television as an additional marketing and distribution channel for the Company’s MPC business.

For the marketing strategy, in addition to setting clear target audience groups, and designing and producing quality programs, the Company has also leveraged its competitive advantage. Channel 8 focuses on an audience aged 35 years and up because this is still the main audience watching TV programs. It is a large market with a high purchasing ability. The Company also targets the youth market and the country music market, which it has been involved with since the past. It also produces programs on satellite TV channels with content from artists, singers, actors and MCs involved in music and others. Used as a key component in the production of programs, combined with the strength of a team that is experienced in the production of television programs, the production results are of high quality and receive good feedback. This is enhanced with the flexible structure in management and cost management, including using the company’s staff in some of the production processes, employing external personnel (outsourcing) and using the same personnel in the digital TV and 4 satellite TV channel operations. Managing the cost of television media is going as planned, and the Company can focus on quality as well, in order to be accepted and trusted by both the audience and customers. While analysis of the needs of the target audience helps to develop the format of the programs to match the needs of the audience and customers, and raise the popularity of the programming, another important component is that the production quality must satisfy the audience and customers, including services both before and after sales, such as responding to customer needs quickly and precisely, listening to and solving problems for customers, creating a pack for selling advertising to meet the needs of customers and maximizing their benefits, etc.

## Procurement of Products or Services

The emergence of digital TV has created more players in the market. The struggle to engage personnel with adequate knowledge and ability has therefore been inevitable and intense. However, the Company has signed contracts with various personnel. It has also selected employees, from the front end to the back end, that are capable, skilled and accepted by the target customer group. For front end staff, there is a focus on artists and performers in the RS network, but independent performers and artists are also selected. As for production, the Company's team handles the formatting and production management. Production is handled by the employees to one extent while contract productions are also employed. The Company maintains partners who are leading domestic and international companies to help continuously select new and interesting programs for local audiences.

## Radio Media Business

The Company engages in the radio media business through the radio frequency system of F.M. 93.0 MHz around Bangkok and vicinity, through online channel at [www.COOLISM.net](http://www.COOLISM.net) and mobile platform via COOLISM application under the brand of COOLfahrenheit, with the following details:

**COOL**  
fahrenheit



Radio Station	COOL fahrenheit
Concessioner	Navy Radio Station
Airtime	24 hours
Signal Coverage	Bangkok and Vicinity, Bangkok and Vicinity, And through Online and Mobile Channels nationwide
Program Concept	More than Understanding You
Target Audience	Generation C, aged between 20 to 44 years

## COOLfahrenheit Radio Station

COOLfahrenheit follows the Digital Transformation strategy. Without attaching its brand solely to a FM Analog radio station, the station has forayed into the digital platform and plans to maintain a hybrid system. The Company continues to fully operate commercial radio by continuing to focus on maintaining its popularity. At present, COOLfahrenheit, under the concept "More than Understanding You", has been able to keep its listener base and popularity all over the country, as well as maintain its number 1 rating in the target category for over 15 years. These results are from a survey conducted by AGB Nielsen Media Research (Thailand), which resulted in advertising firm clients and product owners remaining confident in utilizing the Company's advertising media.



## Programming Format

COOLfahrenheit is a station that offers Thai and international music for Generation C, a group that is well connected to the online world, aged between 20 to 44 years, and living both in Bangkok and major cities across the country. The station has been recognized by its listeners for more than 15 years, and it was the first station to become a phenomenon, continuously presenting the most popular music; every song has been selected from an actual listener poll. Also, a professional and unique “COOLJ” team is popular among listeners, as are continuous activities that meet the lifestyles of and challenge a new generation of working people. The signature activity includes COOL Outing that awards a big prize to lucky winners where the entire office gets to travel to a highly popular destination in the country and internationally. Ink Eat All Around marks an activity for foodies that takes them to sample foods both around Thailand and in different parts of the world that are guaranteed to be delicious by M.L. Pasan Sawasdiwat. The COOL Music Fest is a beachside music festival for Gen Y. All such endeavors propelled COOLfahrenheit to continuously become the number one music station in the Thai-international music category among listeners aged 20 to 44 years, based on surveys conducted by AGB Nielsen Media Research (Thailand) from 2002 to the present day (based on December 2018 data).

## Marketing and Competition

Marketing and competitiveness of the radio media business still remains high due to the decrease in ad spending; customers tend to purchase advertising on stations that have been popular as a primary factor. Meanwhile, the pricing strategy plays an important role in decision making. The Company thus employs the strength of its radio station, and its number one rating, as a CPM or Cost per Thousand strategy as a way to compare the ratio of listeners against the price of advertising. This helps show the value of the most effective media usage to customers as well as better reaching the target market. In addition, there are new and comprehensive bundle-style sales packages under the COOL brands for On Air, Online, and On Mobile.

## Marketing Strategy

### 1. “Value for Money” Strategy

Creating the most benefit for the customer’s existing ad spending in a sales package format includes the selling of advertising time and marketing and promotional activities, making the investment worthwhile.

In addition, the Company has designed packages that reach a target audience in either the FM Analog and Digital Platform systems, focusing on Gen Y across the country, who are also likely to increase their use of digital online media, to meet the media buyer’s needs.

### 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 COOL-fahrenheit and its clients, to become widely known and accepted via press releases and advertising in other media, such as online media, television shows, and 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 also constantly updated to be modern, and the broadcasting quality of FM radio systems and digital platforms can be accessed from all types of devices.

## Music Business

# RSIAM



The music business of RS is comprehensive, covering every format. The business focuses on working without borders, to create content that's varied and meets the needs of the artist, market and target group through a media strategy, marketing, artist management and song content management in terms of the artist and song through both online media like streaming and downloads, and offline media like television, events and showbiz.





1. To structure 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 or new media channels, 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 under RS umbrella is 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 song product sales in various formats through the digital content system, including online streaming and via platforms like JOOX and Spotify. The listening of songs and watching of music videos online are through platforms such as YouTube, Line TV or downloads, ring tone downloads, ring back tone downloads, full song downloads, and other channels such as iTunes or via telephone networks like WAP.
- 3) Revenue from copyright collected by a Thai copyright collection CO., LTD. in the name of TCC, a subsidiary that serves to store the Company's copyrighted works used in a commercial capacity.

#### Artists/Singers

At present, the Company has artists and singers with potential under the umbrella of the RSiam label. Artists and singers under the label, including both solo artists and groups, are those with the ability to perform and can add value to the business. They feature a wide range of music, covering all target groups across the country. Examples of RSiam artists include Baitoey RSiam, Ja RSiam, Kratae RSiam, Ble Patumrach RSiam, Lulu Lala RSiam, Flame, Man Maneewan, Ying Thitikarn, Vid Hyper, and Tanya RSiam, etc.

#### Marketing and Competition

Today, consumer listening behavior has changed, with the key variables being the use of the Internet and the increasing prevalence of smart phones. Consumers now access music online through websites or various social media, and they increasingly listen to music on their smart phones. As such, the Company needs to focus on distribution channels that reach more listeners as well as maintain diverse channels in order to thoroughly get to such consumers. Also, it is not necessary to always distribute actual music products.

In addition, at present, the production of song content takes on different forms; thus, consumers can listen to music through social networks or other platforms, increasingly causing new forms of music content to appear in the market.

## Risk Factors

RS PCL and its subsidiaries (“Company”) has assessed and evaluated the risks that might affect its Companies and subsidiaries that may result in impacts toward its business operations as follows:

### Risks from relying on product manufacturers

The Company has reputable partners for production and distribution of health & beauty products, home & lifestyle products, and accessories & others. In terms of the products of the Company itself, the Company determines the active ingredients used as well as the overall product properties, working together with leading research institutions around the world. This includes manufacturers in the development of production formulations and processes. However, the manufacturer will procure the raw materials and oversee the whole process. In cases where a manufacturer has an issue where they cannot produce such products for the Company, resulting in the Company being unable to deliver products on time or according to the needs of customers, and if this concerns a product under an affiliate brand, which may cause problems and the manufacturer is unable to deliver the products according to the quantity or quality that the Company requires, which may affect the overall operating results of the Company, the Company has a policy to manage such risks. By distributing its orders to many leading manufacturers in the country, the Company does not rely on only one manufacturer, while engaging in efforts to build good relationships with new manufacturers that are fully qualified. This allows the Company to negotiate with the manufacturers and be able to control the product costs more effectively. As for the partner, the Company will randomly check the quality of the product regularly, including having plans between each party to prepare enough products for each sale.





### 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 stages of higher growth, or the Company must offer new products frequently to the market, 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-moving rate, the products will be reconsidered by management for a marketing campaign and promotions to liquidate the products as soon as possible.

### Risk from impact of other non-standard products in the market

Manufacturers and distributors of non-standard health and beauty products have caused consumers to be negatively affected by such counterfeit goods. Also, this type of news periodically created panic among consumers, leading to some misunderstandings about all products in the market. The Food and Drug Administration has thus implemented intensive monitoring and detection measures that help weed out non-quality products from the market. On the part of the Company, we have widely shared public relations advertisements, to communicate the quality of the Company's products to consumers, including the fact that they are produced from reliable sources and that the Company sources quality products continuously in order to guarantee that customers use quality products that cater to every aspect of their needs. It is vital for consumers to maintain trust in the Company's products and make repeated product purchases.

### 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 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 keeps revising the regulations, continuously making various announcements. This is to address the problems encountered by the operators during each period, while being in accordance with the government's policy. As such, the various regulations for controlling the television business of the Company are not fully established. It would take some time to see all the regulations coming into force, and the subsequent impact they would have on the business operations of the Company, reflecting the risk factors for the business.

## 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 and various 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 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. However, the Company approved to renew the concession for 2 years and it will end in 2019.

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 the lives of people around the world. As a result, people's communication behavior has changed rapidly according to the progress of technology. Communications and access to entertainment news is close, now at one's fingertips. People today are able to seek information as well as be a creator of information for others to access on their own. This is coupled with the quick spread of information via the Internet to electronic devices that are in everyone's hands such as smartphones, tablets or other portable devices or the Second Screen, which serves as the second screen after television. Therefore, it is important that the role of television programs change, adapting to support social media communications. The 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, the 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

Over the years, the music industry has been primarily affected by copyright infringement in a variety of formats, from physical to digital piracy. Downloading music from unauthorized websites; taking music content to create income for entrepreneurs, shops, restaurants and karaoke shops; organizing various events and concerts; and using content for commercial purposes or for personal entertainment via online channels, comprise activities that infringe on copyrights. As a result, the revenue from the music segment does not accurately reflect actual consumption.

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' behavior and suitable for such media channel at present and in the future.

The development of the internal working system is 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.





## Property Used in the Business

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

### Equipment

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

Equipment and machinery	Ownership	Book value Year 2018 (million baht)	Obligation
Studio recording and broadcast equipment	Owner	176.38	Nil
Software and operational equipment	Owner	87.41	Nil

### Warehouse

Warehouse of the Company's subsidiaries are as follows:

Location	Renter	Contract term	Rental/Service fee/month (million baht)
9/102 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani	Lifestar Co., Ltd.	1 Year (Agreement expires in Apr 2019)	0.21
9/46 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani	Lifestar Co., Ltd.	1 Year (Renewal contract to the period of Jan 1 - Dec 31, 2019)	0.10
9/119 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani	Lifestar Co., Ltd.	1 Year (Agreement expires in May 2019)	0.10

### Concession and Radio leases

The Company leases radio stations from government agencies and third parties, is detailed as follows:

Station	Station owner	Contract term
F.M. 93.0 MHz	Navy Radio Station	Jan 1, 2018 - Dec 31, 2019



### Broadcast transmission service agreement

The Company and one of its subsidiaries have entered into a broadcast transmission service agreement and other related services are as follows:

Service providers	Contract term
1. Office of The National Broadcasting and Telecommunications Commission	Ends Jun 16, 2028
2. Thaicom Public Company Limited	Jan 1, 2018 - Jun 30, 2020
3. TC Broadcasting Company Limited	Jan 1, 2018 - Jun 30, 2020

### 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 standard definition. The license from the Board of the Office of the National Broadcasting and Telecommunications Commission (NBTC) number B1-S20031-0012-57 at the bidding price of 2,265 million baht (exclusive of VAT) is valid for 15 years from April 25, 2014 to April 24, 2029. R.S. Television Co., Ltd. Has made payment for the minimum bidding price and the exceeding amount of the minimum bidding price, amounting to 1,303.50 million baht (exclusive of VAT). The remaining bidding price of license as of December 31, 2018 amounting to 961.50 million baht (exclusive of VAT), are as follows:

Unit : million baht

No. of installment	For the minimum bidding price	For the exceeding amount of the minimum bidding price	Total amount	Due for payment
8	19.00	188.50	207.50	May 23, 2021
9	-	188.50	188.50	May 23, 2022
10	-	188.50	188.50	May 23, 2023
11	-	188.50	188.50	May 23, 2024
12	-	188.50	188.50	May 23, 2025
	19.00	942.50	961.50	

The above table details the payments under the new conditions, where the Company has chosen to exercise the right to extend the license payment fees. This is in accordance with the Order of the National Council for Peace and Order (NCPO) No. 76/2559 (2016) (December 20, 2016). In 2017 and 2018, the Company exercised the right to pay the license fee to use the spectrum, according to the Order of the National Council for Peace and Order (NCPO) No. 9/2561 (2018) (May 23, 2018). Details are disclosed in the Notes to the Financial Statements No. 14.

## Legal Disputes



The Company and its 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, 2018, was higher than 5% of shareholders' equity. The Company and its subsidiaries had no legal dispute arisen from an out-of-the-ordinary course of business of the Group either.





## General Information and Other Important Information



### General Information

Company's Name	:	RS Public Company Limited
Type of business	:	Three main businesses: Multi-platform Commerce, Media including Television and Radio, Music & Other businesses
Address	:	Chetchotisak Building, 419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900, Thailand
Registration No.	:	0107546000016
Website	:	<a href="http://www.rs.co.th">http://www.rs.co.th</a>
Telephone	:	+66 2511 0555
Fax	:	+66 2511 2324
Registered Capital	:	1,203,270,516 baht including 1,203,270,516 ordinary shares at one baht par value (as of December 31, 2018)
Paid-up Capital	:	1,010,149,192 baht including 1,010, 149,192 ordinary shares at one baht par value (as of December 31, 2018)
Securities Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone : +66 2009 9000 Fax : +66 2009 9991 Website : <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a>
Auditor	:	PricewaterhouseCoopers ABAS Limited 15 <sup>th</sup> Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand Telephone : +66 2844 1000 Fax : +66 2286 5050 Website : <a href="http://www.pwc.com/th">http://www.pwc.com/th</a>
Legal Consultant	:	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	Address	Type of Business	Type of Share	Registered Capital (Baht)	Paid-up Capital (Baht)	Percentage of Shareholding (%)
1. Lifestar Co., Ltd.	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2902 1933, +66 2511 0555 Fax. +66 2938 5621	Product Selling Through Various Retail Channels	Ordinary shares	200,000,000	200,000,000	99.99
2. R.S. Television Co., Ltd.	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2902 1933, +66 2511 0555 Fax. +66 2938 5621	Digital Television Business	Ordinary shares	300,000,000	300,000,000	99.99
3. Thai Copyright Collection Co., Ltd.	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2938 5694	Copyright Collection	Ordinary shares	5,000,000	5,000,000	99.99
4. Buntoeng Variety Co., Ltd.	3 <sup>rd</sup> Floor Chetchotisak Building 2 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Television Production Business	Ordinary shares	1,000,000	1,000,000	99.99
5. Coolism Co., Ltd.*	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2938 5694	-	Ordinary shares	25,000,000	25,000,000	99.99





Company Name	Address	Type of Business	Type of Share	Registered Capital (Baht)	Paid-up Capital (Baht)	Percentage of Shareholding (%)
6. Yaak Co., Ltd.*	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2938 5694	-	Ordinary shares	2,500,000	2,500,000	99.97
7. Goodlife Group Co., Ltd.*	419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	-	Ordinary shares	37,000,000	37,000,000	99.99
8. R Alliance Co., Ltd.*	203/34-36 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	-	Ordinary shares	80,000,000	80,000,000	99.99
9. 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	-	Ordinary shares	9,375,000	9,375,000	83.33
10. R.S. Sportmaster Co., Ltd.*	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	-	Ordinary shares	4,500,000	4,500,000	75.98

\*The temporarily suspended subsidiaries

## Other Important Information

-None-

## Securities and Shareholder Information

### Registered Capital and Paid-up Capital

As of December 31, 2018, the Company has the registered capital of 1,203,270,516 baht including 1,203,270,516 ordinary shares at one baht par value. The Company has the paid-up capital of 1,010,149,192 baht including 1,010,149,192 ordinary shares at one baht par value.

### Shareholders

The 10 major shareholders as at the book closure date on December 28, 2018 are as follows :

No.	Name of shareholders	No. of shares held	Percentage
1	Chetchotisak Group *	390,980,701	38.71
2	Mr. Sorat Vanichvarakij	113,000,000	11.19
3	Thai NVDR Company Limited	54,714,369	5.42
4	Bangkok Bank Public Company Limited	50,331,900	4.98
5	RS Public Company Limited	43,273,300	4.28
6	Mr. Chanyuth Laoraddech	20,050,000	1.98
7	Value Plus - Dividend Long Term Equity Fund	11,260,600	1.11
8	Mrs. Kunthong Udommahuntisuk by KTB Securities (Thailand) PCL	9,373,000	0.93
9	Krungsri Equity LTF	8,306,800	0.82
10	Krungsri Star Equity Dividend Fund	7,128,700	0.71

Remark \* Chetchotisak Group including

1. Mr. Surachai Chetchotisak holds 366,300,000 shares (36.26%)
2. Mr. Chet Chetchotisak holds 17,710,701 shares (1.75%)
3. Mr. Chot Chetchot holds 6,970,000 shares (0.69%)

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

### Warrant of RS Public Company Limited Series 3 (RS-W3)

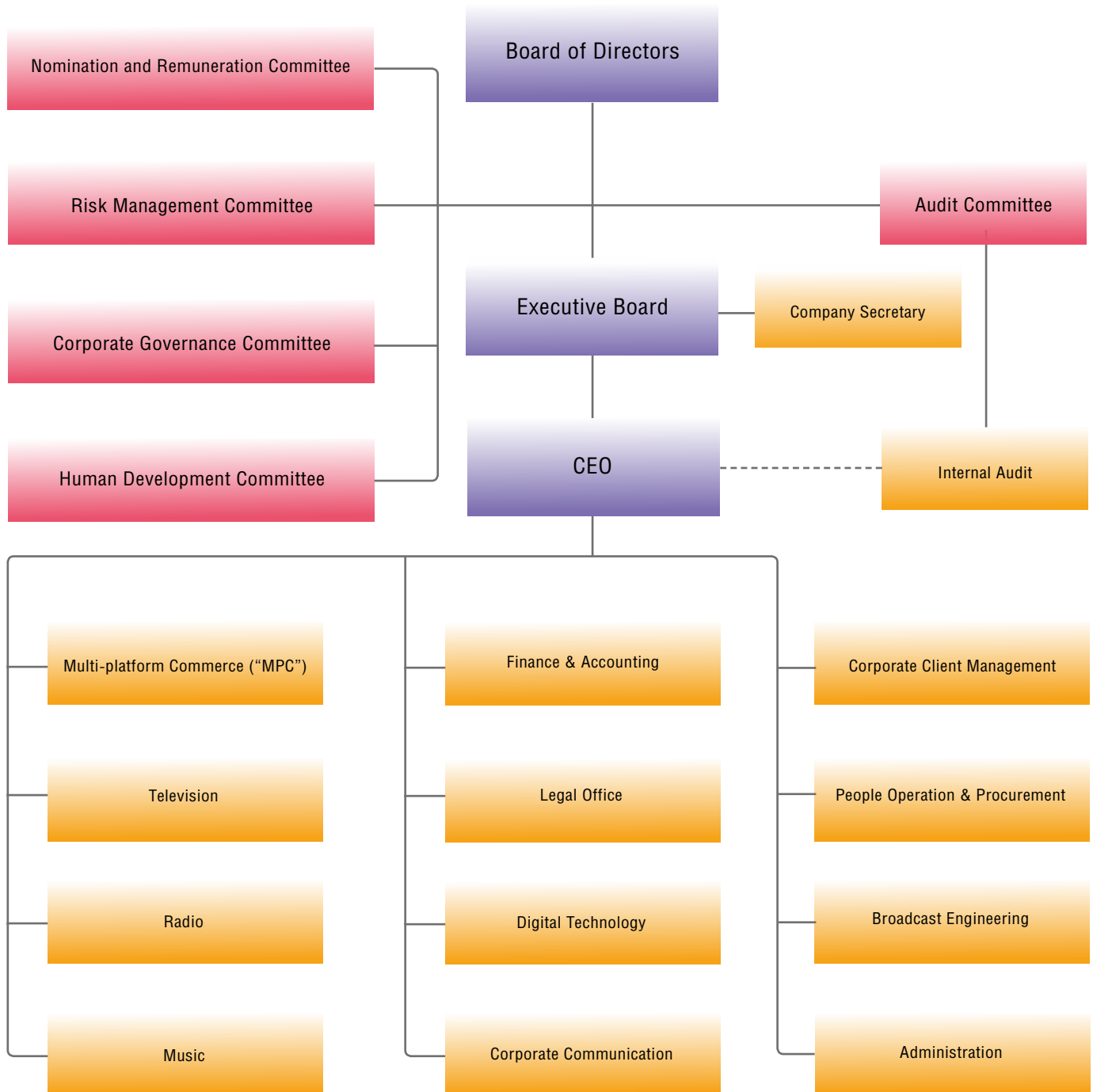
RS Public Company Limited Warrants Series 3 (“RS-W3”) was approved to trade on the Stock Exchange of Thailand since June 1, 2017. The details are as follows:

Type of securities	Warrants to purchase ordinary shares of RS Public Company Limited Series 3 (RS-W3)
Secondary market	The Stock Exchange of Thailand
Number of offering warrants	193,332,760 units
No. of new ordinary shares reserved for exercise of warrants	193,332,760 shares
Warrant issuer	RS Public Company Limited allocated to existing shareholders whose names appeared in the shareholders register book on April 18, 2017 in accordance to Section 225 of Securities and Stock Exchange of Thailand Act B.E. 2535 (1992) regarding the closing method of the shareholders register book and determining the rights of the shareholders on April 19, 2017 at a ratio of 5 existing ordinary shares to 1 unit of warrant with no cost
Right of warrant	1 unit of warrant to 1.0014 ordinary share at exercise price of 12.4830 baht, the price and ratio related to the exercise of this right may change at a later date, in accordance with the Protection Measures for Warrant Holders (Exercise ratio before adjustment is 1 unit per 1 ordinary share and the exercise price before the adjustment is 12.50 baht per 1 ordinary share. The Board of Directors’ Meeting No. 3/2561 (2018) held on August 8, 2018 approved payment of dividends during that time. Such payments required the Company to adjust the exercise price and ratio per Clause 4.2 (Jor) of Terms, Conditions and Obligations of the Warrants Issuer and Warrant of RS Public Company Limited Series 3)
Type of warrant	Transferable named certificate
Tenor	3 years from the date of issue of warrants (The date of issue of warrants is on May 24, 2017 and the last exercise date is on May 23, 2020, where the warrants shall be terminated on the next day)
Offering price of warrant	0 baht per unit (zero baht)
Exercise period	Warrant holders can exercise the right on the last business day of April and October of each year until the end of tenor of warrants. The first exercise date is on October 31, 2017 and the last exercise date is on May 23, 2020.

### 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

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:

### The Board of Directors

As at December 31, 2018, the Board of Directors consists of 9 following qualified persons:

1. Mr. Surachai Chetchotisak	Chairman and 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 and Executive Committee
4. Mr. Danaisidh Peslapunt	Director, Risk Management Committee and Corporate Governance Committee
5. Mr. Ong-Art Singlumpong	Director
6. Mr. Sorat Vanichvarakij	Director
7. Mr. Phisit Dachanabhirom	Independent Director, Audit Committee Chairman and Nomination and Remuneration Committee Chairman
8. General Pairoj Panichsamai	Independent Director, Audit Committee and Nomination and Remuneration Committee
9. Mrs. Wansuda Thanasaranart	Independent Director, Audit Committee and Nomination and Remuneration Committee

**Remark** Mr. Ong-Art Singlumpong has been appointed as a director, which was the approval of 2018 Annual General Meeting of Shareholders on April 4, 2018.

### 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. Not hold shares 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. Not be Executive Directors\*\* nor have been an employee/staff member/advisor getting salary paid, both in present time and two years before the appointment, of/by the Company, the parent 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 or a major shareholder, a person 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.

#### Remark

- \* 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.

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  $\geq 20$  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 2 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. Not be 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 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.





### Directors who are Authorized to Sign on Behalf of the Company

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

### Roles and Duties of the Board of Directors

The Extraordinary General Meeting of Shareholders No. 1/2546 (2003) held on January 13, 2003 had the resolution to determine the scope of the 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 Executive Director 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:

1. Any case that the laws mention must be in compliance with the resolution of the shareholders' meeting.
2. 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:

1. Selling or transferring the whole Company's businesses or an important part of the business.
2. Acquiring or receiving transferred business from other companies or private entities to the Company.
3. Entering into, 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.
4. Amending the Articles of Association or Memorandum of Association.
5. Increasing or reducing capital, issuing debentures, forming mergers or closing the Company.
6. 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.

The responsibilities of the Board of Directors, including their authorization, of the Company are below:

1. Oversee the objectives and main goals of the business to be sustainable. The goals and objectives are consistent to create value for the Company, its customers, its stakeholders, and society as a whole.
2. Ensure that the objectives and goals, including strategies, in the medium term and/or annually are in accordance with the objectives and goals of the Company by using innovation and technology appropriately and safely.
3. Use care in creating a corporate culture that adheres to ethics. Respect the rights and responsibilities of shareholders and stakeholders. Benefit society, develop or reduce negative
4. Monitor the administrative structure and practices of the Board to be appropriate towards efficiently achieving the objectives and main goals of the business.
5. Ensure that all Directors carry out their responsibilities with a duty of care and a duty of loyalty to the organization. Also ensure adherence to laws, regulations, and resolutions of the shareholders' meetings.
6. Oversee the performance evaluation of the Chief Executive Officer.

7. Oversee the determination of the remuneration structure, ensuring that it enables employees to work in line with the objectives and main goals of the organization, formulation of guidelines, and evaluation factors for the Company.
8. Consider and approve the setting and revision of the vision and mission, strategies, business direction, plans for the year, and annual budget. Also, supervise the management to be in line with policy and plans efficiently and effectively.
9. Consider the appropriate risk management systems and internal controls.
10. Determine the appropriate authorization levels that are suitable for the management and their responsibilities.
11. Assess the framework for the allocation and management of resources to be effective and efficient. Take into account the impact and development of resources throughout the entire value chain in order to achieve the objectives and main goals in a sustainable manner. This includes development and budgeting such as making a management plan for employees as well as policies concerning information technology, which provide a framework for the governance and management of information technology for the organization that is consistent with the Company's needs. Also ensure that information technology is used to increase business opportunities as well as in the development of operations and risk management so that the Company can achieve its objectives and goals.
12. Assess the monitoring and evaluation of the operations.
13. Oversee that the disclosure of financial and non-financial information is reliable and appropriate.
14. Monitor the adequacy of liquidity and ability to pay debts.
15. Ensure that, in the case where the business is experiencing financial difficulties, or is likely to encounter trouble, the Company has a plan to fix the problem. Or, ensure that other mechanisms are available that can resolve the financial issues, subject to consideration of the rights of stakeholders.
16. Ensure that various actions adhere to the good corporate governance policy and the Company's ethics guidelines.
17. Consider and approve significant issues, as defined in the law, regulations, policies, and related standards, or under authority 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 also understand the duties and responsibilities of Director. 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 and Duties of the Chairman

Serving as the Chairman of the Board of Directors entails having the decisive vote in the case where the Board of Directors votes and there is a tie, being able to call a meeting of the Board, acting as the Chairman of the General Meeting of Shareholders of the Company, and carrying out the legal duties defined as the specific duties of the Chairman:

1. Monitoring and supervising to ensure that the duty of the Committee is carried out effectively and to achieve the objectives and goals of the organization.
2. Ensuring that every Director has been involved in promoting a culture of ethical behavior and good corporate governance.
3. Setting the agenda for the meeting of the Board of Directors and discussing with the Chief Executive Officer and taking measures to ensure that the important issues are on the agenda.
4. Allocating sufficient time for the management to propose issues and gather enough members to discuss key issues carefully, and encouraging each Director to use their discretion judiciously and to express themselves freely.
5. Strengthening the relationship between the Executive and non-Executive Directors as well as between the Board and the management.



### Board of Directors Meeting Attendance for year 2018

Name	Position	No. of Attendance
1. Mr. Surachai Chetchotisak	Chairman	5/5
2. Mrs. Pornpan Techarungchaikul	Director	5/5
3. Mr. Darm Nana	Director	5/5
4. Mr. Danaisidh Peslapunt	Director	5/5
5. Mr. Ong-Art Singlumpong	Director	3/5
6. Mr. Sorat Vanichvarakij	Director	5/5
7. Mr. Phisit Dachanabhirom	Independent Director	5/5
8. General Pairoj Panichsamai	Independent Director	5/5
9. Mrs. Wansuda Thanasaranart	Independent Director	5/5

- Remark 1. Mr. Ong-Art Singlumpong has been appointed as a director, which was the approval of 2018 Annual General Meeting of Shareholders on April 4, 2018.
2. Mr. Ong-Art Singlumpong was unable to attend the Board of Directors meeting No. 5/2018 due to personal commitments.

### Audit Committee

As at December 31, 2018, the members of the Audit Committee consist of 3 following qualified persons:

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

Remark Mr. Phisit Dachanabhirom is the Audit Committee Member who has knowledges and experiences in reviewing the Company's financial statements. He is the certified auditor CPA License No. 966. He renders his audit services for non-listed company.

### Roles and Duties of the Audit Committee

1. Attend the Board of Directors meetings as to participate in policy determination, business decision making and corporate governance issues.
2. Consider and recommend the appointment and withdrawn of the auditor and the proposed audit fee including the following issues:
  - (a) To ensure the independence of the external auditor, the Audit Committee shall consider any non-audit service that may conflict with the auditor's efficient and professional operations eg. accounting system design etc.
  - (b) To freely discuss significant matters, the Audit Committee shall meet privately with the external auditor once a year, without the management team being present.
3. Consider the policy and code of conduct of the internal audit department as to ensure their continual appropriateness and effectiveness.
4. Review the annual audit plans of the internal audit department.

5. 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:
  - (a) To strengthen the independence of the internal audit department, the Audit Committee shall approve any selection, promotion, rotation or termination of the department head.
  - (b) To ensure the independence of the internal audit department, the Audit Committee shall consider other factors, including reporting and supervision processes, as well as reporting line of the department.
6. 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.
7. 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 procedure.
8. 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.
9. Review the related transactions of the Company and any transactions that may cause the conflict of interest to be in compliance with the rules or regulations prescribed by the Stock Exchange of Thailand, and to ensure that the related transactions are in appropriate conditions and for the maximum benefit of the Company.
10. Coordinate with the external auditor to consider any problems or restrictions encountered in performing financial statements audit.
11. 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:
  - (a) The number of Committee meetings and attendance of each member.
  - (b) The Audit Committee's comments on:
    - Accurateness, completeness and creditability of the Company's financial report.
    - Adequacy of the Company's internal control system.
    - Compliance with SEC's and SET's laws and regulation and other laws relevant to the Company's business.
    - Suitability of the external auditor.
    - Transactions that may cause conflicts of interest.
    - Other concerns that have arisen as the audit Committee performed its duties as defined in the Committee's charter.
  - (c) 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.
12. The Audit Committee is authorized to invite the Executive Directors, management or related persons to either provide necessary information or attend the meeting.
13. 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, 2018, 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 |



## Roles and Duties of the Nomination and Remuneration Committee

1. Consider 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 of Director who shall subsequently propose the nominee to the shareholders' meeting. The duties and responsibilities can be outlined as follows:
  - (a) Determine qualifications of a Director in accordance with the structure, size and composition set forth by the Board, by taking the following steps:
    - Consider a combined suitability of knowledge, experience and expertise to determine desired qualifications.
    - Assess the independence of each candidate to see whether he/she is completely or incompletely qualified as an independent Director, and to consider whether it is necessary to seek a new independent Director in the case that the numbers of independent Directors do not reach the numbers as stated in the Board's policy.
    - Consider each candidate's promising dedication of time.
  - (b) Select and nominate a suitable candidate for the Board to consider and propose that nominee for final consideration and appointment by the shareholders' meeting of the Company.
    - Determine a method of Director selection that suits the Company's characteristics.
    - Consider the list of candidates, and select the best one who meets the qualification requirements set out.
    - Conduct a careful check to make sure that the best candidate who will be nominated for the appointment being duly qualified in accordance with the rules and regulations established by the authorities.
    - Approach that qualified candidate to make sure that he/she agrees to accept the position as a Director when he/she is appointed by the shareholders of the Company.
    - 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 for approval.
2. Establish a model and guidelines on the payment of Directors' remuneration which will be proposed to the board who will further propose to the shareholders' meeting of the Company for approval.
3. Establish guidelines for evaluating Chief Executive Officer's performance.
4. Determine the annual remuneration of Directors.
5. Consider 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. 3/2550 (2007) on February 26, 2007 had approved the appointment and the scope of authority of the Board Nomination and Remuneration Committee.

## Executive Committee

As at December 31, 2018, the 3 qualified members of Executive Committee consist of:

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

## Roles and Duties of the Executive Committee

The Board of Directors Meeting No. 1/2546 (2003) held on January 28, 2003 and the Board of Directors Meeting No. 2/2556 (2013) held on May 14, 2013 had the resolution to determine the scope of Executive Committee's authority as follows:

1. Approve loans, lendings 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 100 million baht or equivalent.
2. Appoint and withdraw the company employees who are ranked below Chief Executive Officer (previously called Managing Director).
3. Initiate, suggest and formulate policy for the business direction and business strategy of the Company and present to the Board of Directors.
4. Set up corporate and management structures and Executive Committee. To oversee all aspects of the recruiting, training, employment and layoff of the Company's employees.
5. 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.
6. 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 and its subsidiaries' interests (under the Company's Articles of Association and the announcements of the Securities and Exchange Commission (SEC)). 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, 2018, the Risk Management Committee consists of 2 qualified persons:

- |                                  |          |
|----------------------------------|----------|
| 1. Mrs. Pornpan Techarungchaikul | Chairman |
| 2. Mr. Danaisidh Peslapunt       | Director |





### Roles and Duties of the Risk Management Committee

The Company's Board of Directors meeting No. 5/2553 (2010) on August 16, 2010, had the resolution to appoint the Risk Management Committee and approved its scope of duties and responsibilities as follows:

1. Consider the policy, framework and procedure on the risk management, and including giving advice to the Company's Board of Directors and management team on risk management.
2. 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.
3. Consider the Company's important risks on the organizational level, and evaluate the risk management procedures to be in accordance with the Company's strategy and business plan.
4. Report performance to the Audit Committee and the Company's Board of Directors.

### Corporate Governance Committee

As at December 31, 2018, the Corporate Governance Committee consists of 2 qualified persons:

- |                                  |          |
|----------------------------------|----------|
| 1. Mrs. Pornpan Techarungchaikul | Chairman |
| 2. Mr. Danaisidh Peslapunt       | Director |

### Roles and Duties of the Corporate Governance Committee

The Company's Board of Directors meeting no. 1/2554 (2011) on February 23, 2011, had the resolution to appoint the Corporate Governance Committee, and approved its scope of duties and responsibilities as follows:

1. Propose guideline or policy on the good corporate governance to the Audit Committee and the Company's Board of Directors.
2. Review or improve guideline or policy on the Company's good corporate governance.
3. Give suggestions on good corporate governance to the Audit Committee and the Company's Board of Directors.
4. Supervise Directors and the management to comply with the good corporate governance's policy.

### Human Development Committee

As at December 31, 2018, the Human Development Committee consists of 3 qualified persons:

- |                                  |          |
|----------------------------------|----------|
| 1. Mrs. Pornpan Techarungchaikul | Chairman |
| 2. Ms. Praornsri Udompol         | Director |
| 3. Mr. Chakrit Pichyangkul       | Director |

### Roles and Duties of the Human Development Committee

1. Present human resource policy and management direction
2. Draw techniques and strategies for human resource development
3. Oversee and supervise human resource operation
4. Consider and make decisions on human resource development issues based on the direction approved by the Company's Executive Committee

## Executive Team

As at December 31, 2018, the members of Executive Team consist of 6 qualified persons 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. Ms. Nongluk Ngamroj           | Senior Executive Vice President |
| 6. Mr. Ong-Art Singlumpong       | Senior Executive Vice President |

- Remark
- Executive refers to executive as per definition from announcement of the Securities and Exchange Commission (SEC) No. Sor Jor. 14/2540 (1997).
  - Mr. Ong-Art Singlumpong has been appointed to be an Executive on February 9, 2017.

## Roles and Duties of the Chief Executive Officer

The Board of Directors Meeting No. 1/2546 (2003) held on January 28, 2003 and the Board of Directors Meeting No. 2/2556 (2013) held on May 14, 2013 had the resolution to determine the scope of Chief Executive Officer's authority in that Chief Executive Officer (previously called "Managing Director") is authorized to approve any acts necessary for or related to the normal business operation of the Company with the credit limit of each item less than 25 million baht or equivalent. However, the Chief Executive Officer has no authority to deal with any Related Party Transaction (RPT) or Acquisition and Disposition of major Assets of the Company and/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, they will be approved by the Audit Committee and/or the Board of Directors, depending on the case.

## Nomination of Directors and Executives

The Board of Directors Meeting No. 3/2550 (2007) held on February 26, 2007 had its resolution to appoint the Nomination and Remuneration Committee and also approved the duties 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.

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

- One shareholder has one vote per one share.
- Shareholders can vote for each directorial appointment.
- 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 operation of the Company in compliance with the Good Corporate Governance of the Stock Exchange of Thailand.

<b>Name</b>	Mrs. Pornpan Techarungchaikul	
<b>Position</b>	Director, Executive Committee Corporate Governance Committee Chairman, Risk Management Committee Chairman, Human Development Committee Chairman, Company Secretary and Chief Operating Officer	
<b>Age</b>	48	
<b>Education</b>	Master of Business Administration (MBA), Sasin Graduate Institute of Chulalongkorn University Bachelor of Statistics, Chulalongkorn University Executive Development Program 4 (EDP 4) Year 2009, Thai Listed Companies Association Capital Market Academy Leader Program (Batch 23), Capital Market Academy	
<b>Shareholding</b>	None	
<b>Relationship between Management</b>	None	
<b>Experience</b>	2008 - Present	Company Secretary RS Public Company Limited
	2007 - Present	Chief Operating Officer RS Public Company Limited
	2004 - Present	Director and Executive Committee RS Public Company Limited

## Executive Remuneration

### Cash Remuneration

#### 1. Directors

List	Year 2018		
	No. of member	Amount (baht)	Detail of Remuneration
Board of Directors	9	1,885,000	Annual remuneration and meeting allowance
Audit Committee	3	2,200,000	Fixed remuneration and meeting allowance

The detail of annual remuneration and meeting allowance are as follows:

No.	Board of Director	Year 2018		
		Fixed remuneration (baht)	Annual remuneration (baht)	Meeting allowance
1	Mr. Surachai Chetchotisak	-	-	125,000
2	Mrs. Pornpan Techarungchaikul	-	-	100,000
3	Mr. Darm Nana	-	-	100,000
4	Mr. Danaisidh Peslapunt	-	-	100,000
5	Mr. Ong-Art Singlumpomg	-	-	60,000
6	Mr. Sorat Vanichvarakij	-	-	100,000
7	Mr. Phisit Dachanabhirom	-	400,000	100,000
8	General Pairoj Panichsamai	-	300,000	100,000
9	Mrs. Wansuda Thanasaranart	-	300,000	100,000
	<b>Total</b>	<b>-</b>	<b>1,000,000</b>	<b>885,000</b>

- 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.
  2. Mr. Ong-Art Singlumpomg has been appointed as a director, which was the approval of 2018 Annual General Meeting of Shareholders on April 4, 2018.

## 2. Executive Directors and Management

List	Year 2018		
	No. of member	Amount (million baht)	Detail of Remuneration
Executive Director	3	-	-
Management	6	103.56	Salary, bonus and other allowance

In 2018, the Company has paid provident fund to 6 Executives approximately 2.21 million bah

### Other Remuneration

-Nil-

### Personnel

The number of employees in the Company Group as of December 31, 2018 is 1,468 persons of which categorized into RS Public Company Limited's employees of 458 persons and subsidiaries' employees of 1,010 persons. The total rewards of company staff amounted to 833.53 million baht, paid in the form of salaries, bonus, other personnel expenses and provident fund totaling approximately 20.30 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 3 levels i.e. Organization Development, Career Development and Training Development. In 2018, there are altogether 8 training courses of 13 classes, which can be separated; in-house training of 154 hours and external training of 473.5 hours, totaling 627.5 hours and details are 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 and Lotus Notes Program Training, totaling 10 classes of 160 attendances.
- 1.2 Employees' Career Development that defines progressive career path and stipulates the promotion path.
- 1.3 Training Development guidelines have been developed using the framework of Competency Base Training, along with survey results concerning training needs. Development is conducted via external Public Training, which includes the 2<sup>nd</sup> Session of Television Engineering Training in 2018 with 2 attendances, and In-House Training, covering Knowledge Development, Attitude Development and Skill Development, including:
  - 1) Television Station Broadcasting Fundamental Knowledge with 2 classes and 57 attendances; and
  - 2) Understanding the Function of HR Issues with 1 class and 54 attendances.

The Company also holds training programs as required by law: 1) General Safety for Employees and New Employees with 4 classes of 166 attendances; 2) Security Officials in Executive Management with 1 class of 12 attendances; 3) Security Officials in Supervision with 1 class of 16 attendances; 4) Basic Fire Extinguishing with 1 class of 57 attendances; and 5) Safety, Health, and Environment in the Working Place with 1 class of 45 attendances.

2. The Company has always given importance to the building of ties (Engagement) among employees. Arranged activities include:

We Applause congratulates employees on an individual or team basis when success is achieved, and work progresses according to the plan or exceeds the target set in the KPI.

Job Switching allows project participants to try to work in other roles that are outside of their job duties; the objective is for them to gain appreciation for the duties of other employees.

The Sawasdee Green Wednesday activity raises awareness for cloth bag and reusable mug usage.

Activities are continuously taking place, to give encouragement as well as create love and pride in the work of employees of Telesales 1781; such activities include “She is the Heart of Lifestar” and “Luck is all Around”.

Activities to create close bonds and cooperation between employees, employees and artists, and employees and executives include Meet & Greet with artists who currently released new works, dressing in period costumes according to the drama “Sin Lai Hong”, joining costume contests inspired by India series, or sending a clip of incantations in the spirit of the drama “Sanae Nang Kruan”.

The Passion to Win Birthday Voucher gives a special drink to employees every month during their birth month.

3. The Company has announced policy on safety, health, and environment in the working place by arranging all stantially viable and correspondence with related laws and safety standards.

In 2018, the Company has expanded and monitored the safety performance by applying to all level of employees in order to make continuous improvement such as 1) 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 according to the established 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 2018, the unemployment rate of employees using the Company’s medical room was at 7.75% per month.



## 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 social and environment responsibility for sustaining development.

In 2018, the Company has been continuously granted the Very Good CG Scoring by Market Capitalization from Thai Listed Companies Good Corporate Governance Survey Year 2018.

The summary of corporate governance practices in 2018 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 a 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 posts on the Company's intranet.

The Board of Directors maintains a process to review the adoption of good corporate governance principles for listed companies in 2017, which are adapted to suit the business conditions at least once a year.

At the Board of Directors Meeting No. 1/2562 (2019) held on February 15, 2019, there was the consideration, review, revisal and approval of the good corporate governance policy and code of conduct manual for the Company Group as well as monitoring and evaluating the implementation of such policies. The Board of Directors recognizes its role as the governing body of the organization and more than half of its Directors have studied the CG Code and understand the benefits and best practices in creating value for the business in a sustainable manner. They are also equipped to assess compliance with CG Code practices to ensure that each of the CG Code principles can be put to use, or have plans to develop such practices for the business.

In addition, the Company has followed the principles of good corporate governance in accordance with Corporate Governance Code for listed companies 2017, which is determined by the Securities and Exchange Commission to cover good corporate governance for listed companies on the Stock Exchange of Thailand. There are 5 areas covered, including:

- Shareholder Rights
- Equal Right to Shareholders
- Roles 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 2018, the Company had Annual General Meeting of Shareholders on April 4, 2018 and all Directors attended the meetings (The details of the Company's Board of Directors attendances are listed in 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 distribute an invitation letter for meeting which includes details on different meeting's agendas to shareholders at least 7 days prior to the meeting date as stipulated by law.

In 2018, Thailand Securities Depository Co., Ltd., which is the Company's registrar, distributes the invitation letter for the meeting to shareholders at least 7 days or 14 days prior to the meeting date as stipulated by law.

In 2018, the Company had distributed the invitation letter for the 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 the invitation letter for shareholders' meeting and supporting documents in Thai and English language on 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. For the minutes of the meetings in 2018 were posted on the website within 14 days after the meeting. Prior to the start of meeting, the 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. Using voting paper in case of important agenda was given for transparency and accountability. The 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 2018, the Company has provided the shareholders more than what is 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 etc. During the meeting, the Chairman gave equal treatments to shareholders to ask questions, giving ideas, and making suggestions on operating results of the Company. Moreover, shareholders were given rights to send their questions before 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 the Chairman of Audit Committee, to vote on their behalves in the meeting. In the 2018 shareholders' meeting, there were 336 shareholders who gave proxy to the Chairman of the Audit Committee.

On November 28, 2018, the Company published information through its websites for minority shareholders to propose agenda for the general meeting of shareholders. This included clear regulations in advance for consideration on additional agenda for minority shareholders to make proposal. The Company also regulated procedures for minority shareholders to propose candidate for consideration as a Director and including supporting information on qualifications and consent of the proposed candidate. However, there was no any agenda and candidate for a Director proposed to the general meeting of shareholders.

The Company has conducted 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 themselves and their related parties via the designated law office to screen and forward such report 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 Executives with their interests in any transactions shall be banned from participating in a decision making process on those transactions, as disclosed in



Monitoring Internal Use of Internal Information; moreover, related party transactions shall be made in accordance with relevant requirements established by Stock Exchange of Thailand, as detailed in the topic of Measures or Steps of Approval in Related Party Transactions. The certain policy has been implemented since the year 2008 for banning Directors and top Executives\* from trading the Company's shares within 3 weeks before the publication of financial statements and 2 days after the disclosure.

The Company regulates in prohibiting the using of opportunity or information given 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 listed 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 (SEC) who is responsible for changes in shareholding as stipulated by law.

## Roles of Stakeholders

The Company recognizes the importance of rights for all groups of stakeholders both internal stakeholders such as employees, the Company's and its subsidiaries' Executives, or external stakeholders such as competitors, creditors, government agencies and other related parties. The Company realizes the importance of encouragements from stakeholders especially from communities and society (Example is listed in the topic of 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 e.g. Directors, Executives and employees of RS Group to follow when performing duties for the Company with honesty and ethics towards the Company and groups of stakeholders. The details of the Company Group's code of conduct manual which covers business operation's and employee's code of conduct are as follows:

## Responsibilities toward social and environment

The Company has a campaign, "Sawasdee Green Wednesday", that raises awareness among employees to reduce the use of plastic cups by giving them discounts on drinks if they bring their own reusable cups. The campaign also encourages employees to use cloth bags instead of plastic bags. In addition, there is a public relations project on how to help save the world in simple ways, as implemented in the daily lives of management, artists, CoolJs and staff, published on the Company's media every week. All of these efforts are in accordance with the policy to conduct business in a way that is beneficial to the economy, society and environment, taking into account the duties and responsibilities that one should have for the nation, society and environment. The businesses shall be operated and controlled completely under the laws and regulations. The Company shall adopt the business knowledge and experiences to improve the projects which are beneficial to communities. For environment side, the Company ensures not to operate the business with the negative impacts to environment covering e.g. energy control in the office, water usage, renewable resources uses and greenhouse gas emission, including determinations to press on developing trends for social quality and environment by cooperating 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 shall be supported to jointly participate in constantly creating activities for communities and societies in order to create good corporate culture in the future. By reviewing, evaluating, and following up consistently on the Company's long term progress are to ensure that policies on social and environment shall be executed as planned. Also, the Company has promoted the campaign of efficient use of resources e.g. paperless campaign by use of both sides of a piece of paper, surfing Internet and using e-mail; and energy saving by turning off air-conditioner and electricity during break time. The Company also provides information and promotes campaigns that recognize efficient use of resources (Example is listed in the topic of Role and Social Responsibility and Human Resources Development Policy).

## Customers

The Company is committed to providing quality products and services to its customers in compliance with the law and relevant standards, taking into account health, safety, fairness, customer privacy and after-sales service over the lifetime of the products and services. It also tracks customer satisfaction to improve products and services, including responsible advertising, public relations and promotions, without causing misunderstanding or misleading customers. The Company is also responsible for strict compliance with agreements, including having agencies to offer services, take care of, clarify doubts and solve problems for customers.

## Shareholders

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

## Staff and Employees

The Company treats its staff and employees as valuable attributes. Thus, the value of the staff and employees is an important issue, one that is compliant with the law and relevant standards. The Company treats its staff and employees with fairness and respect for human rights in compliance with the law and relevant standards. The Company provides appropriate benefits for its employees that are no less than that which is specified by law. It also provides rewards and other benefits that are fair and aligned with each employee's knowledge, abilities, responsibilities and individual performance which are in line with the Company's performance in the short term. Such benefits include a salary, bonus, and provident fund. This is consistent with the Company's long term performance measures, including Key Performance Indicators (KPI) and comparable compensation in the same industry. Also, the RS Group always focus on maintaining health, hygiene, safety and a good working environment to keep the lives and property of employees safe and secure. Training and knowledge acquisition, capacity development, promoting advancement, providing the opportunity for employees to develop skills in other areas and adhering to labor laws are also key factors. In addition, the Company organized health checkup for employees as well as arranged for life insurance, health insurance and regular safety inspections of the workplace.

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 (Example is listed in the topic of Social Role and Responsibilities, and Human Resources Development Policy).

## Partners and Creditors

The Company is committed to honesty and fairness to its suppliers, taking into account the best interests of the Company. There is a process to ensure fairness in procurement and agreement terms, based on fairness in compensation for both parties. There is to be an avoidance of bias or situations that cause conflicts of interest, as well as adherence to and compliance with agreements, terms of an agreement and obligations towards suppliers and creditors. This includes helping to impart knowledge, developing capacity, elevating products and services to meet standards, and ensuring that partners respect human rights and treat their workers fairly. There is also a focus on social and environmental responsibility, as well as monitoring and evaluating partners to develop a sustainable business. If the case where compliance with the terms of an agreement is not possible, the Company will inform the creditors in advance, to jointly access the situation and find solutions. However, the Company has a liquidity management plan to prepare for the repayment of debt to its creditors, according to the loan maturation schedules. Also, the Company does not support corruption and bribery concerning business benefits for the Company. This also includes anti-corruption and anti-bribery payment to obtain benefit for the Company's business (Example is listed in the topic of Policies on Anti-Corruption).



The Company's criteria for selecting partners/vendors/outside service providers is as follows:

- Quality of Product and Service
- Ability, Specialization, Expertise and Experience
- Trading Policy
- Business Reputation
- Financial Status

### Competitors

The Company supports a competition policy, and free and fair trade, including treating competitors professionally. Business is conducted openly and in a transparent manner, without creating unfair competitive advantages.

### 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 2019, the Company's Board of Directors meeting No. 1/2562 (2019), has reviewed, improved and approved RS Group's code of conduct manual and published on the Company's intranet. 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 code of conduct manual. 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, 2018, 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 is listed on Policies on Anti-Corruption) either from employee and stakeholder via Executives, 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 direct 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 employee and Executive's operational 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 systematic reporting direct to the designated 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.

## Responsibilities of the Board of Directors and Sub-Committees

### 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, Corporate Governance Committee and Human Development Committee. The Chairman of the Board will not hold any 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, 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 listed in topic of Management Structure. The Company's Board of Directors appoints sub-committees in order to operate and oversee the Company, detailed as follows:

#### ■ Audit Committee

It 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 2018, the Audit Committee had 6 meetings in which all members attended all meetings and consistently reported their operating results to the Company's Board of Directors. There were 6 meetings that the Audit Committee met privately with the external auditor without the Executive team being present.

#### ■ Nomination and Remuneration Committee

The Company's Board of Directors meeting No. 3/2550 (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 are listed in the topic of Management Structure.

In 2018, the committee had 3 meetings in which all members attended all meetings. The committee consistently reported their operating results to the Company's Board of Directors.

The details of important performances in 2018 were summarized as follows:

1. Considered the nomination and selection of qualified and suitable person as replacement for the Board of Directors retired member.
2. Considered, reviewed and approved the charter of the Nomination and Remuneration Committee.
3. Considered and reviewed the appropriateness of the pattern and criteria of the remuneration.
4. Reviewed the annual Directors' remuneration.
5. Considered the Chief Executive Officer's evaluation criteria.
6. Evaluated the performance of the Nomination and Remuneration Committee in 2018.
7. 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

It consists of 3 qualified persons. Their names are listed in the topic of Management Structure.

In 2018, the Executive Committee had in total of 36 meetings.

The details of important performances in 2018 were summarized as follows:

1. Made preparation, suggested and stipulated guideline on business policy of the Company to the Board of Directors.
2. Stipulated business plans and administration, and approved the budget for the annual business plan and annual spending budget, including 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. Oversaw, controlled and supervised on the management 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. 5/2553 (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. The details are listed in the topic of Management Structure.

In 2018, the Company's Risk Management Committee had 1 meeting to plan, review the system, or evaluate efficiency of the risk management.

The details of important performances in 2018 were summarized as follows:

1. Considered major risks of the Company, proceed with risk management and evaluated risk management to be in accordance with strategies and business plan of the Company.
2. Supervised and promoted the risk management as planned.

The 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. 1/2554 (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. The details are listed in the topic of Management Structure.

In 2018, the Corporate Governance Committee had 1 meeting to review and improve the good corporate governance policy, code of conduct manual and other relevant policy as well as follow up the assessment of such policies.

The details of important performances in 2018 were summarized as follows:

1. Reviewed the good corporate governance policy and code of conduct manual 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 manual of RS Group and other relevant policy.
3. Gave advises on the good corporate governance to the Company's Board of Directors.
4. Set up guidelines and reviewed report on good corporate governance to publish 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

It consists of 3 qualified persons. Their names and responsibilities are listed in the topic of Management Structure.

In 2018, the Human Development Committee had 4 meeting.

The details of important performances in 2018 were 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, Mrs. Pompan 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:

1. Advice the legal, accounting and tax issue and necessary regulations to the Board of Directors.
2. Oversee and take care of the Board of Directors' activities.
3. Coordinate the concerned party as to ensure the implementation of the resolutions of the Board of Directors.

The Company Secretary has both accounting and legal knowledge. Additionally, 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. 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. The Chairman of the Board of Directors, the Chief Executive Officer and one Independent Director make decision on agendas for the Board of Directors' meeting with emphasizing that important subjects have to be in the meeting agendas. The Directors can freely submit agenda and the Board of Directors can access necessary information from the Chief Executive Officer. The Independent Director/Audit Committee (the definition and qualification is shown in Management Structure) shall attend all meetings. In 2018, there were 5 meetings at the Company's head office. Every Director attended all meetings except Mr. Ong-Art Singlumpong was unable to attend 1 meeting due to his personal commitment.

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 management without the Executives' presence, and the Chief Executive Officer will be informed of the result of the meeting.

### 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, responsibilities, meeting and duties of the Board of Directors, relationship with management, self - development of the Board, and development of Executive

In addition, the Nomination and Remuneration Committee shall provide 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 consideration and improvement.

The Company's Board of Directors arranged for its self - evaluation on yearly basis. On February 15, 2019, the Company's Board of Directors' meeting No. 1/2562 (2019), had made annual consideration on self - evaluation of the Company's Board of Directors of 2018, 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 2018 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 the Chief Executive Officer and high level Executives. The Company has both short term and long term policies to provide appropriate benefits that are fair and aligned with knowledge, abilities, expertise, duties, responsibilities and individual performance as well as the expected benefit from each Executive that is in line with the Company's strategy, long term objective and performances in both short term and long term, including to be within the similar level of the same industry. The Executives' remuneration policy has been approved by the shareholders. During the Company's Board of Directors' meeting No. 1/2561 (2018) and the Annual General Meeting of Shareholders 2018, remuneration for Directors was approved to be within the similar level of the same industry which was high enough to attract 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 regulated the performance evaluation of Chief Executive Officer and proposed for the approval of the Board of Directors. Also, the Chief Executive Officer's performance was evaluated by the Company's Board of Directors which only consisted of Independent Directors (The details of remuneration for the Directors and Executives were listed in the topic of 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 2018, the Company has supported for the training detailed as follows:

Director's Name	Position	2018 Training Courses
Mr. Ong-Art Singlumpong	Director and Senior Executive Vice President	Director Accreditation Program (DAP) 150/2018



### 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 Committee and Human Development Committee shall consider and select high potential Executives for further development and preparation.
2. The Human Development Committee shall develop the assigned group by preparing for the high level development plan for high level Executives.
3. The Executive Committee and Human Development Committee shall 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 shall proceed to the Nomination and Remuneration Committee, and the Company's Board of Directors for consideration.
4. The Nomination and Remuneration Committee shall 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 for 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. Hence, disclosure on information shall be importantly correct, complete, transparency 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 Executive team and equity analysts, institutional fund and general investors in order to have question and answer sessions equally. The Company assigns the "Investor Relations Unit" to communicate and provide services on information, corporate news, and the Company's various activities to institutional investors, shareholders, analysts, related government agencies, and the general investors. The 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 :** <http://www.facebook.com/pages/rs-ir/256459961140733>

**Twitter :** [https://twitter.com/rs\\_ir](https://twitter.com/rs_ir) OR

**E-mail Address :** [ir@rs.co.th](mailto:ir@rs.co.th)

In 2018, the Company disclosed information about the Company through the following activities :

- Analyst meetings were held, to discuss the Company's operating results on a quarterly basis. Analysts got to meet the management who answered questions on various issues. Meeting documents were made available through the company's website.
- Attendance at events held by The Stock Exchange of Thailand (SET) and the securities companies to meet institutional investors and foreign investors, including J.P. Morgan's Thailand Conference, Corporate Day by Krungsri Securities (H&B and Medical Tourism), Corporate Day by KTBST (Thailand), Thailand Focus 2018 "The Future is



Now”, Money Talk at SET, and Media Day by Bualuang Securities. The Company also provided opportunities for investors and shareholders to meet with senior management of the Company who answered questions concerning various issues and to learn the direction of future operations, including new businesses and new strategies that the Company has been involved with during the year.

- The management and investor relations teams met with analysts, investors, and funds in foreign countries. Topics discussed included the overall economy in Thailand, the overview of the Company and the high growth of new business.
- Also, the Company prepared an annual information statement (Form 56-1) and Annual Report (Form 56-2), published on the SETPortal of the Stock Exchange of Thailand as well as on the Company’s website. The Company’s Annual Report has been distributed to shareholders annually; copies and CDs were also provided for the shareholders at the Annual General Meeting of Shareholders.

### Nomination of Directors and High Level Executives

The Board of Directors Meeting No. 3/2550 (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:

1. One shareholder has one vote per one share.
2. Shareholders can vote for each directorial appointment.
3. 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.

### Diversity policy in the Board of Directors’ structure

The Company Board of Directors has stipulated the qualification for director selection 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 shortage 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. For the Director selection, 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. The details of each Director are listed in the topic of Board of Directors.

The Chairman of the Board of Directors is the same person as the Chief Executive Officer, and represents major shareholder. However, as structure of the Company's Board of Directors consists of one third of Independent Directors, which shall have 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 detailed in the topic of the Company's Management Structure. 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 dedicating 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.

The Director, in the Company's Board of Directors, is not allowed to hold position as Director in the public companies of more than 3 companies, and Executive Director is not allowed to hold position as Director in other public 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 public companies must be approved by the Company's Board of Directors beforehand.

The 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 SEC.

### 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 Executive 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. 1/2562 (2019) on February 15, 2019, 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 evaluated adequacy of internal control and result on risk management and compliance with the good corporate governance policy at least once a year and these considerations were made on February 15, 2019, the Company's Board of Directors meeting No. 1/2562 (2019).

### Overseeing the Operations of Subsidiaries and Associated Companies

Nominations and voting for appointment as a Director, Executive or for controlling interest in subsidiaries and associated companies must be approved by the Board of Directors in writing. The exception is when such company is small and considered to be operating arms of the Company. The Board of Directors delegates the Chief Executive Officer as the appointee. The person appointed to the Board of Directors, as the Executive, or as the controlling interest in subsidiaries or associated companies has a responsibility to ensure the best interests of its subsidiaries or associates in accordance with the policies of the parent company. The Company has also determined that the person who has been appointed must be approved by the Board prior to the vote or when voting on important matters. Similarly, Board approval must be sought if this measure is carried out by the Company itself.

In addition, in the case of a subsidiary, the person appointed by the Company must ensure that the subsidiary is subjected to regulations in relation to the connected transaction with the Company. Data and accounting records should be kept for auditing. The consolidated financial statements should also be collected and prepared by the deadline, the established system of internal controls should be appropriate and tight enough, and all processes should be done legally and according to relevant guidelines.

During 2018, the Company has conformed to the Good Corporate Governance except for the following instant:

1. The Executive Directors' remunerations that have been received as the Directors of other companies were not disclosed as it is not information of the Company.
2. The Chairman of the Board of Directors is the same person as the Chief Executive Officer, and represents major shareholder. However, as structure of the Company's Board of Directors consists of one third of Independent Directors, which shall have check and balance in business operations.
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 more in-depth understand the Company's operation.
4. The Company did not require the Director and high level Executives to report at least 1 day before trading date to the Board of Director or those who are assigned about stock trading. As the Company sets out rules and regulations as well as policy of the use of the company's internal information.

### Monitoring Internal Use of Internal Information

The Company has announced to the department head to understand their responsibilities in reporting the number of the Company's shares held by them, their spouses and their children who are considered as minors, and any changes made to the holdings, to the Securities and Exchange Commission, 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, Executives and employees. The code of conduct was annually reviewed, improved and approved by the Board of Directors Meeting No. 1/2562 (2019) held on February 15, 2019. In addition, the Company has laid out rules and regulations on the use of the company's internal information as follows:



1. The Directors, Executives, staff members and the employees of the Company are obliged to treat the internal information of the Company with confidentiality.
2. The Directors, Executives, staff members and the employees of the Company shall not directly or indirectly disclose confidential or internal information of the Company for the personal benefit of any individual.
3. The Directors, Executives, the staff members and the employees of the Company shall 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 Executives, the staff members and employees of the Company. Any violation of the Company's regulations shall be considered 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's 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 2018, that includes person or business related to the auditors and auditing office under the auditing company during the past year, to the amount of 5 million baht which separates into 1.39 million baht from the Company and 3.61 million baht from its subsidiaries.

### ● Other fee

The Company and its subsidiaries have 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 0.35 million baht which separates into 0.15 million baht from the Company and 0.20 million baht from its subsidiaries.





## 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 is 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. Anti-Corruption

The Company recognizes the importance of fighting corruption. The policy against corruption lays out the Company's practices even more clearly, and rejects corruption in all forms. It also builds awareness and promotes the values of integrity and honesty, as well as makes the fight against corruption part of the corporate culture. Anti-corruption efforts fall under supervision, control, risk management and internal control systems that help prevent corruption more effectively.

### 3. Complying with Human Rights

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

### 4. 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:

- Set a plan and clearly allocate a budget each year. There are 3 levels of human resource development: Organization Development, Career Development and Training Development.
- Arrange annual health checkup for employees, with an appropriate health checkup 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 checkup program to the Company's premises.
- Allocate staff welfare benefits such as 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 etc.
- The Company continuously places importance on the engagement of employees in the organization, offering various initiatives such as We Applause activities and activities that encourage employees and congratulate them, on an individual or group basis, when success is achieved. This creates pride in their work. Job Switching activities allow participants to try to work in other functions, which helps create greater understanding among employees.
- The Company announces 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.



## 5. Responsibility to Customers and Consumers

The Company intends to create, produce, and distribute quality goods and services; this includes media productions and all forms of entertainment to continuously satisfy customers of the Company, as well as engage service departments to oversee, clarify doubts, and solve problems for customers. The Company welcomes the return of all types of products if they are found to be defective, do not meet quality requirements, or cause problems once they have been used.

## 6. Caring for the Environment

The Company encourages campaigns and creates awareness among employees in the conservation and efficient use of various resources and energy. There is a campaign for employee to encourage the reduction of plastic cup usage, and to use cloth bags instead of plastic bags. The Company also publicizes eco-friendly guidelines that can be implemented in the daily lives of executives and artists, as well as creates and supports activities that are continuously beneficial to the preservation, conservation and use of natural resources, the environment and energy. The promotion of campaigns and cultivation of consciousness in knowing the value of and appreciating and using resources effectively include reducing the use of paper and employing more electronic data; using two-sided paper; helping to save electricity by shutting down the air conditioning system about 30 minutes before work ends; taking out the middle light bulb in a 3-bulb light fixture; and turning off the air conditioner and lights during the break. By displaying public relations media at various points, employees are aware of the campaign objectives.

## 7. Development of a Community or Society

The Company has pushed for the development of a better society through its own efforts as well as working with the state and community, and encouraging employees and staff to regularly participate in various activities for the community and society. There are tracking means to measure progress and long-term success in order to ensure that the Company has complied with its social and environmental policy. In 2018, the Group demonstrated its role and responsibility towards society through the following activities:



COOLfahrenheit, led by Mr. Prinn Muensuksaeng, Managing Director, along with CoolU. Pipe Kitcharoenkankul gave money from the activities of “COOL Running #runforlook” to the Prostheses Foundation of Her Royal Highness Princess Srinagarindra the Princess Mother. Dr. Wirat Phanpanich, Deputy Secretary of Administration, and Dr. Phirun Kham-oun, Deputy Secretary-General for Academic Affairs and Research, received the funds, which will be used for making prosthetic legs for underprivileged disabled persons.



COOLfahrenheit, led by Mr. Prinn Muensuksaeng, Managing Director, and CoolU., as a representative, brought donations from the activities of “COOL Degree, Listen for Good 2018”, where listeners and fans do something good together. They accumulate listening points through the COOLISM application to exchange for donations delivered to Thai Blind Foundation and Foundation for the Blind in Thailand under the Royal Patronage of His Majesty the King.



Artist representatives were led by Mungkorn - Paphawin Hongkajorn and Mean-Aujjima Kosuma from Channel 8 and Tonkhao-Khemnat Thajiramongkolkit or Tonkhao RSiam and Kluay-Sirirat Janthed or Kluay RSiam, from the RSiam Label, under the “Channel 8 Project to Help Flood Victims”. The rehabilitation and cleanup efforts were joined by Mr. Sitham Ratchakaew, Chief District Officer of Ban Laem in Phetchaburi Province, and more than 200 villagers from the community in the area around the Murahman Islamic Mosque in Bang Khrok District, Ban Laem District, Phetchaburi Province. The artists offered encouragement to the flood victims whose homes and public community areas were destroyed. In addition, the artists distributed shirts to the victims as well.



On the occasion of National Mother’s Day 2018, the Social Welfare Council of Thailand under Royal Patronage provided food for travellers at Hua Lamphong Railway Station in honor of Her Majesty Queen Sirikit, Queen of King Rama IX. Two volunteer artists from the Company were present, led by Lala RSiam and Thanya RSiam, who helped hand out 5,000 food tiffin sets to the travellers.



The “Sharing of Hearts from Friend to Friend No. 3” by pop-rock artists of Thailand, “Flame” band, included Keng-Aphimongkol Koonthakar, Jane-Watcharasak Kamsaen and Jo-Sarit Charatwirot; they invited fellow artists and fans to join a lunch, with a mini concert at the Protection and Development Center for People with Disabilities (Female), Khlong 6, Pathum Thani province.



COOLfahrenheit, together with the Naval Radio Station covering the entire country, led by Mr. Prinn Muensuksaeng, along with CoolJ. Kan-Rangrong Wannarot, CoolJ. Tum-Phatawut Singhasene and CoolJ. Nick-Tiraphata Chaijanya, organized an activity to share love and kindness for the underprivileged in the “Voices for Children” project at Baan Dek Ramindra School (blind and disabled children’s home). They donated money and necessary supplies, and served a meal. They also did activities to create happiness and bring smiles to the children.





On the occasion of the birthday of Her Highness Prince Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra, the Social Welfare Council of Thailand under the Patronage of His Majesty the King, held an event titled, “Remembering Princess Galyani Vadhana...Kaew Kalaya Flower of the Country”, to commemorate her dedication to the disabled. It was widely publicized at the Atrium3 Zone, Central World Shopping Center, by Tonkhao RSiam and Pleng RSiam, representatives of the artists from the RSiam label. They also sold Kaew Kalaya flower products and artificial flowers made by disabled people to raise funds to help people with disabilities all over the country.



Dr. Ong-Art Singlumpong, MD of Channel 8 television station, along with affiliated actors Fluke-Jira Danborwornkiat, lang-Sittha Sapphanuchat, Jean-Gaewalin Sriwanna and Fai-Weluree Disyabutra, donated income after deducting expenses in the activity titled, “Hanuman Urban Run” to the Veterans Hospital, supporting the provision of tools, appliances and medical equipment.



Two stars, led by Bowling-Prisana Kampusiri, an artist from Channel 8, and Lada RSiam from the RSiam label, joined as the facilitators of the National Children’s Day event. Activities included “Merit-making Activities for Non-Cruelty Towards Animals” of the Thai Society for the Prevention of Cruelty to Animals (TSPCA) at Dusit Zoo (Khao Din Wana) in order to instill knowledge, understanding and compassion for animals in children and young people.



Mrs. Wallaya Wattanatham, Director of Bangkok’s Environmental Department, organized a 1-hour lights-off campaign to reduce global warming in the campaign “60+ Earth Hour 2018”. Thai people across the country were invited to turn off the lights for 1 hour. Artists from Channel 8, including Fai-Weluree Disyabutra and Krit Amornchalerk, acted as the presenters. They also joined as ambassadors in the campaign. Other large cities all over the world also participated, to help save electricity, which is one of the causes of the global warming crisis.



Gen. Prawit Wongsuwan, Deputy Prime Minister, presided over a ceremony, along with the Deputy Minister of Commerce, Director-General of the Department of Intellectual Property and RS artists, including Mungkorn-Paphawin Hongkajorn of Channel 8, Keng-Aphimongkol Koontakarn, Thanya Daraphat Taweean or Thanya RSiam and Tonkhao-Khemnat Thajira-mongkolkit or Tonkhao RSiam. They were joined by network partners in the Subcommittee for the Suppression of Intellectual Property Violations, Internal Security Administration Division, Royal Thai Army, Royal Thai Navy, Royal Thai Police, Ministry of the Interior, Department of Intellectual Property, Department of Customs, Department of Special Investigations, Public Relations Department and private owners of intellectual property rights. The group presided over the destruction of intellectual property infringement goods from cases in which final rulings have been made.



Commander and Female Medical Officer Ubonwan Jaroonruankrit, Director of the National Blood Center of the Thai Red Cross Society and the aNational Blood Service Center of the Thai Red Cross Society, led artist Bew Kalayanee RSiam to meet with General Prayut Chan-ocha, Prime Minister, to invite Thai people to dress in Thai costumes and donate blood. The purpose was to preserve Songkran traditions in the project called “Donate Blood During the Drought Season” at the National Blood Service Center, in order to maintain a sufficient blood supply to dispatch to various hospitals throughout the country.



Mr. Thiraphong Pangsiwong, President of the Thai Society for the Prevention of Cruelty to Animals (TSPCA), and Dr. Panthep Rattanakorn, Dean of the Faculty of Veterinary Medicine of Mahidol University, presided over the event “Love, Do Not Set Free for Set Zero No Rabies” to exchange knowledge and create an understanding about solving stray animal problems by campaigning for stray dogs to be vaccinated. Artists Mungkorn-Paphawin Hongkajorn and Goodwill Ambassador of TSPCA Mim-Rattanaoporn Klinkulaphiran of Channel 8 also participated in the event.



RS stars and Channel 8 artists, such as Mungkorn-Paphawin Hongkajorn and Tonkhao RSiam as presenters, joined the campaign for Thai people to refrain from drinking alcohol throughout the three months of Buddhist Lent. At the press conference on “National Alcohol Abstinence Day”, which corresponds with Buddhist Lent Day of every year, they explained that abstinence will help reduce expenditures by more than 11 billion baht, which is the starting point to reduce and stop alcohol consumption, strengthening the family institution. The project, “Stop Alcohol for the Buddhist Lent”, also sought those with alcohol drinking problems, offering access to treatment systems, going hand in hand with all activities organized for “National Alcohol Abstinence Day”.



## Awards Received in 2018



Fluke-Jira Danbowonkiat, an artist from Channel 8, was selected by the Thai Red Cross AIDS Research Center as the “World AIDS Day Presenter of the Year 2018”. He received a commemorative medal from Her Royal Highness Princess Somsawali, and campaigned for the greater awareness among Thai people to prevent AIDS.



Artists Aof Dokfah RSiam and Kanda RSiam received the Diamond of Siam Award 2018 (the outstanding citizens of the year 2018) in the actors and artists segment, as organized by the Thai Creative Media Club.



Country singer Bew Pongpipat RSiam received recognition on behalf of RS Public Company Limited and as a presenter for the Day of the Disabled 2018, in which there were sales of Kaew Kalaya flowers. The flowers, symbolic of the plight of disabled persons, helped to raise income to help people with disabilities.



“RSiam”, Thailand’s first borderless music label, received the “Diamond Button” award from YouTube because its number of subscribers surpassed 10 million people. This is considered to be a proud moment, and one that guarantees the success of “RS” in terms of reaching new consumers who have experienced lifestyle changes given the shift in modern technology.



The announcers Duay-Phakaphong Udomkalayalux and Naz-Teekamporn Youkamnerd from the program “Pak Tong Dong Ru” of Channel 8 received a Pikanaysuan Award in the category of “Outstanding Professional Development Support Program”. This was organized by the Assembly of Television News Programmers and Newspaper Operators of Thailand in the 6<sup>th</sup> National Radio Television Ganesha Awards 2018.



Creating the sentiment among Thai teenagers to not try smoking, two artists from RSiam label served as good models; they included Thanya RSiam and Lada RSiam, who received the Artist Award for a Smoke-Free Society in Thailand for the year 2018.



The Artist Council Promoting Buddhism of the Thailand National Buddhism Office, Department of Religious Affairs, and Ministry of Culture, along with Somdej Phra Phutthajarn of Wat Traimit, together presided over the award ceremony “Buddhism Ambassadors for Makha Bucha Day 2018”. Channel 8 performers Jean-Gaewalin Sriwana and Krit Amornchailerk received the award, honoring them as Thai Buddhists who continuously teach the ways of Buddhism and always maintain the spirit of supporting society.





Actors, presenters and announcers from Channel 8, such as Nan-Kanda Srithammupatham, Fai-Weluree Disyabutra, Krit Amornchailerk and Aof-Akkarapon Thongtharadol, received the “Ananda Mahidol Day” pin, and served as models for the donation campaign for Ananda Mahidol Day. This was to raise funds to support the Ananda Mahidol Foundation, the Thai Red Cross Children’s Home, the Red Cross, sick monks and poor patients of Chulalongkorn Hospital of the Thai Red Cross Society.



Koi-Boonyita Ngamsupapasil and LeeShare-Wiyada Peearat-takun from the Channel 8 morning news program received the “Gold Scales” award plaque for outstanding persons of the year 2018 from the Federation of Child and Youth Aid of Thailand, Association of Consumer Protection Institute and their affiliated networks for 2018. In its 7<sup>th</sup> edition, the event encourages, raises the status of and gives recognition to people who serve as volunteers.

## 8. Innovation and Spreading Innovation, Operating with Social, Environmental, and Stakeholder Responsibility

The Company does not stop in its search for new businesses that build on and expand the existing business, amidst changes that occur in each era. The Company is ready to adapt, and leverage the strengths of its existing personnel and resources for maximum benefit. It also introduces new technology and innovation to create the greatest value. This can be seen from the emergence of its new Multi-platform Commerce business. The Company has been inspired to produce innovative global health and beauty products as well as to develop products to meet the needs of consumers, providing them with the best quality of life. The Company wants Thai people to have equal access to technology on a global level. The team, working with partners from research institutes abroad, produces goods for each brand under Lifestar Company Limited.

## 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 Ms. Korapin Naksuprangsri, Assistant Vice President of the Audit Department.

### Education/Training :

- Master degree in Business Administration, Thammasat University
- Bachelor degree in Accounting, Chulalongkorn 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 The Stock Exchange of Thailand.

### Experiences :

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

During the Board of Directors Meeting No. 1/2562 (2019) on February 15, 2019 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. The evaluation on the Company's internal control system was 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 manual of the Company Group. These are publicized 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 stipulate the policy, oversee, and support the risk management to ensure that it is in accordance with 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 provided the information systems that systematically relating to the accounting, systematic financial reporting, and 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 had 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. The Board of Directors also had the opinion that the Company already has sufficient internal control.

## Policies on Anti-Corruption



The Company realizes the importance of countering corruption. The Board of Directors Meeting no. 1/2560 (2017) on February 22, 2017 deliberated anti-corruption policies to set clear guidelines and the Board of Directors Meeting No. 1/2562 (2019) on February 15, 2019 has reviewed, improved and approved the Policies on Anti-Corruption, followed up the evaluation on the concerning policy.

### Policies and Guidance

The Board of Directors adheres to operate the business under good corporate governance policy and code of conduct of RS Group to ensure transparency and to prevent corruption in all its forms. This promotes awareness and values of honesty and anti-corruption in order to create good corporate culture by monitoring and managing risks and internal control systems to prevent corruption efficiency.

The guidance is summarized as follow:

1. Set guidelines for offering and accepting gifts, benefits and relevant financial matters in code of conducts manual of RS Group.
2. Stipulate practices and regulations for business relations; including authorities related to countering corruption, positions related to purchasing or hiring processes. This includes following the manual of the purchasing department completely and transparently.
3. Provide adequate and appropriate internal controls including delegating responsibilities or duties, chains of approval, and review etc.
4. Communicate the corporate governance policy and code of conduct manual of RS Group, as well as anti-corruption policies.
5. Provide channels to report evidence of corruption from staff members and stakeholders. Also, ensure fairness and protection for whistleblowers.

### Fraud Risks Assessment

The Risk Management Committee considers 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. Hold training workshops, communicate, and ensure for staff members acknowledge anti-corruption policy and guidance.
2. Create opportunity for staff members at all levels to give opinions and suggestions to improve internal systems and prevent corruption appropriately and concisely.
3. Directors, Executives 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 shall carry-out the Company's annual assessment. If any corruption is found, that information shall be brought to the attention of the Audit Committee and the Board of Directors.
5. The channel to report clues and complaints of corruption, from staff members or the stakeholders, is via email at IA\_Anti\_Corruption@rs.co.th. Whistleblowers shall cooperate for every evidence investigation.

### Protection and Confidentiality Measures of the Complainant

The Company realizes 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.

## Related Party Transactions



The details and information of related party transactions of the Company, subsidiary companies and related companies are listed in the note of the financial statements as of December 31, 2018. 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 2018, the Company and its subsidiaries underwent related party transactions with individuals who may possess a conflict of interest from January 1, 2018 as follows:

Person who may encounter conflicts	Relationship
Mr. Surachai Chetchotisak	He is a director and holds 36.26% 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 Chetchot holds 6.30% of the paid-up capital of Chetchotisak Co., Ltd. and she is a wife of Mr. Surachai Chetchotisak, a director and holds 36.26% of the Company's paid-up capital.
	Mr. Suwat Chetchotisak is a director and holds 14.35% of the paid-up capital of Chetchotisak Co., Ltd. and he is Mr. Surachai Chetchotisak's younger brother.
	Ms. Malee Chetchotisak is a director and holds 14.50% of the paid-up capital of Chetchotisak Co., Ltd. and she is an older sister of Mr. Surachai Chetchotisak.
Membership Company Limited	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 Chetchot holds 10.00% of the paid-up capital of Membership Co., Ltd. and holds 0.69% of the Company's paid-up capital and he is Mr. Surachai Chetchotisak's son.
	Mr. Chet Chetchotisak holds 30.00% of the paid-up capital of Membership Co., Ltd. and holds 1.75% of the Company's paid-up capital and he is Mr. Surachai Chetchotisak's son.

**Remark** The shareholding proportion of persons who may encounter conflicts was dated on December 31, 2018.

## Nature of Related Party Transactions and Pricing Conditions and Policy

Setting the price 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 are comprised of:

### Office Rental

In the financial statements for the year ended December 31, 2018, the Company and its subsidiaries made payment of the office rental, common service fee, and public utilities expense to Chetchotisak Company Limited and Membership Company Limited in the amount of 79.51 million baht and 13.41 million baht respectively.

The Company also rented the Chetchotisak building 1-3 from Chetchotisak Company Limited with the purpose of using them as office buildings by paying rental and common service fee at the rate of 425 baht per square meter which is reasonable when comparing to nearby buildings which charged the rental and common service fee at 450-620 baht per square meter.

For other building rental fee, in the vicinity of Chetchotisak Company Limited and Membership Company Limited (as per details in the table, items 4, 5 and 6), the rental and common service fee was on a lump sum payment (lump sum payment 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 of using them as offices and car park buildings.

However, the Company's office rented from Chetchotisak Company Limited (as per details in the table, items 5 and 6, and next to Chetchotisak building 2) was the office that Chetchotisak Company Limited subleased from the Mr.Kriengkrai Chetchotisak and renovated from the townhouse to the office building with public utilities provided. The rental/service fees were charged on a lump sum rate, with average rates of 337-412 baht per square meter (calculated 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 explained the comparison in previous section. Additionally, the reason of sublease from the Chetchotisak Company Limited was due to the expertise in office management. The rental agreement with the party with whom the conflict of interest may arise, the details are as follow:

Building/ Location Renter	Rented by	Rental	Space (square meter)	Rental and 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 PCL	3,745	1.59	Jun'18	May'19	Board of Directors
2. Chetchotisak Building 2, 419/2 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL	5,955	2.55	Jun'18	May'19	Board of Directors
		Lifestar Co., Ltd.	50	0.02	Jun'18	May'19	Board of Directors
3. Chetchotisak Building 3, 419/3 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL	2,242	0.95	Jun'18	May'19	Board of Directors
4. Building no. 419/4, Soi Ladphrao 15, Chatuchak, Bangkok	Membership Co., Ltd.	RS PCL	Lump sum	0.25	Aug'18	May'19	Board of Directors
		R.S. Television Co., Ltd.	850	0.51 Lump sum	Jan'17	Dec'18	Board of Directors
5. Building no. 203/18-20, Soi Ladphrao 15, Chatuchak, Bangkok	Mr. Kriengkai Chetchotisak/ Chetchotisak Co., Ltd.	Lifestar Co., Ltd.	600	0.25 Lump sum	Jun'18	May'19	Board of Directors
6. Building no. 203/34-36, Soi Ladphrao 15, Chatuchak, Bangkok	Mr. Kriengkai Chetchotisak/ Chetchotisak Co., Ltd.	Lifestar Co., Ltd.	600	0.20 Lump sum	Jun'18	May'19	Board of Directors

Remark \* The rental agreement is able to renew at expiry date.

(The rental renewal agreement is not 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.



## Land Rental

In the financial statements for the year ended December 31, 2018, the Company and subsidiaries made payment of land rental to Chetchotisak Company Limited and Chetchotisak Group of Persons in the amount of 0.19 million baht per year.

The Company and its subsidiary rented the land from Chetchotisak Company Limited and Chetchotisak Group of Persons while the land had been subleased from Mr. Kriengkai Chetchotisak for using as equipment storage building and store by charging the land rental at the rate of 36-137 baht per square wah, which was considered reasonable when compared to the rental of nearby land. The rental details are as follows:

Location	Renter	Rented by	Rental Space	Rental Fee/ Month (baht)	Contract Term		Approved by (**)
					Start	End (*)	
1. Land Soi Ladphrao 15 Chatuchak, Bangkok	Chetchotisak Group of Persons	RS PCL	152 square wah	22,000	Jun'15	May'18	Management
2. Land Soi Ladphrao 15 Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL	52 square meter	5,500 7,100	Jun'15 Jun'18	May'18 May'19	Management

**Remark**

- \* The rental agreement is able to renew at expiry date.  
(The rental renewal agreement is not automatically enabled and the reconsideration at any renewal shall be made).
- \*\* This agreement was done by Management team due to the size of the transaction lower than the requirement which shall be approved by 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 Company's benefit. Throughout 2018, the related party transactions between the Company and the subsidiary companies, as well as the Company 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 was able to compare with other entities' transactions and has been disclosed in the notes to financial statements of 2018.

The Audit Committee has reviewed the related party transactions between the Company, subsidiaries and individuals who may possess a conflict of interest, including land rental, office rental, 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 2018. The Committee has the comments that the mentioned transactions occurred under normal course of business, necessity and rationale of the connected transactions to optimize the Company'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. In addition, all operations shall 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 shall maintain the policy or the future potential of related party transactions with related parties such as office rental, land rental and guarantee of loan by the Company for the Company Group. However, the Company shall not do related party transactions with individuals who may possess a conflict of interest, except for the case that will optimize the Company's benefit, as well as pricing 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.

## Financial Highlight

### Statement of Financial Position as at December 31, 2016, 2017 and 2018

Consolidated financial statements						
31 December 2016			31 December 2017		31 December 2018	
Thousand Baht	%		Thousand Baht	%	Thousand Baht	%
<b>Assets</b>						
<b>Current assets :</b>						
Cash and cash equivalents	103,762	2.5%	230,824	5.5%	339,640	8.3%
Trade and others accounts receivable (net)	647,567	15.6%	622,302	14.8%	553,168	13.6%
Inventories (net)	129,680	3.1%	315,635	7.5%	284,786	7.0%
Value added tax	67,630	1.6%	24,836	0.5%	3,816	0.1%
Other current assets (net)	1,483	0.1%	2,276	0.1%	4,934	0.1%
<b>Total current assets</b>	<b>950,123</b>	<b>22.9%</b>	<b>1,195,873</b>	<b>28.4%</b>	<b>1,186,344</b>	<b>29.1%</b>
<b>Non-current assets :</b>						
Investments in associated company (net)	4,104	0.1%	3,989	0.1%	3,991	0.1%
Plant and equipment (net)	473,046	11.5%	402,468	9.6%	331,535	8.1%
License for operation right in spectrum of digital television (net)	1,666,431	40.3%	1,531,085	36.4%	1,395,738	34.3%
Intangible assets (net)	551,610	13.3%	587,247	14.0%	720,150	17.7%
Prepaid expense - non-current	35,417	0.9%	27,083	0.6%	9,030	0.2%
Withholding tax (net)	124,080	3.0%	153,555	3.6%	180,090	4.4%
Deferred tax assets (net)	303,618	7.3%	273,924	6.5%	231,609	5.7%
Other non-current assets (net)	30,860	0.7%	33,906	0.8%	14,840	0.4%
<b>Total non-current assets</b>	<b>3,189,166</b>	<b>77.1%</b>	<b>3,013,257</b>	<b>71.6%</b>	<b>2,886,983</b>	<b>70.9%</b>
<b>Total assets</b>	<b>4,139,289</b>	<b>100.0%</b>	<b>4,209,130</b>	<b>100.0%</b>	<b>4,073,327</b>	<b>100.0%</b>



### Consolidated financial statements

31 December 2016		31 December 2017		31 December 2018	
Thousand Baht	%	Thousand Baht	%	Thousand Baht	%

#### Liabilities and equity

##### Current liabilities :

Trade and other accounts payable	589,116	14.2%	815,419	19.4%	733,203	18.0%
Current portion of liability under finance lease agreements (net)	11,668	0.3%	11,682	0.3%	11,071	0.3%
Current portion of payable for cost of license for operation right in spectrum of digital television (net)	378,076	9.1%	176,864	4.2%	4,072	0.1%
Short-term loans from financial institutions	706,000	17.1%	213,000	5.0%	240,000	5.9%
Current portion of payable for long-term loans from financial institutions	-	-	40,000	1.0%	80,000	2.0%
Provision for goods returned	1,892	0.0%	-	-	-	-
Value added tax	43,962	1.1%	29,758	0.7%	39,369	0.9%
Accrued income tax	22,905	0.5%	41,610	1.0%	28,983	0.7%
Withholding tax payable	15,150	0.4%	10,091	0.2%	9,242	0.2%
<b>Total current liabilities</b>	<b>1,768,769</b>	<b>42.7%</b>	<b>1,338,424</b>	<b>31.8%</b>	<b>1,145,941</b>	<b>28.1%</b>

##### Non-current liabilities :

Liabilities under finance lease agreements (net)	24,702	0.6%	17,689	0.4%	6,617	0.2%
Long-term loans from financial institution	444,060	10.7%	626,085	14.9%	316,085	7.8%
Payable for cost of license for operation right in spectrum of digital television (net)	727,843	17.6%	717,672	17.0%	826,556	20.3%
Employee benefit obligations	97,959	2.4%	96,135	2.3%	99,545	2.4%
Other non-current liabilities	16,432	0.4%	11,068	0.3%	6,249	0.1%
<b>Total non-current liabilities</b>	<b>1,310,996</b>	<b>31.7%</b>	<b>1,468,648</b>	<b>34.9%</b>	<b>1,255,053</b>	<b>30.8%</b>
<b>Total liabilities</b>	<b>3,079,765</b>	<b>74.4%</b>	<b>2,807,072</b>	<b>66.7%</b>	<b>2,400,994</b>	<b>58.9%</b>

	Consolidated financial statements					
	31 December 2016		31 December 2017		31 December 2018	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Liabilities and equity (Cont'd)</b>						
<b>Equity :</b>						
Share capital						
Authorised share capital						
1,203,270,516 ordinary shares of par Baht 1 each			1,203,271	28.6%	1,203,271	29.5%
1,009,937,646 ordinary shares of par Baht 1 each	1,009,938	24.4%				
Issued and fully paid-up share capital						
1,010,149,192 ordinary shares of par Baht 1 each	-	-	-	-	1,010,149	24.8%
1,010,147,392 ordinary shares of par Baht 1 each	-	-	1,010,147	24.0%	-	-
1,009,937,646 ordinary shares of par Baht 1 each	1,009,938	24.4%	-	-	-	-
Premium on share capital	255,825	6.2%	258,237	6.1%	258,258	6.3%
Treasury shares	(465,275)	(11.2%)	(465,275)	(11.1%)	(465,275)	(11.4%)
Retained earnings						
Appropriated - legal reserve	100,895	2.4%	112,972	2.7%	120,327	3.0%
Appropriated - treasury share reserve	465,275	11.2%	465,275	11.1%	465,275	11.4%
Unappropriated	(317,336)	(7.7%)	15,518	0.4%	282,483	7.0%
<b>Equity attributable to owners of the parent</b>	<b>1,049,321</b>	<b>25.3%</b>	<b>1,396,874</b>	<b>33.2%</b>	<b>1,671,217</b>	<b>41.1%</b>
Non-controlling interests	10,203	0.2%	5,184	0.1%	1,116	0.0%
<b>Total equity</b>	<b>1,059,524</b>	<b>25.5%</b>	<b>1,402,058</b>	<b>33.3%</b>	<b>1,672,333</b>	<b>41.1%</b>
<b>Total liabilities and equity</b>	<b>4,139,289</b>	<b>100.0%</b>	<b>4,209,130</b>	<b>100.0%</b>	<b>4,073,327</b>	<b>100.0%</b>



## Statement of Comprehensive Income For the Year Ended December 31, 2016, 2017 and 2018

	Consolidated financial statements					
	2016		2017		2018	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Revenue</b>						
Revenue from sales	846,939	27.1%	1,413,407	40.0%	2,129,659	55.1%
Revenue from services	2,151,676	68.9%	2,088,275	59.2%	1,697,022	44.0%
<b>Total revenue and services income</b>	<b>2,998,615</b>	<b>96.0%</b>	<b>3,501,682</b>	<b>99.2%</b>	<b>3,826,681</b>	<b>99.1%</b>
Other income	123,590	4.0%	26,644	0.8%	33,750	0.9%
<b>Total revenues</b>	<b>3,122,205</b>	<b>100.0%</b>	<b>3,528,326</b>	<b>100.0%</b>	<b>3,860,431</b>	<b>100.0%</b>
<b>Cost of sales and services</b>						
Cost of sales	(405,270)	(13.0%)	(475,530)	(13.5%)	(712,254)	(18.5%)
Cost of services	(1,925,733)	(61.7%)	(1,653,680)	(46.8%)	(1,493,023)	(38.6%)
<b>Total cost of sales and services</b>	<b>(2,331,003)</b>	<b>(74.7%)</b>	<b>(2,129,210)</b>	<b>(60.3%)</b>	<b>(2,205,277)</b>	<b>(57.1%)</b>
<b>Expenses</b>						
Selling expenses	(315,635)	(10.1%)	(398,268)	(11.3%)	(452,641)	(11.7%)
Administrative expenses	(516,763)	(16.5%)	(533,853)	(15.1%)	(601,744)	(15.6%)
Other expenses	(1,907)	(0.1%)	(1,847)	(0.1%)	(3,174)	(0.1%)
<b>Total expenses</b>	<b>(834,305)</b>	<b>(26.7%)</b>	<b>(933,968)</b>	<b>(26.5%)</b>	<b>(1,057,559)</b>	<b>(27.4%)</b>
<b>Profit (loss) before finance costs and income tax</b>	<b>(43,103)</b>	<b>(1.4%)</b>	<b>465,148</b>	<b>13.2%</b>	<b>597,595</b>	<b>15.5%</b>
Finance costs	(83,373)	(2.7%)	(90,471)	(2.5%)	(68,340)	(1.8%)
Gain from modification of payment term of license for operation right in spectrum of digital television	-	-	45,539	1.3%	94,615	2.5%
<b>Profit (loss) before income tax</b>	<b>(126,476)</b>	<b>(4.0%)</b>	<b>420,216</b>	<b>12.0%</b>	<b>623,870</b>	<b>16.2%</b>
Income tax	24,235	0.7%	(87,193)	(2.5%)	(107,832)	(2.8%)
<b>Profit (loss) for the year</b>	<b>(102,241)</b>	<b>(3.3%)</b>	<b>333,023</b>	<b>9.5%</b>	<b>516,038</b>	<b>13.4%</b>
<b>Other comprehensive income :</b>						
Items that will not be reclassified to profit of loss						
- Remeasurements of post employment benefit obligations	-	-	15,086	0.4%	-	-
- Income tax on items that will not be reclassified	-	-	(3,017)	(0.1%)	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>	<b>12,069</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(102,241)</b>	<b>(3.3%)</b>	<b>345,092</b>	<b>9.8%</b>	<b>516,038</b>	<b>13.4%</b>



	Consolidated financial statements					
	2016		2017		2018	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Profit (loss) attributable to						
Owner of the parent	(102,145)	(3.3%)	332,862	9.4%	516,040	13.4%
Non - controlling interests	(96)	(0.0%)	161	0.0%	(2)	(0.0%)
	(102,241)	(3.3%)	333,023	9.4%	516,038	13.4%
Total comprehensive income attributable to						
Owner of the parent	(102,145)	(3.3%)	344,931	9.8%	516,040	13.4%
Non - controlling interests	(96)	(0.0%)	161	0.0%	(2)	(0.0%)
	(102,241)	(3.3%)	345,092	9.8%	516,038	13.4%
Earning (loss) per share for profit attributable to the equity holders of the parent						
Basic earning (loss) per share (Baht)	(0.1043)		0.3443		0.5337	
Weighted average number of Ordinary shares in issue during the year (shares)	978,992		966,696		966,875	
Diluted earning (loss) per share (Baht)	(0.1043)		0.3328		0.4924	
Weighted average number of common shares for calculation of diluted earnings per share (shares)	978,992		1,000,276		1,047,925	



## Statement of Cash Flows

### For the Year Ended December 31, 2016, 2017 and 2018

	Consolidated financial statements					
	2016		2017		2018	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Cash flows from operating activities</b>						
Profit (loss) before income tax	(126,477)	(121.9%)	420,216	182.1%	623,870	183.7%
<b>Adjustments:</b>						
Depreciation and amortisation	468,499	451.5%	558,173	241.8%	591,460	174.1%
Amortisation for prepaid expense	-	-	-	-	18,053	5.3%
(Reversal of) allowance for doubtful accounts	4,932	4.8%	(2,697)	(1.2%)	(15,333)	(4.5%)
Allowance for doubtful in recoverable of withholding tax	(1,361)	(1.3%)	-	-	-	-
(Reversal of) allowance for obsolete inventories	17,555	16.9%	(47,116)	(20.4%)	16,624	4.9%
Loss from inventories destruction	6,960	6.7%	314	0.1%	-	-
Reversal of provision for goods returned	(12,474)	(12.0%)	(1,892)	(0.8%)	-	-
Allowance for impairment - intangible assets	15,153	14.6%	13,502	5.8%	11,027	3.2%
(Reversal of) allowance for impairment						
- other current assets and other non-current assets	(1,010)	(1.0%)	80	0.0%	(74)	0.0%
(Reversal of) allowance for impairment						
- investment in an associated company	999	1.0%	115	0.1%	(2)	0.0%
Loss from liquidation of subsidiaries	-	-	-	-	2 <sup>(*)</sup>	0.0%
Loss on write-off plant and equipment and intangible assets	456	0.4%	-	-	-	-
(Gain) loss on disposal of plant and equipment and intangible assets	(419)	(0.4%)	53	0.0%	819	0.2%
Employee benefit obligations	12,414	12.0%	13,262	5.7%	3,604	1.1%
Interest income	(1,742)	(1.7%)	(1,143)	(0.5%)	(1,071)	(0.3%)
Finance costs - interest expense	83,373	80.4%	90,471	39.2%	68,340	20.1%
Gain from modification of payment term of license for operation right in spectrum of digital television	-	-	(45,539)	(19.7%)	(94,615)	(27.8%)
	466,858	450.0%	997,799	432.3%	1,222,703	360.0%
<b>Changes in working capital</b>						
Trade and other accounts receivable	223,220	215.1%	54,020	23.4%	58,346 <sup>(*)</sup>	17.2%
Inventories	8,900	8.6%	(139,154)	(60.3%)	14,226	4.2%
Value added tax	(31,150)	(30.0%)	28,590	12.4%	30,631	9.0%
Other current assets	96,948	93.4%	(872)	(0.4%)	(2,583)	(0.8%)
Prepaid expense - non current	(35,417)	(34.1%)	8,333	3.6%	-	-
Other non-current assets	970	0.9%	(3,046)	(1.3%)	19,066	5.6%
Trade and other accounts payable	(879,676)	(847.8%)	201,334	87.2%	(70,873)	(20.9%)
Withholding tax payable	3,200	3.1%	(5,058)	(2.2%)	(849)	(0.2%)
Other non-current liabilities	(2,384)	(2.3%)	(5,364)	(2.3%)	(4,818)	(1.4%)
Payment for retirement for employee	-	-	-	-	(193)	(0.1%)
Cash generated from operating activities before income tax paid	(148,531)	(143.1%)	1,136,582	492.4%	1,265,655	372.6%
Withholding tax refunded	61,887	59.6%	36,250	15.7%	31,802	9.4%
Income tax paid	(120,168)	(115.8%)	(107,536)	(46.6%)	(136,483)	(40.2%)
<b>Net cash generated from (used in) operating activities</b>	<b>(206,812)</b>	<b>(199.3%)</b>	<b>1,065,296</b>	<b>461.5%</b>	<b>1,160,974</b>	<b>341.8%</b>

	Consolidated financial statements					
	2016		2017		2018	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Cash flows from investing activities</b>						
Interest income received	1,735	1.7%	1,150	0.5%	1,071	0.3%
Increase in short-term loans to related companies	(30,000)	(28.9%)	-	-	-	-
Receipts from short-term loans to related companies	30,000	28.9%	-	-	-	-
Short-term investment-12-month fixed deposits	4,522	4.4%	-	-	-	-
Receipts (receivable) from subsidiaries liquidation	-	-	(26,065)	(11.3%)	22,056 <sup>(***)</sup>	6.5%
Purchases of property, plant and equipment	(139,435)	(134.4%)	(69,184)	(30.0%)	(44,769)	(13.1%)
Proceeds from disposals of property, plant and equipment	6,949	6.7%	1,581	0.7%	4,618	1.3%
Purchases of intangible assets	(442,309)	(426.3%)	(301,415)	(130.6%)	(501,377)	(147.6%)
Proceeds from disposals intangible assets	-	-	-	-	23	0.0%
Net cash receipts (payments) from investing activities	(568,539)	(547.9%)	(393,934)	(170.7%)	(518,378)	(152.6%)
<b>Cash flows from financing activities</b>						
Interest expense paid	(28,400)	(27.4%)	(46,947)	(20.3%)	(29,982)	(8.8%)
Proceeds from short-term loans from financial institutions	3,046,000	2,935.6%	2,125,000	920.6%	930,000	273.8%
Payments on short-term loans from financial institutions	(2,340,000)	(2,255.2%)	(2,618,000)	(1,134.2%)	(903,000)	(265.9%)
Proceeds from long-term loans from financial institutions	444,060	428.0%	222,025	96.2%	-	-
Payments from long-term loans from financial institutions	-	-	-	-	(270,000)	(79.5%)
Payments on liability under finance lease agreements	(19,266)	(18.6%)	(16,320)	(7.1%)	(12,874)	(3.8%)
Payment of license for operation right in spectrum of digital television	(415,000)	(399.9%)	(207,500)	(89.9%)	(6,225)	(1.8%)
Dividend paid	(100,109)	(96.5%)	-	-	(241,719)	(71.2%)
Decrease in non-controlling interests from dividend payment	(9)	(0.0%)	(493)	(0.2%)	(3)	(0.0%)
Decrease in non-controlling interests from decrease capital	-	-	(4,688)	(2.0%)	-	-
Proceeds from capital increase	-	-	2,622	1.1%	23	0.0%
Payments on purchase of treasury shares	(465,275)	(448.4%)	-	-	-	-
Net cash receipts (payments) from financing activities	122,001	117.6%	(544,300)	(235.8%)	(533,780)	(157.2%)
<b>Net increase (decrease) in cash and cash equivalents</b>	(653,350)	(629.6%)	127,062	55.0%	108,816	32.0%
Cash and cash equivalents, opening balance	757,112	729.6%	103,762	45.0%	230,824	68.0%
<b>Cash and cash equivalents, closing balance</b>	103,762	100.0%	230,824	100.0%	339,640	100.0%

\* This transaction included the change from dissolution of RS In-Store Media Co., Ltd. which removed this company as subsidiary since September 19, 2018.

\*\* This transaction included the change from dissolution of Blufairy Co., Ltd., Very Well Co., Ltd. and Aladdin House Co., Ltd. which removed this company as subsidiaries since September 28, 2018.



**Non-cash transactions and additional information:**

Write-off other accounts receivable and allowance for

doubtful accounts - other accounts receivable

-

53,100

-

Write-off cost of movie and impairment for cost of movie

-

7,693

-

Write-off other non-current assets and allowance of

other non-current assets

-

-

5,400

Outstanding payables as at 31 December arising from

purchases

28,752

2,082

7,440

Outstanding payables as at 31 December arising from

purchases

28,928

80,386

63,452

Payable as at 31 December arising from purchase of

property, plant and equipment under finance lease agreement

41,278

7,634

-

Write-off withholding tax and allowance for doubtful in recoverable

of withholding tax

-

7,805

928

**Consolidated financial statements**

2016

2017

2018

Thousand Baht

%

Thousand Baht

%

Thousand Baht

%

## Key Financial Ratios

### Liquidity Ratios

Consolidated financial statements			
	2016	2017	2018
Current Ratio (time)	0.54	0.89	1.04
Quick Ratio (time)	0.34	0.55	0.70
Cash Flows from Operating Ratio (time)	-0.11	0.69	0.93
Receivable Turnover Ratio (time)	4.65	6.25	7.18
Collection Days (day)	79	58	51
Inventory Turnover Ratio (time)	15.92	9.56	7.35
Average Number of Days Sales (day)	23	38	50
Account Payable Turnover Ratio (time)	15.58	9.92	7.63
Payment Days (day)	23	37	48
Cash Cycle (day)	79	59	53

### Profitability Ratios

Gross Profit Margin (%)	22.26%	39.19%	42.37%
Operating Profit Margin (%)	-5.50%	12.58%	14.82%
Operating Cash Flows to Operating Profit Ratio (%)	N/A	241.92%	204.75%
Net Profit Margin (%)	-3.27%	9.43%	13.37%
Return on Equity (%)	-7.39%	27.21%	33.64%

### Efficiency Ratios

Return on Asset (%)	-0.96%	11.14%	14.43%
Return on Fixed Asset (%)	0.53%	103.24%	172.11%
Assets Turnover (time)	0.70	0.85	0.93



### Leverage Ratios

	2016	2017	2018
Debt to Equity Ratio (time)	2.94	2.01	1.44
Interest Coverage Ratio (time)	-0.52	5.14	8.74
Debt Service Coverage Ratio (Cash basis) (time)	-0.30	1.30	1.96
Dividend Payout Ratio (%)	-	-	84.31% <sup>*</sup>

### Per Share

Book Value per Share (baht)	1.0961	1.4501	1.7296
Earnings (loss) per Share (baht)	-0.1043	0.3443	0.5337

\* Dividend Payout Ratio in 2018: The calculation of the dividend payments was per the Company's Board of Directors Meeting on August 8, 2018, which allowed an interim dividend payment at the rate of 0.25 baht per share, and per the Company's Board of Directors Meeting on February 15, 2019, which decided upon the payment for 2018 operating results at the rate of 0.20 baht per share, to be proposed for approval at the Annual General Meeting of Shareholders in 2019. The total dividend payment rate is thus 0.45 baht per share, or no more than 435.1 million baht total, which is a dividend payout ratio of 84.31%.



## 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 three main business segments, including the Multi-platform Commerce (“MPC”) business, Media business, and Music & Others businesses, per the schedule.

Business groups	Type	
1) Multi-platform Commerce Business	<ul style="list-style-type: none"> <li>Health &amp; Beauty Products               <ul style="list-style-type: none"> <li>The Skin Care Products (“Magique”)</li> <li>Hair Care Products (“Revive”)</li> <li>The Food Supplements Products (“S.O.M.”)</li> </ul> </li> <li>Home &amp; Lifestyle Products</li> <li>Accessories &amp; Others</li> </ul>	
2) Media Business	Television Media Business	“Channel 8” “Channel 2” “Sabaidee TV” “Series Channel”(Formerly : “You Channel”)
	Radio Media Business	“COOLfahrenheit”
3) Music & Other Businesses	Digital Business , Copyright Collection, Artist Management, Concerts and Marketing Organization	

### Summary of 2018 Performance

The consolidated financial statements of the Company for the year ended December 31, 2018 show net profit attributable to the parent company in the amount of 516.0 million baht, which increased from the previous year by 183.2 million baht or 55.0% given the significant increase by 53.1% in Multi-platform Commerce (“MPC”) business. While, revenue derived from the media business decreased by 21.1%, reflecting the stagnation in growth in the overall industry. The gross profit margin increased to 42.4 % compared to 39.2 % in 2017, due to the higher profit margins earned from a proportion of MPC business. This included Channel 8, which enjoyed effective cost controls. The SG&A to sales ratio slightly increased in line with the rise in the number of employees of MPC business.



## Summary of Operating Results by Business Category

### Revenue

Unit : million baht	Year 2017		Year 2018		Change	
	Amount	%	Amount	%	Amount	(y-y)
MPC business	1,389.1	39.7%	2,126.8	55.6%	737.7	53.1%
Media business	1,703.5	48.6%	1,344.7	35.1%	-358.8	-21.1%
Music & Other businesses	409.1	11.7%	355.2	9.3%	-53.9	-13.2%
<b>Revenue from sales and services</b>	<b>3,501.7</b>	<b>100.0%</b>	<b>3,826.7</b>	<b>100.0%</b>	<b>325.0</b>	<b>9.3%</b>

Revenue from sales and services in 2018 recorded 3,826.7 million baht on a net basis which increased from the previous year by 325.0 million baht or 9.3%. This can be explained according to the following business segments.

### Revenue from MPC Business

Revenue from MPC Business consists of revenue from the selling of products under the company's own brand as well as products from partners. Over 100 different product items are sold through the Company's various channels, including digital television, satellite television, radio media, and online media. Sales are also conducted through single-level direct sales agents, via a unit called LifestarBIZ, and also through the modern trade throughout the country. These channels developed from the strengths and core competencies of the Company, and they continue to develop to their fullest. This includes having a customer database that grows every month; at present, there are more than 1 million customers. This data is being analyzed to meet the needs of customers more efficiently and systematically. In addition, the Company has developed an after-sales system to respond to customers' needs both timely and appropriately. This is combined with promotions conducted during the holidays to meet the needs of customers. This has helped sales in the past year increase significantly, with an outlook for continuous growth. Despite the temporary effect of news concerning illegal product crackdowns in mid-2018, which was a short-term impact, the situation has returned to normal since the 3<sup>rd</sup> quarter. It has been beneficial to the overall industry, weeding out manufacturers and sellers of illegal products from the market.

### Revenue from Media Business

Overall television industry in 2018, the advertising expenditures (ADEX) through digital television, according to a survey by AGB Nielsen Media Research (Thailand), increased by 5,061 million baht or by 8.0%. However, when excluding special items related to ad spending on sports broadcasts during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters, the overall spending has been relatively stable. Nevertheless, the number of new digital television viewers has been higher, as opposed to the number of viewers of existing television operators and satellite television. The proportion of new digital television viewers increased to 52.1% in December of 2018, compared to 46.7% in December 2017. However, the result of intense competition in the industry from limited ad spending resulted in a decrease in the performance of the Company's digital television media

business or “Channel 8”. Despite the average ratings in December 2018 (viewers aged 4+ in 24 hours’ period), being slightly reduced due to the ceasing of boxing program broadcasts on Friday and Saturday, the overall main programs remained popular and successful, including Thai dramas “Payak Ka”, followed by “Sap Kraseu” and “Sin Lai Hong” as well as foreign series “Sankat Mochan Mahabali Hanumaan”, “Rangrasiya” and “Phikkhanet Mahathep Aiyara” and news programs both “Morning News” and “Evening News”.

From effective management of the entire group of companies, it has been possible to manage all the media with 100% utilization by advertising and selling a wide variety of MPC products of the entire group, continuously increasing the growth rate.

For the radio media business or “COOLfahrenheit” is still popular and commands the No. 1 position in the Easy Listening category and its activities for listeners were remained popular.

#### Revenue from Music and Other Businesses

Revenue from music and other businesses decreased from the impact of the whole industry, which is shrinking. However, from the restructuring of the businesses and implementation of control cost to become more streamlined, these businesses have become more efficient in earning good profits. In the music business, most of the revenue is still derived from revenue from increasing online channels.

#### Cost of Sales and Services

Cost of sales and services in the amount of 2,205.3 million baht increased from the previous year in the amount of 76.1 million baht or 3.6% as a result of increased revenue of MPC business. However, the rate of increase in the cost of sales and services has still been less than the increase in the total revenue, reflecting cost controls for the media business, music business and others.

#### Selling and Administrative Expenses, and Finance Costs

Selling and administrative expenses of 1,054.4 million baht rose from the previous year by 122.3 million baht or 13.1%. This was mainly due to higher staff expenses in accordance with the higher MPC revenue.

Financial costs of 68.3 million baht, decreased by 22.1 million baht or 24.5%. This was derived mainly from a decrease in interest expenses for long-term bank loans, as a result of the increase in operating profit from the Company’s core businesses and the more efficient cash flow management.

In the past year, there was an extraordinary item booked under gain from modification of payment term of license for operation right in spectrum of digital television (after tax) totaling 75.7 million baht.

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

	Year 2017	Year 2018
Gross Profit Margin	39.2%	42.4%
Net Profit Margin	9.4%	13.4%
Return On Equity (ROE)	27.2%	33.6%

In 2018, the Company had a gross profit margin, a net profit margin and a rate of return on shareholders’ equity that increased from the previous year. This is mainly due to the growth of revenue from the MPC business, as well as effective cost controls of the Channel 8 television media.



## Assets

### Asset Components

As of December 31, 2018, the Company had total assets of 4,073.3 million baht, comprised of 29.1% current assets and 70.9% non-current assets. The main assets include the broadcasting license to operate the digital television business, which makes up 34.3% of total assets, trade and other receivables (net) at 13.6%, intangible assets (net) at 17.7%, cash and cash equivalents at 8.3%, plant and equipment (Net) at 8.1%, inventories (net) at 7.0% and others at 11.0%.

The total assets as of December 31, 2018 amounted to 4,073.3 million baht, a slight decrease from the previous year by 3.2%. This was mainly due to the amortization of the broadcast license fees for the digital television business in the amount of 135.3 million baht. Also, trade and other receivables (net) decreased by 69.1 million baht due to the reduction in trade accounts receivables in the media business group that varies with the income earned. In the meantime, net intangible assets increased by 132.9 million baht for investments made in Thai drama and foreign series copyrights.

### Quality of the Assets

#### Trade Accounts Receivable – Others (net)

Trade accounts receivable classified by aging are as follows:

Unit : million baht	Year 2017		Year 2018		Change	
	Amount	%	Amount	%	Amount	(y-y)
Current	301.7	53.8%	324.3	64.2%	22.6	7.5%
Less than 3 months	188.1	33.6%	132.0	26.1%	-56.1	-29.8%
3 – 6 months	3.1	0.5%	3.1	0.6%	-	-
6 – 12 months	6.5	1.2%	0.7	0.2%	-5.8	-89.2%
Over 12 months	60.9	10.9%	44.9	8.9%	-16.0	-26.3%
<b>Total</b>	<b>560.3</b>	<b>100.0%</b>	<b>505.0</b>	<b>100.0%</b>	<b>-55.3</b>	<b>-9.9%</b>
Less: Allowance for doubtful accounts	-58.9	-10.5%	-42.4	-8.4%	-16.5	-28.0%
<b>Trade accounts receivable – others (net)</b>	<b>501.4</b>	<b>89.5%</b>	<b>462.6</b>	<b>91.6%</b>	<b>-38.8</b>	<b>-7.7%</b>

#### Key Financial Ratios :

	Year 2017	Year 2018
Receivable turnover ratio (time)	6.25	7.18
Collection days (day)	58	51

As of December 31, 2018, the Company had trade accounts receivable - other businesses (net) of 462.6 million baht, a decrease of 38.8 million baht from the previous year or 7.7%, due to a decrease in debtors from the media business, which varies according to the lower income earned. In 2018, the Company had an average collection period of 51 days, down from the previous year at 58 days, due to the increase in the proportion of product sales from the MPC business. On the whole, payments are made in cash or with credit terms of up to 1 month, which has shortened the period of time required in collecting payments. Mainly, when considering the aging of accounts receivable, over 80% of them are collected within 3 months, which is still in accordance with the credit policy for customers at the average period of 2 to 3 months. For debtors with accounts receivable aged over 1 year or have problems making payments, the Company has a policy to regularly assess and review the allowance for doubtful accounts, so that the debt balances in the financial statements reflect the amount expected to be realized in 2018. The Company's allowance for doubtful accounts is 8.4%, down from last year's, which was 10.5%.

#### Inventories (net)

Unit : million baht	Year 2017		Year 2018		Change	
	Amount	%	Amount	%	Amount	(y-y)
Cost	326.5	100.0%	312.3	100.0%	-14.2	-4.4%
Less : Allowance for obsolete inventories	-10.9	-3.3%	-27.5	-8.8%	16.6	152.1%
<b>Inventories (net)</b>	<b>315.6</b>	<b>96.7%</b>	<b>284.8</b>	<b>91.2%</b>	<b>-30.8</b>	<b>-9.8%</b>

#### Key Financial Ratios :

	Year 2017	Year 2018
Inventory turnover ratio (time)	9.56	7.35
Average number of days sales (day)	38	50

As of December 31, 2018, inventories consisted of finished consumer products, television program works in progress, marketing activities and others, with a total net worth of 284.8 million baht. This represents a decrease from the previous year by 30.8 million baht or 9.8%. This year, the Company recorded an allowance for obsolete products, increasing from that of the previous year, for outstanding products in stock for a long time. This was in accordance with the policy that regularly reviews the value of inventories during every accounting period, in order to ensure that the inventory value shown in the financial statements is not less than the net realizable value. This year, the proportion of allowance for obsolete products is 8.8%, increasing from that of the previous year at 3.3%. At any rate, the Company still has plans to use this outstanding stock in various marketing promotions in order to remove them from the inventories.

In 2018, the Company had an average selling period of 50 days, increasing from 38 days in 2017. At the end of 2017, the Company planned to increase its product offerings to be more diverse, to increase the volume of products to support sales growth for the future. This has made this year's average selling period higher than the previous year. However, the Company has a policy to manage its inventory to be at an appropriate level and sufficiently comply with its sales and marketing plans, including effective coordination with its sales and warehouse management efforts.



## Intangible Assets (net)

Unit : million baht	Year 2017		Year 2018		Change	
	Amount	%	Amount	%	Amount	(y-y)
Cost	2,277.2	100.0%	2,747.1	100.0%	469.9	20.6%
Less : Accumulated Amortisation	-1,340.5	-58.9%	-1,666.4	-60.7%	325.9	24.3%
Allowance for impairment	-349.5	-15.3%	-360.6	-13.1%	11.1	3.2%
<b>Intangible assets (net)</b>	<b>587.2</b>	<b>25.8%</b>	<b>720.1</b>	<b>26.2%</b>	<b>132.9</b>	<b>22.6%</b>

As of December 31, 2018, intangible assets (net) consist of series copyrights, music copyrights, computer programs and others, with a total net worth of 720.1 million baht, an increase of 132.9 million baht from the previous year or 22.6%, due to the increase in series copyrights, international series and computer programs to support various work systems. The allowance for impairment at the end of 2018 amounted to 360.6 million baht, slightly increasing from the previous year. This comes from recording an allowance for impairment of copyrighted music that has an indefinite useful life. The Company therefore does not have to write it off, but rather, use the impairment testing method instead. At any rate, the Company has a policy to regularly review the impairment of all types of intangible assets in every accounting period, so that the intangible assets shown in the financial statements are no less than the expected recoverable amount.

## Liquidity

### Cash Flow

Unit : million baht	Year 2017	Year 2018
Cash flow from operating activities	1,065.3	1,161.0
Cash flow from investing activities	-393.9	-518.4
Cash flow from financing activities	-544.3	-533.8
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>127.1</b>	<b>108.8</b>
<b>Cash and cash equivalents, closing balance</b>	<b>230.8</b>	<b>339.6</b>

For the year ending December 31, 2018, the Company had cash and cash equivalents of 339.6 million baht, an increase of 108.8 million baht during the year due to the increase in cash flow from operating activities – the result of high sales growth from the MPC business. Meanwhile, net cash used in investing activities was 518.4 million baht due to investment in international drama and series content for broadcasts on the Channel 8 television media. The cash flow from financing activities included the use of 533.8 million baht; this included repayment of a long-term loan of 270.0 million baht and an interim dividend payment of 241.7 million baht.



## Key Liquidity Ratios

	Year 2017	Year 2018
Current Ratio (time)	0.89	1.04
Quick Ratio (time)	0.55	0.70
Collection days (day)	58	51
Average number of days sales (day)	38	50
Payment days (day)	37	48
Cash cycle (day)	59	53

In the overall picture of 2018, the Company's liquidity increased from the previous year, both from higher sales of the MPC business, resulting in increased cash flow; and from government measures to help digital TV operators, allowing them to suspend the payment of digital TV license fees for 3 years, which can help alleviate the short-term debt obligations of the Company. In addition, the Company has a 53-day cash cycle, which marks a decrease from the previous year's 59 days; this reflects faster collection of the average debt and more effective credit management.

## Sources of Funds

### Liabilities, Equity and Debt to Equity Ratio

Unit : million baht	Year 2017	Year 2018	Change	
			Amount	(y-y)
Short-term loans from financial institution	213.0	240.0	27.0	12.7%
Long-term loans from financial institution	666.1	396.1	-270.0	-40.5%
Payable for cost of license for operation right in spectrum of digital television (net)	894.5	830.6	-63.9	-7.1%
Other current liabilities	908.6	821.9	-86.7	-9.5%
Other non-current liabilities	124.9	112.4	-12.5	-10.0%
<b>Total liabilities</b>	<b>2,807.1</b>	<b>2,401.0</b>	<b>-406.1</b>	<b>-14.5%</b>
<b>Equity attributable to owners of the parent</b>	<b>1,396.9</b>	<b>1,671.2</b>	<b>274.3</b>	<b>19.6%</b>
<b>Debt to equity ratio (time)</b>	<b>2.01</b>	<b>1.44</b>		



As of December 31, 2018, the Company had a total debt of 2,401.0 million baht, down 406.1 million baht from last year or 14.5% from the repayment of 270.0 million baht in long-term borrowings. The latter reflects the repayment of 230.0 million baht before loan maturation. Current liabilities decreased from commissions and sales promotion expenses, which varied according to the decreased media revenue.

As of December 31, 2018, the Company's share as the owner of the parent company amounted to 1,671.2 million baht, up 274.3 million baht or 19.6% from last year, due to the increase in profits during the period of 516.0 million baht and the payment of 241.7 million baht in dividends.

In 2018, the ratio of debt to shareholders' equity was 1.44 times, a decrease from 2017, which had a ratio of 2.01 times. This was mostly the result of the decrease in total liabilities from the repayment of long-term loans and the increase in the shares of the owners of the parent company from high profits earned during the year.

### **Key Factors and Influences that may affect the Performance and Financial Position in the Future**

In 2019, MPC business continues to expand its distribution, both via single-level direct sales channels, which produce products inclusively for this channel and promote the products and conduct public relations through the Company's media channels, online media, and other media nationwide. For online channels, there are plans to implement data analytics systems to develop this channel, including helping to analyze the data of over a million customers in the database, as well as to develop an after-sales system. These aim to encourage customers to repeat purchases and to get them interested in buying more new products. In terms of product development, the Company will strive to develop products to roll out more product varieties, and focus on products with high profit margins.

For the "Channel 8" television channel, with its slogan "Everyone's watching Channel 8", in 2019, the line-up will include Thai drama series, which were very successful from the previous year; foreign series, "Phikhanet Mahathep Avatar", followed by "Aladdin"; as well as news programs, further strengthened by programs like "Knock on Door for Channel 8" and a new variety format that will also support the increase of Channel 8's ratings.

## Financial Statement

### 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 2018, 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

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include 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 matters	How my audit addressed the key audit matters
<p><b>Valuation of 'licence for operation right in spectrum of digital television'</b></p> <p><i>Refer to note 14 Licence for operation right in spectrum of digital television (net) of the consolidated and company financial statements</i></p> <p>As at 31 December 2018, the Group had the Licence for operation right in spectrum of digital television which was valued at Baht 1,396 million net of accumulated amortisation. As there are many digital TV channels, audiences have many choice to access content meaning the digital television market is highly competitive.</p> <p>These factors indicated that the recoverable value of the Licence for operation right in spectrum of digital television might be less than the net book value. Management annually evaluated the impairment loss on the Licence for operation right in spectrum of digital television. This year the impairment test indicated that there was no impairment loss for the License for operation right in spectrum of digital television.</p> <p>I focused on the impairment test of the Licence for operation right in spectrum of digital television because has a significant amount. Also the significant assumptions were made by management to determine the overall revenue growth rates and discount rates for performing the future cash flow forecast. Small changes in these assumptions could result in a significant change in the cash flow forecast.</p>	<p>My procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the method used in the Group's cash flow forecast and the process by which it was drawn up, and testing the underlying values used in the forecast.</li> <li>• Comparing the Group's cash flow forecast of the current year to the previous year and evaluating significant amendments. Also, comparing the Group's cash flow forecast to the actual performance of the current year.</li> <li>• Challenging management on their key assumptions, including the revenue growth rates and the discount rate, to understand management's plans for future growth. Also, assessing the Group's potential to get the plans achieved over the relevant period by comparing the revenue growth rates to economic and industry forecasts.</li> <li>• Testing the appropriateness of the discount rate applied to the cost of capital for the Group by comparison with the actual interest rate.</li> <li>• Performing a sensitivity analysis of the assumption about the revenue growth rate and discount rate to determine the extent of change in those assumptions that would affect the impairment of the Licence for operation right in spectrum of digital television.</li> </ul> <p>As a result of the above procedures, I found that management's assumptions applied in the valuation of the Licence for operation right in spectrum of digital television were reasonable based on the available evidences and the record of an allowance for impairment was not required.</p>

Key audit matters	How my audit addressed the key audit matters
<p><b>Deferred tax assets recognised from cumulative tax losses carried forward</b></p> <p><i>Refer to note 17 Deferred tax assets (net) to the consolidated and company financial statements</i></p> <p>As at 31 December 2018, the Group had deferred tax assets of Baht 232 million, of which Baht 81 million relates to deferred tax assets recognised from cumulative tax losses carried forward by the Company and the subsidiaries.</p> <p>The Group recognised the deferred tax assets from cumulative tax losses carried forward to the extent that it was probable that future taxable profits will allow cumulative tax losses to be utilised. Management prepared financial projections which included the future taxable profit to support the recoverability of the deferred tax assets from the cumulative the tax losses carried forward. In this instance, the key assumptions about the revenue growth rate and future taxable profit significant impacted these projections.</p> <p>I focused on this area because the amounts of deferred tax assets are significant to the Group's financial statement. The estimation of future taxable profits is complex and the key assumptions involve significant judgment by management in assessing the future taxable profit.</p>	<p>To gain an understanding of the transactions underlying the significant deferred tax assets and assess management's assumptions that were used in the calculation of future taxable profit to determine the recoverability of the deferred tax assets, I performed the following:</p> <ul style="list-style-type: none"> <li>Assessing the available cumulative tax losses carried forward by considering their expiry periods according to any applicable provisions of the Revenue Code regarding the recovery of deferred tax assets. This also includes the evaluation of the arithmetical accuracy in the tax computation and projection.</li> <li>Evaluating and challenging management's judgement and assumptions applied in the Group's cash flow forecasts in the five-year business plan. During the five-year period, the Group is capable of utilising the benefits derived from the accumulated tax losses by considering the probability of the assumption about the future profit growth rates which result from the revenue growth. This also includes the comparison of the revenue growth rates in the business plan to economic and industry forecasts.</li> </ul> <p>As a result of above procedures, I considered management's key assumptions used in the estimate of future taxable profit to be within a reasonable range.</p>



Key audit matters	How my audit addressed the key audit matters
<p><b>Recognition of amortisation of production costs of drama series</b></p> <p><i>Refer to note 15 Intangible assets of the consolidated and company financial statements</i></p> <p>As at 31 December 2018, the Group presented the balance of the production costs of a drama series of Baht 389 million, as an intangible asset. This represents 54% of the total intangible assets. The production costs were carried at cost with a deduction for less accumulated amortisation. It was amortised based on the expected pattern of consumption of the future economic benefits embodied in the assets.</p> <p>Management divided the production costs into two parts. The first component was amortised based on the number of broadcasts forecast under the channel's on-air schedule. The residual component was amortised using the straight-line method.</p> <p>I focused on the amortisation method for the production cost based on the number of broadcasts forecast under the channel's on-air schedule because this is based on management's judgment. In addition, the production costs were a significant amount to the financial statements.</p>	<p>I understood and tested the amortisation method by performing these procedures:</p> <ul style="list-style-type: none"><li>• Assessing the appropriateness of management's judgments about the forecast and estimate of the number of broadcasts of each series by comparing the forecast to the channel's on-air schedule.</li><li>• Evaluating the actual number of broadcasts of certain drama series by comparing them to the channel's on-air schedule used in the calculation of the amortisation.</li><li>• Evaluating the arithmetical accuracy of the calculation.</li></ul> <p>Based on the available evidence, I consider management's judgement on the number of broadcasts forecast to be reasonable and within an acceptable range based on available evidence.</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.

**Krit Chatchavalwong**

Certified Public Accountant (Thailand) No. 5016

Bangkok

15 February 2019



**RS Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	339,639,957	230,823,831	168,511,981	29,268,469
Trade and others accounts receivable (net)	8	553,168,390	622,302,372	611,655,348	461,028,178
Short-term loans to related companies (net)	34 d)	-	-	881,700,000	841,700,000
Inventories (net)	9	284,785,668	315,635,411	11,956,542	2,646,381
Value added tax	22	3,816,152	24,836,068	-	-
Other current assets (net)	10	4,933,691	2,275,876	528,592	620,355
<b>Total current assets</b>		<b>1,186,343,858</b>	<b>1,195,873,558</b>	<b>1,674,352,463</b>	<b>1,335,263,383</b>
<b>Non-current assets</b>					
Investments in subsidiaries (net)	11	-	-	534,507,003	555,909,254
Investments in an associated company (net)	12	3,991,133	3,988,995	-	-
Plant and equipment (net)	13	331,535,298	402,467,819	292,850,997	370,491,352
License for operation right in spectrum of digital television (net)	14	1,395,738,282	1,531,084,848	-	-
Intangible assets (net)	15	720,149,700	587,247,391	117,423,678	145,938,925
Prepaid expense - non-current		9,030,000	27,083,333	-	-
Withholding tax (net)	16	180,089,907	153,554,601	115,677,411	90,014,129
Deferred tax assets (net)	17	231,609,431	273,923,902	118,755,960	119,457,000
Other non-current assets (net)	18	14,839,736	33,905,738	14,629,038	30,549,040
<b>Total non-current assets</b>		<b>2,886,983,487</b>	<b>3,013,256,627</b>	<b>1,193,844,087</b>	<b>1,312,359,700</b>
<b>Total assets</b>		<b>4,073,327,345</b>	<b>4,209,130,185</b>	<b>2,868,196,550</b>	<b>2,647,623,083</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes on pages 124 to 185 are an integral part of these consolidated and separate financial statements.

**RS Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other accounts payable	19	733,203,437	815,418,868	256,246,002	284,267,502
Current portion of liability under finance lease agreements (net)	20	11,070,866	11,681,888	11,070,866	11,681,888
Current portion of payable for cost of license for operation right in spectrum (net)	14	4,072,392	176,864,317	-	-
Short-term loans from financial institutions	21	240,000,000	213,000,000	240,000,000	213,000,000
Short-term loans from related companies	34 e)	-	-	208,027,125	121,827,125
Current portion of payable for long-term loans from financial institutions	23	80,000,000	40,000,000	-	-
Value added tax	22	39,369,040	29,758,153	39,269,571	20,614,565
Accrued income tax		28,982,918	41,610,288	-	-
Withholding tax payable		9,242,313	10,091,089	5,080,334	5,546,049
<b>Total current liabilities</b>		<b>1,145,940,966</b>	<b>1,338,424,603</b>	<b>759,693,898</b>	<b>656,937,129</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements (net)	20	6,617,037	17,688,912	6,617,037	17,688,912
Long-term loans from financial institution	23	316,085,000	626,085,000	-	-
Payable for cost of license for operation right in spectrum of digital television (net)	14	826,556,413	717,671,638	-	-
Employee benefit obligations	24	99,545,179	96,134,656	78,422,968	72,801,538
Other non-current liabilities	25	6,249,237	11,067,587	777,874	879,874
<b>Total non-current liabilities</b>		<b>1,255,052,866</b>	<b>1,468,647,793</b>	<b>85,817,879</b>	<b>91,370,324</b>
<b>Total liabilities</b>		<b>2,400,993,832</b>	<b>2,807,072,396</b>	<b>845,511,777</b>	<b>748,307,453</b>

The accompanying notes on pages 124 to 185 are an integral part of these consolidated and separate financial statements.



**RS Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	26.1				
Authorised share capital					
1,203,270,516 ordinary shares					
of par Baht 1 each		1,203,270,516	1,203,270,516	1,203,270,516	1,203,270,516
Issued and fully paid-up share capital					
1,010,149,192 ordinary shares					
of par Baht 1 each		1,010,149,192	-	1,010,149,192	-
1,010,147,392 ordinary shares					
of par Baht 1 each		-	1,010,147,392	-	1,010,147,392
Premium on share capital	26.1	258,257,595	258,236,895	258,257,595	258,236,895
Treasury shares	26.5	(465,274,840)	(465,274,840)	(465,274,840)	(465,274,840)
Retained earnings					
Appropriated - legal reserve		120,327,052	112,971,941	120,327,052	112,971,941
Appropriated - treasury share reserve		465,274,840	465,274,840	465,274,840	465,274,840
Unappropriated		282,483,158	15,517,712	633,950,934	517,959,402
<b>Equity attributable to owners of the parent</b>		1,671,216,997	1,396,873,940	2,022,684,773	1,899,315,630
Non-controlling interests		1,116,516	5,183,849	-	-
<b>Total equity</b>		1,672,333,513	1,402,057,789	2,022,684,773	1,899,315,630
<b>Total liabilities and equity</b>		4,073,327,345	4,209,130,185	2,868,196,550	2,647,623,083

The accompanying notes on pages 124 to 185 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 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Revenue</b>					
Revenue from sales		2,129,659,415	1,413,406,904	8,072,557	468,940
Revenue from services		1,697,021,676	2,088,275,276	851,574,716	658,870,040
<b>Total revenue and services income</b>		<b>3,826,681,091</b>	<b>3,501,682,180</b>	<b>859,647,273</b>	<b>659,338,980</b>
Cost of sales		(712,253,980)	(475,530,387)	(5,366,136)	(238,400)
Cost of services		(1,493,023,063)	(1,653,680,037)	(549,061,928)	(572,332,608)
<b>Total cost of sales and services</b>		<b>(2,205,277,043)</b>	<b>(2,129,210,424)</b>	<b>(554,428,064)</b>	<b>(572,571,008)</b>
<b>Gross profit</b>		<b>1,621,404,048</b>	<b>1,372,471,756</b>	<b>305,219,209</b>	<b>86,767,972</b>
Other income	28	33,749,627	26,644,598	680,208,582	723,917,238
<b>Profit before expenses</b>		<b>1,655,153,675</b>	<b>1,399,116,354</b>	<b>985,427,791</b>	<b>810,685,210</b>
Selling expenses		(452,640,570)	(398,268,164)	(110,399,228)	(134,940,260)
Administrative expenses		(601,744,463)	(533,852,730)	(497,512,380)	(438,569,053)
Other expenses	29	(3,173,862)	(1,847,151)	(517,160)	(3,521,205)
Finance costs	31	(68,339,595)	(90,471,386)	(11,231,273)	(19,454,519)
Gain from modification of payment term of license for operation right in spectrum of digital television	14	94,614,823	45,539,315	-	-
<b>Profit (loss) before income tax</b>		<b>623,870,008</b>	<b>420,216,238</b>	<b>365,767,750</b>	<b>214,200,173</b>
Income tax	32	(107,832,327)	(87,192,943)	(702,134)	27,339,481
<b>Profit (loss) for the year</b>		<b>516,037,681</b>	<b>333,023,295</b>	<b>365,065,616</b>	<b>241,539,654</b>
<b>Other comprehensive income:</b>					
Item that will not be reclassified to profit or loss					
Remeasurements of post employment benefit obligations	24	-	15,086,776	-	13,029,660
Income tax on items that will not be reclassified		-	(3,017,355)	-	(2,605,932)
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>12,069,421</b>	<b>-</b>	<b>10,423,728</b>
<b>Total comprehensive income for the year</b>		<b>516,037,681</b>	<b>345,092,716</b>	<b>365,065,616</b>	<b>251,963,382</b>

The accompanying notes on pages 124 to 185 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 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Profit (loss) attributable to:</b>					
Owners of the parent		516,039,530	332,861,741	365,065,616	241,539,654
Non - controlling interests		(1,849)	161,554	-	-
		<u>516,037,681</u>	<u>333,023,295</u>	<u>365,065,616</u>	<u>241,539,654</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		516,039,530	344,931,162	365,065,616	251,963,382
Non - controlling interests		(1,849)	161,554	-	-
		<u>516,037,681</u>	<u>345,092,716</u>	<u>365,065,616</u>	<u>251,963,382</u>
<b>Earning (loss) per share for profit attributable to the equity holders of the parent</b>					
Basic earning (loss) per share (Baht)	33.1	<u>0.5337</u>	<u>0.3443</u>	<u>0.3776</u>	<u>0.2499</u>
Diluted earning (loss) per share (Baht)	33.2	<u>0.4924</u>	<u>0.3328</u>	<u>0.3484</u>	<u>0.2415</u>

The accompanying notes on pages 124 to 185 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 2018**

		Consolidated financial statements (Baht)						
		For the year ended 31 December 2017						
		Attributable to owners of the parent						
Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings		Total of owners of the parent	Non-controlling interests	Total
				Appropriated	Treasury			
				Legal reserve	shares reserve	Unappropriated		
	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
26.4	209,746	2,412,079	-	-	-	-	-	2,621,825
	-	-	-	-	-	-	(4,687,500)	(4,687,500)
27	-	-	-	12,076,983	-	(12,076,983)	-	-
	-	-	-	-	-	-	(492,913)	(492,913)
	-	-	-	-	-	12,069,421	-	12,069,421
	-	-	-	-	-	332,861,741	161,554	333,023,295
	1,010,147,392	258,236,895	(465,274,840)	112,971,941	465,274,840	15,517,712	5,183,849	1,402,057,789
<b>Closing balance as at 31 December 2017</b>								

**Opening balance as at 1 January 2017**

**Changes in equity for the year**

Increase share capital

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

Legal reserve

Dividends payment

Other comprehensive income for the year  
- remeasurement of post employment benefit obligations, net of tax

Net profit for the year

**Closing balance as at 31 December 2017**

The accompanying notes on pages 124 to 185 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 2018**



Consolidated financial statements (Baht)									
For the year ended 31 December 2018									
Notes	Attributable to owners of the parent								
	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings			Total owners of the parent	Non-controlling interests	Total
				Appropriated		Unappropriated			
				Legal reserve	Treasury shares reserve				
	1,010,147,392	258,236,895	(465,274,840)	112,971,941	465,274,840	15,517,712	1,396,873,940	5,183,849	1,402,057,789
26.4	1,800	20,700	-	-	-	-	22,500	-	22,500
	-	-	-	-	-	-	-	(4,062,333)	(4,062,333)
	-	-	-	7,355,111	-	(7,355,111)	-	-	-
27	-	-	-	-	-	(241,718,973)	(241,718,973)	(3,151)	(241,722,124)
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	516,039,530	516,039,530	(1,849)	516,037,681
	1,010,149,192	258,257,595	(465,274,840)	120,327,052	465,274,840	282,483,158	1,671,216,997	1,116,516	1,672,333,513
Closing balance as at 31 December 2018									

The accompanying notes on pages 124 to 185 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 2018**

		Separate financial statements (Baht)					
		For the year ended 31 December 2017					
Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings		Total	
				Appropriated	Unappropriated		
				Legal reserve	Treasury shares reserve		
<b>Opening balance as at 1 January 2017</b>	1,009,937,646	255,824,816	(465,274,840)	100,894,958	465,274,840	278,073,003	1,644,730,423
<b>Changes in equity for the period</b>							
Resale of treasury shares	209,746	2,412,079	-	-	-	-	2,621,825
Legal reserve	-	-	-	12,076,983	-	(12,076,983)	-
Other comprehensive income for the year							
- remeasurement of post employment benefit obligations, net of tax	-	-	-	-	-	10,423,728	10,423,728
Net profit for the year	-	-	-	-	-	241,539,654	241,539,654
<b>Closing balance as at 31 December 2017</b>	1,010,147,392	258,236,895	(465,274,840)	112,971,941	465,274,840	517,959,402	1,899,315,630

The accompanying notes on pages 124 to 185 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 2018**



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RS Public Company Limited

Separate financial statements (Baht)								
For the year ended 31 December 2017								
Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings			Total	
				Appropriated		Treasury shares reserve		
				Legal reserve				
	1,010,147,392	258,236,895	(465,274,840)	112,971,941	465,274,840	517,959,402	1,899,315,630	
26.4	1,800	20,700	-	-	-	-	22,500	
	-	-	-	7,355,111	-	(7,355,111)	-	
	-	-	-	-	-	(241,718,973)	(241,718,973)	
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The accompanying notes on pages 124 to 185 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 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		623,870,008	420,216,238	365,767,750	214,200,173
Adjustments:					
Depreciation and amortisation	13, 14, 15, 30	591,459,708	558,172,985	147,051,541	142,106,043
Amortisation for prepaid expense		18,053,333	-	-	-
(Reversal of) allowance for doubtful accounts	8	(15,332,768)	(2,696,990)	(746,734)	548,855
(Reversal of) allowance for obsolete inventories	9	16,624,104	(47,116,226)	-	43,228
Loss from inventories destruction		-	314,226	-	-
Reversal of provision for goods returned		-	(1,891,930)	-	-
Allowance for impairment - intangible assets	15	11,026,990	13,502,476	11,026,990	13,502,476
(Reversal of) allowance for impairment					
- other current assets and other non-current assets	10, 18	(74,488)	80,000	(74,488)	80,000
(Reversal of) allowance for impairment - investment in an associated company	12	(2,138)	114,683	-	-
(Reversal of) allowance for impairments - investments in subsidiaries	11	-	-	(11,105,642)	2,014,839
Loss from liquidation of subsidiaries *, **	11, 29	2,453	-	10,452,343	-
Loss on write-off plant and equipment and intangible assets	29	2	228	2	69
(Gain) loss on disposal of plant and equipment and intangible assets	28	818,508	52,717	732,070	(447,793)
Employee benefit obligations	24	3,603,773	13,262,138	5,621,430	1,738,917
Dividend income	27	-	-	(268,171,848)	(355,556,461)
Interest income	28	(1,071,311)	(1,143,323)	(35,230,160)	(31,750,488)
Finance costs - interest expense	31	68,339,595	90,471,386	11,231,273	19,454,519
Gain from modification of payment term of license for operation right in spectrum of digital television		(94,614,823)	(45,539,315)	-	-
		1,222,702,946	997,799,293	236,554,527	5,934,377
Changes in working capital					
Trade and other accounts receivable *, **		58,346,414	54,020,085	(149,441,631)	397,480,985
Inventories		14,225,639	(139,153,646)	(9,310,161)	836,209
Value added tax		30,630,803	28,590,085	18,655,006	(13,093,303)
Other current assets		(2,583,327)	(872,410)	166,251	(373,451)
Prepaid expense - non current		-	8,333,334	-	-
Other non-current assets		19,066,002	(3,045,812)	15,920,002	(2,835,113)
Trade and other accounts payable		(70,873,456)	201,333,527	14,903,577	(5,908,811)
Withholding tax payable		(848,776)	(5,058,488)	(465,715)	556,359
Other non-current liabilities		(4,818,350)	(5,364,036)	(102,000)	(9,952,500)
Payment for retirement for employee		(193,250)	-	-	-
Cash generated from operating activities before income tax paid		1,265,654,645	1,136,581,932	126,879,856	372,644,752
Withholding tax refunded	16	31,802,191	36,250,232	-	-
Income tax paid		(136,482,723)	(107,536,330)	(25,664,376)	(34,324,501)
Net cash generated from operating activities		1,160,974,113	1,065,295,834	101,215,480	338,320,251

The accompanying notes on pages 124 to 185 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 2018**

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest income received		1,071,311	1,150,334	34,791,355	32,229,096
Increase in short-term loans to related companies	34 d)	-	-	(553,500,000)	(400,000,000)
Receipts from short-term loans to related companies	34 d)	-	-	513,500,000	136,000,000
Payments on investments in subsidiaries		-	-	-	23,437,500
Receipts (receivable) from subsidiaries liquidation *, **		22,055,550	(26,065,280)	22,055,550	-
Receipts from dividend income		-	-	268,171,848	355,556,461
Purchases of property, plant and equipment		(44,768,802)	(69,183,829)	(26,579,470)	(53,671,322)
Proceeds from disposals of property, plant and equipment		4,617,757	1,580,632	4,997,292	5,299,754
Purchases of intangible assets		(501,376,770)	(301,415,463)	(74,925,256)	(9,848,752)
Proceeds from disposals intangible assets		23,177	7	-	13,142,441
Net cash receipts (payments) from investing activities		(518,377,777)	(393,933,599)	188,511,319	102,145,178
<b>Cash flows from financing activities</b>					
Interest expense paid		(29,981,873)	(46,946,871)	(9,113,101)	(17,665,798)
Proceeds from short-term loans from financial institutions		930,000,000	2,125,000,000	930,000,000	1,870,000,000
Payments on short-term loans from financial institutions		(903,000,000)	(2,618,000,000)	(903,000,000)	(2,255,000,000)
Proceeds from long-term loans from financial institutions		-	222,025,000	-	-
Payments from long-term loans from financial institutions		(270,000,000)	-	-	-
Payments on liability under finance lease agreements		(12,873,713)	(16,319,903)	(12,873,713)	(16,319,903)
Payment of license for operation right in spectrum of digital television		(6,225,000)	(207,500,000)	-	-
Proceeds from short-term loans from related companies	34 e)	-	-	385,500,000	332,000,000
Payments on short-term loans from related companies	34 e)	-	-	(299,300,000)	(350,572,875)
Dividend paid	27	(241,718,973)	-	(241,718,973)	-
Decrease in non-controlling interests from dividend payment		(3,151)	(492,913)	-	-
Decrease in non-controlling interests from decrease capital	26.3	-	(4,687,500)	-	-
Proceeds from capital increase		22,500	2,621,825	22,500	2,621,825
Net cash payments from financing activities		(533,780,210)	(544,300,362)	(150,483,287)	(434,936,751)
<b>Net increase in cash and cash equivalents</b>					
Cash and cash equivalents, opening balance		108,816,126	127,061,873	139,243,512	5,528,678
Cash and cash equivalents, opening balance		230,823,831	103,761,958	29,268,469	23,739,791
Cash and cash equivalents, closing balance		339,639,957	230,823,831	168,511,981	29,268,469
<b>Non-cash transactions and additional information:</b>					
Write-off other accounts receivable and allowance for doubtful accounts - other accounts receivable		-	53,100,066	-	45,578,383
Write-off cost of movie and impairment for cost of movie		-	7,692,756	-	-
Write-off other non-current assets and allowance of other non-current assets		5,400,000	-	-	-
Outstanding payables as at 31 December arising from purchases of property, plant and equipment during the year		7,439,913	2,081,869	6,682,995	1,537,346
Outstanding payables as at 31 December arising from purchases of intangible assets during the year		63,451,817	80,386,069	3,583,858	52,581,940
Payable as at 31 December arising from purchase of property, plant and equipment under finance lease agreement during the year		-	7,633,953	-	7,633,953
Write-off withholding tax and allowance for doubtful in recoverable of withholding tax		927,856	7,805,101	1,094	148,513

\* This transaction included the change from dissolution of RS In -Store Media Co., Ltd. which removed this company as subsidiary since 19 September 2018 (Note 11).

\*\* This transaction included the change from dissolution of Blufairy Co., Ltd., Very Well Co., Ltd. and Aladdin House Co., Ltd. which removed this company as subsidiaries since 28 September 2018 (Note 11).

The accompanying notes on pages 124 to 185 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 2018**

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**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 Multi-platform Commerce, media, music distribution and showbiz.

These consolidated and separate financial statements were authorised for issue by the board of directors on 15 February 2019.

**2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and separate 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.

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.

Where necessary, the comparative figures have been adjusted and reclassified to conform with changes in the presentation in the current period are disclosed in Note 6.

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 2018**

**2 Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

2.2.1 Revised accounting standards and financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group are as follows.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 TFRS 15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

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

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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**2 Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

**2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)**

**2.2.2.1 TFRS 15 Revenue from contracts with customers.** This standard will become effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management has assessed the effects of applying the new standard on the group's financial statements and has identified the following areas that will be affected:

Music business will have the significant impact in revenue recognition. Revenue from copyright of music will be recognized for the whole amount at the point-in-time when the contract is effective rather than the recognition on a straight-line basis over the agreement period. This will affect the increase in Group's revenue during the initial period of contract arrangements.

Whereas, the group management assesses the impact on media, showbiz, Multi-platform Commerce and other services business to be insignificant on the consolidated financial statements for the initial adoption of this standard.

**2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019. The Group has not yet adopt these standards.**

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

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**2 Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019. The Group has not yet adopt these standards. (Cont'd)

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

2.2.2.3 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted those standards.

The group of financial instruments reporting standards consist of the following standards:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for the Group's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the Group is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

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**2 Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted those standards. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.





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**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 except business combination under common control. 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. Acquisition-related costs are expensed as incurred. 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.

**(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.

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**2 Accounting policies (Cont'd)**

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

**4) Business combination under common control**

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

**(5) 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 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 12.



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**2 Accounting policies (Cont'd)**

**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.

**2.5 Cash and cash equivalents**

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 : drama 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.

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**2 Accounting policies (Cont'd)**

**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 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.

**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 general 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).

Production cost of drama was 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 amortised 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.



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**2 Accounting policies (Cont'd)**

**2.10 Intangible assets (Cont'd)**

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 or sell it;
- 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.

**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.

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**2 Accounting policies (Cont'd)**

**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.

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**

The 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.

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**2 Accounting policies (Cont'd)**

**2.15 Employee benefit obligations (Cont'd)**

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 revaluation of experience adjustments 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.

**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 companies within the Group 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.



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**2 Accounting policies (Cont'd)**

**2.19 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service 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 for the consolidated financial statements.

**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.

**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 and radio 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**  
**Notes to the Consolidated and Separate Financial Statements**  
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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 2018 and 2017, 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:

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

The fair value of long-term borrowings from financial institutions are presented in Note 23.

**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 24.

(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**

Where necessary, comparative figures for the consolidated and separate statements of comprehensive income for the year ended 31 December 2017 has been reclassified the comparative figures to conform to change in presentation in current year as follows;

	Consolidated financial statements		
	As previously reported Baht	Debit (Credit) from reclassification Baht	After Reclassification Baht
<b>Consolidated statement of comprehensive income for the year ended 31 December 2017</b>			
<b>Revenues</b>			
Other income	40,906,581	(14,261,983)	26,644,598
<b>Expenses</b>			
Cost of services	(1,667,942,020)	14,261,983	(1,653,680,037)

**7 Cash and cash equivalents**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	3,555,202	4,497,180	1,095,110	1,904,646
Cash at banks - savings accounts	337,275,597	222,543,132	167,876,740	27,348,409
- current accounts	(1,203,840)	3,770,696	(459,869)	15,414
- 3-month fixed deposits accounts	12,998	12,823	-	-
	<b>339,639,957</b>	<b>230,823,831</b>	<b>168,511,981</b>	<b>29,268,469</b>

As at 31 December 2018, savings accounts carry interest at the rates of 0.10 % - 0.75% per annum (2017 : 00.10% - 0.63% per annum)

As at 31 December 2018, fixed deposits accounts (3-month) carry interest at the rates of 1.00% per annum (2017 : 1.25% per annum).

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**8 Trade and other accounts receivable (net)**

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable					
- others		504,972,145	560,343,541	163,707,932	109,208,279
- related companies	34 b)	-	-	431,165,260	258,906,786
Other accounts receivable					
- liquidator		-	26,065,280	-	-
- others		1,729,306	5,075,496	526,836	422,508
Accrued income					
- others		47,199,157	54,495,039	17,428,522	24,033,236
- related companies	34 b)	-	-	4,642,970	80,371,471
Advance payments					
- employees		2,738,945	1,758,559	732,013	44,433
- related companies	34 b)	-	-	302,974	263,679
Accrued interest income					
- related companies	34 b)	2,489,884	2,489,884	10,280,552	9,841,747
Prepaid expenses - others		45,843,420	39,211,808	26,580,710	22,395,194
		604,972,857	689,439,607	655,367,769	505,487,333
<u>Less</u> Allowance for doubtful accounts					
- Trade accounts receivable					
- others		(42,383,287)	(58,929,725)	(35,363,437)	(36,482,840)
- related companies		-	-	(526,767)	-
- Other accounts receivables					
- others		(1,469,898)	(1,469,898)	(414,500)	(414,500)
- Accrued income - others		(5,461,398)	(4,247,728)	(3,879,474)	(4,151,750)
- Accrued interest income					
- related companies	34 b)	(2,489,884)	(2,489,884)	(3,528,243)	(3,410,065)
		(51,804,467)	(67,137,235)	(43,712,421)	(44,459,155)
		553,168,390	622,302,372	611,655,348	461,028,178

Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Others</b>				
Current	324,274,299	301,704,934	71,445,195	31,969,061
Overdue				
Less than 3 months	131,994,710	188,059,380	52,528,032	36,864,249
3 - 6 months	3,108,366	3,085,338	2,011,600	16,211
6 - 12 months	660,399	6,547,232	7,500	422,926
Over 12 months	44,934,371	60,946,657	37,715,605	39,935,832
	504,972,145	560,343,541	163,707,932	109,208,279

**RS Public Company Limited**  
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**For the year ended 31 December 2018**

**8 Trade and other accounts receivable (net) (Cont'd)**

Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Related companies</b>				
Current	-	-	163,094,566	123,962,276
Overdue				
Less than 3 months	-	-	75,014,947	82,490,152
3 - 6 months	-	-	126,369,777	50,422,640
6 - 12 months	-	-	66,685,970	2,031,718
Over 12 months	-	-	-	-
	-	-	431,165,260	258,906,786

**9 Inventories (net)**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Finished goods: Music and CDs, VCDs, DVDs and others	599,592	599,592	599,592	599,592
Consumer products	273,722,056	298,461,403	-	-
Souvenirs	3,176,879	1,039,683	3,176,879	1,039,683
Total finished goods	277,498,527	300,100,678	3,776,471	1,639,275
Work in process:				
TV Program	127,384	1,511,022	91,666	130,000
Concert and others	5,657,218	4,138,027	103,336	1,691,024
Total work in process	5,784,602	5,649,049	195,002	1,821,024
Raw material	1,504,765	1,210,269	-	-
Satellite television receivers	119,697	7,832,013	-	-
Advance payment for inventories	27,428,542	11,197,182	8,798,987	-
Others	1,620	574,201	-	-
Total	312,337,753	326,563,392	12,770,460	3,460,299
Less Allowance for obsolete inventories	(27,552,085)	(10,927,981)	(813,918)	(813,918)
Inventories (net)	284,785,668	315,635,411	11,956,542	2,646,381

The cost of inventories recognised as expense and included in cost of sales in the consolidated and company financial statements amounted to Baht 713,479,826 and Baht 5,484,626 (2017 : Baht 519,527,598 and Baht 271,286) respectively.

The Company reversed allowance for obsolete inventory which was recognised in the consolidated financial statements of Baht 8,042,978 and recorded allowance for obsolete inventory in the company financial statements of Baht 24,667,082 (2017 : Baht 47,159,453 and recorded allowance for obsolete inventory in the company financial statements of Baht 43,227). The amount recorded and reversed has been included in cost of sales in the statement of comprehensive income.

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**10 Other current assets (net)**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Refundable deposits	1,245,200	912,001	15,200	12,000
Guarantees	2,926,572	371,202	9,345	293,539
Others	801,919	1,107,161	544,047	429,304
	4,973,691	2,390,364	568,592	734,843
<u>Less</u> Allowance for impairment	(40,000)	(114,488)	(40,000)	(114,488)
Other current assets (net)	4,933,691	2,275,876	528,592	620,355

**11 Investments in subsidiaries (net)**

Investments in subsidiaries which recorded by the cost method as at 31 December 2018 and 2017, consisted of:

Company name	Nature of business	Registered in	Percentage of shareholding	
			2018 %	2017 %
<b>Operating subsidiaries</b>				
R.S. Television Co., Ltd.	Digital TV business	Thailand	100	100
Lifestar Co., Ltd.	Multi-platform Commerce	Thailand	100	100
Thai Copyright Collection Co., Ltd.	Copyrights collection	Thailand	100	100
Buntoeng Variety Co., Ltd.	Satellite TV business, Media and TV program	Thailand	100	100
Coolism Co., Ltd.	Radio business	Thailand	100	100
Yaak Co., Ltd.	TV program	Thailand	100	100
R Alliance Co., Ltd.	Event organizer	Thailand	100	100
<b>Non-operating subsidiaries</b>				
Blufairy Co., Ltd.	Event organizer	Thailand	-	100
Very Well Co., Ltd.	Event organizer	Thailand	-	100
Aladdin House Co., Ltd.	Event organizer	Thailand	-	100
RS In-Store Media Co., Ltd.	Event organizer	Thailand	-	65
Goodlife Group Co., Ltd.	Event organizer	Thailand	100	100
R.S. Sportmaster Co., Ltd.	Production TV Program and event	Thailand	76	76
RS International Broadcasting and Sports Management Co., Ltd.	Event and sport activity organizer	Thailand	83	83
S-One Sport Co., Ltd.	Rental football stadium	Thailand	100	100



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**11 Investments in subsidiaries (net) (Cont'd)**

Investments in subsidiaries which recorded by the cost method as at 31 December 2018 and 2017, consisted of: (Cont'd)

	Separate financial statements											
	Paid up capital		Cost Method		Allowance for impairment				Carrying value		Dividend income (Note 28)	
			2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht		
<b>Operating subsidiaries</b>												
R.S. Television Co., Ltd.	300,000,000	300,000,000	300,209,300	300,209,300	-	-	-	300,209,300	300,209,300	226,599,207	107,599,623	-
Lifestar Co., Ltd.	200,000,000	200,000,000	199,999,300	199,999,300	-	-	-	199,999,300	199,999,300	13,823,340	21,829,880	-
Thai Copyright Collection Co., Ltd.	5,000,000	5,000,000	4,999,400	4,999,400	-	-	-	4,999,400	4,999,400	9,674,807	4,853,903	-
Buntoeng Variety Co., Ltd.	1,000,000	1,000,000	852,193	852,193	(852,193)	-	-	-	852,193	18,074,494	199,309,419	-
Coolism Co., Ltd.	25,000,000	25,000,000	5,199,993	5,199,993	-	-	-	5,199,993	5,199,993	-	-	-
Yaak Co., Ltd.	2,500,000	2,500,000	2,499,300	2,499,300	-	-	-	2,499,300	2,499,300	-	18,979,684	-
R Alliance Co., Ltd.	80,000,000	80,000,000	80,000,000	80,000,000	(76,139,839)	(76,078,180)	-	3,860,161	3,921,820	-	-	-
<b>Total</b>	<b>613,500,000</b>	<b>613,500,000</b>	<b>593,759,486</b>	<b>593,759,486</b>	<b>(76,992,032)</b>	<b>(76,078,180)</b>		<b>516,767,454</b>	<b>517,681,306</b>	<b>268,171,848</b>	<b>352,572,509</b>	
<b>Non-operating subsidiaries</b>												
Blufairy Co., Ltd.*	-	5,000,000	-	4,009,993	-	-	-	-	4,009,993	-	-	-
Very Well Co., Ltd. *	-	4,000,000	-	3,999,300	-	-	-	-	3,999,300	-	589,897	-
Aladdin House Co., Ltd.*	-	5,000,000	-	4,999,300	-	-	-	-	4,999,300	-	-	-
RS In-Store Media Co., Ltd.*	-	30,000,000	-	19,499,300	-	(11,996,774)	-	-	7,502,526	-	-	-
Goodlife Group Co., Ltd.	37,000,000	37,000,000	32,775,000	32,775,000	(26,038,483)	(25,996,414)	-	6,736,517	6,778,586	-	-	-
R.S. Sportmaster Co., Ltd.	4,500,000	4,500,000	2,667,595	2,667,595	(2,667,595)	(2,667,595)	-	-	-	-	-	-
RS International Broadcasting and Sports Management Co., Ltd.	9,375,000	9,375,000	167,812,500	167,812,500	(156,809,468)	(156,874,257)	-	11,003,032	10,938,243	-	2,394,055	-
S-One Sport Co., Ltd. **	15,000,000	15,000,000	33,800,530	33,800,530	(33,800,530)	(33,800,530)	-	-	-	-	-	-
<b>Total</b>	<b>65,875,000</b>	<b>109,875,000</b>	<b>237,055,625</b>	<b>269,563,518</b>	<b>(219,316,076)</b>	<b>(231,335,570)</b>		<b>17,739,549</b>	<b>38,227,978</b>	<b>-</b>	<b>2,983,952</b>	
<b>Grand Total</b>	<b>679,375,000</b>	<b>723,375,000</b>	<b>830,815,111</b>	<b>863,323,004</b>	<b>(296,308,108)</b>	<b>(307,413,750)</b>		<b>534,507,003</b>	<b>555,909,254</b>	<b>268,171,848</b>	<b>355,556,461</b>	

\* Dissolute

\*\* Under the bankruptcy process and the absolute receivership.

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**11 Investments in subsidiaries (net) (Cont'd)**

Investments in subsidiaries which recorded by the cost method as at 31 December 2018 and 2017, consisted of:  
 (Cont'd)

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., Goodlife Group 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.

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.

Movement of investment in subsidiaries for the year ended 31 December 2018 and 2017 are as follows:

- On 29 November 2017, the extraordinary meeting of Blufairy Co., Ltd., Very Well Co., Ltd., Aladdin House Co., Ltd. approved to dissolution since 30 November 2017. The companies requested for the dissolution with the Ministry of Commerce on 30 November 2017. Afterwards, on 19 September 2018, RS In-Store Media Co., Ltd. and On 28 September 2018 Blufairy Co., Ltd., Very Well Co., Ltd. and Aladdin House Co., Ltd. was registered for the dissolution with the Ministry of Commerce, So, four subsidiaries will not included in the Consolidated financial statement as at 31 December 2018 since the date dissolution. At present, these 4 subsidiaries has been completely liquidated.

The movement of investment in liquidated subsidiaries and gain (loss) from liquidated subsidiaries are summarised as follows:

	Carrying value 31 December 2017 Baht	Reverse of allowance for impairments in subsidiary Baht	Carrying value at dissolution date Baht	Fair value (Cash received from subsidiaries liquidation) Baht	Gain (loss) from liquidated subsidiary (Note 29) Baht
RS In-Store Media Co., Ltd.	7,502,526	11,996,774	19,499,300	7,544,062	(11,955,238)
Blufairy Co., Ltd.	4,009,993	-	4,009,993	4,975,590	965,597
Very Well Co., Ltd.	3,999,300	-	3,999,300	4,265,414	266,114
Aladdin House Co., Ltd.	4,999,300	-	4,999,300	5,270,484	271,184
	20,511,119	11,996,774	32,507,893	22,055,550	(10,452,343)

- On 25 April 2017, the shareholder meeting of the RS International Broadcasting and Sports Management Co., Ltd. have approved the capital deduction of the company from total authorised ordinary shares is Baht 37,500,000 to Baht 9,375,000 by decreasing 281,250 ordinary shares of Baht 100 per share amount of Baht 28,125,000 and that subsidiary registered the decreased share capital with the Ministry of Commerce on 9 June 2017.

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**12 Investment in an associated company (net)**

Name	Nature of business	Consolidated financial statements			
		Baht		Percentage	
		Issued and paid-up share capital		Percentage of shareholding	
		2018 Baht	2017 Baht	2018 Baht	2017 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	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Investment in Idea Power Co., Ltd.		3,991,133	3,988,995	6,303,621	6,303,621
<u>Less</u> Allowance for impairment		-	-	(2,312,488)	(2,314,626)
Total investment in an associated company (net)		3,991,133	3,988,995	3,991,133	3,988,995

The net movement of investment in associated company for the years ended 31 December 2018 and 2017 comprise:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Opening net book amount	3,988,995	4,103,678
Share of loss for the year	3,939	13,922
Over (under) share of loss for the prior year	(1,801)	(128,605)
Closing net book amount	3,991,133	3,988,995

Proportionate net worth for the year ended 31 December 2018 and 2017, is calculated on financial statements which was prepared by management of subsidiary and had not been audited by auditor. However, the Company's management believes that the value of proportionate net worth would not significantly differ if the financial statement is audited or reviewed by auditors.

**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	
	2018 Baht	2017 Baht
Current assets	15,795,903	15,782,167
Non-current assets	172,566	187,731
	15,968,469	15,969,898
Current liabilities	3,939	13,922
Non-current liabilities	-	-
	3,939	13,922
Net assets	15,964,530	15,955,976

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**Notes to the Consolidated and Separate Financial Statements**  
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**12 Investment in an associated company (net) (Cont'd)**

**Summary statement of comprehensive income**

	<b>Idea Power Co., Ltd.</b>	
	<b>For the years ended</b>	
	<b>31 December</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
Revenue	36,271	90,301
Expense	(16,578)	(20,693)
Profit before income tax	19,693	69,608
Income tax expense	(3,939)	(13,922)
Net profit	15,754	55,686
Equity method based on percentage of shareholding	3,939	13,922

13 Buildings and equipment (net)

**As at 1 January 2017**

Cost	34,189,065
Less Accumulated depreciation	(33,251,677)
Net book amount	937,388

**For the year ended 31 December 2017**

Opening net book amount	937,388
Additions	-
Transfer from construction in progress and equipment under installation	-
Disposals - cost	-
- accumulated depreciation	(12,267,084)
Write-off - cost	12,206,324
- accumulated depreciation	-
Depreciation charge (Note 30)	(31,549,959)
	31,549,866
	(799,252)
Closing net book amount	138,043

**As at 31 December 2017**

Cost	2,639,106
Less Accumulated depreciation	(2,501,063)
Net book amount	138,043

Consolidated financial statements (Baht)					
Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
34,189,065 (33,251,677)	413,058,761 (163,864,516)	483,579,834 (304,314,484)	67,181,399 (23,692,427)	160,394 -	998,169,453 (525,123,104)
937,388	249,194,245	179,285,350	43,488,972	160,394	473,046,349
937,388	249,194,245	179,285,350	43,488,972	160,394	473,046,349
-	7,256,014	23,197,044	17,459,405	2,235,439	50,147,902
-	-	2,395,833	-	(2,395,833)	-
-	(12,267,084)	(15,845,042)	(3,210,000)	-	(31,322,126)
-	12,206,324	14,849,579	2,632,896	-	29,688,799
(31,549,959)	-	(1,173,796)	(8,915,042)	-	(41,638,797)
31,549,866	-	1,173,708	8,915,033	-	41,638,607
(799,252)	(45,000,632)	(64,611,016)	(8,682,015)	-	(119,092,915)
138,043	211,388,867	139,251,660	51,689,249	-	402,467,819
2,639,106	408,047,691	492,153,873	72,515,762	-	975,356,432
(2,501,063)	(196,658,824)	(352,902,213)	(20,826,513)	-	(572,888,613)
138,043	211,388,867	139,251,660	51,689,249	-	402,467,819

## 13 Buildings and equipment (net) (Cont'd)

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 2018						
Cost	2,639,106	408,047,691	492,153,873	72,515,762	-	975,356,432
Less Accumulated depreciation	(2,501,063)	(196,658,824)	(352,902,213)	(20,826,513)	-	(572,888,613)
Net book amount	138,043	211,388,867	139,251,660	51,689,249	-	402,467,819
For the year ended 31 December 2018						
Opening net book amount	138,043	211,388,867	139,251,660	51,689,249	-	402,467,819
Additions	-	967,925	24,640,321	650,000	23,868,600	50,126,846
Transfer from construction in progress and equipment under installation	-	3,130,220	9,107,880	-	(12,238,100)	-
Disposals - cost	-	(4,863,593)	(37,601,281)	(6,978,000)	-	(49,442,874)
- accumulated depreciation	-	4,863,551	37,598,172	1,544,886	-	44,006,609
Write-off - cost	-	-	-	(36,000)	-	(36,000)
- accumulated depreciation	-	-	-	35,998	-	35,998
Depreciation charge (Note 30)	-	(40,116,156)	(66,559,694)	(8,947,250)	-	(115,623,100)
Closing net book amount	138,043	175,370,814	106,437,058	37,958,883	11,630,500	331,535,298
As at 31 December 2018						
Cost	2,639,106	407,282,243	488,300,793	66,151,762	11,630,500	976,004,404
Less Accumulated depreciation	(2,501,063)	(231,911,429)	(381,863,735)	(28,192,879)	-	(644,469,106)
Net book amount	138,043	175,370,814	106,437,058	37,958,883	11,630,500	331,535,298

RS Public Company Limited  
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13 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
<b>As at 1 January 2017</b>						
Cost		26,439,477	346,459,529	440,586,617	62,141,057	875,787,074
Less 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	450,699,505
<b>For the year ended 31 December 2017</b>						
Opening net book amount		695,625	246,270,204	162,801,662	40,771,620	450,699,505
Additions		-	6,940,530	10,699,924	17,459,406	35,099,860
Transfer from construction in progress and equipment under installation		-	-	160,394	-	(160,394)
Disposals - cost		-	(5,995,481)	(18,411,612)	(3,210,000)	(27,617,093)
- accumulated depreciation		-	5,937,144	14,197,076	2,632,896	22,767,116
Write-off - cost		(24,194,271)	-	(779,190)	(8,915,042)	(33,888,503)
- accumulated depreciation		24,194,228	-	779,173	8,915,033	33,888,434
Depreciation charge (Note 30)		(695,580)	(43,492,227)	(58,596,520)	(7,673,640)	(110,457,967)
Closing net book amount		2	209,660,170	110,850,907	49,980,273	370,491,352
<b>As at 31 December 2017</b>						
Cost		2,245,206	347,404,578	432,256,133	67,475,421	849,381,338
Less Accumulated depreciation		(2,245,204)	(137,744,408)	(321,405,226)	(17,495,148)	(478,889,986)
Net book amount		2	209,660,170	110,850,907	49,980,273	370,491,352



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**13 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
<b>As at 1 January 2018</b>						
Cost	2,245,206	347,404,578	432,256,133	67,475,421	-	849,381,338
Less: Accumulated depreciation	(2,245,204)	(137,744,408)	(321,405,226)	(17,495,148)	-	(478,889,986)
Net book amount	2	209,660,170	110,850,907	49,980,273	-	370,491,352
<b>For the year ended 31 December 2018</b>						
Opening net book amount	2	209,660,170	110,850,907	49,980,273	-	370,491,352
Additions	-	2,218,167	5,638,352	-	23,868,600	31,725,119
Transfer from construction in progress and equipment under installation	-	4,460,120	7,777,980	-	(12,238,100)	-
Disposals - cost	-	(4,863,593)	(38,784,178)	(6,978,000)	-	(50,625,771)
- accumulated depreciation	-	4,863,551	38,487,972	1,544,886	-	44,896,409
Write-off - cost	-	-	-	(36,000)	-	(36,000)
- accumulated depreciation	-	-	-	35,998	-	35,998
Depreciation charge (Note 30)	-	(39,957,960)	(55,841,852)	(7,836,298)	-	(103,636,110)
Closing net book amount	2	176,380,455	68,129,182	36,710,859	11,630,500	292,850,997
<b>As at 31 December 2018</b>						
Cost	2,245,206	349,219,272	406,888,287	60,461,421	11,630,500	830,444,686
Less: Accumulated depreciation	(2,245,204)	(172,838,816)	(338,759,106)	(23,750,562)	-	(537,593,689)
Net book amount	2	176,380,455	68,129,181	36,710,859	11,630,500	292,850,997

As at 31 December 2018, 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 246,543,377 and Baht 245,052,564 (2017 : Baht 227,306,608 and Baht 208,948,434), respectively.

**RS Public Company Limited**  
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**13 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of the assets under the financial lease agreements	53,181,399	53,181,399	53,181,399	53,181,399
<u>Less</u> Accumulated depreciation	(19,230,314)	(11,216,510)	(19,230,314)	(11,216,510)
Net book amount	33,951,085	41,964,889	33,951,085	41,964,889

**14 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 2018 and 2017 are summarised below.

	Consolidated financial statements	
	2018 Baht	2017 Baht
Cash equivalent value (present value)	2,030,326,376	2,030,326,376
<u>Less</u> Accumulated amortisation	(634,588,094)	(499,241,528)
	1,395,738,282	1,531,084,848

On 25 April 2014, the subsidiary ("RS Television Co., Ltd.") was granted license for operation right in spectrum of digital television for commercial digital terrestrial television license 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).

On 20 December 2016, National Council for Peace and Order (NCPO) issued an order No.76/2559 under Section 44 of Constitution of the Kingdom of Thailand (interim) to promote the business of radio broadcasting, television broadcasting and telecommunications for public interest. The order allows the license holders, who were unable to comply with the initial terms and conditions of license 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 license holders are able to pay the rest of license fees in accordance with the terms and conditions within this order, which are extended.

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 (ended 23 May 2017) from the date of acquiring the license as specified by National Broadcasting and Telecommunication Commission ("NBTC").

According to National Council for Peace and Order No. 76/2016 determined the license fee payment for operation right in spectrum which group was received the letter to extent the payment license fee of operation right in spectrum from NBTC at 22 March 2017.

The license payment for the remaining minimum bid price amounting to Baht 38 million is divided into 2 instalments as follows;

- First instalment: The minimum bid price amounting to Baht 19 million has to be paid within 23 May 2017.
- Second instalment: The minimum bid price amounting to Baht 19 million has to be paid within 30 days from the new due date for payment with the interest from the former due date for payment (ended 23 May 2017) to the full payment submission date.

**RS Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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**14 License for operation right in spectrum of digital television (net) (Cont'd)**

The subsidiary was required to make payment under the following payment conditions: (Cont'd)

- 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 (ended 23 May 2017) from the date of acquiring the license as specified by National Broadcasting and Telecommunication Commission ("NBTC"). (Cont'd)

The National Council for Peace and Order No. 9/2018 dated 23 May 2018, has newly determined the conditions for license fee payments for operation right in spectrum. The Group has granted a moratorium for license fee payments to NBTC since the date of notice.

The license fee payments for the instalments of the remaining minimum bid price amounting to Baht 19 million are as follows:

- Second instalment: A moratorium has been granted for the payment of the operation rights in spectrum and a period of moratorium has been determined which is not more than three years since the effective date of the notice. During the moratorium period, the license holder has to pay NBTC the interest on the due date for payment of the license fee. The interest is calculated at the rate specified by the Monetary Policy Committee, Bank of Thailand.

- 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").

According to the National Council for Peace and Order No.76/2016 determined the license fee payment for operation right in spectrum which group received the letter that allow to extent the payment term of license fee of operation right in spectrum from NBTC at 22 March 2017.

The license payment for the remaining minimum bid price amounting to Baht 1,131.00 million as follows;

- First instalment: The exceeding amount of the minimum bid price amounting to Baht 188.50 million has to be paid within 30 days from the due date for payment.
- Second to sixth instalment: The exceeding amount of the minimum bid price amounting to Baht 188.50 million has to be paid within 30 days from the new due date for payment with the interest from the former due date for payment to the full payment submission. The interest is calculated at the rate specified by the Monetary Policy Committee, Bank of Thailand on the payment date.

From the Monetary Policy Committee's decision on 19 December 2018, the committee voted to raise the policy rate by 0.25% from 1.50% to 1.75%, effective immediately

According to the new condition of the National Council for Peace and Order No. 9/2018 dated 23 May 2018, determined the conditions of license fee payment for operation right in spectrum. The Group has granted a moratorium for the license fee payment to NBTC since the date of notice.

The license payment for the remaining bid price amounting to Baht 942.50 million as follows;

- Second to sixth instalment: granted a moratorium for the payment of the operation right in spectrum and determined the period of moratorium which was not over than three years since the effective date of the notice. During the moratorium period, the license holder has to paid NBTC the interest on the due date for payment the license fee. The interest is calculated at the rate specified by the Monetary Policy Committee, Bank of Thailand.

- 3) The subsidiary placed the letter of guarantee issued by a financial institution for the remaining license fee with NBTC. As at 31 December 2018, the outstanding balance of letter of guarantee was Baht 1,028.81 million (31 December 2017 : Baht 1,028.81 million).

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**14 License for operation right in spectrum of digital television (net) (Cont'd)**

The subsidiary was required to make payment under the following payment conditions: (Cont'd)

4) Obligation to pay for license are as follows:

Based on condition according to National Council for Peace and Order (NCPO) No.76/2559

No. instalments	For the minimum bidding price Million Baht	For the exceeding amount of the minimum bidding price Million Baht	Total license fee Million Baht	Interest expense from the extension of payment term Million Baht	Due for payment after extent the payment term
1	190.00	188.50	378.50	-	11 February 2014
2	114.00	188.50	302.50	-	23 May 2015
3	38.00	377.00	415.00	-	23 May 2016
4	19.00	188.50	207.50	-	23 May 2017
5	19.00	188.50	207.50	3.11	23 May 2018
6	-	188.50	188.50	2.82	23 May 2019
7	-	188.50	188.50	5.66	23 May 2020
8	-	188.50	188.50	5.66	23 May 2021
9	-	188.50	188.50	8.48	23 May 2022
<b>Total</b>	<b>380.00</b>	<b>1,885.00</b>	<b>2,265.00</b>	<b>25.73</b>	

Based on new condition according to National Council for Peace and Order (NCPO) No.9/2561

No. instalments	For the minimum bidding price Million Baht	For the Exceeding amount of the minimum bidding price Million Baht	Total license fee Million Baht	Interest expense from the extension of payment term Million Baht	Interest expense from the extension of payment term (Revised from policy rate adjustment) Million Baht	Due for payment after extent the payment term
1	190.00	188.50	378.50	-	-	11 February 2014
2	114.00	188.50	302.50	-	-	23 May 2015
3	38.00	377.00	415.00	-	-	23 May 2016
4	19.00	188.50	207.50	-	-	23 May 2017
5	-	-	-	6.23	6.23	23 May 2018
6	-	-	-	5.95	6.94	23 May 2019
7	-	-	-	8.75	10.21	23 May 2020
8	19.00	188.50	207.50	-	-	23 May 2021
9	-	188.50	188.50	2.82	3.30	23 May 2022
10	-	188.50	188.50	5.66	6.60	23 May 2023
11	-	188.50	188.50	5.66	6.60	23 May 2024
12	-	188.50	188.50	8.48	9.90	23 May 2025
<b>Total</b>	<b>380.00</b>	<b>1,885.00</b>	<b>2,265.00</b>	<b>43.55</b>	<b>49.78</b>	

Subsidiary recorded the license as grant date at cash equivalent value (present value).

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**14 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					
	31 December 2018 (Baht)			31 December 2017 (Baht)		
	Obligation to pay	Future finance charges	Net book amount	Obligation to pay	Future finance charges	Net book amount
Opening amount	987,232,500	(92,696,545)	894,535,955	1,169,000,000	(63,081,162)	1,105,918,838
Addition (Decrease) from extend the payment term of license	24,041,250	(118,656,073)	(94,614,823)	25,732,500	(71,271,815)	(45,539,315)
(Repayments)/Amortisation	(6,225,000)	36,932,673	30,707,673	(207,500,000)	41,656,432	(165,843,568)
Closing amount	1,005,048,750	(174,419,945)	830,628,805	987,232,500	(92,696,545)	894,535,955

The result of modification of payment term of license for operation right in spectrum of digital television according to NCPO No. 9/2561 is recognised as gain amounting to Baht 94.61 million (2017 : according to NCPO No. 76/2559 Baht 45.54 million) is statement of comprehensive income.

As at 31 December 2018 and 2017, the subsidiary has obligation to pay the license for operation right in spectrum of digital television as follows:

	Consolidated Financial statements	
	2018 Baht	2017 Baht
License of operation right in spectrum of digital television	1,005,048,750	987,232,500
<u>Less</u> Future finance charges	(174,419,945)	(92,696,545)
	830,628,805	894,535,955
<u>Less</u> Current portion	(4,072,392)	(176,864,317)
	826,556,413	717,671,638

As at 31 December 2018 and 2017, the payments to be made in subsequent years are as follows:

	Consolidated Financial statements	
	2018 Baht	2017 Baht
<b>Due within</b>		
1 year	6,941,516	210,612,500
2 - 5 years	998,107,234	776,620,000
	1,005,048,750	987,232,500

**RS Public Company Limited**  
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**15 Intangible assets (net)**

	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	Advance payment for copyright of drama series	Total	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Advance payment for copyright of drama series	Total
As at 1 January 2017												
Cost	300,323,158	1,363,547,074	142,470,832	116,080,987	11,290,000	1,933,712,051	300,323,198	624,028,723	131,828,319	17,192,000	-	1,073,372,240
Less: 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	116,080,987	11,290,000	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	-	142,171,290
For the year ended 31 December 2017												
Opening net book amount	49,306,159	298,725,528	76,207,502	116,080,987	11,290,000	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	-	142,171,290
Addition	2,637,632	138,894,772	7,201,834	178,639,025	25,500,000	352,873,263	2,637,632	46,570,000	4,493,380	8,361,600	-	62,062,612
Transferred in (out)	-	169,038,208	32,135,600	(181,491,308)	(19,682,500)	-	-	-	22,945,600	(22,945,600)	-	-
Disposal - cost	-	-	(24,129)	-	-	(24,129)	-	-	(15,185,837)	-	-	(15,185,837)
- accumulated amortisation	-	-	24,100	-	-	24,100	-	-	2,041,412	-	-	2,041,412
Write-off - cost	-	(7,692,756)	(1,609,033)	-	-	(9,301,789)	-	-	-	-	-	-
- accumulated amortisation	-	-	1,608,995	-	-	1,608,995	-	-	-	-	-	-
Amortisation charge (Note 31)	-	(290,180,966)	(13,552,539)	-	-	(303,733,505)	(13,502,476)	(20,144,551)	(11,503,525)	-	-	(31,648,076)
Impairment	(13,502,476)	7,692,756	-	-	-	(5,809,720)	-	-	-	-	-	(13,502,476)
Closing net book amount	38,441,315	316,477,542	101,992,330	113,228,704	17,107,500	587,247,391	38,441,331	30,004,283	74,885,311	2,608,000	-	145,938,925
As at 31 December 2017												
Cost	302,960,790	1,663,787,298	180,175,104	113,228,704	17,107,500	2,277,259,396	302,960,830	670,598,723	144,081,462	2,608,000	-	1,120,249,015
Less: Accumulated amortisation	(82,763,674)	(1,181,067,388)	(76,637,966)	-	-	(1,340,469,028)	(82,763,674)	(474,352,084)	(69,196,151)	-	-	(626,311,909)
Allowance for impairment	(181,755,801)	(166,242,368)	(1,544,808)	-	-	(349,542,977)	(181,755,825)	(166,242,356)	-	-	-	(347,998,181)
Net book amount	38,441,315	316,477,542	101,992,330	113,228,704	17,107,500	587,247,391	38,441,331	30,004,283	74,885,311	2,608,000	-	145,938,925

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**15 Intangible assets (net) (Cont'd)**

	Consolidated financial statements (Baht)				Separate Financial Statements (Baht)				
	Production cost of music and drama series in progress		Computer softwares and others		Advance payment for copyright of drama series		Total		
	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of drama series in progress	Advance payment for copyright of drama series	Copyright of music	Production cost of drama series	Computer softwares and others	Advance payment for copyright of drama series
<b>As at 1 January 2018</b>									
Cost	302,960,790	1,663,787,298	180,175,104	113,228,704	17,107,500	302,960,830	670,598,723	144,081,462	-
Less: Accumulated amortisation	(82,763,674)	(1,181,067,388)	(76,637,966)	-	-	(82,763,674)	(474,352,064)	(69,196,151)	-
Allowance for impairment	(181,755,801)	(166,242,368)	(1,544,808)	-	-	(181,755,825)	(166,242,356)	-	-
Net book amount	38,441,315	316,477,542	101,992,330	113,228,704	17,107,500	38,441,331	30,004,283	74,885,311	-
<b>For the year ended 31 December 2018</b>									
Opening net book amount	38,441,315	316,477,542	101,992,330	113,228,704	17,107,500	38,441,331	30,004,283	74,885,311	-
Addition	1,708,000	177,569,020	45,616,856	215,791,642	43,757,000	1,708,000	11,410,000	12,809,174	-
Transferred in (out)	-	219,368,412	2,119,900	(184,158,812)	(37,329,000)	-	-	1,796,000	-
Disposal - cost	-	-	(31,140)	-	-	-	-	-	-
- accumulated amortisation	-	-	7,963	-	-	-	-	-	-
Write-off - cost	-	(14,530,000)	-	-	-	-	(14,530,000)	-	-
- accumulated amortisation	-	14,530,000	-	-	-	-	14,530,000	-	-
Amortisation charge (Note 31)	-	(324,606,086)	(15,883,956)	-	-	-	(32,085,766)	(11,329,665)	-
Impairment	(11,026,990)	-	-	-	-	(11,026,990)	-	-	-
Closing net book amount	29,122,325	388,808,888	133,821,953	144,861,534	23,535,500	29,122,341	9,328,517	78,162,820	-
<b>As at 31 December 2018</b>									
Cost	304,668,790	2,046,194,730	227,880,720	144,861,534	23,535,500	304,668,830	667,478,723	158,688,636	-
Less: Accumulated amortisation	(82,763,674)	(1,491,143,474)	(92,513,959)	-	-	(82,763,674)	(491,907,850)	(80,525,816)	-
Allowance for impairment	(192,762,791)	(166,242,368)	(1,544,808)	-	-	(192,762,815)	(166,242,356)	-	-
Net book amount	29,122,325	388,808,888	133,821,953	144,861,534	23,535,500	29,122,341	9,328,517	78,162,820	-

As at 31 December 2018, 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 147,655,485 and Baht 127,394,435 (2017 : Baht 119,531,268 and Baht 110,831,268), respectively.

The amortization expense in the consolidated and company financial statement amount to Baht 340,490,042 and Baht 43,415,431 (2017 : Baht 303,733,505 and Baht 31,648,076) has been charged in cost of goods and services of Baht 325,270,474 and Baht 32,749,699 (2017 : Baht 290,920,468 and Baht 20,884,053) and in administrative expenses of Baht 15,219,568 and Baht 10,665,732 (2017 : Baht 12,813,036 and Baht 10,764,023).



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**16 Withholding tax (net)**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Withholding tax	180,320,232	154,376,616	115,677,411	90,014,129
<u>Less</u> Allowance for doubtful in recoverable of withholding tax	(230,325)	(822,015)	-	-
	180,089,907	153,554,601	115,677,411	90,014,129

During the year, the Group receive withholding tax in the consolidated financial statements of Baht 31,802,191 (2017 : receive withholding tax in consolidated financial statement Baht 36,250,232). The Group recorded allowance for doubtful in recoverable of withholding tax which was recognised in the consolidated financial statements of Baht 281,362 and write off withholding tax for the year 2007 to 2016 in the consolidated financial statements of Baht 927,856 and in separate financial statements of Baht 1,094. (2017 : The Group recorded allowance for doubtful in recoverable of withholding tax which was recognised in the consolidated financial statement of Baht 541,720 and write off withholding tax for the year 2005 to 2017 in the consolidated and separate financial statements of Baht 7,656,586 and Baht 148,514, respectively). And reversed of allowance for doubtful in recoverable of withholding tax in the consolidate financial statement of Baht 873,052 (2017 : reversed of allowance for doubtful in recoverable of withholding in the consolidated financial statements of Baht 7,587,168).

**17 Deferred tax (net)**

The analysis of deferred tax assets and liabilities (net) as at 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	95,264,972	80,242,743	30,855,919	19,568,645
Deferred tax assets to be recovered after more than 12 months	137,867,262	195,685,304	89,422,844	101,892,500
	233,132,234	275,928,047	120,278,763	121,461,145
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(71,365)	(461,459)	(71,365)	(461,459)
Deferred tax liabilities to be settled after more than 12 months	(1,451,438)	(1,542,686)	(1,451,438)	(1,542,686)
	(1,522,803)	(2,004,145)	(1,522,803)	(2,004,145)
Deferred tax assets (net)	231,609,431	273,923,902	118,755,960	119,457,000

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**17 Deferred tax (net) (Cont'd)**

The movement of deferred taxes for the years ended 31 December 2018 and 2017 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance for the year	273,923,902	303,617,658	119,457,000	94,574,938
Increase in the statement of income	(42,314,471)	(26,676,401)	(701,040)	27,487,994
Increase (decrease) to the statement of comprehensive income	-	(3,017,355)	-	(2,605,932)
Closing balance for the year	231,609,431	273,923,902	118,755,960	119,457,000

Deferred tax assets and deferred tax liabilities presented by considering net position of each taxable unit as at 31 December 2018 and 2017 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets (net)	231,609,431	273,923,902	118,755,960	119,457,000
Deferred tax liabilities (net)	-	-	-	-
	231,609,431	273,923,902	118,755,960	119,457,000

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17 Deferred tax (net) (Cont'd)

Deferred tax assets and deferred tax liabilities presented by net tax taxable entities for the years ended 31 December 2018 and 2017 comprises the following:

	Consolidated financial statements				Separate Financial Statements			
	1 January 2018 Baht	Increase (decrease) to the statement of income Baht	Increase (decrease) to the statement of comprehensive income Baht	31 December 2018 Baht	1 January 2018 Baht	Increase (decrease) to the statement of income Baht	Increase (decrease) to the statement of comprehensive income Baht	31 December 2018 Baht
<b>Deferred tax assets:</b>								
Allowance for doubtful accounts	18,390,907	(2,952,144)	-	15,438,763	14,270,903	(164,243)	-	14,106,660
Intangible assets	40,760,367	(1,478,390)	-	39,281,977	1,366,609	(1,309,484)	-	57,125
Temporary differences arising between the carrying amounts of inventories reported in the consolidated balance sheet and their tax base	-	277,312	-	277,312	-	-	-	-
Allowance for slow moving	3,265,596	2,244,821	-	5,510,417	162,784	-	-	162,784
License for operation right in spectrum of digital television	21,776,644	(15,291,322)	-	6,485,322	-	-	-	-
Employee benefit obligations	19,226,931	(4,451)	-	19,222,480	14,560,308	437,730	-	14,998,038
Cumulative tax loss carry forward	127,529,993	(46,277,385)	-	81,252,608	46,122,932	(20,639,688)	-	25,483,244
Allowance for impairment of investments	41,067,831	18,193,790	-	59,261,621	41,067,831	18,193,790	-	59,261,621
Depreciation expense from building and equipment	3,909,778	2,491,956	-	6,401,734	3,909,778	2,299,513	-	6,209,291
Total deferred tax assets	275,928,047	(42,795,813)	-	233,132,234	121,461,145	(1,182,382)	-	120,278,763
<b>Deferred tax liabilities:</b>								
Assets under finance lease agreement	(2,004,145)	481,342	-	(1,522,803)	(2,004,145)	481,342	-	(1,522,803)
Total deferred tax liabilities	(2,004,145)	481,342	-	(1,522,803)	(2,004,145)	481,342	-	(1,522,803)
Deferred tax assets (net)	273,923,902	(42,314,471)	-	231,609,431	119,457,000	(701,040)	-	118,755,960

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**17 Deferred tax (net) (Cont'd)**

Deferred tax assets and deferred tax liabilities presented by net tax taxable entities for the years ended 31 December 2018 and 2017 comprises the following: (Cont'd)

	Consolidated financial statements			Separate Financial Statements		
	1 January 2017 Baht	Increase (decrease) to the statement of income Baht	31 December 2017 Baht	1 January 2017 Baht	Increase (decrease) to the statement of income Baht	31 December 2017 Baht
<b>Deferred tax assets:</b>						
Allowance for doubtful accounts	19,101,865	(710,958)	18,390,907	14,145,133	125,770	14,270,903
Intangible assets	39,528,915	1,231,452	40,760,367	5,267,457	(3,900,848)	1,366,609
Provision for goods returned	378,386	(378,386)	-	-	-	-
Allowance for slow moving	12,580,353	(9,314,757)	3,265,596	154,138	8,646	162,784
License for operation right in spectrum of digital television	26,060,818	(4,284,174)	21,776,644	-	-	-
Employee benefit obligations	19,591,859	2,652,427	19,226,931	16,818,456	347,784	14,560,308
Cumulative tax loss carry forward	143,044,720	(15,514,727)	127,529,993	14,859,012	31,263,920	46,122,932
Allowance for impairment of investments	40,607,981	459,850	41,067,831	40,607,981	459,850	41,067,831
Depreciation expense from building and equipment	4,401,649	(491,871)	3,909,778	4,401,649	(491,871)	3,909,778
Total deferred tax assets	305,296,546	(26,351,142)	275,928,047	96,253,826	27,813,251	121,461,145
<b>Deferred tax liabilities:</b>						
Assets under finance lease agreement	(1,678,888)	(325,257)	(2,004,145)	(1,678,888)	(325,257)	(2,004,145)
Total deferred tax liabilities	(1,678,888)	(325,257)	(2,004,145)	(1,678,888)	(325,257)	(2,004,145)
Deferred tax assets (net)	303,617,658	(26,676,401)	273,923,902	94,574,938	27,487,994	119,457,000

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**18 Other non-current assets (net)**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Refundable deposits	553,000	553,000	553,000	553,000
Guarantees	18,372,613	42,838,615	18,161,915	34,081,917
	18,925,613	43,391,615	18,714,915	34,634,917
<u>Less</u> Allowance for impairment of guarantees	(4,085,877)	(9,485,877)	(4,085,877)	(4,085,877)
Other non-current asset (net)	14,839,736	33,905,738	14,629,038	30,549,040

**19 Trade and other accounts payable**

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable		279,232,192	298,967,549	24,559,283	64,232,672
- other companies		-	-	19,371,035	6,316,643
- related companies	34 c)	-	-	-	-
Other accounts payable		29,025,840	27,358,338	13,330,953	15,460,207
- other companies		2,511,086	2,143,248	1,675,380	1,771,878
- related companies	34 c)	-	-	-	-
Unearned revenue		65,036,936	81,556,576	17,168,585	9,693,717
- other companies		-	-	9,584,949	31,899,802
- related companies	34 c)	-	-	-	-
Accrued expenses		-	-	-	-
- Accrued commission and promotion expenses		-	-	-	-
- other companies		162,885,684	229,614,500	60,029,296	69,296,518
- related companies	34 c)	-	-	2,266,473	2,944,792
- Accrued project expenses		-	-	-	-
- other companies		50,493,700	61,394,605	12,560,062	20,345,547
- related companies	34 c)	-	-	7,615,346	6,598,677
- Accrued interest expenses		-	-	-	-
- other companies		777,138	542,905	454,302	-
- related companies	34 c)	-	-	976,289	503,235
- Other accrued expenses		-	-	-	-
- other companies		143,240,861	113,841,147	86,654,049	55,203,814
		733,203,437	815,418,868	256,246,002	284,267,502

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**20 Liabilities under financial lease agreements (net)**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Liabilities under financial lease agreements	18,692,908	31,566,621	18,692,908	31,566,621
<u>Less</u> Future finance changes on finance lease	(1,005,005)	(2,195,821)	(1,005,005)	(2,195,821)
	17,687,903	29,370,800	17,687,903	29,370,800
<u>Less</u> Current portion	(11,070,866)	(11,681,888)	(11,070,866)	(11,681,888)
	6,617,037	17,688,912	6,617,037	17,688,912

As at 31 December 2018 and 2017, payments to be made for financial lease agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within 1 year	11,708,728	12,871,620	11,708,728	12,871,620
More than 1 year but no longer than 5 years	6,984,180	18,695,001	6,984,180	18,695,001
	18,692,908	31,566,621	18,692,908	31,566,621

**21 Short-term loans from financial institutions**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Type of short-term loans</u>				
Promissory notes	240,000,000	213,000,000	240,000,000	213,000,000

As at 31 December 2018, roll able-over promissory notes denominated in Thai Baht bear interest rate approximately of 3.08% - 3.50% per annum (2017 : 3.5% per annum). The outstanding principal and interest are due for payable during February to March 2019 (2017 : due for payable during February to March 2018).

The movement of short-term loans from financial institution for the years ended 31 December 2018 and 2017 is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Promissory notes</u>				
Opening net book amount	213,000,000	706,000,000	213,000,000	598,000,000
Additions	930,000,000	2,125,000,000	930,000,000	1,870,000,000
Repayments	(903,000,000)	(2,618,000,000)	(903,000,000)	(2,255,000,000)
Closing net book amount	240,000,000	213,000,000	240,000,000	213,000,000

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**22 Value added tax**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Undue output tax	(63,079,097)	(55,474,132)	(38,609,222)	(23,908,251)
Undue input tax	38,078,673	25,649,014	2,156,201	1,417,306
Value added tax receivable	910,318	31,570,170	-	1,876,380
Value added tax payable	(11,462,782)	(6,667,137)	(2,816,549)	-
	<b>(35,552,888)</b>	<b>(4,922,085)</b>	<b>(39,269,570)</b>	<b>(20,614,565)</b>

Value added tax present by net position of each taxable unit as at 31 December 2018 and 2017 comprises the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Value added tax (assets)	3,816,152	24,836,068	-	-
Value added tax (liabilities)	(39,369,040)	(29,758,153)	(39,269,570)	(20,614,565)
	<b>(35,552,888)</b>	<b>(4,922,085)</b>	<b>(39,269,570)</b>	<b>(20,614,565)</b>

**23 Long-term loans from a financial institution**

The movements of long-term loans from a financial institution for the years ended 31 December 2018 and 2017 are as follows:

	<b>Consolidated financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Balance as at 1 January	666,085,000	444,060,000
Additions during the year	-	222,025,000
Repayments during the year	(270,000,000)	-
Balance as at 31 December	<b>396,085,000</b>	<b>666,085,000</b>

On 31 December 2018, the Group has credit facilities for long-term loans from a financial institution amounted to Baht 1.60 billion (2017 : 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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**23 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	
	2018 % per annum	2017 % per annum
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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term loans from a financial institution	396,085,000	666,085,000	396,085,000	666,085,000
	396,085,000	666,085,000	396,085,000	666,085,000

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% per annum (2017 : 4.25% per annum) and are within level 2 of the fair value hierarchy.

As at 31 December 2018 and 2017, repayment periods of the long-term loans from a financial institution are summarised below:

	Consolidated financial statements	
	2018 Baht	2017 Baht
<b><u>Due within the years ending</u></b>		
Between 1 year	80,000,000	40,000,000
Between 2 years and 5 years	316,085,000	626,085,000
	396,085,000	666,085,000

**24 Employee benefit obligations**

Employee benefit obligations as at 31 December 2018 and 2017 comprise the following

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Statement of financial position				
Employee benefit obligation	99,545,179	96,134,656	78,422,968	72,801,538

The movement of employee benefit obligations for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance	96,134,656	97,959,294	72,801,534	84,092,281
Current service cost	1,676,695	10,080,582	521,813	(635,893)
Interest cost	1,927,078	3,181,556	1,386,989	2,374,810
Gain from remeasurements of post employment benefit obligations	-	(15,086,776)	-	(13,029,660)
Transfer between the Group	-	-	3,712,632	-
Payment for retirement employee	(193,250)	-	-	-
Closing balance	99,545,179	96,134,656	78,422,968	72,801,538

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**24 Employee benefit obligations (Cont'd)**

	<b>Consolidated and separate financial statements</b>	
	<b>2018</b>	<b>2017</b>
Discount rate	1.42% - 4.17%	1.42% - 4.17%
Salary increase rate	7.00% - 7.50%	7.00% - 7.50%
Turnover rate	0.00% - 30.00%	0.00% - 30.00%
Mortality rate	1.00%	1.00%
Inflation rate	2.50%	2.50%

Sensitivity analysis form each significant assumption are as follows:

		<b>Impact on defined benefit obligation Increase (Decrease)</b>			
		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Discount rate	Increase by 1%	(10,656,521)	(10,062,514)	(7,627,191)	(6,910,711)
Discount rate	Decrease by 1%	12,381,507	11,738,964	8,800,828	7,983,440
Salary growth rate	Increase by 1%	12,777,159	11,119,026	9,129,935	7,558,633
Salary growth rate	Decrease by 1%	(11,186,320)	(9,768,443)	(8,048,025)	(6,703,751)
Turnover rate	Increase by 20%	(12,879,515)	(11,016,761)	(8,838,771)	(7,071,202)
Turnover rate	Decrease by 20%	16,094,243	13,653,042	10,863,124	8,576,985
Mortality rate	Increase by 1%	321,933	276,355	212,746	169,840
Mortality rate	Decrease by 1%	(355,873)	(304,910)	(234,261)	(186,174)

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.

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits. The Company and its subsidiaries are under consideration of the effect from the change by independent actuaries.

**25 Other non-current liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Deposits received	66,000	66,000	66,000	66,000
Retention payable	6,135,874	10,964,224	686,874	798,874
Other	47,363	37,363	25,000	15,000
	<b>6,249,237</b>	<b>11,067,587</b>	<b>777,874</b>	<b>879,874</b>

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**26 Share capital**

**26.1 Ordinary shares and provision on share capital**

	<b>Consolidated and Separate financial statements</b>		
	<b>Ordinary shares Shares</b>	<b>Ordinary shares Bath</b>	<b>Share Premium Bath</b>
Opening balance as at 1 January 2017	1,009,937,646	1,009,937,646	255,824,816
Issue of shares	209,746	209,746	2,412,079
Closing balance as at 31 December 2017	1,010,147,392	1,010,147,392	258,236,895
Issue of shares	1,800	1,800	20,700
Closing balance as at 31 December 2018	1,010,149,192	1,010,149,192	258,257,595

**26.2 Increase in share capital of company**

On 5 April 2017, the Company's extraordinary shareholders passed a resolution to approve increase of the Company's registered capital from Baht 1,009,937,646 to Baht 1,203,270,516 by issuing of 193,332,870 new ordinary shares at the par value of Baht 1 each as to reserve for the exercise of the Warrants to purchase the ordinary shares of the Company #3 (RS-W3) totalling 193,332,870 shares. The Company registered the increased share capital with the Ministry of Commerce on 18 April 2017.

On 31 October 2017, the warrants holder exercised their warrant of 209,746 units to purchase 209,746 ordinary shares of Baht 12.5 per each in amount of Baht 2,621,825. The Company has already received all amount of payment. The Company registered the increased share capital with the Ministry of Commerce on 7 November 2017.

On 30 April 2018, the warrants holder exercised their warrant of 1,800 units to purchase 1,800 ordinary shares of Baht 12.50 per each in amount of Baht 22,500. The Company has already received all amount of payment. The Company has registered to increase in share capital with the Ministry of Commerce on 11 May 2018.

**26.3 Decrease in share capital of subsidiary**

At the subsidiary company's shareholder meeting on 25 April 2017, the shareholders approved to decrease share capital from Baht 37,500,000 to Baht 9,375,000 by decreasing 281,250 ordinary shares of Baht 100 per each in an amount of Baht 28,125,000. The subsidiary company has registered to decrease the share capital on 9 June 2017. The subsidiary company paid to non-controlling interest amounting to Baht 4,687,500.

**26.4 Warrants**

The exercise of warrants to purchase ordinary share of RS Public Company Limited, have movement for the years ended 31 December 2018 and 2017 as follows:

<u>Warrants No. (RS-W3)</u>	<b>Consolidated and separate financial statements Unit</b>
Warrants had not been exercised as at 1 June 2017	193,332,760
Warrants had been exercised	(209,746)
Outstanding as at 31 December 2017	193,123,014
Warrants had been exercise	(1,800)
Outstanding warrants as at 31 December 2018	193,121,214



**RS Public Company Limited**  
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**26 Share capital (Cont'd)**

**26.4 Warrants (Cont'd)**

On 5 April 2017, the Company's extraordinary shareholders passed a resolution to issuing and offering of warrants to purchase the ordinary shares of the Company (RS-W3) in the amount of 193,332,870 units to the existing shareholders whose names appeared in the shareholder register on 18 April 2017 in accordance to section 225 of securities and Stock Exchange of Thailand Act regarding the closing method of the Shareholders on 19 April 2017 at the ratio of 5 existing ordinary share per 1 unit of warrant for free, with any fraction to be discarded, 193,332,870 ordinary shares at the par value of Baht 1.00 each as to reserve for the exercise of the 193,332,760 warrants by 1 unit of Warrant will be entitled to purchase 1 new ordinary share at the price of Baht 12.50 per share. First exercise date is 31 October 2017.

Warrant Holders who intend to exercise the right to purchase ordinary shares of the Company shall declare their intention to the Company between 9.00 am. - 3.00 pm. within 5 business days prior to each exercise date (hereinafter called "Period of Declaration of Intention to Exercise Warrants") except for the last exercise date which requires the declaration of the intention to exercise Warrants within 15 days prior to the Last Exercise Date (hereinafter called "the Last Period of Declaration of Intention to Exercise Warrants").

On 31 October 2017, the warrants holder exercised their warrant of 209,746 units to purchase 209,746 ordinary shares of Baht 12.5 per each in amount of Baht 2,621,825. The Company has already received all amount of payment. The Company has registered to increase in share capital with the Ministry of Commerce on 7 November 2017.

On 30 April 2018, the warrants holder exercised their warrant of 1,800 units to purchase 1,800 ordinary shares of Baht 12.50 per each in amount of Baht 22,500. The Company has already received all amount of payment. The Company has registered to increase in share capital with the Ministry of Commerce on 11 May 2018.

On 8 August 2018, the Company's board of directors' meeting no.3/2018 passed a resolution approving the payment of interim dividend, meaning the Company needed to adjust the exercise price and exercise ratio of warrants. On 9 September 2018, the Company announced the details of the adjusted exercise price from Baht 12.50 per 1 ordinary share to Baht 12.483 per 1 ordinary share, and exercise ratio from 1 stock warrant per 1 ordinary share to 1 stock warrant per 1.0014 ordinary share. The effective date of the exercise was 31 October 2018.

**26.5 Treasury shares/treasury shares reserve**

Treasury shares

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.

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.

On 21 February 2018, the Company's Board of Director meeting No. 1/2018 passed a resolution to resale the treasury shares 43,273,000 shares which is equivalent to 4.28% of the total issued shares by reselling via the Stock Exchange of Thailand. The resale period will be during 8 March 2018 to 30 May 2019.

**RS Public Company Limited**  
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**26 Share capital (Cont'd)**

**26.5 Treasury shares/treasury shares reserve (Cont'd)**

The movement of treasury shares and premium on share capital for the years ended 31 December 2018 and 2017 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 2017	43,273,300	465,274,840	(600,184)
Reissuance	-	-	-
Closing balance as at 31 December 2017	43,273,300	465,274,840	(600,184)
Reissuance	-	-	-
Closing balance as at 31 December 2018	43,273,300	465,274,840	(600,184)

**27 Dividend payment**

At the Company's Board of Director meeting No.3/2018 at 8 August 2018, the director passed a resolution approve the interim dividend for the six-month period ended 30 June 2018 at Baht 0.25 per share, total dividend payment Baht 241,718,973 which the company paid the interim dividend on 4 September 2018.

At the Company's Annual General Shareholders' Meeting on 19 March 2018, the shareholders passed a resolution not to approve a dividend payment from the operation results for the year 2017.

At the Company's Annual General Shareholders' Meeting on 5 April 2017, the shareholders passed a resolution not to approve a dividend payment from the operation results for the year 2016.

**28 Other income**

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Net gain (loss) from exchange rate	(211,816)	8,873	(483,486)	(93,719)
Gain (loss) from disposal building and equipment and intangible assets	(818,508)	(52,717)	(732,070)	447,793
Interest income	1,071,311	1,143,323	35,230,160	31,750,488
Dividend income (Note 12)	-	-	268,171,848	355,556,461
Rental income	167,700	258,100	2,379,250	2,819,900
Management fee (Note 34 a))	-	-	344,624,130	310,747,910
Pirate of copyright income	432,682	348,411	-	-
Other income	33,108,258	24,938,608	31,018,750	22,688,405
	<b>33,749,627</b>	<b>26,644,598</b>	<b>680,208,582</b>	<b>723,917,238</b>

**RS Public Company Limited**  
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**29 Other expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Loss from write off plant and equipment and intangible assets	(2)	(228)	(2)	(69)
Reverse (loss from) impairment of assets	74,488	(217,046)	74,488	(80,000)
Reverse on impairment of investment in subsidiary	2,138	-	-	-
Reversal of (loss from) allowance for impairment on investments in subsidiaries	-	-	10,460,697	(2,132,441)
Loss from liquidation in subsidiaries	-	-	(10,452,343)	-
Compensation	(3,250,486)	-	(600,000)	-
Others	-	(1,629,877)	-	(1,308,696)
	<b>(3,173,862)</b>	<b>(1,847,151)</b>	<b>(517,160)</b>	<b>(3,521,205)</b>

**30 Expense by nature**

The following significant expenditure items, classified by nature for the years ended 31 December 2018 and 2017, have been charged in the profit before finance costs and income tax:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Change in inventories of finished goods and work in process	11,826,636	(140,776,586)	(9,310,161)	836,209
Raw material and consumables used	1,535,861,300	1,684,067,684	371,728,436	375,996,912
Staff costs	760,927,998	687,596,460	426,764,506	393,074,749
Depreciation charge (Note 13)	115,623,100	119,092,912	103,636,110	110,457,967
Amortisation charge (Note 14 and 15)	475,836,608	439,080,070	43,415,431	31,648,076
Rental expenses and utilities expenses	120,825,361	106,979,124	89,697,220	77,877,458
Promotion and advertising expenses	140,056,272	137,264,242	55,380,912	82,405,808
(Reversed) loss from impairment of assets	10,950,364	13,583,697	10,952,503	13,625,704
Loss from inventory destruction and obsolescence of inventories	16,624,103	(46,123,603)	-	-
Freight	111,638,802	92,429,912	-	-

**31 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Interest expense from short-term borrowings from financial institutions	(30,216,105)	(47,127,837)	(5,568,167)	(15,847,474)
Interest expense from short-term borrowings from related companies (Note 34 a))	-	-	(4,472,289)	(1,919,928)
Interest expense for liability under finance lease agreements	(1,190,817)	(1,687,117)	(1,190,817)	(1,687,117)
Interest expense from license for operation right in section of digital television	(36,932,673)	(41,656,432)	-	-
	<b>(68,339,595)</b>	<b>(90,471,386)</b>	<b>(11,231,273)</b>	<b>(19,454,519)</b>

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**32 Income tax**

Reconciliation of income tax expense for the years ended 31 December 2018 and 2017 comprises:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Current income tax on taxable profit for the year	(66,249,022)	(59,763,081)	-	-
Over recorded prior year income tax	1,080,000	6,192	-	-
Under recorded prior year income tax	(12,668)	-	-	-
Write - off allowance for doubtful in recoverable of withholding tax	(927,856)	(7,805,101)	(1,094)	(148,513)
Allowance for doubtful in recoverable of withholding tax	(281,362)	(541,720)	-	-
Reversal of allowance for doubtful in recoverable of withholding tax	873,052	7,587,168	-	-
Origination of temporary differences (Note 17)	(42,314,471)	(26,676,401)	(701,040)	27,487,994
Total income tax credit (expense)	<u>(107,832,327)</u>	<u>(87,192,943)</u>	<u>(702,134)</u>	<u>27,339,481</u>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Profit before tax accounting base	623,870,008	420,216,238	365,767,750	214,200,173
Tax calculated at the rate of 20%	(124,774,002)	(84,043,248)	(73,153,550)	(42,840,035)
Tax effect of:				
Non-deductible expenses	(7,990,550)	3,315,140	(3,075,770)	(3,645,685)
Additional deductible expenses	3,695,689	4,126,552	2,555,107	2,946,014
Temporary deferred of previously unrecognised deferred tax	(1,150,396)	55,188	(995,625)	(140,475)
Allowance for impairment in associate company and subsidiaries	20,415,347	33,946	20,414,919	56,883
Allowance for doubtful in recoverable of withholding tax	164,476	(759,654)	(81,585)	(148,513)
Tax exemption - dividend received	-	-	53,634,370	71,111,292
Temporary differences arising between the carrying amounts of inventories reported in the consolidated balance sheet and their tax base	739,776	-	-	-
Over recorded prior year income tax	1,080,000	6,192	-	-
Under recorded prior year income tax	(12,668)	-	-	-
Tax charge	<u>(107,832,327)</u>	<u>(87,192,943)</u>	<u>(702,134)</u>	<u>27,339,481</u>



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**33 Earnings (loss) per share**

**33.1 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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Profit (loss) attributable to ordinary shareholders (Baht)	516,039,530	332,861,741	365,065,616	241,539,654
Weighted average number of Ordinary shares in issue during the year (shares)	966,875,251	966,695,952	966,875,251	966,695,952
Basic earnings (loss) per share (Baht)	0.5337	0.3443	0.3776	0.2499

**33.2 Diluted earnings (loss) per share**

The diluted earnings (loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares that are warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings (loss).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net profit (loss) attributable to ordinary shareholders (Baht)	516,039,530	332,861,741	365,065,616	241,539,654
Weighted average number of common shares (basic) (shares)	966,875,251	966,695,952	966,875,251	966,695,952
Adjustment for :				
Assume conversion of warrants	81,049,943	33,579,802	81,049,943	33,579,802
Weighted average number of common shares for calculation of diluted earnings per share(shares)	1,047,925,194	1,000,275,754	1,047,925,194	1,000,275,754
Diluted earnings (loss) per shares (Baht)	0.4924	0.3328	0.3484	0.2415

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**34 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 11 and 12.

Significant related parties transactions other than subsidiaries and associates can be summarised as follows:

Related parties	Type of business	Type of relation
Chetchotsak Co., Ltd.	Rental service	Common shareholder and directors
Idea Power Co., Ltd.	Organizer	Associated company
Membership Co., Ltd.	Rental service	Common shareholder and directors
Chetchot Co., Ltd.	Sale and service	Common shareholder and directors
Key management personnel	-	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

**34 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 years ended 31 December 2018 and 2017.

	Separate Financial Statements					
	For the year ended 31 December 2018 (Baht)					
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from other service Income	Revenue from management service	Other income
<b>Subsidiaries</b>						
R.S. Television Co., Ltd.	20,580,002	4,722,200	-	-	206,755,830	85,184
Lifestar Co., Ltd.	106,084,167	246,900	-	7,429,800	129,013,164	8,966,775
Coolism Co., Ltd.	12,337,534	-	-	-	-	-
Thai Copyright Collection Co., Ltd.	-	33,465,430	-	-	4,222,920	1,628,321
Buntoeng Variety Co., Ltd.	15,200,000	-	-	-	4,632,216	-
R.S. Sportmaster Co., Ltd.	-	-	-	-	-	-
<b>Total</b>	<b>154,201,703</b>	<b>38,434,530</b>	<b>-</b>	<b>7,429,800</b>	<b>344,624,130</b>	<b>10,680,280</b>

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**34 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 years ended 31 December 2018 and 2017. (Cont'd)

	Separate Financial Statements					
	For the year ended 31 December 2017 (Baht)					Other income
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from other service income	Revenue from management service	
<b>Subsidiaries</b>						
R.S. Television Co., Ltd.	49,568,104	630,250	13,075,865	10,557,778	198,466,895	152,095
Lifestar Co., Ltd.	57,135,422	622,000	-	-	59,171,222	6,932,131
Coolism Co., Ltd.	-	-	-	-	48,045,817	18,668
Thai Copyright Collection Co., Ltd.	-	41,331,814	-	-	5,063,976	369,835
Buntoeng Variety Co., Ltd.	6,845,000	210,000	-	-	-	-
R.S. Sportmaster Co., Ltd.	-	-	-	-	-	-
<b>Total</b>	<b>113,548,526</b>	<b>42,794,064</b>	<b>13,075,865</b>	<b>10,557,778</b>	<b>310,747,910</b>	<b>7,472,729</b>

34 Related party transactions (Cont'd)

a) Revenues and expenses transaction between the Group with related parties for the years ended 31 December 2018 and 2017. (Cont'd)

	Consolidated Financial Statements			
	For the year ended 31 December 2018 (Baht)	For the year ended 31 December 2017 (Baht)		
	Cost of sales and service	administrative expenses	Selling and service	Selling and administrative expenses
Chetchotsak Co., Ltd.	20,564,486	60,311,728	20,063,406	50,109,021
Membership Co., Ltd.	10,107,880	3,306,000	9,649,674	3,222,000
Chetchot Co., Ltd.	-	45,535	-	-
Group of person Chetchotsak	-	110,000	-	264,000
<b>Total</b>	<b>30,672,366</b>	<b>63,773,263</b>	<b>29,713,080</b>	<b>53,595,021</b>

	Separate Financial Statements			
	For the year ended 31 December 2018 (Baht)	For the year ended 31 December 2017 (Baht)		
	Cost of sales and service	administrative expenses	Selling and service	Selling and administrative expenses
Chetchotsak Co., Ltd.	20,415,986	51,446,476	20,063,406	39,748,273
Membership Co., Ltd.	-	3,306,000	-	3,222,000
Chetchot Co., Ltd.	-	45,535	-	-
Group of person Chetchotsak	-	110,000	-	264,000
<b>Total</b>	<b>20,415,986</b>	<b>54,908,011</b>	<b>20,063,406</b>	<b>43,234,273</b>

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**34 Related party transactions (Cont'd)**

- a) Revenues and expenses transaction between the Group with related parties for the years ended 31 December 2018 and 2017. (Cont'd)

	Separate Financial Statements					
	For the year ended 31 December 2018 (Baht)		For the year ended 31 December 2017 (Baht)			
	Cost of sales and service	Selling and administrative expenses	Finance cost - interest expense	Cost of sales and service	Selling and administrative expenses	Finance cost - interest expense
<b>Subsidiaries</b>						
R.S. Television Co., Ltd.	40,090,560	471,450	-	13,120,205	2,914,618	-
Lifestar Co., Ltd.	413,235	176,907	3,469,733	5,071,656	121,860	450,171
Coolism Co., Ltd.	374,786	2,908,477	512,464	-	20,000	895,750
Thai Copyright Collection Co., Ltd.	-	-	283,451	-	-	27,158
Aladdin House Co., Ltd. *	-	-	-	-	-	57,067
Very Well Co., Ltd. *	-	-	-	-	-	56,717
Blurfairy Co., Ltd. *	-	-	-	-	-	57,067
RS International Broadcasting and Sports Management Co., Ltd.	-	-	147,244	-	-	286,943
Buntoeng Variety Co., Ltd.	-	-	1,942	-	-	19,826
Goodlife Group Co., Ltd.	-	-	66,164	-	-	69,229
<b>Total</b>	40,878,581	3,556,834	4,480,998	18,191,861	3,056,478	1,919,928

\* Dissolute

## 34 Related party transactions (Cont'd)

b) Outstanding balance arising from trade and other accounts receivable as at 31 December 2018 and 2017 are as follows:

\* Dissolute



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**Notes to the Consolidated and Separate Financial Statements**  
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**34 Related party transactions (Cont'd)**

- c) Outstanding balance of trade and others accounts payable as at 31 December 2018 and 2017 are as follows:

	Consolidated financial statements						
	As at 31 December 2018 (Baht)			As at 31 December 2017 (Baht)			
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses	Trade accounts payable	Other accounts payable
Chetchotsak Co., Ltd.	-	2,073,397	-	-	-	-	1,777,030
Membership Co., Ltd.	-	429,049	-	-	-	-	366,218
Chetchot Co., Ltd.	-	8,640	-	-	-	-	-
<b>Total</b>	-	<b>2,511,086</b>	-	-	-	-	<b>2,143,248</b>

	Separate financial statements						
	As at 31 December 2018 (Baht)			As at 31 December 2017 (Baht)			
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses	Trade accounts payable	Other accounts payable
Chetchotsak Co., Ltd.	-	1,606,820	-	-	-	-	1,432,105
Membership Co., Ltd.	-	59,920	-	-	-	-	59,920
Chetchot Co., Ltd.	-	8,640	-	-	-	-	-
<b>Total</b>	-	<b>1,675,380</b>	-	-	-	-	<b>1,492,025</b>

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**34 Related party transactions (Cont'd)**

- c) Outstanding balance of trade and others accounts payable as at 31 December 2018 and 2017 are as follows: (Cont'd)

	Separate financial statements											
	As at 31 December 2018 (Baht)						As at 31 December 2017 (Baht)					
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Agent and accrued promotion expense	Accrued expenses	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Agent and accrued promotion expense	Accrued expenses
Subsidiaries	19,213,825	-	-	-	2,266,473	7,615,346	5,812,816	279,853	-	-	2,944,792	6,598,677
	141,160	-	107,500	755,647	-	-	343,327	-	-	317,638	-	-
	-	-	120,000	92,358	-	-	-	-	-	130,993	-	-
	16,050	-	9,357,449	84,487	-	-	-	-	31,899,802	19,452	-	-
	-	-	-	-	-	-	160,500	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	1,462	-	-
	-	-	-	13,579	-	-	-	-	-	10,445	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
RS International Broadcasting and Sports Management Co., Ltd.	-	-	-	30,218	-	-	-	-	-	23,245	-	-
Total	19,371,035	-	9,584,949	976,289	2,266,473	7,615,346	6,316,643	279,853	31,899,802	503,235	2,944,792	6,598,677
Grand total	19,371,035	1,675,380	9,584,949	976,289	2,266,473	7,615,346	6,316,643	1,771,878	31,899,802	503,235	2,944,792	6,598,677

\* Dissolute

**RS Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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**34 Related party transactions (Cont'd)**

d) Short-term loans to related companies (net)

Consolidate financial statements											
For the year ended 31 December 2018 (Baht)											
Short-term loans				Allowance for impairment of short-term loans				Short-term loans (net)			
Opening balance	Increase during the year	Received during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year	Closing balance	Opening balance	Increase during the year	Received during the year	Decrease during the year
20,355,000	-	-	20,355,000	(20,355,000)	-	-	(20,355,000)	-	-	-	-
<b>Subsidiary</b>											
S-one sport Co., Ltd. **											
Separate financial statements											
For the year ended 31 December 2018 (Baht)											
Short-term loans				Allowance for impairment of short-term loans				Short-term loans (net)			
Opening balance	Increase during the year	Received during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year	Closing balance	Opening balance	Increase during the year	Received during the year	Decrease during the year
2,340,000	-	-	2,340,000	(2,340,000)	-	-	(2,340,000)	-	-	-	-
841,700,000	550,000,000	(510,000,000)	881,700,000	-	-	-	-	841,700,000	550,000,000	(510,000,000)	-
-	3,500,000	(3,500,000)	-	-	-	-	-	-	3,500,000	(3,500,000)	-
20,355,000	-	-	20,355,000	(20,355,000)	-	-	(20,355,000)	-	-	-	-
864,395,000	553,500,000	(513,500,000)	904,395,000	(22,695,000)	-	-	(20,695,000)	841,700,000	553,500,000	(513,500,000)	-
<b>Total</b>											
881,700,000											

\*\* Under the bankruptcy process and the absolute receivership

34 **Related party transactions (Cont'd)**

Consolidate financial statements												
For the year ended 31 December 2017 (Baht)												
Short-term loans			Allowance for impairment of short-term loans			Short-term loans (net)						
Opening balance	Increase during the year	Received during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year	Closing balance	Opening balance	Increase during the year	Received during the year	Decrease during the year	Closing balance
20,355,000	-	-	20,355,000	(20,355,000)	-	-	(20,355,000)	-	-	-	-	-
<b>Subsidiary</b>												
S-one sport Co., Ltd. **												
Separate financial statements												
For the year ended 31 December 2017 (Baht)												
Short-term loans			Allowance for impairment of short-term loans			Short-term loans (net)						
Opening balance	Increase during the year	Received during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year	Closing balance	Opening balance	Increase during the year	Received during the year	Decrease during the year	Closing balance
2,340,000	-	-	2,340,000	(2,340,000)	-	-	(2,340,000)	-	-	-	-	-
577,700,000	400,000,000	(136,000,000)	841,700,000	-	-	-	-	577,700,000	400,000,000	(136,000,000)	-	841,700,000
20,355,000	-	-	20,355,000	(20,355,000)	-	-	(20,355,000)	-	-	-	-	-
600,395,500	400,000,000	(136,000,000)	864,395,000	(22,695,000)	-	-	(22,695,000)	577,700,000	400,000,000	(136,000,000)	-	841,700,000
<b>Subsidiaries</b>												
R.S. Sportmaster Co., Ltd.												
R.S. Television Co., Ltd.												
S-One Sport Co., Ltd. **												
<b>Total</b>												

\*\*\* Under the bankruptcy process and the absolute receivership

As at 31 December 2018, the outstanding balance of short-term loan for related parties are unsecured loan in Thai Baht currency Interest rate is 4.00% per annum (2017 : 4.00% per annum).

**RS Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**34 Related party transactions (Cont'd)**

- e) Short-term loans from related companies

Short-term loans from related companies

Separate financial statements								
	For the year ended 31 December 2018 (Baht)			For the year ended 31 December 2017 (Baht)				
	Short-term loans			Short-term loans				
	Opening balance	Increase during the year	Payments during the year	Closing balance	Opening balance	Increase during the year	Payments during the year	Closing balance
<b>Subsidiaries</b>								
Coolism Co., Ltd.	-	75,000,000	(48,000,000)	27,000,000	89,000,000	110,000,000	(199,000,000)	-
RS International Broadcasting and Sports Management Co., Ltd.	11,127,125	-	-	11,127,125	30,000,000	-	(18,872,875)	11,127,125
Aladdin House Co., Ltd. *	-	-	-	-	4,500,000	-	(4,500,000)	-
Very Well Co., Ltd. *	-	-	-	-	4,900,000	-	(4,900,000)	-
Blufairy Co., Ltd. *	-	-	-	-	4,500,000	-	(4,500,000)	-
Goodlife Group Co., Ltd.	500,000	-	-	5,000,000	5,000,000	-	-	5,000,000
Buntoeng Variety Co., Ltd.	700,000	-	(700,000)	-	2,500,000	-	(1,800,000)	700,000
Lifestar Co., Ltd.	105,000,000	278,000,000	(240,000,000)	143,000,000	-	210,000,000	(105,000,000)	105,000,000
Thai Copyright Co., Ltd.	-	32,500,000	(10,600,000)	21,900,000	-	12,000,000	(12,000,000)	-
<b>Total</b>	<b>121,827,125</b>	<b>385,500,000</b>	<b>(299,300,000)</b>	<b>208,027,125</b>	<b>140,400,000</b>	<b>332,000,000</b>	<b>(350,572,875)</b>	<b>121,827,125</b>

\* Dissolute

As at 31 December 2018, the outstanding balance of short-term loan for related parties are unsecured loan in Thai Baht currency interest rate is from 1.25% to 1.63% per annum (2017 : 1.25% to 1.50% per annum).

**RS Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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**34 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	
	For the years ended 31 December		For the years ended 31 December	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Salaries and other short-term employee benefits	128,444,302	147,392,995	106,516,402	121,625,995
Post-employment benefits	4,937,407	2,594,072	4,191,957	2,168,502
	133,381,709	149,987,067	110,708,359	123,794,497

**35 Segment information**

To assess the group's operation, the Group considers the gross profit from the revenue transactions comprising revenue from Multi-platform Commerce, revenues from media, revenues from music, revenues from event business 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 2018							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues external	2,126,820,966	1,344,681,665	236,847,131	118,331,329	-	3,826,681,091	-	3,826,681,091
Revenues internal	7,561,725	651,731,056	38,434,530	1,040,550	34,783,112	733,550,973	(733,550,973)	-
Total revenues	2,134,382,691	1,996,412,721	275,281,661	119,371,879	34,783,112	4,560,232,064	(733,550,973)	3,826,681,091
Cost of sales and services	717,607,797	1,506,376,963	110,337,837	71,733,102	34,783,112	2,440,838,811	(235,561,768)	2,205,277,043
Gross profit	1,416,774,894	490,035,758	164,943,824	47,638,777	-	2,119,393,253	(497,989,205)	1,621,404,048
	Consolidated financial statements							
	As at 31 December 2018							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Fixed assets	37,738,719	196,430,357	828,684	267,394	96,270,144	331,535,298	-	331,535,298
Intangible assets	55,581,875	1,952,159,231	29,174,058	-	78,972,818	2,115,887,982	-	2,115,887,982
	Consolidated financial statements							
	For the year ended 31 December 2017							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues external	1,389,095,731	1,703,504,304	254,507,293	154,574,852	-	3,501,682,180	-	3,501,682,180
Revenues internal	86,149	332,164,386	47,244,064	33,854,761	28,494,755	441,844,115	(441,844,115)	-
Total revenues	1,389,181,880	2,035,668,690	301,751,357	188,429,613	28,494,755	3,943,526,295	(441,844,115)	3,501,682,180
Cost of sales and services	467,109,190	1,658,885,622	149,959,409	118,259,381	28,494,755	2,422,708,357	(293,497,933)	2,129,210,424
Gross profit	922,072,690	376,783,068	151,791,948	70,170,232	-	1,520,817,938	(148,346,182)	1,372,471,756
	Consolidated financial statements							
	As at 31 December 2017							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Fixed assets	28,247,828	252,009,348	1,723,913	494,380	119,992,350	402,467,818	-	402,467,819
Intangible assets	27,345,440	1,974,991,853	38,501,636	-	77,493,310	2,118,332,239	-	2,118,332,239

**RS Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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**36 Credit facilities**

As at 31 December 2018 and 2017, undrawn borrowing facilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Various credit facilities - Unused	2,345	2,026	855	672

**37 Commitments, contingent liabilities and significant agreements**

**37.1 Commitments**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Capital Commitments</b>				
Purchase assets	10,957,460	1,151,100	10,229,560	-
<b>Operating lease Commitments</b>				
Within 1 year	17,594,562	21,654,302	14,171,196	12,682,868
Later than 1 year but not later than 3 years	-	-	-	-
<b>Total</b>	<b>17,594,562</b>	<b>21,654,302</b>	<b>14,171,196</b>	<b>12,682,868</b>

**37.2 Significant agreements with related parties and other entities**

- The Company and subsidiary have entered 6 agreements whereby those companies are to provide satellite transmission services during 1 January 2018 to 30 June 2020. 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 2018 to 31 December 2019 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.

**37.3 Contingent liabilities**

As at 31 December 2018 and 2017, the Group had contingent liabilities with the local banks as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Bath	2017 Million Bath	2018 Million Bath	2017 Million Bath
Guarantee to the Company, its subsidiary and other companies (Baht Million)	46.59	49.61	5.48	8.26





**RS Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

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**38 Significant claims and legal litigations**

38.1 As at 31 December 2018 and 2017, the Company and the subsidiaries have been sued, with the plaintiff demanding the Company to pay for the damage caused by the Company's alleged copyright violation and other in the amount of Baht 41.96 million and Baht 45.58 million, respectively. Then, the management has not recorded related provision. This issue is still being adjudicated.

38.2 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 a supreme administrative court.

**39 Subsequent event**

At the Board of Director's Meeting of the Company held on 15 February 2019 approved to propose on Annual General Meeting of shareholders of 2019 to approve :

- to increase authorised share capital amount of Baht 2,000,000 by issuing of 2,000,000 new ordinary shares at the par value of Baht 1 each in order to support the adjustment of exercise price and exercise ratio of warrants.
- to approve to pay dividend from the operation results for the year 2018 at the rate of Baht 0.20 per share. These dividends will be paid to shareholders in April 2019.



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**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



RS\_Corporate



RS\_IR



RS\_Corporate



RS\_IR