

Financial Statement and
Management Discussion and Analysis
From Annual Report 2013 in Brief

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RS Public Company Limited

I have audited the accompanying consolidated and separate financial statements of RS Public Company Limited and its subsidiaries, and of RS Public Company Limited, respectively, which comprise the consolidated and separate statement of financial position as at December 31, 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows statements for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

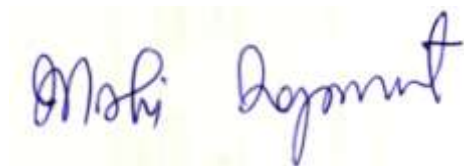
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above fairly, in all material respects, the financial position as at December 31, 2013, and the financial performance and cash flows for the year then ended of RS Public Company Limited and its subsidiaries, and of RS Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Other matter

Without qualifying my opinion, I draw attention to notes 2 and 4 to the financial statements describing the effect of the Company and its subsidiaries adoption from January 1, 2013 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended December 31, 2012 after making the adjustments described in notes 4.



(Wimolsri Jongudomsombut)

Certified Public Accountant

Registration No. 3899

Karin Audit Company Limited

Bangkok

February 26, 2014

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

| | | Baht | | | | | | |
|---------------------------|--|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Consolidated | | | Separated | | | |
| | | December 31, 2013 | December 31, 2012 | January 1, 2012 | December 31, 2013 | December 31, 2012 | January 1, 2012 | |
| Notes | | | "Restated" | "Restated" | | "Restated" | "Restated" | |
| ASSETS | | | | | | | | |
| CURRENT ASSETS | | | | | | | | |
| | Cash and cash equivalents | 7 | 572,146,840.32 | 313,597,281.03 | 282,173,935.93 | 405,983,565.40 | 202,828,939.59 | 169,924,309.90 |
| | Temporary investment - fixed deposit with maturity of twelve months | | 4,390,940.36 | 4,305,687.74 | 4,207,531.34 | - | - | - |
| | Trade accounts receivable-net | | | | | | | |
| | - Others-net | 8 | 756,169,082.23 | 652,952,824.18 | 626,098,827.00 | 387,798,381.89 | 463,142,922.51 | 320,245,557.20 |
| | - Related parties-net | 6, 8 | 19,729,730.00 | 11,155,498.99 | 1,907,085.50 | 112,100,443.16 | 116,071,344.01 | 145,356,125.70 |
| | Short-term loans to related parties - net | 5 | - | - | 10,000,000.00 | 165,988,658.58 | 344,900,000.00 | 292,026,148.36 |
| | Short-term loans to others - net | 10 | 100,071.00 | 1,408,810.00 | 2,940,000.00 | 77,364.00 | 1,127,048.00 | 2,380,000.00 |
| | Inventories - net | 6, 9 | 63,312,140.45 | 140,563,872.02 | 37,391,683.36 | 35,901,210.65 | 25,252,438.09 | 24,481,643.64 |
| | Accrued income | 6 | 233,716,271.28 | 244,964,879.21 | 140,260,502.46 | 114,211,237.94 | 132,523,700.26 | 94,880,825.03 |
| | Declared dividend | 6 | - | - | - | 93,997,368.00 | - | - |
| | Revenue department receivable | | 11,140,103.31 | 51,185,744.57 | 39,208,473.18 | - | 854,953.27 | 75,000.00 |
| | Other current assets | 6, 11 | 87,582,947.62 | 100,102,134.48 | 71,220,537.02 | 45,467,602.82 | 46,180,814.66 | 32,277,232.06 |
| | Total Current Assets | | 1,748,288,126.57 | 1,520,236,732.22 | 1,215,408,575.79 | 1,361,525,832.44 | 1,332,882,160.39 | 1,081,646,841.89 |
| NON-CURRENT ASSETS | | | | | | | | |
| | Investments in subsidiaries - net | 12 | - | - | - | 371,392,178.76 | 307,871,953.91 | 331,575,719.15 |
| | Investments in associated company for under the equity method | 13 | 5,495,813.48 | 5,605,507.21 | 1,457,520.71 | - | - | - |
| | Property plant and equipment - net | 14 | 310,016,491.67 | 259,519,850.56 | 111,763,355.94 | 293,784,656.90 | 235,974,626.94 | 71,796,622.02 |
| | Advance payment of license for operation right in spectrum of digital television | 15 | 38,000,000.00 | - | - | - | - | - |
| | Intangible assets - net | 16 | 720,770,805.24 | 643,320,328.66 | 469,230,749.57 | 149,503,102.25 | 127,738,909.22 | 122,167,576.05 |
| | Withholding tax deducted at source | | 42,583,803.25 | 20,832,372.35 | 57,387,019.21 | 12,907,566.58 | - | 37,813,794.91 |
| | Deferred tax assets | 4, 17 | 73,118,568.85 | 64,554,191.44 | 40,329,572.41 | 32,840,926.59 | 25,802,478.00 | 29,182,958.00 |
| | Other non-current assets | | 47,936,237.33 | 40,998,122.32 | 17,882,038.86 | 40,713,910.46 | 29,026,366.24 | 9,078,016.50 |
| | Total Non-Current Assets | | 1,237,921,719.82 | 1,034,830,372.54 | 698,050,256.70 | 901,142,341.54 | 726,414,334.31 | 601,614,686.63 |
| | TOTAL ASSETS | | 2,986,209,846.39 | 2,555,067,104.76 | 1,913,458,832.49 | 2,262,668,173.98 | 2,059,296,494.70 | 1,683,261,528.52 |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (Cont.)

| | | Baht | | | | | | |
|--------------------------------|---|-------------------|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Consolidated | | | Separated | | | |
| | | December 31, 2013 | December 31, 2012 | January 1, 2012 | December 31, 2013 | December 31, 2012 | January 1, 2012 | |
| Notes | | | "Restated" | "Restated" | | "Restated" | "Restated" | |
| LIABILITIES AND EQUITY | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | |
| | Short-term loans from financial institutions | 20 | - | 86,000,000.00 | - | - | 50,000,000.00 | - |
| | Trade accounts payable and others payable | | 185,014,991.00 | 195,323,620.59 | 231,307,991.62 | 119,104,178.19 | 160,706,966.21 | 147,611,921.65 |
| | Trade accounts payable and others - related | 6 | 1,658,956.85 | 1,696,585.87 | 1,304,851.70 | 10,331,967.25 | 39,570,940.49 | 28,603,922.14 |
| | Current portion of liability under financial lease agreements | 19 | 5,139,978.04 | 4,586,604.69 | 2,487,906.12 | 5,139,978.04 | 4,586,604.69 | 2,487,906.12 |
| | Current portion of employee benefit obligations | 21 | 11,010,934.00 | - | - | 11,010,934.00 | - | - |
| | Current portion of long-term loan | 20 | 286,915,000.00 | 240,000,000.00 | - | - | - | - |
| | Short-term loans from related parties | 6 | 8,000,000.00 | - | - | 45,045,000.00 | 84,095,000.00 | 41,243,000.00 |
| | Unearned revenues - related parties | 6 | - | - | - | 26,591,759.00 | 19,922,276.98 | 14,769,772.87 |
| | Unearned revenues - others | | 196,724,885.77 | 74,880,202.92 | 66,480,781.31 | 23,605,780.49 | 9,654,396.36 | 13,647,662.15 |
| | Accrued expenses | 6 | 463,323,470.06 | 324,453,912.62 | 249,426,793.88 | 282,739,010.55 | 232,635,806.52 | 144,060,550.12 |
| | Other current liabilities | 18 | 164,381,962.76 | 164,677,773.76 | 113,715,960.02 | 118,151,062.58 | 127,161,193.53 | 82,365,052.34 |
| | Total Current Liabilities | | <u>1,322,170,178.48</u> | <u>1,091,618,700.45</u> | <u>664,724,284.65</u> | <u>641,719,670.10</u> | <u>728,333,184.78</u> | <u>474,789,787.39</u> |
| NON-CURRENT LIABILITIES | | | | | | | | |
| | Liabilities under financial lease agreements | 19 | 12,758,804.61 | 16,684,322.75 | 10,981,635.40 | 12,758,804.61 | 16,684,322.75 | 10,981,635.40 |
| | Provision liabilities on investment in subsidiaries | 12 | - | - | - | 1,421,988.91 | 5,032,152.12 | 1,594,583.40 |
| | Long-term loans | 20 | - | 81,000,000.00 | - | - | - | - |
| | Employee benefit obligations | 21 | 38,756,284.08 | 32,536,899.12 | 15,971,219.00 | 32,499,061.36 | 28,457,589.32 | 13,912,727.00 |
| | Deferred tax liabilities | 4, 17 | 30,874,254.44 | 21,133,763.81 | - | - | - | - |
| | Other non-current liabilities | | 11,393,744.07 | 10,626,079.88 | 6,141,724.40 | 9,330,772.91 | 6,045,311.66 | 2,121,198.86 |
| | Total Non-Current Liabilities | | <u>93,783,087.20</u> | <u>161,981,065.56</u> | <u>33,094,578.80</u> | <u>56,010,627.79</u> | <u>56,219,375.85</u> | <u>28,610,144.66</u> |
| | Total Liabilities | | <u>1,415,953,265.68</u> | <u>1,253,599,766.01</u> | <u>697,818,863.45</u> | <u>697,730,297.89</u> | <u>784,552,560.63</u> | <u>503,399,932.05</u> |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (Cont.)

| | | Baht | | | | | |
|-------------------------------|---|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| | | Consolidated | | | Separated | | |
| | | December 31, 2013 | December 31, 2012 | January 1, 2012 | December 31, 2013 | December 31, 2012 | January 1, 2012 |
| Notes | | "Restated" | "Restated" | "Restated" | "Restated" | "Restated" | "Restated" |
| LIABILITIES AND EQUITY | | | | | | | |
| EQUITY | | | | | | | |
| Share capital | | | | | | | |
| Authorized share capital | | | | | | | |
| | 1,026,000,280 ordinary shares : Baht 1 per share | 23 | 1,026,000,280.00 | 1,026,000,280.00 | 1,026,000,280.00 | 1,026,000,280.00 | 1,026,000,280.00 |
| | Issued and paid - up share capital | 23 | 953,866,816.00 | 882,692,428.00 | 882,654,428.00 | 953,866,816.00 | 882,692,428.00 |
| | Treasury shares | 24 | (74,671,816.00) | (74,671,816.00) | - | (74,671,816.00) | (74,671,816.00) |
| | Premium on share capital | 23, 26 | 193,593,324.68 | 129,536,375.48 | 129,502,175.48 | 193,593,324.68 | 129,536,375.48 |
| | Advance receipts for share subscription | 23 | 30,061,062.80 | 17,224,830.00 | - | 30,061,062.80 | 17,224,830.00 |
| | Difference between the purchase price of investment in subsidiaries | | | | | | |
| | under common control and their net book value | | (16,593,839.52) | (16,593,839.52) | (16,593,839.52) | - | - |
| | Retained earnings (Deficits) | | | | | | |
| | Appropriated - Legal reserve | 26 | 52,994,862.01 | 32,312,196.83 | 17,959,026.83 | 52,994,862.01 | 32,312,196.83 |
| | Appropriated - Treasury share reserve | 24 | 74,671,816.00 | 74,671,816.00 | - | 74,671,816.00 | 74,671,816.00 |
| | Unappropriated | | 353,341,831.97 | 251,059,896.36 | 187,237,189.85 | 334,421,810.60 | 212,978,103.76 |
| | Equity attributable to owners of the Company | | 1,567,264,057.94 | 1,296,231,887.15 | 1,200,758,980.64 | 1,564,937,876.09 | 1,274,743,934.07 |
| | Non - controlling interests | | 2,992,522.77 | 5,235,451.60 | 14,880,988.40 | - | - |
| | Total equity | | 1,570,256,580.71 | 1,301,467,338.75 | 1,215,639,969.04 | 1,564,937,876.09 | 1,274,743,934.07 |
| | TOTAL LIABILITIES AND EQUITY | | 2,986,209,846.39 | 2,555,067,104.76 | 1,913,458,832.49 | 2,262,668,173.98 | 2,059,296,494.70 |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | | Baht | | | |
|--|-----------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | Consolidated | | Separated | |
| | | 2013 | 2012 | 2013 | 2012 |
| Notes | | | "Restated" | | "Restated" |
| Revenues | 6, 29 | | | | |
| Revenue from media | | 1,986,274,871.39 | 1,192,978,748.48 | 877,926,179.65 | 629,432,185.52 |
| Revenue from music distribution | | 777,175,118.49 | 883,215,707.91 | 718,297,721.50 | 840,312,001.26 |
| Revenue from showbiz | | 692,561,390.30 | 718,826,408.87 | 388,666,279.14 | 441,851,334.27 |
| Revenue from other services | | 5,451,570.64 | 17,370,467.40 | 5,451,570.64 | 4,091,556.54 |
| Total sales and services income | | 3,461,462,950.82 | 2,812,391,332.66 | 1,990,341,750.93 | 1,915,687,077.59 |
| Cost of sales and services | 6, 29 | (2,109,270,664.75) | (1,751,613,659.95) | (1,271,369,794.66) | (1,191,194,773.57) |
| Gross profit | | 1,352,192,286.07 | 1,060,777,672.71 | 718,971,956.27 | 724,492,304.02 |
| Other income | 6, 20, 22 | 22,354,459.07 | 60,200,806.43 | 258,044,444.07 | 210,295,931.42 |
| Gross profit before expenses | | 1,374,546,745.14 | 1,120,978,479.14 | 977,016,400.34 | 934,788,235.44 |
| Other expenses | | | | | |
| Selling expenses | 6, 28 | (213,511,313.84) | (151,471,564.27) | (119,485,795.16) | (89,207,938.99) |
| Administrative expenses | 6, 28 | (659,218,688.96) | (556,743,720.14) | (521,634,781.55) | (421,421,827.09) |
| Reversal of provision for (loss) on investment in subsidiaries - net | | - | - | 120,176,393.95 | (39,623,520.07) |
| Amortization of employee benefit expenses | 21 | (8,705,066.60) | (8,598,063.12) | (7,864,998.96) | (7,865,002.80) |
| Total expenses | | (881,435,069.40) | (716,813,347.53) | (528,809,181.72) | (558,118,288.95) |
| Profit before finance costs and income tax | | 493,111,675.74 | 404,165,131.61 | 448,207,218.62 | 376,669,946.49 |
| Finance costs | 6 | (17,293,523.69) | (7,509,169.30) | (3,147,180.67) | (3,309,506.57) |
| Profit before income tax | | 475,818,152.05 | 396,655,962.31 | 445,060,037.95 | 373,360,439.92 |
| Income tax | 17 | (83,561,310.90) | (122,824,194.95) | (31,406,734.33) | (89,677,527.12) |
| Profit and comprehensive income for the years | | 392,256,841.15 | 273,831,767.36 | 413,653,303.62 | 283,682,912.80 |
| Attributable to | | | | | |
| Owner of the Company | | 394,491,532.39 | 284,273,481.71 | 413,653,303.62 | 283,682,912.80 |
| Non - controlling interests | | (2,234,691.24) | (10,441,714.35) | - | - |
| Net profit | | 392,256,841.15 | 273,831,767.36 | 413,653,303.62 | 283,682,912.80 |
| Earnings per share | 27 | | | | |
| Owner of the Company (Baht) | | 0.4364 | 0.3256 | 0.4576 | 0.3249 |
| Number of ordinary shares (Shares) | | 903,953,050 | 873,049,466 | 903,953,050 | 873,049,466 |
| Diluted earnings per share | 27 | | | | |
| Owner of the Company (Baht) | | 0.4116 | 0.2991 | 0.4316 | 0.2985 |
| Weighted average number of diluted ordinary shares (Shares) | | 958,410,122 | 950,440,368 | 958,410,122 | 950,440,368 |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| Baht | | | | | | | | | | | | |
|--|-------|--|-----------------------------|--------------------|---|--|------------------------------|---------------------------|------------------|-----------------------------|--------------------------------|------------------|
| Consolidated | | | | | | | | | | | | |
| | Notes | Issued and Paid-up Share Capital | Premium on Share Capital | Treasury shares | Difference between the purchase price of investment in subsidiaries and their net book value | Advance receipts for share subscription | Retained earnings (deficits) | | | Equity attributable | | |
| | | | | | | | Legal reserve | Treasury share reserve | Unappropriated | to owners of the Company | Non - Controlling interests | Total |
| Beginning balance as at December 31, 2012 | | | | | | | | | | | | |
| as reported | | 882,654,428.00 | 129,502,175.48 | - | (16,593,839.52) | - | 17,959,026.83 | - | 146,907,617.44 | 1,160,429,408.23 | 14,880,988.40 | 1,175,310,396.63 |
| Impact of changes in accounting policies | 4 | - | - | - | - | - | - | - | 40,329,572.41 | 40,329,572.41 | - | 40,329,572.41 |
| Beginning balance as at December 31, 2012 | | | | | | | | | | | | |
| -restated | | 882,654,428.00 | 129,502,175.48 | - | (16,593,839.52) | - | 17,959,026.83 | - | 187,237,189.85 | 1,200,758,980.64 | 14,880,988.40 | 1,215,639,969.04 |
| Increase in share capital | 23 | 38,000.00 | 34,200.00 | - | - | - | - | - | - | 72,200.00 | - | 72,200.00 |
| Advance receipts for share subscription | 23 | - | - | - | - | 17,224,830.00 | - | - | - | 17,224,830.00 | - | 17,224,830.00 |
| Increase in treasury shares | 24 | - | - | (74,671,816.00) | - | - | - | - | - | (74,671,816.00) | - | (74,671,816.00) |
| Treasury share reserve | 24 | - | - | - | - | - | 74,671,816.00 | (74,671,816.00) | - | - | - | - |
| Dividend | 25 | - | - | - | - | - | - | - | (131,425,789.20) | (131,425,789.20) | (3,922.45) | (131,429,711.65) |
| Legal reserve | 25 | - | - | - | - | - | 14,353,170.00 | - | (14,353,170.00) | - | - | - |
| Increase in subsidiary's share capital | 2 | - | - | - | - | - | - | - | - | - | 800,100.00 | 800,100.00 |
| Profit and comprehensive income for the year | | - | - | - | - | - | - | - | 284,273,481.71 | 284,273,481.71 | (10,441,714.35) | 273,831,767.36 |
| Ending balance as at December 31, 2012 | | 882,692,428.00 | 129,536,375.48 | (74,671,816.00) | (16,593,839.52) | 17,224,830.00 | 32,312,196.83 | 74,671,816.00 | 251,059,896.36 | 1,296,231,887.15 | 5,235,451.60 | 1,301,467,338.75 |
| Increase in share capital | 23 | 71,174,388.00 | 64,056,949.20 | - | - | (17,224,830.00) | - | - | - | 118,006,507.20 | - | 118,006,507.20 |
| Advance receipts for share subscription | 23 | - | - | - | - | 30,061,062.80 | - | - | - | 30,061,062.80 | - | 30,061,062.80 |
| Dividend | 25 | - | - | - | - | - | - | - | (271,526,931.60) | (271,526,931.60) | (8,237.59) | (271,535,169.19) |
| Legal reserve | 25 | - | - | - | - | - | 20,682,665.18 | - | (20,682,665.18) | - | - | - |
| Profit and comprehensive income for the year | | - | - | - | - | - | - | - | 394,491,532.39 | 394,491,532.39 | (2,234,691.24) | 392,256,841.15 |
| Ending balance as at December 31, 2013 | | 953,866,816.00 | 193,593,324.68 | (74,671,816.00) | (16,593,839.52) | 30,061,062.80 | 52,994,862.01 | 74,671,816.00 | 353,341,831.97 | 1,567,264,057.94 | 2,992,522.77 | 1,570,256,580.71 |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | | Baht | | | | | | | |
|--|--|----------------|-----------------|------------------------|------------------------------|------------------------|-----------------|------------------|------------------|
| | | Separate | | | | | | | |
| | | Issued and | | | Retained earnings (deficits) | | | | |
| | | Paid-up | Premium on | Advance receipts | | Appropriated | | | |
| Notes | Share Capital | Share Capital | Treasury shares | for share subscription | Legal reserve | Treasury share reserve | Unappropriated | Total | |
| Beginning balance as at December 31, 2012 | | | | | | | | | |
| | as reported | 882,654,428.00 | 129,502,175.48 | - | - | 17,959,026.83 | - | 120,563,008.16 | 1,150,678,638.47 |
| | Impact of changes in accounting policies | - | - | - | - | - | - | 29,182,958.00 | 29,182,958.00 |
| Beginning balance as at December 31, 2012 | | | | | | | | | |
| | -restated | 882,654,428.00 | 129,502,175.48 | - | - | 17,959,026.83 | - | 149,745,966.16 | 1,179,861,596.47 |
| | Increase in share capital | 38,000.00 | 34,200.00 | - | - | - | - | - | 72,200.00 |
| | Advance receipts for share subscription | - | - | - | 17,224,830.00 | - | - | - | 17,224,830.00 |
| | Increase in treasury shares | - | - | (74,671,816.00) | - | - | - | - | (74,671,816.00) |
| | Treasury share reserve | - | - | - | - | 74,671,816.00 | (74,671,816.00) | - | - |
| | Dividend | - | - | - | - | - | - | (131,425,789.20) | (131,425,789.20) |
| | Legal reserve | - | - | - | - | 14,353,170.00 | - | (14,353,170.00) | - |
| | Profit and comprehensive income for the year | - | - | - | - | - | - | 283,682,912.80 | 283,682,912.80 |
| Ending balance as at December 31, 2012 | | 882,692,428.00 | 129,536,375.48 | (74,671,816.00) | 17,224,830.00 | 32,312,196.83 | 74,671,816.00 | 212,978,103.76 | 1,274,743,934.07 |
| | Increase in share capital | 71,174,388.00 | 64,056,949.20 | - | (17,224,830.00) | - | - | - | 118,006,507.20 |
| | Advance receipts for share subscription | - | - | - | 30,061,062.80 | - | - | - | 30,061,062.80 |
| | Dividend | - | - | - | - | - | - | (271,526,931.60) | (271,526,931.60) |
| | Legal reserve | - | - | - | - | 20,682,665.18 | - | (20,682,665.18) | - |
| | Profit and comprehensive income for the year | - | - | - | - | - | - | 413,653,303.62 | 413,653,303.62 |
| Ending balance as at December 31, 2013 | | 953,866,816.00 | 193,593,324.68 | (74,671,816.00) | 30,061,062.80 | 52,994,862.01 | 74,671,816.00 | 334,421,810.60 | 1,564,937,876.09 |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | Baht | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Consolidated | | Separated | |
| | 2013 | 2012 | 2013 | 2012 |
| | | "Restated" | | "Restated" |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net profit | 392,256,841.15 | 273,831,767.36 | 413,653,303.62 | 283,682,912.80 |
| Adjustments to reconcile net profit to net cash provided | | | | |
| by (used in) operating activities: | | | | |
| Depreciation and amortization | 278,241,584.44 | 92,929,640.61 | 72,398,539.15 | 49,623,392.26 |
| Allowance for doubtful accounts (reversal) and written off withholding tax | (13,719,557.85) | (2,912,604.20) | 23,390,963.66 | 2,851,910.51 |
| Allowance for decline in value of inventory | (12,401,873.31) | 2,425,279.73 | (12,392,664.25) | 1,567,540.22 |
| Allowance for sales return - net (reversal) | (10,972,821.07) | 38,701,464.00 | (8,991,868.07) | 36,547,284.00 |
| Allowance for impairment of assets (reversal) | 28,295,932.11 | (18,693,667.99) | 14,004,948.30 | 12,026,259.30 |
| Allowance for impairment - investment in associate (reversal) | - | (4,147,986.51) | - | - |
| Reversal impairment - investment in subsidiaries | 109,693.75 | - | (103,520,224.85) | 25,113,665.24 |
| Allowance for doubtful accounts - loan to subsidiaries | - | - | (13,046,005.48) | 11,072,286.65 |
| Provision for loss on investment in subsidiaries (reversal) | (2,252,756.11) | - | (3,610,163.21) | 3,437,569.12 |
| Gain on sales investment in subsidiary | - | - | 126,375.45 | (210,000.00) |
| Provision for damage from litigation case | - | 2,001,198.94 | - | - |
| Loss (gain) on sales and written off equipment | 514,948.69 | 20,538,105.56 | - | (5,680,850.33) |
| Loss on sales of intangible assets | - | 167,248.70 | - | 98,023.60 |
| Provision for employee benefits | 17,230,318.96 | 16,565,680.12 | 15,052,406.04 | 14,544,862.32 |
| Unrealized gain on exchange rates | (67,220.87) | (507,376.86) | (85,345.39) | - |
| Dividend income | - | - | (176,961,762.40) | (110,115,577.55) |
| Interest income | (4,760,639.17) | (2,395,336.49) | (15,746,838.42) | (17,647,872.60) |
| Interest expenses | 17,293,523.69 | 7,509,169.30 | 3,147,180.67 | 3,309,506.57 |
| Income tax | 83,561,310.90 | 122,824,194.95 | 31,406,734.33 | 89,677,527.12 |
| Profit from operating activities before changes in | | | | |
| operating assets and liabilities | 773,329,285.31 | 548,836,777.22 | 238,825,579.15 | 399,898,439.23 |
| (INCREASE) DECREASE IN OPERATING ASSETS: | | | | |
| Trade accounts receivable | (94,808,004.79) | (36,670,286.83) | 62,761,643.09 | (115,417,972.63) |
| Inventories | 89,721,037.85 | (105,597,468.39) | 1,811,324.66 | (2,338,334.67) |
| Other current assets | 62,001,610.97 | (141,397,157.48) | 27,424,666.06 | (53,827,702.97) |
| Other non - current assets | (9,162,724.04) | (23,442,427.10) | (13,885,128.26) | (19,948,349.76) |
| INCREASE (DECREASE) IN OPERATING LIABILITIES: | | | | |
| Accounts payable and others payable | (6,046,574.47) | (37,221,703.56) | (66,506,524.15) | 21,913,446.16 |
| Other current liabilities | 300,942,894.53 | 80,367,807.03 | 100,320,070.20 | 81,077,548.43 |
| Other non - current liabilities | 3,020,419.17 | 4,030,291.07 | 3,285,459.17 | 3,924,114.88 |
| Proceed from refunding withholding tax | 11,774,533.31 | 42,516,379.83 | - | 31,902,880.22 |
| Payment of income tax | (146,491,625.44) | (119,527,376.49) | (80,692,925.22) | (63,835,269.74) |
| Net Cash Provided by Operating Activities | 984,280,852.40 | 211,894,835.30 | 273,344,164.70 | 283,348,799.15 |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | Baht | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | Consolidated | | Separated | |
| | 2013 | 2012 "Restated" | 2013 | 2012 "Restated" |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest income | 4,570,363.25 | 2,684,737.95 | 15,653,879.79 | 16,626,748.36 |
| Increase in short-term loans to related parties and related persons | - | (8,040,000.00) | (397,050,000.00) | (253,800,000.00) |
| Receipts from short-term loans to related parties and related persons | - | 18,040,000.00 | 574,775,000.00 | 191,340,000.00 |
| Decrease in short-term loans to others | 1,308,739.00 | 1,531,190.00 | 1,049,684.00 | 1,252,952.00 |
| Cash received from sales of investment in subsidiary | - | 2,610,000.00 | - | 2,610,000.00 |
| Cash received from decreasing in registered share capital | - | - | 40,000,000.00 | - |
| Payment of investment in subsidiaries | - | (2,610,000.00) | - | (3,809,900.00) |
| Temporary investments - fixed deposit with maturity of twelve months | (85,252.62) | (98,156.40) | - | - |
| Cash received for dividend incomes | - | - | 82,964,394.40 | 110,115,577.55 |
| Increase in payable for purchase on assets | (2,148,615.07) | 2,148,615.07 | (2,148,615.07) | 2,148,615.07 |
| Purchase of fixed assets | (121,262,499.54) | (191,636,196.27) | (114,682,874.96) | (188,262,522.80) |
| Proceeds from disposal of fixed assets | 1,267,431.34 | 8,996,214.61 | 117,009.37 | 7,458,162.75 |
| Advance payment of license for operation right in spectrum of digital television | (38,000,000.00) | - | - | - |
| Increase in intangible assets | (313,589,855.37) | (221,589,118.09) | (50,123,561.04) | (32,846,762.13) |
| Net Cash Used in Investing Activities | (467,939,689.01) | (387,962,713.13) | 150,554,916.49 | (147,167,129.20) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Payment of interest expenses | (17,452,200.86) | (6,859,892.40) | (3,448,289.73) | (2,964,809.36) |
| Receipt of short-term loans from financial institutions | 25,000,000.00 | 166,000,000.00 | 25,000,000.00 | 130,000,000.00 |
| Repayment of short-term loans from financial institutions | (111,000,000.00) | (80,000,000.00) | (75,000,000.00) | (80,000,000.00) |
| Receipts of long-term loans from financial institutions | 205,915,000.00 | 321,000,000.00 | - | - |
| Repayment of long-term loans from financial institutions | (240,000,000.00) | - | - | - |
| Repayment of liability under financial lease | (4,786,804.05) | (4,363,656.00) | (4,786,804.05) | (4,363,655.70) |
| Increase in subsidiary's share capital | - | 800,100.00 | - | - |
| Increase in short-term loans from related parties | 8,000,000.00 | - | 50,500,000.00 | 142,500,000.00 |
| Decrease in short-term loans from related parties | - | - | (89,550,000.00) | (99,648,000.00) |
| Dividend paid | (271,535,169.19) | (131,429,712.00) | (271,526,931.60) | (131,425,789.20) |
| Premium on Share Capital | - | (74,671,816.00) | - | (74,671,816.00) |
| Advance receipts for share subscription | 30,061,062.80 | 17,224,830.00 | 30,061,062.80 | 17,224,830.00 |
| Increase in share capital | 118,006,507.20 | 72,200.00 | 118,006,507.20 | 72,200.00 |
| Net Cash Provided by (Used in) Financing Activities | (257,791,604.10) | 207,772,053.60 | (220,744,455.38) | (103,277,040.26) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 258,549,559.29 | 31,704,175.77 | 203,154,625.81 | 32,904,629.69 |
| SUBSIDIARY'S CASH AT INVESTMENT SALES | - | (4,633,749.00) | - | - |
| SUBSIDIARY'S CASH AT INVESTMENT PURCHASE | - | 4,352,918.33 | - | - |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 313,597,281.03 | 282,173,935.93 | 202,828,939.59 | 169,924,309.90 |
| CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR | 572,146,840.32 | 313,597,281.03 | 405,983,565.40 | 202,828,939.59 |

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | Baht | | | |
|--|--------------|------------------------------|--------------|---------------|
| | Consolidated | | Separated | |
| | 2013 | 2012 | 2013 | 2012 |
| | | "Restated" | | "Restated" |
| ADDITION INFORMATION | | | | |
| 1) Purchases of vehicle for under lease agreement. | 1,414,659.26 | 12,165,042.00 | 1,414,659.26 | 12,165,042.00 |
| 2) In the second quarter of 2012, the Company has sold some investment in share of R.S. Television Co., Ltd. | | | | |
| Proceeds from sales of investment in subsidiary was as follows | | | | |
| (See Note 11 and 12) : | | | | |
| Cash receivable from sales of investment in subsidiary | | 2,610,000.00 | | |
| (Less) Cash and cash equivalents | | <u>(4,633,748.59)</u> | | |
| Net | | (2,023,748.59) | | |
| (Less) Other assets less other liabilities | | <u>283,625.79</u> | | |
| (Less) Reclassified to investment in associated company by using book value at date of sale of investment | | <u><u>(1,740,122.80)</u></u> | | |
| 3) In the fourth quarter of 2012, the Company has purchase some investment in share of R.S. Television Co., Ltd. | | | | |
| Proceeds from purchase of investment in subsidiary was as follows | | | | |
| (See Note 11 and 12) : | | | | |
| Cash for purchase of investment in subsidiary | | (2,610,000.00) | | |
| (Add) Cash and cash equivalents | | <u>4,352,918.33</u> | | |
| Net | | 1,742,918.33 | | |
| (Add) Other assets less other liabilities | | <u>(2,795.53)</u> | | |
| Book value at date of purchase of investment | | <u><u>1,740,122.80</u></u> | | |

Summary of operating results by business category

The consolidated financial statements of RS Public Company Limited and its subsidiaries (“the Company”) for the year ended December 31, 2013 shows Total Sales and Services Income of Baht 3,461.5 million, Cost of Sales of Baht 2,109.3 million and Selling and Administrative Expenses and other expenses of Baht 881.4 million. Profit and Comprehensive Income for the Periods Attributable to the Owner of the Company in this year was Baht 394.5 million, showing an increase of 38.8% or Baht 110.2 million from the same period last year, which was reported at Baht 284.3 million. This is primarily due to:

Revenue : Revenue from sales and services at the end of fiscal year December 31, 2013, amounted to Baht 3,461.5 Million, a net increase of Baht 649.1 Million comparing to 2012, or at 23.1%, which could be separately explained as per each business group as follows:

Revenue from Media Business : Revenue from media business consisted of revenues from the television, and radio media business, and in 2013 the Company registered revenue from media business at Baht 1,986.3 Million, an increase from 2012 at the amount of Baht 793.3 Million, or at 66.5%.

Television Media Business :

Satellite Television Business : Ratio of revenue from the satellite television business to the total revenue from sales and services was at 29.7%, an increase from last year of 20.1% due to increasing revenue from the advertising sales. The increase was from additional advertising spaces in various forms, quality development of contents, modifications of the chart and style of the programs in order to appeal and attract more audience and including adjustment on sales strategy in correspondence with the changing style of programs. Additionally, external promotional activities of the channels were arranged so that audiences would be able to participate more with the Company. Popular programs in each channel were such as the “Bun Therng 108”, and “Park Pong” program, and new dramas broadcasted this year were “ Gar Kup Hong”, “Kaow Nok Nar”, “Nang Marn”, “Wiwarr Pachartaek”, and “Poochana Sibittit” from “Channel 8”; the “Bun Therng Mue Thieng”, and “Sod Chuen” programs from “Sabaidee TV”, and “Kon Dung Nung Clear”, and “Hi Entertain” programs from “Channel 2”, etc.

In 2014, “Star Max” channel applies the rebranding strategy by changing its name from “Star Max” to “Channel 2” to make it easy for audiences to remember.

Sport Rights Management : The Company's revenue on Sport Right management came from the live broadcasting of Spanish football league, the highest league in Spain, or the “Primera Division”, or generally known as the “La Liga”, the “Copa Del Ray” football competition, and home matches of the national Spanish football team in the qualification rounds of the FIFA World Cup 2014. Ratio of its revenue to total revenue from sales and services was at 10.6%, an increase from last year of 2.5% in which the main revenue came from sales of the “Sun Box” set-top boxes, other revenues were from advertising sales, bundling sales, and sublicensing sales, etc.,

Radio Media Business: In 2013, ratio of radio media business to total revenue from sales and services was at 16.0%, an increase from last year of 14.2%. Revenue of the radio media business generated from operation of 3 stations i.e., “COOL Fahrenheit 93”, “Sabaidee Radio 88.5”, and “COOL Celsius 91.5” (started broadcasting from end of 1st qtr. 2013), while the other remaining stations “COOL Fahrenheit 93”, “Sabaidee Radio 88.5” operated in 2012 (started broadcasting in 3rd qtr. 2012).

Revenue from radio media business in 2013 showed an increased amount from 2012 due to increasing advertising rate of the “COOL Fahrenheit 93” which covered high utilization rate, and revenue from various activities of the station. This also included increasing revenue from an expansion to cover the international music and gradually receiving more popularity from audiences, who listened through radio, on-line media, and through applications. Moreover, continuous activities’ arrangement from the channels on the purpose of public relations, protecting the customers’ base, and allowing audiences to participate with the channels, had received good responses from customers and listeners of the programs. Main activities for this year were “Cool Outing 8”, “Cool Outing Special”, “Ink Eat Around The World” from “COOL Fahrenheit 93”, “Cool Sensation”, “7 Gorgeous”, “I Like COOL Celsius” from “COOL Celsius 91.5”, and “Krungnung Naicheewit – Neramitchome Neramitfunn in USA”, “Chuntana Party”, “FungSabaidee Meesupp”, “Sabaidee Radio Fan club” from “Sabaidee Radio 88.5”.

At present, the “COOL Fahrenheit 93” station is still ranked as number one in the easy listening group after a long period of time, and “Sabaidee Radio 88.5” station starts gradually receiving good response and is ranked in high ranking position from the “Nielsen Media Research”.

Revenue from Music Distribution Business : Revenue from music distribution business consisted of revenue from physical sales, digital business, and copyright collection. In 2013, the Company generated revenue from music business at Baht 777.2 Million, a decrease from last year of Baht 106.0 Million, or at 12.0%, and ratio of revenue from music distribution to total revenue from sales and services was at 22.5%, a decrease from last year of 31.4% due mainly from reducing income from music downloading. However, music streaming service through the “Deezer” application on “Dtac” mobile phone network that started its service at the end of last year, showed revenue growing trend which resulted from increasing membership number that grew in correspondence with popularity of its type of service, and the growing trend of the 3G mobile phone users. Moreover, revenue from physical sales showed a declining trend resulting from decreased quantity on introduction of the main albums which was in correspond with changing consumers’ behaviour in the market.

Revenue from Showbiz Business : Revenue from the showbiz business consisted of revenues from concert organizations, and marketing activities, artists’ management, and production contracts. In 2013, revenue from the showbiz business amounted to Baht 692.6 Million, a decrease of Baht 26.3 Million from last year, or at 3.7%, and ratio of its revenue to total revenue from sales and services was at 20.0%, a decrease from last year of 25.6%. The main cause was from the decreased in revenue of tailor made events which showed reducing number of the finished contracts while revenue from artist management and marketing activities showed increasing figure. Concerts and main activities of the year were such as “RS Meeting Concert Return 2013”, “Short Charge Shock Rock Return Concert”,

“Kamikaze K Fight Concert”, “Looktung Festival Year 3”, “Sabaidee Sunjorn Year 4”, “Thai Life Insurance Sunjorn Concert”, “You Wonder Trip”, “You Tour Your School”, “Miss You Concert”, and “Dara Star Max Concert”, etc.

Cost of Sales and Services : Cost of sales and services in 2013 amounted to Baht 2,109.3 Million, an increase of Baht 357.7 Million from 2012, or at 20.4%, which was due mainly from increasing cost of media business both from television and radio media. Cost increasing from the television media came from the development in quality and production of various contents in dramas, game shows, news programs, including variety shows so that they would have solid and attractive contents readily for increasing audience base as well as continued recording of sport content right fees as cost of sales since 2012 onwards. Meanwhile, cost increasing from the radio media came from management of 1 additional station “COOL Celsius 91.5” which started its operation since late in the 1st quarter onwards.

Selling and Administrative Expenses, Other Expenses, and Financial Cost : Selling and administrative expenses, and other expenses for the year 2013 was at Baht 881.4 Million, an increase of Baht 164.6 Million from 2012, or at 23.0%, which was from the increase of sales expenses in relation to the increased media revenue, as well as the increase in administrative expenses from the parts of the fixed and variable expenses in relation to business expansion this year. Finance costs in 2013 amounted to Baht 17.3 Million, a net increase from last year of Baht 9.8 Million, or at 130.3%, which was due to loans from the financial institution to be used as working capital and payments on various contents of satellite television channels.

Gross Profit Margin, Net Profit Margin and Return On Equity (ROE) : The Company has an increased gross profit margin, net profit margin, and return on equity comparing to last year. These increments were mainly the result of growth in the satellite television media.

Financial Position

Total assets in 2013 increased from 2012 by 16.9% which was mainly caused by increasing cash and cash equivalent at 82.4% which came from cash from operating activity. Moreover, land, building and equipment increased 19.5% from investment mainly in operating equipment, office decoration and equipment. Other net account receivables increased 15.8% in response with increased revenue and intangible assets – net increased 12.0% from the sport copyrights payment during the year.

Total liabilities for 2012, and 2013 amounted to Baht 1,253.6 million and Baht 1,416.0 million respectively while the increased liabilities in 2013 when comparing to 2012 were from expenses payable and the unearned revenue which was normal transaction of the Company.

The short and long term loans from financial institutions in 2013 were mainly from the sport copyrights’ payments and the Company was able to comply with conditions of the loan agreements with all loan payments paid in due times. In 2013, the Company made repayments for short and long term loans totaled Baht 351.0 million.

As at December 31, 2012, and 2013, the Company's shareholders' equity of the majority interest were Baht 1,296.2, and Baht 1,567.3 million respectively. The shareholders' equity of the majority interest in 2013 increased from the year 2012 due to payments from the exercise of warrants RS-W2 at Baht 148.1 million including the increase from business operation during the year while dividend payment to shareholders was at Baht 271.5 million.

Cash Flow

For the year ending December 31, 2013, the Company's net cash and cash equivalents was at Baht 572.1 million, an increase of Baht 258.5 million comparing to the previous year. The reason for increase in cash flow from operating activities was from improved operating performance during the year.

However, in 2013, the Company had invested in the intangible assets with payments of sport copyrights including investment in the operating equipment which showed overall picture of cash flow in the investing activities at Baht 467.9 million. Moreover, during the year, payments had been paid for the short and long term loans from financial institutions, including dividend payment to shareholders, while the Company received payments from the exercise of warrants RS-W2 that resulted in cash flow for financing activities at Baht 257.8 million.