

Financial Statement and
Management Discussion and Analysis
of Annual Report 2015 in Brief

AUDITOR'S REPORT

To the Shareholders of RS Public Company Limited

I have audited the accompanying consolidated and company financial statements of RS Public Company Limited and its subsidiaries and of RS Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these 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 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 company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of RS Public Company Limited and its subsidiaries and of RS Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other matters

The consolidated and company financial statements of RS Public Company Limited and its subsidiaries and of RS Public Company Limited for the year ended 31 December 2014 (prior restatement) were audited by another auditor who expressed an unqualified opinion on those statements dated 24 February 2015.



Sudwin Panyawongkhanti

Certified Public Accountant (Thailand) No. 3534

PricewaterhouseCoopers ABAS Ltd.

Bangkok

24 February 2016

RS Public Company Limited
Statement of Financial Position
As at 31 December 2015

| | Notes | Consolidated | | | Company | | |
|---|-------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | 31 December | Restated | Restated | 31 December | Restated | Restated |
| | | 2015 | 31 December | 1 January | 2015 | 31 December | 1 January |
| | | Baht | 2014 | 2014 | Baht | 2014 | 2014 |
| | | Baht | Baht | Baht | Baht | Baht | |
| Assets | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | 7 | 757,111,787 | 381,535,315 | 572,146,840 | 518,611,127 | 152,912,614 | 405,983,565 |
| Short-term investment | | | | | | | |
| - 12-month fixed deposits | 8 | 4,522,302 | 4,464,840 | 4,390,940 | - | - | - |
| Trade and others accounts receivable (net) | 9 | 875,711,663 | 1,100,765,448 | 1,068,332,496 | 1,023,419,799 | 797,712,877 | 745,037,502 |
| Short-term loans to related companies (net) | 33 d) | - | - | - | 494,274,774 | 329,700,000 | 165,988,659 |
| Short-term loans to employees | | - | - | 100,071 | - | - | 77,364 |
| Inventories (net) | 10 | 163,095,437 | 106,766,620 | 38,910,751 | 54,667,935 | 5,583,728 | 11,499,823 |
| Value added tax | 22 | 40,928,458 | 25,693,651 | 4,559,425 | - | - | - |
| Other current assets (net) | 11 | 97,984,687 | 6,600,575 | 14,831,194 | 96,728,841 | 2,549,455 | 5,789,964 |
| Total current assets | | 1,939,354,334 | 1,625,826,449 | 1,703,271,717 | 2,187,702,476 | 1,288,458,674 | 1,334,376,877 |
| Non-current assets | | | | | | | |
| Investments in subsidiaries (net) | 12 | - | - | - | 481,732,849 | 624,853,390 | 371,392,179 |
| Investments in associated company (net) | 13 | 5,102,753 | 5,406,090 | 5,495,813 | - | - | - |
| Plant and equipment (net) | 14 | 384,016,267 | 388,230,557 | 310,016,492 | 358,736,941 | 370,172,650 | 293,784,657 |
| Deposit for communication equipment | | - | - | 38,000,000 | - | - | - |
| License for operation right in spectrum of digital television (net) | 15 | 1,802,058,253 | 1,937,314,527 | - | - | - | - |
| Intangible assets (net) | 16 | 323,571,197 | 372,632,875 | 745,172,194 | 109,666,456 | 128,038,699 | 173,904,491 |
| Withholding tax (net) | 17 | 130,537,536 | 92,453,881 | 42,583,803 | 69,548,760 | 49,902,284 | 12,907,566 |
| Deferred tax assets (net) | 18 | 228,020,379 | 122,551,702 | 57,334,341 | 108,772,378 | 88,366,146 | 45,475,761 |
| Other non-current assets (net) | 19 | 31,265,889 | 37,358,769 | 47,936,238 | 28,119,889 | 32,436,857 | 40,713,910 |
| Total non-current assets | | 2,904,572,274 | 2,955,948,401 | 1,246,538,881 | 1,156,577,273 | 1,293,770,026 | 938,178,564 |
| Total assets | | 4,843,926,608 | 4,581,774,850 | 2,949,810,598 | 3,344,279,749 | 2,582,228,700 | 2,272,555,441 |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited
Statement of Financial Position
As at 31 December 2015

| | Notes | Consolidated | | | Company | | |
|--|-------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|
| | | 31 December | Restated | Restated | 31 December | Restated | Restated |
| | | 2015 | 31 December | 1 January | 2015 | 31 December | 1 January |
| | | Baht | Baht | Baht | Baht | Baht | Baht |
| Liabilities and shareholders' equity | | | | | | | |
| Current liabilities | | | | | | | |
| Trade and other accounts payable | 20 | 1,419,187,133 | 840,787,463 | 828,133,450 | 1,121,993,242 | 484,890,524 | 462,372,698 |
| Current portion of liability under finance lease agreements (net) | 21 | 5,865,272 | 7,655,315 | 5,139,978 | 5,865,272 | 7,655,315 | 5,139,978 |
| Current portion of payable for license for operation right in spectrum of digital television (net) | 15 | 361,674,762 | 235,348,883 | - | - | - | - |
| Current portion long-term loan | | - | - | 286,915,000 | - | - | - |
| Short-term loans from related companies | 33 e) | - | - | 8,000,000 | 48,000,000 | 246,045,000 | 45,045,000 |
| Provision for goods returned | | 14,365,874 | 36,734,933 | 74,467,449 | 14,365,874 | 36,734,933 | 74,294,222 |
| Value added tax | 22 | 48,410,441 | 57,379,026 | 53,574,450 | 26,430,661 | 27,071,760 | 33,268,413 |
| Accrued income tax | | 37,642,175 | 84,101,631 | 18,797,000 | - | - | - |
| Withholding tax payable | | 11,949,157 | 23,338,086 | 15,488,599 | 6,762,080 | 5,680,585 | 7,840,857 |
| Other current liabilities | | 186,693 | 139,136 | - | - | - | - |
| Total current liabilities | | 1,899,281,507 | 1,285,484,473 | 1,290,515,926 | 1,223,417,129 | 808,078,117 | 627,961,168 |
| Non-current liabilities | | | | | | | |
| Liabilities under financial lease agreements (net) | 21 | 7,206,218 | 5,103,489 | 12,758,805 | 7,206,218 | 5,103,489 | 12,758,805 |
| Payable for cost of license for operation right in spectrum of digital television (net) | 15 | 1,105,918,838 | 1,467,593,599 | - | - | - | - |
| Provision for loss on investment in subsidiaries | 12 | - | - | - | - | 2,949,109 | 1,421,989 |
| Provision for other losses | | 1,659,333 | 3,704,832 | 1,948,971 | - | - | - |
| Employee benefit obligations | 23 | 85,545,748 | 65,351,484 | 49,767,218 | 74,813,289 | 56,707,234 | 43,509,995 |
| Deferred tax liabilities (net) | 18 | - | 5,191,022 | - | - | - | - |
| Other non-current liabilities | 24 | 17,156,186 | 6,017,390 | 9,473,070 | 11,007,788 | 916,094 | 9,330,773 |
| Total non-current liabilities | | 1,217,486,323 | 1,552,961,816 | 73,948,064 | 93,027,295 | 65,675,926 | 67,021,562 |
| Total liabilities | | 3,116,767,830 | 2,838,446,289 | 1,364,463,990 | 1,316,444,424 | 873,754,043 | 694,982,730 |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited
Statement of Financial Position
As at 31 December 2015

| | Notes | Consolidated | | | Company | | |
|--|-------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| | | 31 December | Restated | Restated | 31 December | Restated | Restated |
| | | 2015 | 31 December | 1 January | 2015 | 31 December | 1 January |
| | | Baht | Baht | Baht | Baht | Baht | Baht |
| Liabilities and shareholders' equity (Cont'd) | | | | | | | |
| Shareholders' equity | | | | | | | |
| Share capital | 25.1 | | | | | | |
| Authorised share capital | | | | | | | |
| 1,026,000,280 ordinary shares | | | | | | | |
| of par Baht 1 each | | 1,026,000,280 | 1,026,000,280 | 1,026,000,280 | 1,026,000,280 | 1,026,000,280 | |
| 1,013,891,880 ordinary shares | | | | | | | |
| of par Baht 1 each | | 1,013,591,880 | | 1,013,591,880 | | | |
| Issued and fully paid-up share capital | | | | | | | |
| 953,866,816 ordinary shares | | | | | | | |
| of per Baht 1 each | | - | 953,866,816 | - | - | 953,866,816 | |
| 1,022,346,046 ordinary shares | | | | | | | |
| of par Baht 1 each | | - | 1,022,346,046 | - | 1,022,346,046 | - | |
| 1,009,937,646 ordinary shares | | | | | | | |
| of par Baht 1 each | | 1,009,937,646 | - | 1,009,937,646 | - | - | |
| Premium on share capital | 25.1 | 255,824,816 | 255,224,632 | 193,593,325 | 255,824,816 | 255,224,632 | |
| Treasury shares | 25.2 | - | (74,671,816) | (74,671,816) | - | (74,671,816) | |
| Advance received for share capital | | - | - | 30,061,063 | - | - | |
| Difference between the purchase price | | | | | | | |
| of investment in subsidiaries | | | | | | | |
| under common control and their | | | | | | | |
| net book value | | (16,593,840) | (16,593,840) | (16,593,840) | - | - | |
| Retained earnings | | | | | | | |
| Appropriated legal reserve | | 91,780,991 | 69,910,358 | 52,994,862 | 91,780,991 | 69,910,358 | |
| Appropriated treasury share reserve | | - | 74,671,816 | 74,671,816 | - | 74,671,816 | |
| Unappropriated | | 375,900,765 | 382,380,696 | 368,431,859 | 670,291,872 | 360,993,621 | |
| Total parent's equity | | 1,716,850,378 | 1,713,267,892 | 1,582,354,085 | 2,027,835,325 | 1,708,474,657 | |
| Non-controlling interests | | 10,308,400 | 30,060,669 | 2,992,523 | - | - | |
| Total shareholders' equity | | 1,727,158,778 | 1,743,328,561 | 1,585,346,608 | 2,027,835,325 | 1,708,474,657 | |
| Total liabilities and shareholders' equity | | 4,843,926,608 | 4,581,774,850 | 2,949,810,598 | 3,344,279,749 | 2,272,555,441 | |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2015

| | Consolidated | | Company | |
|--|-----------------|-----------------|-----------------|-----------------|
| | | Restated | | Restated |
| | 2015 | 2014 | 2015 | 2014 |
| Notes | Baht | Baht | Baht | Baht |
| Revenue | | | | |
| Revenue from media | 2,246,138,300 | 3,356,834,829 | 882,103,508 | 883,264,569 |
| Revenue from music distribution | 374,962,586 | 457,816,856 | 323,351,395 | 405,395,848 |
| Revenue from event business | 796,019,155 | 458,514,472 | 750,123,332 | 321,838,996 |
| Revenue from other services | 311,586,345 | 33,285,277 | 53,262,037 | 105,535,215 |
| Total revenue and services income | 3,728,706,386 | 4,306,451,434 | 2,008,840,272 | 1,716,034,628 |
| Cost of sales and services | (2,706,851,881) | (2,941,074,003) | (1,468,576,478) | (1,449,738,041) |
| Gross profit | 1,021,854,505 | 1,365,377,431 | 540,263,794 | 266,296,587 |
| Other income | 27 50,803,881 | 26,925,280 | 539,148,230 | 535,271,473 |
| Profit before expenses | 1,072,658,386 | 1,392,302,711 | 1,079,412,024 | 801,568,060 |
| Selling expenses | (207,026,213) | (207,553,838) | (70,550,083) | (69,752,854) |
| Administrative expenses | (665,431,005) | (627,868,692) | (549,996,616) | (482,599,422) |
| Allowance for impairment on investment in subsidiaries | - | - | (35,076,889) | 55,858,982 |
| Other expenses | 28 664,290 | (3,983,057) | (1,052,334) | (914,882) |
| Finance costs | 30 (81,084,844) | (77,801,756) | (4,751,313) | (7,175,312) |
| Profit (loss) before income tax | 119,780,614 | 475,095,368 | 417,984,789 | 296,984,572 |
| Income tax credit (expense) | 31 12,329,876 | (107,451,734) | 19,427,875 | 43,186,869 |
| Profit (loss) for the year | 132,110,490 | 367,643,634 | 437,412,664 | 340,171,441 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit of loss | | | | |
| - actuarial gain on defined employee benefit plan | - | 1,567,124 | - | 2,044,733 |
| - Change in deferred tax asset on actuarial gain on defined employee benefit plan | - | (313,424) | - | (408,947) |
| Total comprehensive income (loss) for the year | 132,110,490 | 368,897,334 | 437,412,664 | 341,807,227 |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2015

| | Consolidated | | Company | |
|--|---------------------|--------------------|--------------------|--------------------|
| | | Restated | | Restated |
| | 2015 | 2014 | 2015 | 2014 |
| Notes | Baht | Baht | Baht | Baht |
| Profit (loss) attributable to | | | | |
| Equity holders of the parent | 121,634,482 | 340,975,070 | 437,412,664 | 340,171,441 |
| Non - controlling interests | 10,476,008 | 26,668,564 | - | - |
| | <u>132,110,490</u> | <u>367,643,634</u> | <u>437,412,664</u> | <u>340,171,441</u> |
| Total comprehensive income (loss) | | | | |
| attributable to | | | | |
| Equity holders of the parent | 121,634,482 | 341,819,088 | 437,412,664 | 341,807,227 |
| Non - controlling interests | 10,476,008 | 27,078,246 | - | - |
| | <u>132,110,490</u> | <u>368,897,334</u> | <u>437,412,664</u> | <u>341,807,227</u> |
| Earnings per share for profit | | | | |
| attributable to the equity holders | | | | |
| of the parent | | | | |
| Basic earnings per share (Baht) | 32.1 | <u>0.1208</u> | <u>0.3465</u> | <u>0.4345</u> |
| | | | | <u>0.3453</u> |
| Diluted earnings per share for profit | | | | |
| attributable to the equity holders | | | | |
| of the parent | | | | |
| Diluted earnings per share (Baht) | 32.2 | <u>-</u> | <u>0.3465</u> | <u>-</u> |
| | | | | <u>0.3453</u> |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2015

| Consolidated (Baht) | | | | | | | | | | | | |
|---|------|---|--------------------|---------------------|---|---|----------------------------|-------------------|--------------------|----------------------------------|----------------------------------|----------------------|
| For the year ended 31 December 2014 | | | | | | | | | | | | |
| Attributable to owners of the parent | | | | | | | | | | | | |
| | Note | | | | Difference between the purchase price of investments in subsidiaries under common control and their net book value | Advance received from share subscription | Retained earnings | | | Total owners of the parent | Non- controlling interests | Total |
| | | Authorised, issued and fully paid-up share capital | Share premium | Treasury shares | | | Appropriated | Unappropriated | | | | |
| | | | | | | Legal reserve | Treasury shares reserve | | | | | |
| Opening balance as at 1 January 2014 | | | | | | | | | | | | |
| - as previously reported | | 953,866,816 | 193,593,325 | (74,671,816) | (16,593,840) | 30,061,063 | 52,994,862 | 74,671,816 | 353,341,832 | 1,567,264,058 | 2,992,523 | 1,570,256,581 |
| Retrospective adjustment | 6 | - | - | - | - | - | - | - | 15,090,027 | 15,090,027 | - | 15,090,027 |
| Opening balance as at 1 January 2014 - as restated | | 953,866,816 | 193,593,325 | (74,671,816) | (16,593,840) | 30,061,063 | 52,994,862 | 74,671,816 | 368,431,859 | 1,582,354,085 | 2,992,523 | 1,585,346,608 |
| Changes in shareholder's equity for the year | | | | | | | | | | | | |
| Increase in share capital | | 68,479,230 | 61,631,307 | - | - | - | - | - | - | 130,110,537 | - | 130,110,537 |
| Advance received from share subscription | | - | - | - | - | (30,016,063) | - | - | - | (30,016,063) | - | (30,016,063) |
| Dividends payment | | - | - | - | - | - | - | - | (310,954,755) | (310,954,755) | (10,100) | (310,964,855) |
| Legal reserve | | - | - | - | - | - | 16,915,496 | - | (16,915,496) | - | - | - |
| Other comprehensive income | | | | | | | | | | | | |
| - Actuarial gain on defined employee benefits plan | | - | - | - | - | - | - | - | 844,018 | 844,018 | 409,682 | 1,253,700 |
| Total Comprehensive income for the year (Restated) | | - | - | - | - | - | - | - | 340,975,070 | 340,975,070 | 26,668,564 | 367,643,634 |
| Closing balance as at 31 December 2014 | | <u>1,022,346,046</u> | <u>255,224,632</u> | <u>(74,671,816)</u> | <u>(16,593,840)</u> | <u>-</u> | <u>69,910,358</u> | <u>74,671,816</u> | <u>382,380,696</u> | <u>1,713,312,892</u> | <u>30,060,669</u> | <u>1,743,373,561</u> |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited

Statement of Changes in Shareholders' Equity (Cont'd)

For the year ended 31 December 2015

| Consolidated (Baht) | | | | | | | | | | | | |
|---|-------|---|--------------------|---------------------|---|---|-------------------|----------------------------|--------------------|----------------------------------|----------------------------------|----------------------|
| For the year ended 31 December 2015 | | | | | | | | | | | | |
| Attributable to owners of the parent | | | | | | | | | | | | |
| | Notes | Authorised, issued and fully paid-up share capital | Share premium | Treasury shares | Difference between the purchase price of investments in subsidiaries under common control and their net book value | Advance received from share subscription | Retained earnings | | | Total owners of the parent | Non- controlling interests | Total |
| | | | | | | | Legal reserve | Treasury shares reserve | Unappropriated | | | |
| Opening balance as at 1 January 2015 | | | | | | | | | | | | |
| - as previously reported | | 1,022,346,046 | 255,224,632 | (74,671,816) | (16,593,840) | - | 69,910,358 | 74,671,816 | 397,585,773 | 1,728,472,969 | 30,060,669 | 1,758,533,638 |
| Retrospective adjustment | 6 | - | - | - | - | - | - | - | (15,205,077) | (15,205,077) | - | (15,205,077) |
| Opening balance as at 1 January 2015 - as restated | | 1,022,346,046 | 255,224,632 | (74,671,816) | (16,593,840) | - | 69,910,358 | 74,671,816 | 382,380,696 | 1,713,267,892 | 30,060,669 | 1,743,328,561 |
| Changes in shareholder's equity for the year | | | | | | | | | | | | |
| Resale of treasury shares | 25.1 | - | 40,539,101 | 22,324,499 | - | - | - | - | - | 62,863,600 | - | 62,863,600 |
| Decrease in share capital from decreasing in treasury shares | 25.1 | (12,408,400) | (39,938,917) | 52,347,317 | - | - | - | - | - | - | - | - |
| Decrease in non-controlling interests from decrease in share capital of subsidiary | 25.2 | - | - | - | - | - | - | - | - | - | (18,750,000) | (18,750,000) |
| Treasury shares reserve | | - | - | - | - | - | - | (74,671,816) | 74,671,816 | - | - | - |
| Legal reserve | | - | - | - | - | - | 21,870,633 | - | (21,870,633) | - | - | - |
| Dividends payment | 26 | - | - | - | - | - | - | - | (180,915,596) | (180,915,596) | (11,478,277) | (192,393,873) |
| Total comprehensive income for the period | | - | - | - | - | - | - | - | 121,634,482 | 121,634,482 | 10,476,008 | 132,110,490 |
| Closing balance as at 31 December 2015 | | 1,009,937,646 | 255,824,816 | - | (16,593,840) | - | 91,780,991 | - | 375,900,765 | 1,716,850,378 | 10,308,400 | 1,727,158,778 |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2015

| | | Company (Baht) | | | | | | | |
|--|-------|---|--------------------|---------------------|---|-------------------|----------------------------|--------------------|----------------------|
| | | For the year ended 31 December 2014 | | | | | | | |
| | | Attributable to owners of the parent | | | | | | | |
| | Notes | Authorised, issued and fully paid-up share capital | Share premium | Treasury shares | Advance received from share subscription | Retained earnings | | Unappropriated | Total |
| | | | | | | Legal reserve | Treasury shares reserve | | |
| Opening balance as at 1 January 2014 | | | | | | | | | |
| - as previously reported | | 953,866,816 | 193,593,325 | (74,671,816) | 30,061,063 | 52,994,862 | 74,671,816 | 334,421,811 | 1,564,937,877 |
| Retrospective adjustment | 6 | - | - | - | - | - | - | 12,634,834 | 12,634,834 |
| Opening balance as at 1 January 2014 - as restated | | 953,866,816 | 193,593,325 | (74,671,816) | 30,061,063 | 52,994,862 | 74,671,816 | 347,056,645 | 1,577,572,711 |
| Changes in shareholders' equity for the year | | | | | | | | | |
| Increase in share capital | | 68,479,230 | 61,631,307 | - | - | - | - | - | 130,110,537 |
| Advance received from share subscription | | - | - | - | (30,061,063) | - | - | - | (30,061,063) |
| Dividends payment | 26 | - | - | - | - | - | - | (310,954,755) | (310,954,755) |
| Legal reserve | | - | - | - | - | 16,915,496 | - | (16,915,496) | - |
| Other comprehensive income actuarial gain on defined employee benefit plan (net) | | - | - | - | - | - | - | 1,635,786 | 1,635,786 |
| Total comprehensive income loss for the year (Restated) | | - | - | - | - | - | - | 340,171,441 | 340,171,441 |
| Closing balance as at 31 December 2014 | | 1,022,346,046 | 255,224,632 | (74,671,816) | - | 69,910,358 | 74,671,816 | 360,993,621 | 1,708,474,657 |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited
Statement of Changes in Shareholders' Equity (Cont'd)
For the year ended 31 December 2015

| Company (Baht) | | | | | | | |
|---|---|--------------------|--------------------|-------------------|----------------------------|--------------------|----------------------|
| For the year ended 31 December 2015 | | | | | | | |
| Attributable to owners of the parent | | | | | | | |
| Notes | Authorised, issued and fully paid-up share capital | Share premium | Treasury shares | Retained earnings | | | Total |
| | | | | Legal reserve | Treasury shares reserve | Unappropriated | |
| Opening balance as at 1 January 2015 | | | | | | | |
| - as previously reported | | | | | | | |
| | 1,022,346,046 | 255,224,632 | (74,671,816) | 69,910,358 | 74,671,816 | 346,906,206 | 1,694,387,242 |
| Retrospective adjustment | 6 | - | - | - | - | 14,087,415 | 14,087,415 |
| Opening balance as at 1 January 2015 - as restated | | | | | | | |
| | 1,022,346,046 | 255,224,632 | (74,671,816) | 69,910,358 | 74,671,816 | 360,993,621 | 1,708,474,657 |
| Changes in shareholders' equity for the period | | | | | | | |
| Resale of treasury shares | 25.1 | - | 40,539,101 | 22,324,499 | - | - | 62,863,600 |
| Decrease in share capital | 25.1 | (12,408,400) | (39,938,917) | 52,347,317 | - | - | - |
| Treasury shares reserve | | - | - | - | (74,671,816) | 74,671,816 | - |
| Legal reserve | | - | - | 21,870,633 | - | (21,870,633) | - |
| Dividend payment | 26 | - | - | - | - | (180,915,596) | (180,915,596) |
| Total comprehensive income (loss) for the year | | - | - | - | - | 437,412,664 | 437,412,664 |
| Closing balance as at 31 December 2015 - as restated | | | | | | | |
| | <u>1,009,937,646</u> | <u>255,824,816</u> | <u>-</u> | <u>91,780,991</u> | <u>-</u> | <u>670,291,872</u> | <u>2,027,835,325</u> |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2015

| | Notes | Consolidated | | Company | |
|--|---------------|---------------|--------------------------|---------------|--------------------------|
| | | 2015 Baht | Restated 2014 Baht | 2015 Baht | Restated 2014 Baht |
| Cash flows from operating activities | | | | | |
| Profit (loss) before income tax | | 119,780,614 | 475,095,368 | 417,984,789 | 296,984,572 |
| Adjustments: | | | | | |
| Depreciation and amortisation | 14, 15,16, 29 | 546,666,741 | 1,078,491,128 | 88,988,709 | 356,050,541 |
| Allowance for doubtful accounts | 8 | 19,175,827 | 4,294,404 | 2,661,161 | 1,916,284 |
| Allowance for doubtful in recoverable of withholding tax | | (3,114,451) | 2,635,164 | - | - |
| Allowance for doubtful accounts for short-term loans to related companies (reversal) | 33 d) | - | - | (10,574,774) | (591,341) |
| Allowance for obsolete inventories (reversal) | 9 | 29,915,367 | (7,490,556) | (3,630,215) | (6,061,236) |
| Loss from inventories destruction | | 3,888,845 | - | 3,888,845 | - |
| Reversal of provision for goods returned | | (22,369,059) | (37,732,516) | (22,369,059) | (37,559,289) |
| (Reversal of) allowance for impairment - intangible assets | 16 | (4,490,167) | 19,719,003 | 15,802,735 | 15,647,439 |
| Allowance for impairment | | | | | |
| - other current assets and other non-current assets | 11, 19 | 672,755 | (302,179) | (138,802) | 76,969 |
| Allowance for impairment - investment in an associated company | 13 | 303,337 | 89,723 | - | - |
| (Reversal of) allowance for impairments | | | | | |
| - investments in subsidiaries | 12 | - | - | 49,370,541 | (58,661,111) |
| Reversal of provision for loss on investment in subsidiaries | 12 | - | - | (2,949,109) | 1,527,120 |
| Loss from write-off investment in subsidiaries | | - | - | - | 1,199,900 |
| (Reversal of) provision for litigation case | 28 | (2,045,499) | 1,755,861 | - | - |
| (Gain) loss on disposal of property, plant and equipment | 28 | (744,323) | 305,673 | 509,063 | - |
| (Gain) loss on write-off property, plant and equipment | 28 | 807,675 | - | (27,945) | 412,045 |
| Employee benefit obligations | 23 | 20,194,264 | 17,151,390 | 18,106,055 | 15,521,825 |
| Dividend income | 27 | - | - | (369,578,855) | (407,907,925) |
| Interest income | 27 | (2,454,665) | (2,957,028) | (19,099,399) | (16,324,064) |
| Finance costs - interest expense | 30 | 81,084,844 | 77,801,756 | 4,751,313 | 7,175,312 |
| | | 787,272,105 | 1,628,857,191 | 173,695,053 | 169,407,041 |
| Changes in working capital | | | | | |
| Trade and other accounts receivable | | 205,862,089 | (36,909,643) | (228,559,402) | (10,436,980) |
| Inventories | | (90,133,029) | (60,365,313) | (49,342,837) | 11,977,331 |
| Value added tax | | (24,203,392) | (17,329,650) | (641,099) | (6,196,653) |
| Other current assets | | (91,212,310) | 8,311,899 | (94,040,584) | 3,163,540 |
| Other non-current assets | | 5,189,222 | 10,857,469 | 4,316,968 | 8,277,053 |
| Trade and other accounts payable | | 588,819,879 | (6,302,983) | 646,929,951 | 3,805,373 |
| Withholding tax payable | | (11,388,929) | 7,849,487 | 1,081,495 | (2,160,272) |
| Other current liabilities | | 47,557 | 139,136 | - | - |
| Other non-current liabilities | | 11,138,796 | (3,455,680) | 10,091,694 | (8,414,679) |
| Cash generated from operating activities before interest income received, finance costs paid and income tax paid | | 1,381,391,988 | 1,531,651,913 | 463,531,239 | 169,421,754 |
| Withholding tax refunded | | 12,297,788 | 882,946 | 12,297,788 | - |
| Income tax paid | | (192,056,271) | (155,875,054) | (32,922,621) | (37,107,181) |
| Net cash generated from (used in) operating activities | | 1,201,633,505 | 1,376,659,805 | 442,906,406 | 132,314,573 |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2015

| | Notes | Consolidated | | Company | |
|---|-------|--------------------|----------------------|--------------------|----------------------|
| | | 2015 | Restated | 2015 | Restated |
| | | Baht | Baht | Baht | Baht |
| Cash flows from investing activities | | | | | |
| Interest income received | | 2,470,534 | 3,139,315 | 16,236,570 | 14,668,195 |
| Increase in short-term loans to related companies | 33 d) | (68,500,000) | (91,000,000) | (338,500,000) | (833,120,000) |
| Receipts from short-term loans to related companies | 33 d) | 68,500,000 | 91,000,000 | 184,500,000 | 670,000,000 |
| Decrease in short-term loans to employees | | 59,101 | 40,970 | - | 77,364 |
| Payments on investments in subsidiaries | | - | - | - | (196,000,000) |
| Short-term investment-12-month fixed deposits | | (57,462) | (73,900) | - | - |
| Receipts from decrease in share capital of subsidiaries | | - | - | 93,750,000 | - |
| Receipts from dividend income | | - | - | 379,079,203 | 365,409,115 |
| Purchases of property, plant and equipment | | (88,983,784) | (141,258,097) | (70,385,388) | (131,516,931) |
| Proceeds from disposals of property, plant and equipment | | 8,693,737 | 472,516 | 248,598 | 112,131 |
| Purchases of intangible assets | | (274,408,741) | (550,934,305) | (10,884,255) | (253,340,067) |
| Proceeds from disposals intangible assets | | 530,895 | - | - | - |
| Net cash receipts (payments) from investing activities | | (351,695,720) | (688,613,501) | 254,044,728 | (363,710,193) |
| Cash flows from financing activities | | | | | |
| Interest expense paid | | (13,364,724) | (26,194,544) | (4,939,309) | (5,637,146) |
| Proceeds from short-term loans from financial institutions | | 470,000,000 | 755,000,000 | 370,000,000 | 755,000,000 |
| Payments on short-term loans from financial institutions | | (470,000,000) | (755,000,000) | (370,000,000) | (755,000,000) |
| Proceeds from long-term loans from financial institutions | | - | 65,000,000 | - | - |
| Payments on long-term loans from financial institutions | | - | (351,915,000) | - | - |
| Payments on liability under finance lease agreements | | (10,216,316) | (6,132,904) | (10,216,316) | (6,132,904) |
| Advance payment of license for operation right in spectrum of digital television | | (302,500,000) | (340,500,000) | - | - |
| Proceeds from short-term loans from related companies | 33 e) | - | - | 127,500,000 | 719,000,000 |
| Payments on short-term loans from related companies | 33 e) | - | (8,000,000) | (325,545,000) | (518,000,000) |
| Dividend paid | 26 | (180,915,596) | (310,954,755) | (180,915,596) | (310,954,755) |
| Decrease in non-controlling interests from dividend payment | | (11,478,277) | (10,100) | - | - |
| Decrease in non-controlling interests from decrease capital | 25.3 | (18,750,000) | - | - | - |
| Proceeds from increase in share capital | | - | 100,049,474 | - | 100,049,474 |
| Receipts from resale of treasury shares | 25.2 | 62,863,600 | - | 62,863,600 | - |
| Net cash payments from financing activities | | (474,361,313) | (878,657,829) | (331,252,621) | (21,675,331) |
| Net increase (decrease) in cash and cash equivalents | | 375,576,472 | (190,611,525) | 365,698,513 | (253,070,951) |
| Cash and cash equivalents, opening balance | | 381,535,315 | 572,146,840 | 152,912,614 | 405,983,565 |
| Cash and cash equivalents, closing balance | | <u>757,111,787</u> | <u>381,535,315</u> | <u>518,611,127</u> | <u>152,912,614</u> |

The accompanying notes are an integral part of these interim financial information.

RS Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2015

| | Consolidated | | Company | | |
|--|--------------|--------------|---------------|--------------|--------------|
| | | Restated | | Restated | |
| | Notes | 2015 Baht | 2014 Baht | 2015 Baht | 2014 Baht |
| Non-cash transactions and additional information: | | | | | |
| Outstanding payables arising from purchases of property, plant and equipment as at 31 December | | 9,038,606 | 19,458,815 | 8,817,124 | 17,887,359 |
| Outstanding payable arising from purchase of property, plant and equipment under finance lease agreement as at 31 December | | 9,960,000 | - | 9,960,000 | - |
| Payable for cost of license for operation right in spectrum of digital television as at 31 December | | - | 1,702,942,482 | - | - |
| Outstanding payable arising from staff transferred as at 31 December | | - | - | - | 279,853 |
| Outstanding receivables arising from disposals of property, plant and equipment as at 31 December | | - | - | 5,945,521 | - |
| Outstanding receivables arising from disposals of intangible assets as at 31 December | | - | - | 500,679 | - |
| Decrease in treasury shares | 25.2 | (52,347,317) | - | (52,347,317) | - |
| Decrease in premium on share capital from decreasing in treasury shares | 25.2 | 39,938,917 | - | 39,938,917 | - |

The accompanying notes are an integral part of these interim financial information.

Summary of Management Discussion and Analysis

Operating results

Overall Outlook of Business Operations : In 2015, the Company (parent company) earned a net profit of 121.6 million baht; this represented a net decrease from 2014 of 219.3 million baht or 64.3 percent. The main reason can be attributed to the fact that, in the previous year, the Company acquired the license to broadcast the 20th FIFA World Cup in Brazil. Should profits from such an activity be excluded, the Company would have had a small drop in profit. At any rate, the radio media business of “COOL Fahrenheit 93”, which has a regular customer base, and the television media business of “Sabaidee TV” – of which does not require very high operating costs – continue to generate profits. In addition, the Company earned more profit from its music distribution business, which underwent an internal managerial reorganization and thus resulted in lower operating costs, as well as from its event business, which enjoyed a greater number of productions. Meanwhile, the television media business from “Channel 8” digital TV, even though it had increasing revenue compared to the previous year, the investment and costs were higher, including the costs of the license for the operations right in the spectrum of digital television, and the costs related to receipt and transmission of signals. Also, such operations in 2014 did not encompass a full year. Moreover, the costs related to permission to use the frequency waves, and new digital television operating costs in that first year were higher than in previous years. There was also an increase of investment in content such as drama and various shows, as well as the slowdown of the Thai economy, which has not recovered, including the diminished purchasing power of the private sector and consumers. This resulted in smaller advertising budgets, which could not support expansion of the industry and resulted in slow growth for the channel.

Revenue : Revenue from sales and services for year ending December 31, 2015 in the amount of 3,728.7 million baht, on a net basis, decreased from last year by 577.7 million baht, or 13.4 percent. This can be broken down by group, as follows:

Revenue from Media Business : Revenue from the media business was comprised of earnings from television and radio media. This year, the company earned 2,246.1 million baht from its overall media business, which represented a decrease of 1,110.7 million baht over that of the previous year, or 33.1 percent.

Television Media Business : Revenue from the main television businesses resulted from the operations of Digital Terrestrial Television (DTT) channel “Channel 8”; satellite television channels “Channel 2”, “Sabaidee TV”, “You Channel” and “Pleon TV; and sales of the “Sun Box” set-top boxes.

This year, overall revenue from the television media business decreased from last year. The main reason can be attributed to the fact that, in the previous year, the company managed the rights to broadcast live football

matches of the 2014 FIFA World Cup Brazil, as well as the rights to broadcast live matches of La Liga Spanish Football league. Even if such revenues were not considered, advertising revenue from TV stations continues to increase from last year. On the whole, revenue from the television media business (excluding the administration of the rights for sports programming) in this year still increased, comparable to last year.

Throughout the year 2015, the “Channel 8” developed its TV programs continuously especially in sports category that received overwhelming success in programs called “8 Max Muay Thai”, “The Champion Muay Thai Tat Cheuak”, “Channel 8 HBO Boxing”, and “ UFC Muay Krong Pad Liam”. In drama category, there were 10 new dramas namely, “ Waen Thong Leung”, Mae Leuak Kerd Dai”, “Li Kae Mud Sung”, “Pleung Pai”, Khun Ying Nok Tumnieb”, “Chao Sao Chapor Kit”, “Dok Son Choo”, “Sud Tae Jai Ja Kwaikwar”, “Mongkut Ritsaya”, and “Suparpburut Satan”. In mini - series category, there were 3 series namely “Luang Pee Digital”, “Lun Ruk Karm Rua”, and “Rueng lao Kayaokwan”. Moreover, additional variety programs were added to the variety shows such as “Erk Show”, “Jiw Zaa”, “Dao Prajum Mueng” and “Big Heng”. From all mentioned additional programs, the TV viewership rating of “Channel 8” had increased gradually to rank number 4 nationwide according to the survey conducted by the AGB Nielsen Media Research (Thailand) Ltd., which indicated that the year ending viewers had increased 87% from beginning of the year. At present, “Channel 8” is broadcasting at the number 27 in all platforms nationwide.

This year, “Channel 2” adjusted its concept as “Channel 2 Complete Entertainment” and raise entertainment news time slot to 40% in a day. The news programs are broadcast live in the main 4 prime-time throughout the day in order to capture all international and local entertainment news. Regarding variety contents, additional programs were introduced, such as, “Jud Dued”, and “Purd Pong” which were the entertainment news with intensive and insight contents. Moreover, at the end of the year, highly popular dramas from RS were added to the programming in order to increase viewership which reflected a rating increase accordingly. At present, “Channel 2” broadcasts at the channel number 38 in the satellite and cable television platforms nationwide.

Radio Media Business: Revenue from the radio business came from the operations of 2 stations: “COOL Fahrenheit 93” and “Sabaidee Radio 88.5”. The overall performance of the radio media business this year decreased slightly from last year, whereby the company had 3 radio stations. However, revenue from “COOL Fahrenheit 93”, which was the main revenue earner, still registered an increase from last year due mainly to increases in key marketing activities such as, “COOL Outing”, “COOL Music Alive, and “Ing Eat All Around Year”, etc. The “COOL Fahrenheit 93” station continued to remain in the number one spot in the Easy Listening category as well as again enjoyed the number two rank in the country, according to AGB Nielsen media Research (Thailand) Ltd.

Revenue from Music Distribution Business : Revenue from the Music Distribution business consisted of revenue from physical sales, digital business and copyright collection. This year, revenue from the Music Distribution business of 375.0 million baht decreased from last year in the amount of 82.9 million baht, or 18.1 percent. There was an increase in revenue from music streaming services and YouTube advertisement income sharing; however, it was not sufficient to offset the decrease in revenue from other channels.

Revenue from Event Business : Revenue from the event business consisted of revenue from concert organization and marketing activities, artists' management and contract productions. This year, revenue from the event business amounted to 796.0 million baht, an increase of 337.5 million baht from last year, or 73.6 percent. This was due to the activities that have been arranged throughout this year; such activities included "Sabaidee Sunjorn Year 6" "Channel 8 Pob Puen", while the main events are such as "Beauty Now & Next" "Travel around Thailand, Tour around the world", etc. Moreover, there was a large-scale concert in the beginning of the year called, "D2B Encore Concert 2015" which was a very successful event of 2015.

Revenue from other services came from sales of various products through the company's sales channels, such as health and beauty products, the collection of subscription fees for English Premiere League football matches via the "Sun Box" set-top boxes.

Cost of Sales and Services : Cost of sales and services of 2,706.9 million baht decreased by 234.2 million baht from last year, or 8.0 percent. This was mainly due to the decrease of costs associated with the World Cup 2014 live broadcasts. However, the costs of operations of digital TV "Channel 8" increased due to more broadcasting of new dramas series and variety programs, including the purchase of licenses for live broadcasts of sports programs. All such activities served to enhance variety and interest in the programs, with the goal of boosting overall average viewership. At the same time, they helped strengthen the company's competitiveness in the television industry. At any rate, the company remains vigilant about cost management and using funds as efficiently as possible.

Selling and Administrative Expenses, Other Expenses, and Financial Cost : Selling and administrative expenses and other expenses amounted to 871.8 million baht, an increase of 32.4 million baht from last year, or 3.9 percent. This was mainly due to the increase in advertising expenses of company's products and services. Finance costs were 81.1 million baht, an increase of 3.3 million baht from last year, or 4.2 percent. This is mainly due to the alteration in the licensing value of the Digital TV.

Change in accounting policy regarding recording of DTT license fee :

Earlier in 2016, the ruling of the Federation of Accounting Professions dictates that all companies who acquire long-term license from the government, e.g. 4G licenses and Digital TV licenses, are required to use the same accounting method in recording the cost of the license fees. The company presented digital television license at cost less accumulated amortization.

Due to the payment term of digital television license is beyond the normal credit term of National Broadcasting and Telecommunications Commission (NTBC), the Group is required to compare the cost of digital television license with the cash price equivalent based on present value of installments at the recognition date and recognize the difference between this amount and the total payments as finance costs over the period of payment term of digital television license. Therefore, the Company has ratified the matter by applying retrospective adjustment. Hence, financial statements of the Company will receive some impact from these alterations in 3 parts as follows:

Cost of the License: The Company has auctioned the license at the cost of 2,265 million baht (excluding vat) for 15 years duration using the original method of cost recording at amount 151.0 million baht per year, while the new recording method will result in reducing cost to 135.4 million baht per year.

Financial cost: The above alteration results in future finance charges for 2015 at amount of 67.2 million baht.

Income Tax: Income tax is adjusted down by 10.3 million baht.

Gross Profit Margin, Net Profit Margin and Return On Equity (ROE) : In 2015, the Company earned a gross profit margin of 27.4 percent; its net profit margin was 3.2 percent, and the shareholders' return on equity was 7.1 percent. These figures represented a drop from those of 2014, which were 31.7 percent, 7.9 percent and 20.7 percent, respectively. The main reason is because of increased costs related to doing business in the digital television business. Also, the previous year enjoyed profits related to the live broadcast of the FIFA World Cup.

Financial Position

Total assets as of 31 December 2015 were 4,843.9 million baht, which reflected an increase of 5.7 percent from that of the previous year. The main reason was from an increase in cash and cash equivalents by 98.4 percent, from unearned revenue from the event business, receipts from resale of treasury shares, and the receipt of payments from debtors. Account receivables and other debts (net) decreased by 20.4 percent. Additionally, during the year, the costs of the digital television license and digital television business were cut by 135.4 million baht.

Total liabilities as of 31 December 2015 were 3,116.8 million baht, which reflected an increase from 2014 of 278.3 million baht or 9.8 percent. The main reason was due to the increase in unearned revenue from the event business during the year. There was also payment of 302.5 million baht for the license for the operations right in the spectrum of digital television.

As for the parent company's shareholders' equity, as of 31 December 2015, it stood at 1,716.9 million, which represented an increase from the previous year of 3.6 million baht or 0.2 percent. During the year, the Company issued treasury shares in the amount of 62.9 million baht and paid dividends to shareholders in the amount of 180.9 million baht.

Cash Flow

For the year ending 31 December 2015, the Company had cash and cash equivalents in the amount of 757.1 million baht, increasing from last year by 375.6 million baht. The main reason was due to the inflow of cash from net activities in the amount of 1,201.6 million baht and from unearned revenue for the event business and from payments from debtors. At the same time, there was 474.3 million baht in net cash payments from financing activities. In addition to paying the costs of the digital television license and the operations of the television digital business, and the payment of dividends as well as the net cash for the treasury shares, there was cash used in investment activities in the amount of 351.7 million baht, for investment in drama production and related equipment.