

ANNUAL REPORT

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SHOP 1781

Contents

Annual Report RS Public Company Limited



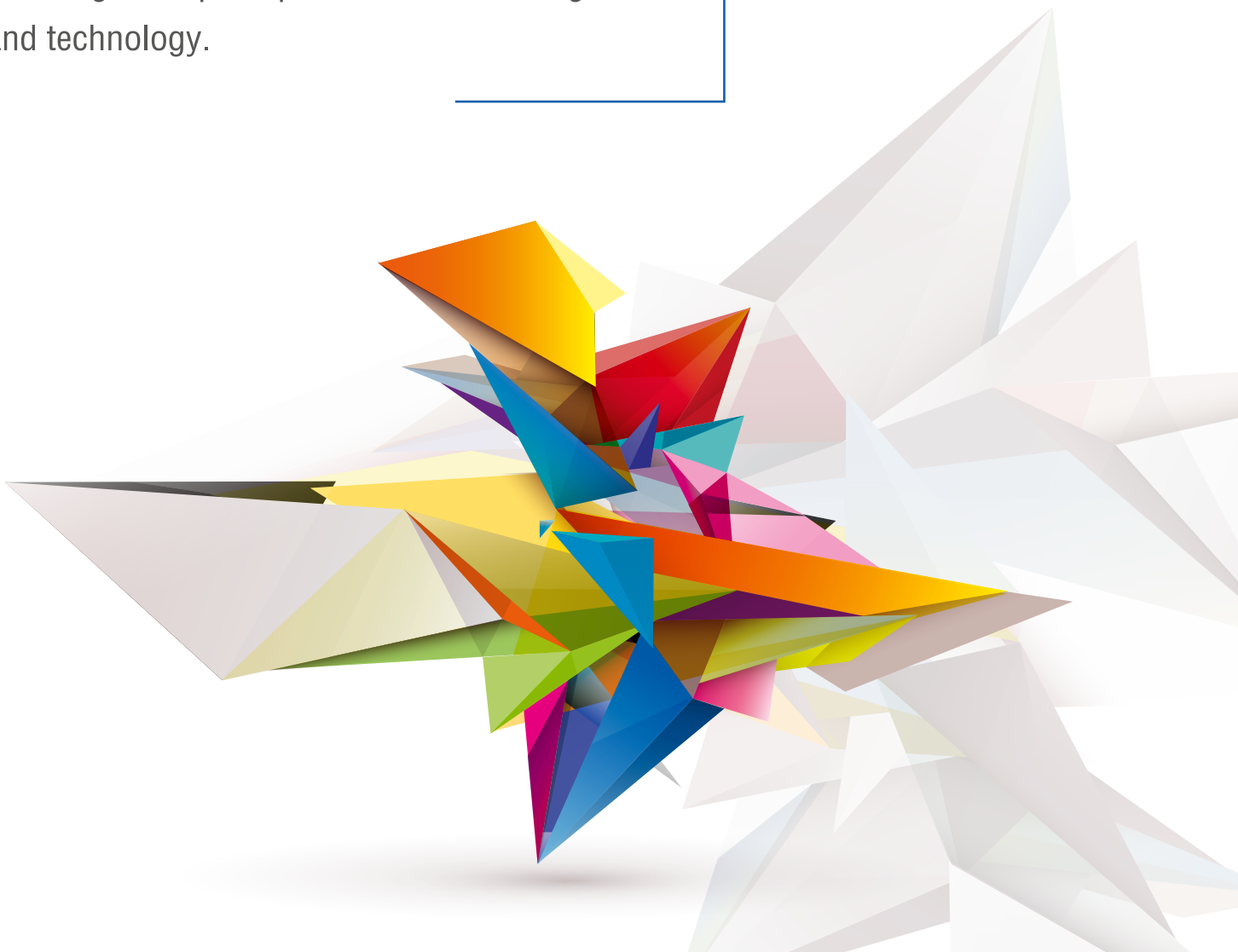
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Vision

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.





Do not cling to past successes and understand that there is no fixed formula for business success. The important thing is to learn and understand various events of the past, looking for strengths and eliminating weaknesses, and adapting oneself to be aligned with the changing times, to have sharp vision and the ability to better anticipate the future. Combine this with intuition, survival instincts, a winning spirit, and a positive attitude. Readily dedicate oneself to overcoming all obstacles and that would all constitute the power that fuels success.

Message from the Chairman and Chief Executive Officer

“Do not cling to past successes and understand that there is no fixed formula for business success. The important thing is to learn and understand various events of the past, looking for strengths and eliminating weaknesses, and adapting oneself to be aligned with the changing times, to have sharp vision and the ability to better anticipate the future. Combine this with intuition, survival instincts, a winning spirit, and a positive attitude. Readily dedicate oneself to overcoming all obstacles. That would all constitute the power that fuels success, without too much difficulty.” This year serves as another challenging one for RS, faced by technology and innovations that have enabled drastic changes in many industries. Nevertheless, RS has proven that those who embrace the changes and do not remain static, believe in one’s own “Passion to Win”, and always be ready to adapt to the ever changing conditions can remain standing as a winner in the industry.

In 2017, RS embarked on another important transformation. We looked for opportunities and combined the expertise and strengths we have on hand. This has propelled our new Health and Beauty business to flourish and succeed, building on our original business. Not only Channel 8 which enjoyed a ratings jump of over 30 percent from the previous year as well as top ratings for multiple programs, but also the new business of Health and Beauty has grossed historically high revenue that is more than six times the revenue of the previous year. This business has emerged as a core business segment in the year 2018.

In 2017, the Company’s total revenue amounted to 3,502 million baht, an increase from the previous year of 17 percent. From the growth in revenue from the Health and Beauty business as well as from Channel 8, RS leveraged its variety of media. In particular, Channel 8 achieved much success; its ratings were among those of the industry leaders. It also enjoyed an advantage in terms of marketing, and the mass audience was well aligned with the products on offer. The placing of ads on television was both appropriate and increasingly effective. The Company has been able to build on its existing business without high investment costs, and the business is on par with global trends. In the past year, the Company enabled Lifestar Co., Ltd. to create branded quality products for health and beauty. They received overwhelming consumer responses as “Product Champions”, acquired as television and online purchases as well as through modern retailers. Also, RS personnel and existing software systems have been developed into an efficient telesales system (“Call 1718”). Customers’ data can be analyzed more accurately, which has allowed the Company to close more sales each month. In addition, RS has partnered with many manufacturers of health and beauty products to advertise and sell more products via RS’s various media channels. This has maximized the use of advertising time slot as well as offered wide variety of quality products. All these factors have contributed to the growth of the Health and Beauty business’s monthly sales, with each month’s sales exceeding that of the previous month throughout 2017.

As for Channel 8, which represents an important business base for the new Health and Beauty business, it enjoyed a ratings growth of over 30 percent last year. This reflects the variety of programs offered on Channel 8, which have become highly popular among audiences nationwide. Both the news program “Kui Khao Chong 8” (Morning News) and programs in the sports category have continuously helped the ratings to increase to be among the industry leaders in the number 1 or 2 spot. Also, the record-breaking foreign series, “Siya Ke Ram” and “Sankat Mochan Mahabali Hanumaan”, were widely successful, achieving a huge viewership of over 3 million people; they also contributed to the fever pitch of Indian series in Thailand once again. Drama series and variety programs have received excellent audience responses as well.

The year 2018 will mark another year of growth and success following the transformation of the business. RS utilizes the new concept of “Beyond the Limit” in its business, which does not adhere to the original modes of operation and maintains flexibility, adapting the business to the direction of the market. The Company’s existing media shall drive the Health and Beauty business to grow and extend into new related businesses. Meanwhile, the Music business will operate under the concept of borderless music, along with the implementation of Artist Centric strategies to monetize all aspects and types of businesses. The aim is to support business and create shared value so that RS, as a company listed on the Stock Exchange of Thailand, has a higher market capitalization to reflect the real value of the Company.

On behalf of the executives and Board of Directors of the Company, thank you to our shareholders, business partners, customers, government agencies, and stakeholders for the unwavering trust and support. The Company also extends its thanks to our employees and artists, all of whom have dedicated their time and energy as well as maintained a readiness to adapt to a changing world. They have faced a number of situations, even during the most challenging times for the Company. Together, we will work to lead the organization towards continuous and steady growth.



Mr. Surachai Chetcotisak

Chairman and Chief Executive Officer

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. Sorat Vanichvarakij

Director



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

Board of Directors



Mr. Surachai Chetchotisak

**Chairman,
Chairman of the Executive Committee
and Chief Executive Officer**

Age 55

Shareholding : 31.78%

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 2017 :

-

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.
 Director, Soaring Tiger Co., Ltd.
 Director, Golden Tiger Co., Ltd.

Shareholding at the beginning of year 2017 (shares)	334,153,700
Shares buying during year 2017 (shares)	9,781,300
Shares selling/transferring during year 2017 (shares)	22,935,000
Shareholding at the ending of year 2017 (shares)	321,000,000



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 47

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

Thai Institute of Directors Training :

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

Certificate Program in 2017 :

Capital Market Academy Leader Program (Batch 23), Capital Market Academy

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 2017 (shares)	-
Shares buying during year 2017 (shares)	-
Shares selling/transferring during year 2017 (shares)	-
Shareholding at the ending of year 2017 (shares)	-



Mr. Darm Nana

**Director,
Member of the Executive Committee
and Chief Financial Officer**

Age 48

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 2017 :

-

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 2017 (shares)	-
Shares buying during year 2017 (shares)	-
Shares selling/transferring during year 2017 (shares)	-
Shareholding at the ending of year 2017 (shares)	-



Mr. Danaisidh Peslapunt

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

Age 62

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 2017 :

-

Experience :

1 February 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 2017 (shares)	-
Shares buying during year 2017 (shares)	-
Shares selling/transferring during year 2017 (shares)	-
Shareholding at the ending of year 2017 (shares)	-



Mr. Sorat Vanichvarakij

Director

Age 44

Shareholding : 11.38%

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 2017 :

-

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 2017 (shares)	115,000,000
Shares buying during year 2017 (shares)	-
Shares selling/transferring during year 2017 (shares)	-
Shareholding at the ending of year 2017 (shares)	115,000,000



Mr. Phisit Dachanabhirom

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

Age 76

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 2017 :

-

Experience :

2014 - Present	Director, Don Muang Tollway Public Company Limited
February 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, Polipharm Company Limited
2002 - 2014	Member of the Executive Committee, Phuket International Hospital Company Limited

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

Director, Don Muang Tollway Public Company Limited
Chairman of the Executive Committee, Professional Alliance Group Limited
Director and Chairman of Audit Committee, Jaymart Public Company Limited
Director, Polipharm Company Limited

Shareholding at the beginning of year 2017 (shares)	-
Shares buying during year 2017 (shares)	-
Shares selling/transferring during year 2017 (shares)	-
Shareholding at the ending of year 2017 (shares)	-



General Pairoj Panichsamai

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

Age 71

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 2017 :

-

Experience :

2014 - Present	Member of the National Legislative Assembly of Thailand 2014
January 2007 - Present	Independent Director and Member of the Audit Committee, RS Public Company Limited
February 2007 - Present	Member of the Nomination and Remuneration Committee, RS Public Company Limited
2006	Deputy Supreme Commander, Supreme Command Headquarters (Army)
2005	Chairman of the RTA Advisory Board, Royal Thai Army
2000	Commanding General Army Weapons Production Control Center, Royal Thai Army

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

-

Shareholding at the beginning of year 2017 (shares)	-
Shares buying during year 2017 (shares)	-
Shares selling/transferring during year 2017 (shares)	-
Shareholding at the ending of year 2017 (shares)	-



Mrs. Wansuda Thanasaranart

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

Age 66

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 2017 :

-

Experience :

January 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 2017 (shares)	210,000
Shares buying during year 2017 (shares)	-
Shares selling/transferring during year 2017 (shares)	210,000
Shareholding at the ending of year 2017 (shares)	-

Policy and Overall Business Operations

RS 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, 2017, the Company’s issued and paid-up capital was 1,010,147,392 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. By late 2013, the Company won the auction for a license to provide digital television services as a national-level business for one regular Standard Definition channel. The Company adapted its existing “Channel 8”, which originally aired on the satellite TV system; from April 2014, it was switched to a digital broadcast instead. At the end of 2014, 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.

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 Health and Beauty and Media businesses, and expansion to related businesses. The contribution from new businesses is to increase significantly, strengthening the Company’s total revenue.”

Business Overview of the Company and its Subsidiaries

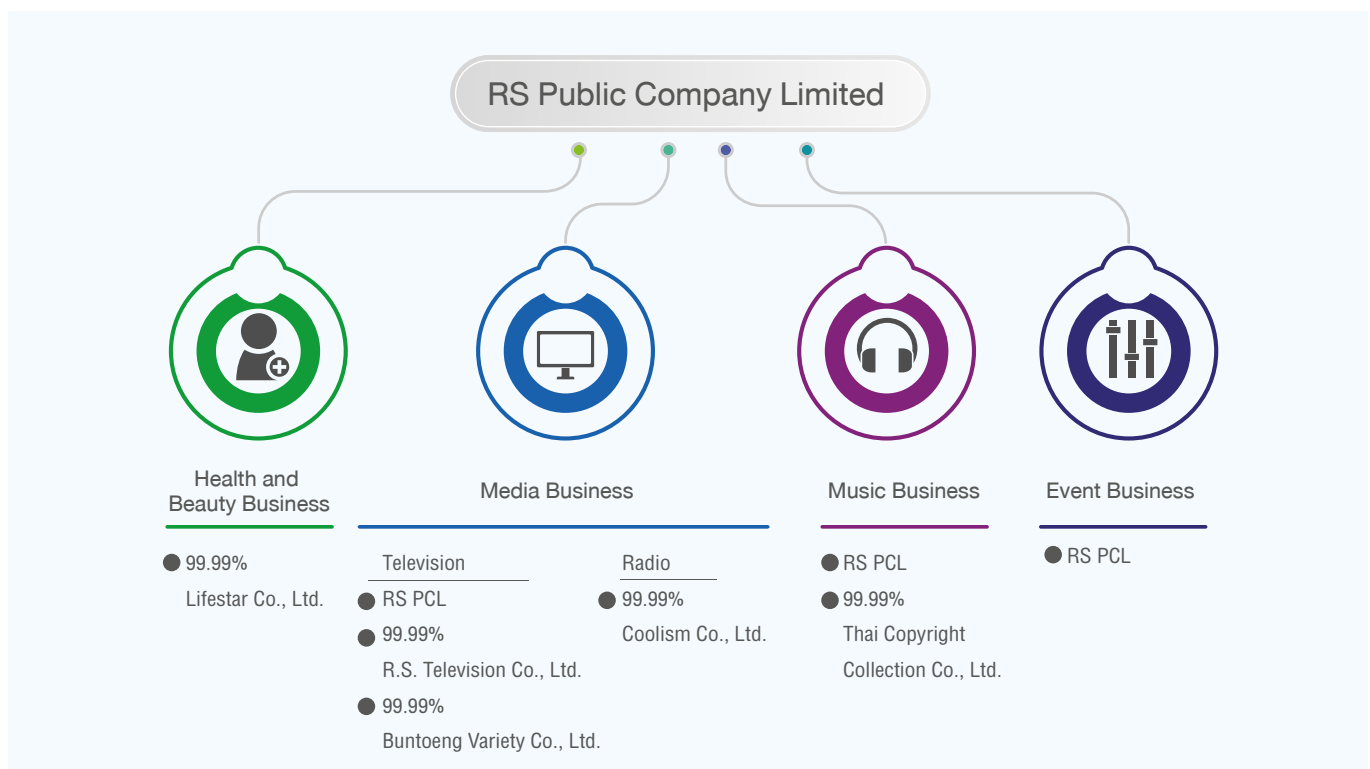
Currently, RS’s core businesses can be divided into four categories: Health and Beauty, Media, Music, and Event businesses. Revenue from Health and Beauty has increased to be comparable to that from the Media business. The Health and Beauty business operates under Lifestar Co., Ltd., selling health and beauty products via major channels such as the Company’s television media and radio station channel. While Channel 8 serves as a leader in digital television, there are also 4 satellite TV channels as well as the COOLfahrenheit radio station channel, which retains a clear audience base and has become popular with a number one ranking. This has pushed the Health and Beauty business as well as the Media business of the Company to grow steadily, backed by the strategy of reaping mutual benefit. Moreover, the Company has made investments through various subsidiaries as below.



The Wholly Owned Subsidiaries that are currently in Operation

- R.S. Television Co., Ltd. (99.99%) operates digital television business
- Lifestar Co., Ltd. (Formerly: Starz (Thailand) Co., Ltd.) (99.99%) operates health and beauty business
- Coolism Co., Ltd. (99.99%) operates radio 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 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. (Formerly : Dee Media and Production Co., Ltd.)
- The subsidiaries that dissolved and going into liquidation consist of Blufairy Co., Ltd., Very Well Co., Ltd., Aladdin House Co., Ltd. and RS In-Store Media Co., Ltd.

Business Description

At present, RS Group has 4 main core businesses which are Health and Beauty, Media, Music and Event Businesses.

Revenue Structure

Type of Revenue	2015		2016		2017	
	Amount (million baht)	share in total revenue (%)	Amount (million baht)	share in total revenue (%)	Amount (million baht)	share in total revenue (%)
Health and Beauty Business	231.9	6	227.7	8	1,389.1	40
Media Business	2,122.4	59	1,694.8	56	1,703.5	49
Music Business	463.2	13	320.0	11	254.5	7
Event Business	706.4	20	748.7	25	154.6	4
Revenue from Other Business	79.7	2	7.3	0	0	0
Total Revenue	3,603.6	100	2,998.6	100	3,501.7	100

Health and Beauty Business

RS Public Company Limited (“the Company” or “RS”) engages in the business of health and beauty products under the company Lifestar Company Limited (“Lifestar”). Products include a skin care range under the “Magique” brand, a hair care range under the “Revive” brand, and food supplements under the “S.O.M.” brand. These products have been inspired by global innovation and research institutes, both at home and abroad. Products offerings for sale in 2017 include over 30 items, including those 10 items from partners. The Company itself owns over 20 items that reflect the global trend of people increasingly turning their attention to personal health and beauty. The Company advertises through RS’s media channels: Channel 8, 4 satellite television channels, and radio media. This maximizes the benefits of having an in-house, integrated media capacity, which also includes advertising through online channels like “www.shop1781.com” and “@Shop1781 (LINE SHOP)”. In recent years, there has also been the promotion and distribution of products through the retail outlets (modern trade) and drug stores across the country. In addition, the Company has developed a telesales system to increase efficiency, with the capacity to better analyze customer data and more accurately place ads for specific product lines. The team includes a call center, which has tripled in size from 2016 to match the increasing number of customer calls as well as to better offer products to meet customers’ needs. Other initiatives include team development of after-sales systems (Customer Relationship Management



or CRM); a dedicated team takes care of and analyses customer data, as well as makes product recommendations and promotions, in order to manage customer information systems that have grown 7-fold in the past year, with the end goal of effectively closing more sales.

Marketing and Competition

The health and beauty industry in Thailand has a value of over 100 billion baht. The growth rate was consistent even when the national economy experiences low growth. At present, the new generation of consumers pays attention to their health care with the aim of a better quality of life. This includes the need for easier and timelier access to information and data, which makes people able to better choose products that meet their needs, align with their lifestyles, and help them to look better. Nevertheless, the health and beauty product market has a relatively high value, which has caused competition to intensify. The products are diverse both in terms of product type, brand, price and distribution. The market share is also distributed among a variety of operators, including operators of global brands and domestic brands. In addition to the quality of the product, which is a key business factor in the health and beauty industry, it is just as important that the marketing, advertising and distribution channels must also meet the needs of consumers. For this reason, the Company believes that, in addition to having strong partners and allies, RS's strengths are to have extensive experience with many different types of media on hand. This will lead the health and beauty products of Lifestar to become one of the most chosen brands among consumers.

Marketing Strategy

The health and beauty products of the Company have been inspired by global innovation, including the involvement of experts and partner research institutes from abroad. This is combined with the most effective ingredients extracted via the latest technology, as well as packaging that appropriately preserves the quality of the product. The Company has set reasonable prices that make the products accessible for the majority of consumers; first and foremost, this is due to the use of the Company's own media, which leverages the media capacity most effectively. It is also an advantage over other operators in the market.

RS's advertising and public relations efforts are primarily through its media channels: Channel 8 and 4 satellite television channels. When customers wish to make a purchase, they can call the Company's call center. Alternately, products can be purchased through online channels at www.shop1781.com and the LINE account @ Shop1781. This allows the Company to retain consumer data, including tastes and needs; as such, a wide variety of products can be offered more efficiently. The data can also be used to benefit other distribution channels, to meet the needs of consumers more efficiently. The Company also plans to increase the diversity of its product offerings while expanding into new distribution channels.

The marketing strategy, in addition to increasing the capacity of the after-sales team, is to offer instant promotions that meet customers' needs, once a product has almost been finished. The Company has also developed promotions that continue throughout the year to suit the various festive seasons, tailored to each client's preferred distribution channel. Examples include a Year End Sale campaign via a LINE account, a Shock Deal promotion, or promotions held jointly with various retailers. In addition, the Company is planning extra activities where customers can try out the new products for themselves.

Procurement of Products or Services

Lifestar has partnered with international research institutes who have devised the key ingredients in each product. When the important ingredients or extracts have been procured, production is carried out by leading domestic partners. Some partners are a subsidiary of leading global contract manufacturers. The Company maintains over 10 partners, including more than 10 new partners who advertise and distribute their products via RS's media 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 include Sabaidee TV, Channel 2, YOU 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 programs in the sports category, such as “8 Max Muay Thai”, “The Champion Muay Thai Dat Cheurk”, “Muay Thai Battle”, and “Muay Man Super Max”. In addition, the Company received the live broadcast rights for international-level boxing such as “HBO Boxing” and “Ultimate Fighting Championship (UFC)”. Another important phenomenon was the Indian series “Siya Ke Ram” and “Sankat Mochan Mahabali Hanumaan”. Channel 8 edited the content to be more concise, dubbed the dialogue, and re-created music to better suit the tastes of local audiences. These efforts enabled a viewership of over 3 million people and the series reached a fever pitch. Also, the series smashed rating records for a foreign series and created buzz throughout the year. The new Thai drama series in 2017 included 8 shows, including “Rabam Fai”, “Chaloei Suek”, “Ngao Saneha”, “Game Payabaht”, “Plerng Rak Fai Man”, “Sai Yom Si”, “Jai Luang” and “Ngao Arthan”. Channel 8 also added to the richness of its variety shows such as “Krua Lan Thung”, “Supta Talat Taek”, “Eung Teung Siew” and “The Guest Tee Sanit Khon Dang”. The variety of the programming has been popular, landing Channel 8 among the top-tiered ratings in the country, based on the survey conducted by AGB Nielsen Media Research (Thailand) in December 2017.

Satellite Television

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



Channel 2

Channel 2 showcases superb dramas and variety shows including foreign 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.

Sabaidee

Sabaidee TV targets Thai music lovers in a variety of genres. The channel is not just limited to country music; it also offers “music for life”, string music, hits from the past, and old songs that are hard to find. The slogan is the “Thailand’s number one hit music channel”. The overseeing of production and management of content under the



RSiam label marks a strength of Sabaidee TV. It has enabled the offering of a wide variety of programs, both in depth and on a broad scale, which leverages the full potential of the artists. Coupled with a unique selection of hosts that are memorable and appealing to a diverse group of people, Sabaidee TV is a channel that can be watched and enjoyed throughout the day. Communications among viewers can be facilitated via mobile text messages (SMS) and on the display screen at all times.



YOU Channel

YOU Channel comes with the concept of “Hit Songs Variety”, which speaks to viewer and listener groups of all genders and ages who love music. The content takes the form of music videos or concerts of artists under the RS umbrella.



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

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 health and beauty products.

Marketing Strategy

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

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

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

In addition to defining a clear target audience, as well as the design and production of quality programming, the Company has also leveraged the competitive strengths of the audiences age 35 and older; continue to watch TV and have high purchasing power, comprising the use of youth, country music segments, artists, singers, performers, affiliated MCs, music and other content. These serve as the main components used in program production. When coupled with the strengths of a team with expertise and experience in the production of television and video, these result in the production of high quality content that earns great feedback.

3. Strategy for Building Mutual Value Among Viewers and Customers

The focus is on creating quality in order to be accepted and trusted by both the audience and customers, not only in the ongoing analysis of the target audience's needs; and to develop a model of production that meets the needs of the audience and customers as well as increase the popularity of the programs, boost ratings, and steadily increase sales. Another important component includes maintaining production quality to the satisfaction of viewers and customers, including pre and after sales services such as responding to customer needs quickly and accurately, and listening to and devising solutions to customer problems.

4. Administrative and Cost Management Strategy

The strategy is to create a streamlined management structure as well as to control administrative costs using the Company's staff to produce one portion of the work while also outsourcing another portion. This strategy includes the joint use of staff for the implementation of digital television and the 4 satellite television channels.



Procurement of Products or Services

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

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 and mobile platform via COOLISM application under the brand of COOLfahrenheit, with the following details:



COOL
fahrenheit

Radio Station	COOLfahrenheit
Concessioner	Navy Radio Station
Airtime	24 hours
Signal Coverage	Bangkok and Vicinity, and through Online and Mobile Channels nationwide
Program Concept	Living Young & Beyond
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 of “Living Young & Beyond”, has been able to retain listeners across the country and continuously capture the number one spot in terms of popularity among its target group for more than 14 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 14 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. Signature activities include the COOL Outing that awards great prizes to over 50 lucky working people, enabling them travel to popular local and international leisure destinations; Ink Eat All Around, which invites foodies to taste delicious food in the country and abroad, backed by M.L. Pasan Sawasdiwat and the free COOL Music Alive concept-based concert. 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 2017 data).

Marketing and Competition

During the 3rd quarter of 2017, the Company reached an agreement with AGB Nielsen Media Research (Thailand) to measure audience ratings through the digital platform. The music station became the first in Thailand and Asia to use DCR technology, or Digital Content Rating, for transparency and accountability, conforming to the media industry's standards of calibrating ratings.

As the music listeners in the country have a habit of accessing music via new online channels, the Company saw an opportunity to expand their listener base. It was found that the DCR rating results of COOLfahrenheit increased steadily.

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.

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 C 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 COOLfahrenheit and its clients, to become widely known and accepted via press releases and advertising in other media, such as online media, television shows, magazines, media outside the home (OOH), etc.

3. Strategic planning of advertising services

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

Procurement of Products or Services

1. Radio hosts and creative and production personnel

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

2. Broadcasting System

The Company has chosen to use a computer system to control the broadcast automation technology to meet international standards. The software is 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

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

1. 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 develops the music of RS, always keeping its portfolio current and covering the target audiences.

RSIAM



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 sales of music in different formats via digital content, whether downloading music; downloading ringtones; buying music for mobile ring back tones; downloading full songs through other channels, such as iTunes or through a network of mobile (WAP) music formats; online music streaming through various platforms such as JOOX and Spotify; listening to music and watching music videos online via YouTube, Line TV.
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.

Artist /Singer

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, among others.

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 various social networks, increasingly causing new forms of music content to appear in the market.



Event Business



The revenue from event business is derived from concerts and marketing activities. At present, most of the concerts and marketing events have been in support of RS's television media business.

RS specializes in organizing concerts and marketing events. Contract productions are in line with the marketing plans of customers who invest in media promotional activities at the point of sale. The type of performance and event specified in the plan, and various forms of media entertainment provide continuity and can affect the business in the long run.

RS is a large media company that enjoys advantages in hosting concerts and marketing events, as there are many popular artists and singers under its label. The Company also benefits from its integrated media business, including television and radio. This ensures that concert and marketing events from the Company will effectively fulfill customers' needs.

Marketing and Competition

The Company employs both mass customization strategy and individual customization strategy as a major policy (depending on each category of product or service) by emphasizing the importance of direct customers and advertising agencies as the main focus. With regard to the technique of work presentation, the Company aims to make customers aware that any work presented by the Company is a marketing tool to help individual customers achieve success in fulfilling their pre-determined marketing objectives by building on the principle of entertainment marketing to approach consumers.



Risk Factors

RS Group 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 depending on a single manufacturer for health and beauty products

The Company has partnered with well-known manufacturers to produce health and beauty products. The Company selects active ingredients and product qualities. We work with internationally renowned research institutes and manufacturers to develop formulas and production processes, while the manufacturers provide raw materials and manage the production. If any of the manufacturers are unable to produce the products due to unforeseen problems, we will not be able to deliver the products on time or according to customer's need, which may affect our company's performance.

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



Risks from health and beauty products expiring

Production orders of health and beauty products must be in large quantities to reduce cost. Inventory levels must be maintained adequately for further distribution to retailers throughout the country. Due to these necessities, the company has risk of losing products to expirations. On average, most health and beauty products can last up to 3 years. In cases where consumer trends change, or the company is in its 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.

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 still makes regular new announcements in accordance with its policy, and problem concerning business operators, hence, announcements from the NBTC still exist together with all the television business operators. Hence, all the announcements that will be issued to control the television business operations, will not be stable, and will require a period of time to realize any impact on business operations of the Company, and eventually reflect risks on business operations.

Risks from intense competition in the television media business

Since the beginning of digital television broadcasting in the middle of 2014, the television industry has encountered intense competition as each channel operator makes various adjustments and adaptations. These include the original operators in the analogue system that have to protect their rankings, and the new operators that have to fight for most of the ratings and advertising budgets in the market. Many strategies have been used to gain popular rating using contents as the main important magnetism to attract audiences, especially during prime time that will have the most intense competition. Thus, audiences will benefit from variety of choices, and the advertising agencies will have more selections on advertising clients. Hence, "rating" and "good value for money" will be criteria for determining the advertising choices, thus, making it more difficult to sell the advertising time. However, due to the facts that the Company has experiences in the producing of television programs business and in management of its own channel for a long time, having clear target audience group, strong 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 lifestyles of people around the world. The progression of communication technology has increased the speed and quantity at which people access information. It has changed how people communicate and seek entertainment. In the past, information was received through television and newspapers. Now, technology allows humans to be more than just passive receivers. People may seek information on the Internet using their smartphones, tablets, and etc (as a second screen, where is allowed the viewers to interact with TV programs in a different way). This has forced TV shows to adapt to social media. Our company recognizes the shift towards these technologies and the opportunity to communicate with audiences through these avenues. An important aspect related to social media is the increasing control, monitoring, and regulation by the government. As of yet, there is no particular department managing or supervising social media directly. Information on social media is less controlled than information on TV, which is under the supervision of the NBTC. Thus, it is likely a department will be delegated to supervise and regulate social media in the near future. This will cause any businesses operating through these channels to be more restricted. It will affect business license applications, fees, and controls on information. However, our company always operates with caution and within legal frameworks, thus ensuring that the company will be able to adapt to any situations.

Risks from copyright violation

During the past few years, the music industry received much impact from many types of copyright violation whether in the forms of pirated physical discs (CD, VCD, DVD, MP3), downloading music from unauthorized websites, using music contents to earn revenues from operators of commercial shops, restaurants, karaoke shops, arrangement of many activities and concerts including the using of contents for commercial purposes or for personal entertainment through online channels. These copyright violation activities result in unrealistic reflection on consumer demand of the true music revenue.

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

Risks from occasional huge events

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

Property Used in the Business

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

Land

The Company has leased land from individuals outside RS Group, is detailed as below:

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

Equipment

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

Company	Equipment and machinery	Ownership	Book value Year 2017 (million baht)	Obligation
1. RS PCL	Studio recording and broadcast equipment	Owner	209.63	Nil
2. Lifestar Co., Ltd.	Call center equipment and system	Owner	5.07	Nil
3. Coolism Co.,Ltd.	Recording equipment	Owner	1.06	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 2018)	0.20
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, 2018)	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, 2016 - Dec 31, 2017*

Remark * At present, the contract is extended to 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	Apr 25, 2014 - Apr 24, 2029
2. Thai Public Broadcasting Service	Until Jun 16, 2028
3. Thaicom Public Company Limited	Aug 1, 2013 - Jul 1, 2023

License for operation right in spectrum of digital television

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

Terms that the licensee must comply with in order to maintain the license

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

On December 20, 2016, the Government Gazette announced the Head of the National Council for Peace and Order (NCPO) No. 76/2559 on Measures to Promote the Business of Radio and Television Broadcasting and Telecommunications in the Public Interest, allowed the licensee to extend the payments in the minimum amount and the payments in excess of the minimum amount with interest, per the rate set by the Monetary Policy Committee of the Bank of Thailand on the settlement date.

The Payment of License Fees Stipulated by the Commission and the Order of the National Council for Peace and Order No. 76/2559

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
	Amount	Amount		
1	190.0	188.5	378.5	Feb 11, 2014
2	114.0	188.5	302.5	May 23, 2015
3	38.0	377.0	415.0	May 23, 2016
4	19.0	188.5	207.5	May 23, 2017
5	19.0	188.5	207.5	May 23, 2018
6	-	188.5	188.5	May 23, 2019
7	-	188.5	188.5	May 23, 2020
8	-	188.5	188.5	May 23, 2021
9	-	188.5	188.5	May 23, 2022
Total	380.0	1,885.0	2,265.0	

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, 2017, 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 ("The Company")
Type of business	:	Four main businesses: Health and Beauty, Media including Television and Radio, Music and Event Businesses
Address	:	Chetchotisak Building, 419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900, Thailand
Registration No.	:	0107546000016
Website	:	http://www.rs.co.th
Telephone	:	+66 2511 0555
Fax	:	+66 2511 2324
Registered Capital	:	1,203,270,516 baht including 1,203,270,516 ordinary shares at one baht par value (as of December 31, 2017)
Paid-up Capital	:	1,010,147,392 baht including 1,010,147,392 ordinary shares at one baht par value (as of December 31, 2017)
Securities Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone : +66 2009 9000 Fax : +66 2009 9991 Website : http://www.set.or.th/tsd
Auditor	:	PricewaterhouseCoopers ABAS Limited 15 th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand Telephone : +66 2844 1000 Fax : +66 2286 5050 Website : http://www.pwc.com/th
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. 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	Television Business	Ordinary shares	300,000,000	300,000,000	99.99
2. 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	Health and Beauty Business	Ordinary shares	200,000,000	200,000,000	99.99
3. Coolism Co., Ltd.	419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2938 5694	Radio Media Business	Ordinary shares	25,000,000	25,000,000	99.99
4. 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
5. Buntoeng Variety Co., Ltd.	3 rd Floor Chetchotisak Building 2 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Television Business	Ordinary shares	1,000,000	1,000,000	99.99

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	Television Business	Ordinary shares	2,500,000	2,500,000	99.97
7. Goodlife Group Co., Ltd. (Formerly : Dee Media and Production Co., Ltd.)	419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900 Tel. +66 2511 0555 Fax. +66 2511 2324	Event Business	Ordinary shares	37,000,000	37,000,000	99.99
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	Event Business	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	Sport Service and Event Business	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	Television and Event Business	Ordinary shares	4,500,000	4,500,000	75.98

Other Important Information

- None -

Securities and Shareholder Information

Registered Capital and Paid-up Capital

As of December 31, 2017, 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 1,010,147,392 baht including 1,010,147,392 ordinary shares at one baht par value.

Shareholders

The 10 major shareholders as at the book closure date on December 29, 2017 are as follows:

No.	Name of shareholders	No. of shares held	Percentage
1	Chetchotisak Group *	373,007,299	36.93
2	Vanichvarakij Group **	157,565,900	15.60
3	Bangkok Bank Public Company Limited	70,000,000	6.93
4	Thai NVDR Company Limited	58,762,866	5.82
5	RS Public Company Limited	43,273,300	4.28
6	Mr. Sataporn Ngarmruengpong	33,582,700	3.33
7	Mr. Chanyuth Laoraddecha	18,850,000	1.87
8	SIX SIS LTD	18,468,240	1.83
9	Mr. Prayuth Euawattana	8,100,000	0.80
10	K 20 Select LTF	7,652,900	0.76

Remark

* Chetchotisak Group include

1. Mr. Surachai Chetchotisak holds 321,000,000 shares (31.78%)
2. Mr. Chet Chetchotisak holds 44,154,999 shares (4.37%)
3. Mr. Chot Chetchot holds 7,852,300 shares (0.78%)

** Vanichvarakij Group include

1. Mr. Sorat Vanichvarakij holds 115,000,000 shares (11.38%)
2. Mr. Yothin Vanichvarakij holds 39,399,100 shares (3.90%)
3. Mr. Chaitat Vanichvarakij holds 3,000,000 shares (0.30%)
4. Mr. Sukrit Vanichvarakij holds 166,800 shares (0.02%)

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.

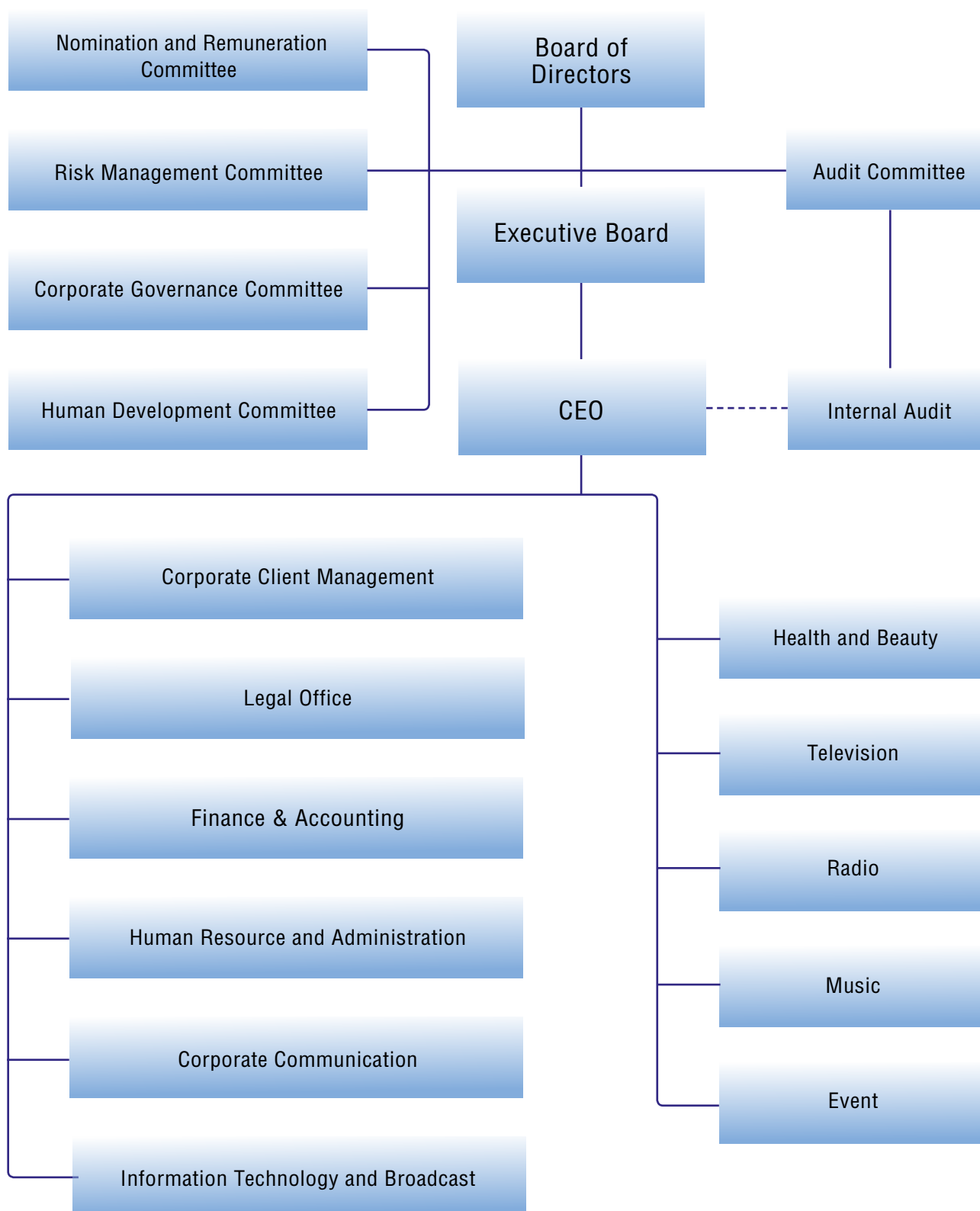
The details are as follows:

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 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 ordinary share at exercise price of 12.50 baht (subject to any adjustment of exercise price and exercise ratio according to Protection Measures for Warrant Holders)
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, 2017, the Board of Directors consists of 8 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. Sorat Vanichvarakij | Director |
| 6. Mr. Phisit Dachanabhirom | Independent Director, Audit Committee Chairman and Nomination and Remuneration Committee Chairman |
| 7. General Pairoj Panichsamai | Independent Director, Audit Committee and Nomination and Remuneration Committee |
| 8. Mrs. Wansuda Thanasaranart | Independent Director, Audit Committee and Nomination and Remuneration Committee |

Remark Mr. Soopachai Nillawan resigned from the Director, effective from August 11, 2017.

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 ≥ 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 and Mr. Darm Nana. 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. 1/2003 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 committee or assign any other persons to take any or several actions under the control of the Board of Directors except for the actions stated below. Those actions can be performed after receiving the approval from the shareholders' meeting. In cases where the Committee or any person has a conflict of interest with the Company or its subsidiaries, the Committee involved in that conflict may not vote on that case:

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 impacts on the environment, and act as a model.
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 and Executives 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 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 2017

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

Remark

1. Mr. Soopachai Nillawan resigned from the Director, effective from August 11, 2017
2. Mr. Darm Nana was unable to attend the Board of Directors meeting No. 2/2017 due to personal commitments.

Audit Committee

As at December 31, 2017, 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 factors 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 that might impact its independent performance, including reporting and supervision processes.
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 principle.
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 firm'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, 2017, 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 by the shareholders' meeting 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. 3/2007 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, 2017, 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. 1/2003 held on January 28, 2003 and the Board of Directors Meeting No. 2/2013 held on May 14, 2013 had the resolution to determine the scope of Executive Committee's authority 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 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. 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, 2017, the Risk Management Committee consists of 2 qualified persons:

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

Remark Mr. Darm Nana resigned from the Director of the Risk Management Committee, effective from January 1, 2017 and the Board of Director No. 1/2017 on February 22, 2017 appointed Mr. Danaisidh Peslapunt to replace Mr. Darm Nana as a Director, effective from January 1, 2017.

Roles and duties of the Risk Management Committee

The Company's Board of Directors meeting No. 5/2010 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, 2017, the Corporate Governance Committee consists of 2 qualified persons:

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

Remark Mr. Darm Nana resigned from the Director of the Corporate Governance Committee, effective from January 1, 2017 and the Board of Director No. 1/2017 on February 22, 2017 appointed Mr. Danaisidh Peslapunt to replace Mr. Darm Nana as a Director, effective from January 1, 2017.

Roles and duties of the Corporate Governance Committee

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

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

Human Development Committee

As at December 31, 2017, the Human Development Committee consists of 3 qualified persons:

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

Roles and duties of the Human Development

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



Management Team

As at December 31, 2017, the members of Management 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

1. Executive refers to executive as per definition from announcement of the Securities and Exchange Commission (SEC) No. sor.jor. 14/2540
2. 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. 1/2003 held on January 28, 2003 and the Board of Directors Meeting No. 2/2013 held on May 14, 2013 had the resolution to determine the scope of 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. 3/2007 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:

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.

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.

Name	Mrs. Pornpan Techarungchaikul
Position	Director, Executive Committee Corporate Governance Committee Chairman, Risk Management Committee Chairman, Human Development Committee Chairman, Company Secretary and Chief Operating Officer
Age	47
Education	- 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
Shareholding	None
Relationship between Management	None
Experience	2004 - Present Director and Executive Committee, RS Public Company Limited 2007 - Present Chief Operating Officer, RS Public Company Limited 2008 - Present Company Secretary, RS Public Company Limited



Executive Remuneration

Cash Remuneration

1. Directors

List	Year 2017		
	No. of member	Amount (baht)	Detail of Remuneration
Board of Director	9	680,000	Fixed remuneration and meeting allowance
Audit Committee	3	1,748,000	Fixed remuneration and meeting allowance

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

No.	Board of Director	Year 2017	
		Fixed remuneration (baht)	Meeting allowance (baht)
1	Mr. Surachai Chetchotisak	-	100,000
2	Mrs. Pornpan Techarungchaikul	-	80,000
3	Mr. Darm Nana	-	60,000
4	Mr. Danaisidh Peslapunt	-	80,000
5	Mr. Soopachai Nillawan	-	40,000
6	Mr. Sorat Vanichvarakij	-	80,000
7	Mr. Phisit Dachanabhirom	-	80,000
8	General Pairoj Panichsamai	-	80,000
9	Mrs. Wansuda Thanasaranart	-	80,000
	Total		680,000

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

2. Mr. Soopachai Nillawan resigned from the Director, effective from August 11, 2017.

2. Executive Directors and Management

List	Year 2017		
	No. of member	Amount (million baht)	Detail of Remuneration
Executive Director	3	-	-
Management	6	50.98	Salary / bonus / other allowance

In 2017, the Company has paid provident fund to 6 Executives approximately 2.32 million baht.

Other Remuneration

- Nil -

Personnel

The number of employees in the Company Group as of 31 December 2017 is 1,459 persons of which categorized into RS Public Company Limited's employees of 611 persons and subsidiaries' employees of 848 persons. The total rewards of company staff amounted to 641 million baht, paid in the form of salaries, bonus, other personnel expenses and provident fund totaling approximately 19.92 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 2017, there are altogether 11 training courses of 29 classes, which can be separated; in-house training of 197 hours and external training of 428 hours, totaling 625 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 11 classes of 184 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 the Competency Base Training, comprising the survey results of the Training Need. One component is external training or Public Training, including: 1) Professional Management of the Contact Center (1 class of 2 attendances); 2) Using Vmware vSphere 6.5 and Current Configuration of the System (1 class of 5 attendances) and In-house Training that covers Knowledge Development, Attitude Development, and Skill Development such as: 1) Winner Mindset (1 class of 45 attendances); 2) Analytical Thinking (1 class of 10 attendances); 3) Basics of Television Broadcasting (3 classes of 62 attendances); 4) Basic Computer (1 class of 32 attendances); 5) How to Write Clearly (3 classes of 72 attendances); and 6) Beauty and the Beach (1 class of 36 attendances).

The Company also holds training programs as required by law: 1) General Safety for Employees and New Employees (5 classes of 180 attendances); 2) Security Officials in Executive Management (1 class of 15 attendances); 3) Security Officials in Supervision (1 class of 16 attendances); and 4) Basic Fire Extinguishing (1 class of 49 attendances).

2. The Company imparts continuous importance on the engagement of employees. There are various activities such as We Applause where employees gather to applaud their colleagues or teams that have performed outstandingly and exceeded their goals. They will also be offered a congratulatory card from Mr. Surachai Chetchotisak as well as desserts from various famous stores. These efforts aim to encourage and reinforce positive incentives for all employees etc.
3. The Company has announced policy on safety, health, and environment in the working place by arranging all levels of employees to join in many levels of safety levels. This is to move its safety policy to be more substantially viable and correspondence with related laws and safety standards.

In 2017, 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 2017, the unemployment rate of employees using the Company's medical room was at 12.56% 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 2017, the Company has been continuously granted the Very Good CG Scoring and Top Quartile Companies by Market Capitalization from Thai Listed Companies Good Corporate Governance Survey Year 2017.

The summary of corporate governance practices in 2017 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 announced in the Company's intranet.

At the Board of Directors Meeting No. 1/2017, 4/2017 and 1/2018 held on February 22, 2017, November 14, 2017 and February 21, 2018, respectively, 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
- Rights of Stakeholders
- Information Disclosure and Transparency
- Responsibilities of the Board of Directors and Sub-Committees

Shareholder Rights

The Company stresses the importance of respecting the shareholders' right by following regulations as stipulated by law. In 2017, the Company had Annual General Meeting of Shareholders on April 5, 2017. All Directors attended the meetings except General Pairoj Panichsamai due to personal commitments (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 issue an invitation letter for meeting which includes details on different meeting's agendas at least 7 days prior to the meeting date as stipulated by law.

In 2017, 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 2017, 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 at the Company's website on <http://www.rs.co.th/investor.html> at least 30 days before the meeting date and the Annual Report was posted on the Company's website at least 7 days before the meeting date, as to facilitate rapid access for shareholders. For the minutes of the meetings in 2017 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 2017, 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 2017 shareholders' meeting, there were 70 shareholders who gave proxy to the Chairman of the Audit Committee.

On December 1, 2017, 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.

Rights 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 the policy to conduct its business for the benefits of the economy, society and environment by considering its duties and responsibilities towards the nation, society and environment. 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).

Suppliers 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. 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 suppliers/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 2017 and 2018, the Company's Board of Directors meeting No. 1/2017, 4/2017 and 1/2018, 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, 2017, 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 the 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 management'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 and the Chairman of the Board will not hold positions as member in all committees. Moreover, it also regulates Independent Directors as Chairman of each committee with exception in the Executive Committee, Risk Management Committee, 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**

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 2017, the Audit Committee had 4 meetings in which all members attended all meetings and consistently reported their operating results to the Company's Board of Directors. There were 4 meetings that the Audit Committee met privately with the external auditor without the management team being present.

• Nomination and Remuneration Committee

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

In 2017, the committee had 2 meetings in which all members attended all meetings. The committee consistently reported their operating results to the Company's Board of Directors.

The details of important performances in 2017 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 and approved the replacement for the Corporate Governance Committee and Risk Management Committee retired members.
3. Considered, reviewed and approved the charter of the Nomination and Remuneration Committee.
4. Considered and reviewed the appropriateness of the pattern and criteria of the remuneration.
5. Reviewed the annual Directors' remuneration.
6. Considered the Chief Executive Officer's evaluation criteria.
7. Evaluated the performance of the Nomination and Remuneration Committee in 2017.
8. Reported their duties to the Board of Directors on regular basis.

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

• The Executive Committee

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

In 2017, the Executive Committee had in total of 36 meetings.

The details of important performances in 2017 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. 5/2010 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 2017, 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 2017 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. 1/2011 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 2017, the Corporate Governance Committee had 2 meetings 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 2017 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

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

In 2017, the Human Development Committee had 4 meeting.

The details of important performances in 2017 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. Pornpan Techarungchaikul. The Company Secretary duty is to ensure that the Company complies with the Good Corporate Governance of the Stock Exchange of Thailand. The major role and duty of the Company Secretary are as follows:

1. Advise 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. In case that the Company does not have a monthly meeting, the Company has the policy to send the monthly operational report to the Board of Directors, so that the Board of Directors can supervise, and control management's operations consistently and effectively. Invitation, agenda and information hand-outs are duly distributed 7 days prior to the meeting so directors have a chance to familiarize themselves to the issues. 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 2017, there were 4 meetings at the Company's head office. Every Director attended all meetings except Mr. Darm Nana 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 Executives.

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 21, 2018, the Company's Board of Directors' meeting No. 1/2018, had made annual consideration on self - evaluation of the Company's Board of Directors of 2017, 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 2017 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 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 Extraordinary Shareholders' meeting No. 1/2003, the Company's Board of Directors' meeting No. 5/2003 and the Annual General Meeting of Shareholders 2013, 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 2017, the Company has supported for the training detailed as follows:

Director's Name	Position	2017 Training Courses
Mrs. Pornpan Techarungchaikul	Director, 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	Capital Market Academy Leader Program (Batch 23), Capital Market Academy

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 Management 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 OR

E-mail Address : ir@rs.co.th

In 2017, 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 and the securities companies to meet institutional investors and foreign investors, including the CEO Lunch Talk by CLSA, Our Day with Executive Management by Phatra, Thailand Media & Electronics Corporate Day by dbTISCO, Thailand Focus 2017 "Establishing the New Engine", 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, including the United States, Hong Kong, Malaysia and Singapore. Topics discussed included the overall economy in Thailand, the overview of the Company and the high growth of the Health and Beauty business.
- Also, the Company prepared an annual information statement (Form 56-1) and Annual Report (Form 56-2), published on the SET Community Portal (SCP) 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 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. 3/2007 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 4 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 registered companies of more than 3 companies, and Executive Director is not allowed to hold position as Director in other registered companies of more than 2 companies. This includes holding position as Director of the Company's Chairman of Executive Committee and high level Executive* in other registered companies must be approved by the Company's Board of Directors beforehand.

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

The Board of Directors Meeting No. 4/2017 and 1/2018 on November 14, 2017 and February 21, 2018 respectively, 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 21, 2018, the Company's Board of Directors meeting No. 1/2018.

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 2017, 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 share holder. 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 reviewed, improved and approved by the Board of Directors Meeting No. 1/2018 held on February 21, 2018. 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, 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.

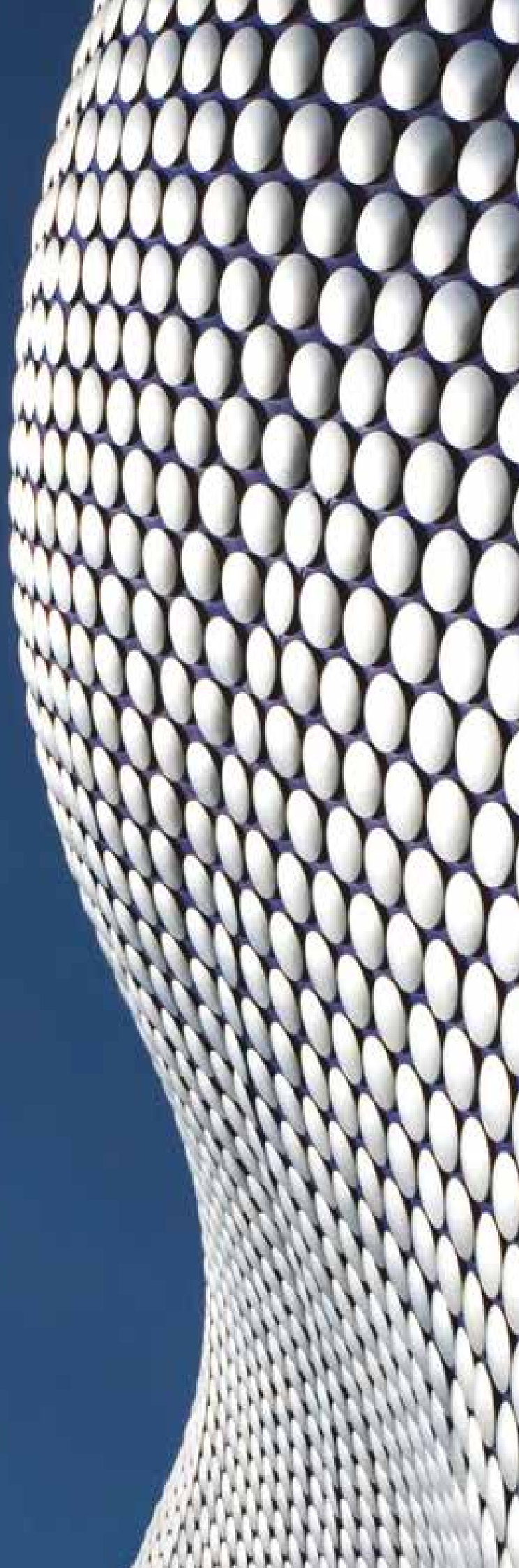
Auditor Remuneration

- **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 2017, that includes person or business related to the auditors and auditing office under the auditing company during the past year, to the amount of 4.95 million baht which separates into 1.10 million baht from the Company and 3.85 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), amounted to 0.45 million baht which separates into 0.15 million baht from the Company and 0.30 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:

- The 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 2017, there are altogether 11 training courses of 29 classes, which can be separated; in-house training of 197 hours and external training of 428 hours, totaling 625 hours. The Company also holds training programs as required by law: 1) General Safety for Employees and New Employees (5 classes); 2) Security Officials in Executive Management (1 class); 3) Security Officials in Supervision (1 class); and 4) Basic Fire Extinguishing (1 class).
- Arranged annual health checkup for employees, with an appropriate health checkup program, and negotiated with the hospital to provide added screening programs to employees at a special price. Also, coordinated with the hospital to bring the checkup program to the Company's premises.
- Allocated 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.
- Announced policy on safety, health, and environment in the working place by arranging all levels of employees to join in many levels of safety levels. This is to move its safety policy to be more substantially viable and correspondence with related laws and safety standards.

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 promotes and builds awareness among staff about conservation and prudent and efficient use of resources and energy, as well as continuously creates and supports activities that benefit the preservation, conservation and use of natural resources, the environment and energy. The Company also promotes campaigns that raise awareness and recognize the benefits of shared values and efficient use of resources; this includes saving electricity by shutting off the air conditioning 30 minutes before the end of the work day, ceasing to use the middle tube in lighting fixtures comprised of 3 tubes, and saving water by having staff check for leakages each day. There are also measures to conserve energy in other areas of the workplace, including the use of both sides of a piece of paper, and a plan to implement additional energy efficiencies such as a campaign to encourage employees to use the stairs instead of the energy-consuming elevators. Additionally, signage posted at various points reminds employees to turn off the lights during lunch breaks.

7. Development of a Community or Society

The Company adheres to conduct its business for benefit of the economy, society and environment with consideration on its duty and responsibility towards the country, society and environment as well as operating and controlling its business completely under the scope of laws and other related regulations. This also includes determination in driving trend for the quality development of society and environment on its own and by cooperation with the government and community. Responsibility towards society and environment must wholeheartedly and continuously be promoted to all levels of employees into becoming good and valuable citizen of the communities and society. Supports are to be given constantly to employees for participation in various activities for the communities and society in establishing good corporate culture in future. In 2017, the group of companies conducted the following CSR activities to demonstrate responsibility for society as follows:

In remembrance of His Majesty King Bhumibol Adulyadej the Great, artists of RS (Public) Company Limited such as Goong Suthirat Wongthewan, Ying Thitikarn RSiam, and Bew Pongpipat RSiam sang “Rak Por Mai Mee Wan Por Piang” along with the Public Relations Department’s band as part of the performances for the Royal Cremation Ceremony.



Artists from Channel 8 and RSiam music label, led by Bowling Pridsana Kamphousiri and Lada RSiam, joined the press conference for the “Stop Jaywalking, Start a Culture of Safety on the Street” event, organized by the Ministry of Culture and Don’t Drive Drunk Foundation, at the Rachathewi Room of the Asia Hotel Bangkok. They helped to spread awareness of safety on the road during the festive season.



The Social Welfare Council of Thailand joined the Miracle of Life Foundation to host “Miracle of Life Foundation Commemorates the 13th Anniversary of Pol. Ltd. Khun Poom Jensen” as a volunteer event for the public benefit. Activities included tree maintenance and planting at Wachirabenchatat Park (Suan Rot Fai) with actors from Channel 8, led by Ing Sittha, Nan Krittaporn, and Tanya RSiam as volunteers.



COOLfahrenheit, led and represented by Managing Director Prinn Muensuksaeng along with COOLJ Pipe Paworn Kijjaroenkarnkul, presented the proceeds from “Cool Degree Listen Well, Do Good” of 200,000 baht to Deaf Thai Foundation to support the purchase of hearing aids for impoverished deaf students.



Mungkorn Paphawin Hongkajorn, Goodwill Ambassador of the Thai Society for the Prevention of Cruelty to Animals (TSPCA), and Nan Krattaporn Hanyothin with Dr. Sathit Pratchaya-ariyakul, Acting Secretary General of the Society, stepped in to help stray dogs and cats that suffered from lack of food after the flooding in Hua Wiang, Sena district. They donated 90 crates with 7,560 cans of dog and cat food to the Livestock Office in Ayutthaya to help the animals affected by floods.



Representing Channel 8, actors Iang Sittha, Bowling Pridsana, and Nachad Kaviyanat volunteered in The “Nam Phra Thai Phra Racha Than” project organized by the National Council on Social Welfare of Thailand under Royal Patronage. They swept and cleaned the streets and distributed food in the Suan Ngoen community to honor His Majesty the King and Her Majesty Queen Sirikit (Rama 9).



The “Channel 8 Ruam Jai Chuay Isan” project with the Department of Disaster Prevention and Mitigation of Udon Thani and Khon Kaen helped Isan people affected by floods. They were joined by celebrities from Channel 8 and the RSiam music label.





Bowling Pridsana Kamphousiri and Alice RSiam presented donated funds from Thai people, who came together to donate via “Channel 8 Ruam Jai Chuay Isan Relief”, to Gen. Chatchai Sarikulya, Minister of Agriculture, to help and mitigate suffering for the people of Ubon Ratchathani.



Dr. Ong-art Singlumpong, Senior Executive Vice President of Channel 8, along with Channel 8 actors, visited and helped flood victims in Phon Na Kaeo district, Sakon Nakorn province. They brought over 400 bags of consumables, as well as monetary donations from fellow Thais, donated through the “Channel 8 Ruam Jai Chuay Isan” project, of 200,000 baht. The funds were handed to Maj. Gen. Sukpatsorn Suksaroj, Commander of the 29th Army Precinct, Camp Kist Sivara, Sakon Nakorn.



Ble Pathumrach RSiam invited everyone to make merit for fathers and donate blood at the National Blood Donation Center of the Thai Red Cross under the project “Do Good For Father by Donating Blood” to help fellow humans, especially during the holiday season when accidents often occur; the blood reserves must be at least 2,500 to 3,000 units per day.

Awards Received in 2017



LeeShare Wiyada Peerarattakun from the Channel 8 Morning News program received a Ganesha Award for Outstanding Female News Reporter from the Broadcast Journalists Association of Thailand at the 5th National Radio and Television Ganesha Awards 2017.



Ble Pathumrach RSiam earned an award on World No Tobacco Day 2017 as a presenter under the theme “smoking is evil and destroys development” from the Department of Disease Control.



Kratae RSiam won a Female Thai Country Singer Award for the song “Ror Pi Ti Baan Nok” at the “Petch Nai Paeng” awards ceremony of 2017, dubbed the “National Thai Language Day”, organized by the Office of Literature and History and the Fine Arts Department.



Bew Kalayanee RSiam was given a plaque from Mr. Nipon Petchpornprapas, Consulate General, New York, as “A Person who Benefits Others” from the Ministry of Social Development and Human Security. She also performed in the First Annual Gala Ball 1-year anniversary of the Thai American Society of New York in New York, USA.



Mod Napaphat Wattanakamonwut and lang Sittha Sapanuchart from Channel 8 received a plaque from HRH Princess Soamsawali as presenters for the campaign to refrain from alcohol during Buddhist Lent, to promote awareness of the harms of drinking alcohol and National Anti-Alcohol Day 2017, by the Department of Disease Control, Ministry of Public Health.



Channel 8 stars, news anchors and RSiam artists, led by Ble Pathumrach RSiam, Jean Gaewalin Sriwana, Bos Puttipong Klamjeenpanuwong, and LeeShare Wiyada Peerarattakun received Awards for Thai Artists for a Smoke-Free Society 2017 from the Network of Thai Health Professionals Against Smoking at the Chalm Prakit 50 Years Building of the Medical Association of Thailand. The awards recognized their work as role models, encouraging youth to stay away from smoking.



Channel 8 news anchor LeeShare Wiyada Peerarattakun from Morning News program, Duay Phakaphong and Naz Teekamporn from “Pak Tong Dong Ru” won the Best News Award for 2017 from the Daily Mirror newspaper at the meeting center of Chulabhorn Research Institute.



Naz Teekamporn Youkamnerd, presenter of business news from the show “Morning News” on Channel 8 and “Pak Tong Dong Ru”, was awarded the Petch Nam Ekkarat Nao Dee Award for Outstanding Individual Achievement for adding value to Thai society from the Support and Development of Thai Society Project of the Thanying Chantorn Charatsri Yugala Foundation.



Ja RSiam won “Best Female Folk Singer of the Year 2016” from the 6th Daradaily The Great Awards.



Kratae RSiam and Jean Gaewalin Sriwanna won recognition as “Buddhist Ambassadors, Makha Bucha Day 2017” from Chao Pra Khun Somdej Phra Puttha Jahn of Wat Trai Mittr who presided over the ceremony that was organized by the Association of Buddhist Artists of Thailand, National Buddhism Office, Ministry of Religious Affairs, and Ministry of Culture to honor Thai Buddhists who contribute to charitable causes.

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 Health and Beauty 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, produce goods for each brand under the 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

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

Experiences

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

During the Board of Directors Meeting No. 1/2018 on February 21, 2018 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. On the internal control under other topics, 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. 1/2017 on February 22, 2017 deliberated anti-corruption policies to set clear guidelines and the Board of Directors Meeting No. 1/2018 on February 21, 2018 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, 2017. 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 2017, the Company and its subsidiaries underwent related party transactions with individuals who may possess a conflict of interest from January 1, 2017 as follows:

Person who may encounter conflicts	Relationship
Mr. Surachai Chetchotisak	He is a director and holds 31.78% 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 31.78% of the shares with voting rights of the Company.
	Mr. Suwat Chetchotisak is a director and holds 14.35% of the paid-up capital of Chetchotisak Co., Ltd. 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 and Mr. Suwat 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 Chetchotisak holds 10.00% of the paid-up capital of Membership Co., Ltd. and holds 0.78% of the Company's paid-up capital and he is Mr. Surachai Chetchotisak's son.
	Mr. Chet Chetchot holds 30.00% of the paid-up capital of Membership Co., Ltd. and holds 4.37% 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, 2017.

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, 2017, the Company and its subsidiaries made payment of the office rental, common service fee, public utilities expense and other services to Chetchotisak Company Limited and Membership Company Limited in the amount of 68.74 million baht and 14.05 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 327 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 258-317 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	1.22	Jun'15	May'18	Board of Directors
2. Chetchotisak Building 2 419/2 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL Coolism Co., Ltd. Lifestar Co., Ltd.	4,645 1,200 200	1.52 0.39 0.07	Jun'15 Jun'15 Jun'15	May'18 May'18 May'18	Board of Directors
3. Chetchotisak Building 3 419/3 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL	2,242	0.73	Jun'15	May'18	Board of Directors
4. Building no. 419/4 Soi Ladphrao 15, Chatuchak, Bangkok	Membership Co., Ltd.	RS PCL R.S. Television Co., Ltd.	(Lump sum) 850	0.25 (Lump sum) 0.51 (Lump sum)	Aug'15 Jan'16	Jul'18 Dec'18	Board of Directors
5. Building no. 203/18-20 Soi Ladphrao 15, Chatuchak, Bangkok	Mr. Kriengkai Chetchotisak/ Chetchotisak Co., Ltd.	RS PCL	600	0.19 (Lump sum)	Jun'15	May'18	Board of Directors
6. Building no. 203/34-36 Soi Ladphrao 15, Chatuchak, Bangkok	Mr. Kriengkai Chetchotisak/ Chetchotisak Co., Ltd.	Thai Copyright Collection Co., Ltd.	600	0.15 (Lump sum)	Jun'15	May'18	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, 2017, the Company and subsidiaries made payment of land rental to Chetchotisak Company Limited and Chetchotisak Group of Persons in the amount of 0.33 million baht per year.

The Company and its subsidiary rented the land from the 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 - 105 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.	Lifestar Co., Ltd.	52 square meter	5,500	Jun'15	Jul'18	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 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 2017, 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 2017.

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 2017. 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 any 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, 2015, 2016 and 2017

	Consolidated financial statements					
	31 December 2015		31 December 2016		31 December 2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
Current assets :						
Cash and cash equivalents	757,112	15.6%	103,762	2.5%	230,824	5.5%
Short-term investment						
- 12-month fixed deposits	4,522	0.1%	-	-	-	-
Trade and others accounts receivable (net)	875,712	18.1%	647,567	15.6%	622,302	14.8%
Inventories (net)	163,095	3.4%	129,680	3.1%	315,635	7.5%
Value added tax	40,928	0.8%	67,630	1.6%	24,836	0.5%
Other current assets (net)	97,985	2.0%	1,483	0.1%	2,276	0.1%
Total current assets	1,939,354	40.0%	950,123	22.9%	1,195,874	28.4%
Non-current assets :						
Investments in associated company (net)	5,103	0.1%	4,104	0.1%	3,989	0.1%
Plant and equipment (net)	384,016	7.9%	473,046	11.5%	402,468	9.6%
License for operation right in spectrum						
of digital television (net)	1,802,058	37.2%	1,666,431	40.3%	1,531,085	36.4%
Intangible assets (net)	323,571	6.7%	551,610	13.3%	587,247	14.0%
Prepaid expense - non-current	-	-	35,417	0.9%	27,083	0.6%
Withholding tax (net)	130,538	2.7%	124,080	3.0%	153,555	3.6%
Deferred tax assets (net)	228,020	4.7%	303,618	7.3%	273,924	6.5%
Other non-current assets (net)	31,266	0.7%	30,860	0.7%	33,906	0.8%
Total non-current assets	2,904,572	60.0%	3,189,166	77.1%	3,013,257	71.6%
Total assets	4,843,927	100.0%	4,139,289	100.0%	4,209,130	100.0%



Consolidated financial statements

	31 December 2015		31 December 2016		31 December 2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities and equity						
Current liabilities :						
Trade and other accounts payable	1,419,374	29.3%	589,116	14.2%	815,419	19.4%
Current portion of liability under						
finance lease agreements (net)	5,865	0.1%	11,668	0.3%	11,682	0.3%
Current portion of payable for cost of license						
for operation right in spectrum						
of digital television (net)	361,675	7.5%	378,076	9.1%	176,864	4.2%
Short-term loans from financial institutions	-	-	706,000	17.1%	213,000	5.0%
Current portion of payable for long-term loans						
from financial institutions	-	-	-	-	40,000	1.0%
Provision for goods returned	14,366	0.3%	1,892	0.0%	-	-
Value added tax	48,410	1.0%	43,962	1.1%	29,758	0.7%
Accrued income tax	37,642	0.8%	22,905	0.5%	41,610	1.0%
Withholding tax payable	11,949	0.2%	15,150	0.4%	10,091	0.2%
Total current liabilities	1,899,282	39.2%	1,768,769	42.7%	1,338,425	31.8%
Non-current liabilities :						
Liabilities under finance lease agreements (net)	7,206	0.1%	24,702	0.6%	17,689	0.4%
Long-term loans from financial institution	-	-	444,060	10.7%	626,085	14.9%
Payable for cost of license for operation right						
in spectrum of digital television (net)	1,105,919	22.8%	727,843	17.6%	717,672	17.0%
Provision for other losses	1,659	0.0%	-	-	-	-
Employee benefit obligations	85,546	1.8%	97,959	2.4%	96,135	2.3%
Other non-current liabilities	17,156	0.4%	16,432	0.4%	11,068	0.3%
Total non-current liabilities	1,217,486	25.1%	1,310,996	31.7%	1,468,648	34.9%
Total liabilities	3,116,768	64.3%	3,079,765	74.4%	2,807,072	66.7%

Consolidated financial statements

	31 December 2015		31 December 2016		31 December 2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities and equity (Cont'd)						
Equity :						
Share capital						
Authorised share capital						
1,203,270,516 ordinary shares of par Baht 1 each					1,203,271	28.6%
1,013,891,880 ordinary shares of par Baht 1 each	1,013,592	20.9%				
1,009,937,646 ordinary shares of par Baht 1 each			1,009,938	24.4%		
Issued and fully paid-up share capital						
1,010,147,392 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	20.8%	1,009,938	24.4%	-	-
Premium on share capital	255,825	5.3%	255,825	6.2%	258,237	6.1%
Treasury shares	-	-	(465,275)	(11.2%)	(465,275)	(11.1%)
Difference between the purchase price of investment in subsidiaries under common control and their net book value	(16,594)	(0.3%)	-	-	-	-
Retained earnings						
Appropriated - legal reserve	91,781	1.9%	100,895	2.4%	112,972	2.7%
Appropriated - treasury share reserve	-	-	465,275	11.2%	465,275	11.1%
Unappropriated	375,901	7.8%	(317,336)	(7.7%)	15,518	0.4%
Equity attributable to owners of the parent	1,716,850	35.5%	1,049,321	25.3%	1,396,874	33.2%
Non-controlling interests	10,308	0.2%	10,203	0.2%	5,184	0.1%
Total equity	1,727,159	35.7%	1,059,524	25.5%	1,402,058	33.3%
Total liabilities and equity	4,843,927	100.0%	4,139,289	100.0%	4,209,130	100.0%

Statement of Comprehensive Income

For the Year Ended December 31, 2015, 2016 and 2017

	Consolidated financial statements					
	2015		2016		2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue						
Revenue from sales	795,468	21.8%	846,939	27.1%	1,413,407	39.9%
Revenue from services	2,808,135	76.8%	2,151,676	68.9%	2,088,275	58.9%
Total revenue from sales and services	3,603,603	98.6%	2,998,616	96.0%	3,501,682	98.8%
Other income	51,551	1.4%	123,590	4.0%	40,907	1.2%
Total revenues	3,655,154	100.0%	3,122,205	100.0%	3,542,589	100.0%
Cost of sales and services						
Cost of sales	(379,644)	(10.4%)	(405,270)	(13.0%)	(475,530)	(13.4%)
Cost of services	(2,323,358)	(63.6%)	(1,925,734)	(61.7%)	(1,667,942)	(47.1%)
Total cost of sales and services	(2,703,002)	(74.0%)	(2,331,004)	(74.7%)	(2,143,472)	(60.5%)
Expenses						
Selling expenses	(220,016)	(6.0%)	(315,635)	(10.1%)	(398,268)	(11.2%)
Administrative expenses	(531,188)	(14.5%)	(516,763)	(16.5%)	(533,853)	(15.1%)
Other expenses	(83)	0.0%	(1,907)	(0.1%)	(1,847)	(0.1%)
Total expenses	(751,287)	(20.5%)	(834,306)	(26.7%)	(933,968)	(26.4%)
Profit (loss) before finance costs and income tax	200,865	5.5%	(43,104)	(1.4%)	465,148	13.1%
Finance costs	(81,085)	(2.2%)	(83,373)	(2.7%)	(90,471)	(2.6%)
Gain from modification of payment term of license for operation right in spectrum of digital television	-	-	-	-	45,539	1.3%
Profit (loss) before income tax	119,781	3.3%	(126,477)	(4.0%)	420,216	11.9%
Income tax	12,330	0.3%	24,235	0.7%	(87,193)	(2.5%)
Profit (loss) for the year	132,110	3.6%	(102,241)	(3.3%)	333,023	9.4%
Other comprehensive income :						
Items that will not be reclassified to profit of loss						
- Remeasurements of post employment benefit obligations	-	-	-	-	15,087	0.4%
- Income tax on items that will not be reclassified	-	-	-	-	(3,017)	(0.1%)
Other comprehensive income for the year, net of tax	-	-	-	-	12,069	0.3%
Total comprehensive income for the year	132,110	3.6%	(102,241)	(3.3%)	345,093	9.7%

	Consolidated financial statements					
	2015		2016		2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Profit (loss) attributable to						
Owner of the parent	121,634	3.3%	(102,145)	(3.3%)	332,862	9.4%
Non - controlling interests	10,476	0.3%	(96)	(0.0%)	162	0.0%
	<u>132,110</u>	<u>3.6%</u>	<u>(102,241)</u>	<u>(3.3%)</u>	<u>333,023</u>	<u>9.4%</u>
Total comprehensive income attributable to						
Owner of the parent	121,634	3.3%	(102,145)	(3.3%)	344,931	9.7%
Non - controlling interests	10,476	0.3%	(96)	(0.0%)	162	0.0%
	<u>132,110</u>	<u>3.6%</u>	<u>(102,241)</u>	<u>(3.3%)</u>	<u>345,093</u>	<u>9.7%</u>
Earning (loss) per share for profit attributable to the equity holders of the parent						
Basic earning (loss) per share (Baht)	<u>0.1208</u>		<u>(0.1043)</u>		<u>0.3443</u>	
Weighted average number of Ordinary shares in issue during the year (shares)	<u>1,006,635</u>		<u>978,992</u>		<u>966,696</u>	
Diluted earning (loss) per share (Baht)	<u>0.1208</u>		<u>(0.1043)</u>		<u>0.3328</u>	
Weighted average number of common shares for calculation of diluted earnings per share (shares)	<u>1,006,635</u>		<u>978,992</u>		<u>1,000,276</u>	

Remarks : The Statement of Comprehensive Income for the year ending 31 December 2015 has been restated by the management so that it can be compared with the Statement of Comprehensive Income for the years ending 31 December 2016 and 2017.



Statement of Cash Flows

For the Year Ended December 31, 2015, 2016 and 2017

	Consolidated financial statements					
	2015		2016		2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash flows from operating activities						
Profit (loss) before income tax	119,781	15.8%	(126,477)	(121.9%)	420,216	182.1%
Adjustments:						
Depreciation and amortisation	546,667	72.2%	468,499	451.5%	558,173	241.8%
Allowance for doubtful accounts	19,176	2.5%	4,932	4.8%	(2,697)	(1.2%)
Reversal of allowance for doubtful in recoverable of withholding tax	(3,114)	(0.4%)	(1,361)	(1.3%)	-	-
Allowance for obsolete inventories (reversal)	29,915	4.0%	17,555	16.9%	(47,116)	(20.4%)
Loss from inventories destruction	3,889	0.5%	6,960	6.7%	314	0.1%
Reversal of provision for goods returned	(22,369)	(3.0%)	(12,474)	(12.0%)	(1,892)	(0.8%)
Allowance for impairment - intangible assets (reversal)	(4,490)	(0.6%)	15,153	14.6%	13,502	5.8%
Allowance for impairment - other current assets and other non-current assets (reversal)	673	0.1%	(1,010)	(1.0%)	80	0.0%
Allowance for impairment - investment in an associated company	303	0.1%	999	1.0%	115	0.1%
Reversal of provision for litigation case	(2,045)	(0.3%)	-	-	-	-
(Gain) loss on write-off plant and equipment and intangible assets	808	0.1%	456	0.4%	0	0.0%
(Gain) loss on disposal of plant and equipment and intangible assets	(744)	(0.1%)	(419)	(0.4%)	53	0.0%
Employee benefit obligations	20,194	2.7%	12,414	12.0%	13,262	5.7%
Interest income	(2,455)	(0.3%)	(1,742)	(1.7%)	(1,143)	(0.5%)
Finance costs - interest expense	81,085	10.7%	83,373	80.4%	90,471	39.2%
Gain from modification of payment term of license for operation right in spectrum of digital television	-	-	-	-	(45,539)	(19.7%)
	787,272	104.0%	466,858	450.0%	997,799	432.3%

Consolidated financial statements

	2015		2016		2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Changes in working capital						
Trade and other accounts receivable	205,862	27.2%	223,220	215.1%	27,955	12.1%
Inventories	(90,133)	(11.9%)	8,900	8.6%	(139,154)	(60.3%)
Value added tax	(24,203)	(3.2%)	(31,150)	(30.0%)	28,590	12.4%
Other current assets	(91,212)	(12.0%)	96,948	93.4%	(872)	(0.4%)
Prepaid expense - non current	-	-	(35,417)	(34.1%)	8,333	3.6%
Other non-current assets	5,189	0.7%	970	0.9%	(3,046)	(1.3%)
Trade and other accounts payable	588,867	77.8%	(879,676)	(847.8%)	201,334	87.2%
Withholding tax payable	(11,389)	(1.5%)	3,200	3.1%	(5,058)	(2.2%)
Other non-current liabilities	11,139	1.4%	(2,384)	(2.3%)	(5,364)	(2.3%)
Cash generated from operating activities before income tax paid	1,381,392	182.5%	(148,531)	(143.1%)	1,110,517	481.1%
Withholding tax refunded	12,298	1.6%	61,887	59.6%	36,250	15.7%
Income tax paid	(192,056)	(25.4%)	(120,167)	(115.8%)	(107,536)	(46.6%)
Net cash generated from (used in) operating activities	1,201,634	158.7%	(206,812)	(199.3%)	1,039,231	450.2%

Consolidated financial statements

	2015		2016		2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash flows from investing activities						
Interest income received	2,471	0.3%	1,735	1.7%	1,150	0.5%
Increase in short-term loans to related companies	(68,500)	(9.0%)	(30,000)	(28.9%)	-	-
Receipts from short-term loans to related companies	68,500	9.0%	30,000	28.9%	-	-
Decrease in short-term loans to employees	59	0.0%	-	-	-	-
Short-term investment-12-month fixed deposits	(57)	(0.0%)	4,522	4.4%	-	-
Purchases of property, plant and equipment	(88,984)	(11.8%)	(139,435)	(134.4%)	(69,184)	(30.0%)
Proceeds from disposals of property, plant and equipment	8,694	1.1%	6,949	6.7%	1,581	0.7%
Purchases of intangible assets	(274,409)	(36.2%)	(442,309)	(426.3%)	(301,415)	(130.6%)
Proceeds from disposals intangible assets	531	0.1%	-	-	0	0.0%
Net cash receipts (payments) from investing activities	(351,696)	(46.5%)	(568,539)	(547.9%)	(367,868)	(159.4%)



Consolidated financial statements

	2015		2016		2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash flows from financing activities						
Interest expense paid	(13,365)	(1.8%)	(28,400)	(27.4%)	(46,947)	(20.3%)
Proceeds from short-term loans from financial institutions	470,000	62.1%	3,046,000	2,935.6%	2,125,000	920.6%
Payments on short-term loans from financial institutions	(470,000)	(62.1%)	(2,340,000)	(2,255.2%)	(2,618,000)	(1,134.2%)
Proceeds from long-term loans from financial institutions	-	-	444,060	428.0%	222,025	96.2%
Payments on liability under finance lease agreements	(10,216)	(1.3%)	(19,266)	(18.6%)	(16,320)	(7.1%)
Advance payment of license for operation right in spectrum of digital television	(302,500)	(40.0%)	(415,000)	(399.9%)	(207,500)	(89.9%)
Dividend paid	(180,916)	(23.9%)	(100,109)	(96.5%)	-	-
Decrease in non-controlling interests from dividend payment	(11,478)	(1.5%)	(9)	(0.0%)	(493)	(0.2%)
Decrease in non-controlling interests from decrease capital	(18,750)	(2.4%)	-	-	(4,688)	(2.0%)
Proceeds from capital increase	-	-	-	-	2,622	1.1%
Receipts from resale (payments on purchase) of treasury shares	62,864	8.3%	(465,275)	(448.4%)	-	-
Net cash receipts (payments) from financing activities	(474,361)	(62.6%)	122,001	117.6%	(544,300)	(235.8%)
Net increase (decrease) in cash and cash equivalents	375,576	49.6%	(653,350)	(629.6%)	127,062	55.0%
Cash and cash equivalents, opening balance	381,535	50.4%	757,112	729.6%	103,762	45.0%
Cash and cash equivalents, closing balance	757,112	100.0%	103,762	100.0%	230,824	100.0%
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	
Outstanding payables as at 31 December arising from purchases of property, plant and equipment during the year	9,039		28,752		2,082	
Outstanding payables as at 31 December arising from purchases of intangible assets during the year	-		28,928		80,386	
Payable as at 31 December arising from purchase of property, plant and equipment under finance lease agreement during the year	9,960		41,278		7,634	
Decrease in treasury shares	(52,347)		-		-	
Decrease in premium on share capital from decreasing in treasury shares	39,939		-		-	

Key Financial Ratios

	Consolidated financial statements		
	2015	2016	2017
Liquidity Ratios			
Current Ratio (time)	1.02	0.54	0.89
Quick Ratio (time)	0.75	0.34	0.55
Cash Flows from Operating Ratio (time)	0.75	-0.11	0.67
Receivable Turnover Ratio (time)	4.70	5.14	7.03
Collection Days (day)	78	71	52
Inventory Turnover Ratio (time)	16.85	11.91	8.34
Average Number of Days Sales (day)	22	31	44
Account Payable Turnover Ratio (time)	17.79	15.58	9.95
Payment Days (day)	21	23	37
Cash Cycle (day)	79	79	59
Profitability Ratios			
Gross Profit Margin (%)	24.99%	22.26%	38.79%
Operating Profit Margin (%)	4.14%	-5.56%	12.12%
Operating Cash Flows to Operating Profit Ratio (%)	804.77%	N/A	244.96%
Net Profit Margin (%)	3.33%	-3.27%	9.40%
Return on Equity (%)	7.09%	-7.39%	27.21%
Efficiency Ratios			
Return on Asset (%)	4.26%	-0.96%	11.14%
Return on Fixed Asset (%)	53.21%	0.53%	103.24%
Assets Turnover (time)	0.78	0.70	0.85
Leverage Ratios			
Debt to Equity Ratio (time)	1.82	2.94	2.01
Interest Coverage Ratio (time)	2.48	-0.52	5.14
Debt Service Coverage Ratio (Cash basis) (time)	2.10	-0.32	1.35
Dividend Payout Ratio (%)	83.03%	-	-
Per Share			
Book Value per Share (baht)	1.7102	1.0961	1.4501
Earnings (loss) per Share (baht)	0.1208	-0.1043	0.3443

Management Discussion and Analysis

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

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

Overall Business

In 2017, Health and Beauty business (H&B) of the Company enjoyed historically high revenue and profit growth, experiencing six times the growth from 2016. The outlook for continuous growth remains, despite the overall stagnation of the economy. The Company focuses on sales via a variety of its media channels, including digital television, satellite television channels, radio station, and online media. These channels are considered to be a strength and primary competency that the Company has developed all along, exceeding that of their main competitors in the market. Moreover, the customer database, which has grown each month, has been managed effectively and more systematically. The Company also developed an after-sales system to promptly meet customers’ needs, and it can also help increase sales. The introduction of more products, both by the Company itself and by its partners, as well as the launching of promotions that are suitable for the target market, have significantly increased sales in the past year. Such growth is likely to continue.

Overall television industry in 2017 experienced yet another contraction when compared to the same period in 2016, with exception of Digital TV sub-segment which saw a growth. If considering advertising expenditures (ADEX) through new digital TVs, according to the survey conducted by AGB Nielsen Media Research (Thailand), ADEX used in 2017 compared with those in 2016 decreased by 5,208 million baht. However, it increased by 1,514 million baht or 7.4 percent as consistent with shares of viewers of new digital TVs which increased to 46.7 percent in December 2017 compared with 43.7 percent in December 2016. The Company’s digital TV

or “Channel 8” has improved from the same period in 2016 thanks to its higher viewership rating by 30 percent from news programs, sports programs, international and Thai drama series. The rating in December increased to 0.65 up from 0.51 in December 2016 (viewers aged 4+ in 24 hours’ period), resulting in higher 2017 advertisement booking in Channel 8.

Summary of 2017 Performance

The consolidated financial statements of the Company for the year ended December 31, 2017 show net profit attributable to the parent company in the amount of 332.9 million baht from a net loss of 102.1 million baht given the increase in 2 main businesses, including revenue from Health and Beauty business and from Channel 8. Gross profit margin increased to 38.8 percent compared to 22.3 percent in 2016. Cost-to-sales ratio decreased due to the efficient cost management of Health and Beauty business.

Summary of Operating Results by Business Category

Revenue

Revenue from sales and services in 2017 in the amount of 3,501.7 million baht on a net basis which increased from the same period in the previous year by 503.1 million baht or 16.8 percent. This can be explained according to the following business segments.

Unit : million baht	Year 2016		Year 2017		Change	
	amount	%	amount	%	amount	(y-y)
Revenue from health and beauty business	227.7	7.6	1,389.1	39.7	1,161.4	509.9%
Revenue from media business	1,694.8	56.5	1,703.5	48.6	8.7	0.5%
Revenue from music business	320.0	10.7	254.5	7.3	-65.5	-20.5%
Revenue from event business	748.7	25.0	154.6	4.4	-594.2	-79.4%
Revenue from other services	7.3	0.2	-	-	-7.3	-100.0%
Revenue from sales and services	2,998.6	100.0	3,501.7	100.0	503.1	16.8%

Revenue from Health and Beauty Business

Revenue from health and beauty business comprised the revenue from skincare products under the brand “Magique”, haircare products under the brand “Revive” and food supplement products under the brand “S.O.M.”. The revenue in 2017 is 1,389.1 million baht, an increase from the same period in 2016 by 1,161.4 million baht or 509.9 percent. The Company exercises its key strength effectively through its own digital television, satellite television channels, radio station and online media at www.shop1781.com and @Shop1781 (LINE SHOP). In addition, growing customer database every month has been managed in a systematic manner and the Company has also developed an after-sales system to help increase sales. The expansion in numbers of the Company’s own products and partner’s products is to maximize the Company’s telesales channels. As a result, the 2017 sales volume had increased continuously in line with the Company’s plan.



Revenue from Media Business

Revenue from the media business consisted of revenues from television and radio businesses. In 2017, the Company earned 1,703.5 million baht from the overall media business which increased by 8.7 million baht or 0.5 percent from 2016. However, the revenue from Channel 8 increased while the revenue from satellite television and radio decreased due to shrinkage of overall industry.

Television Media Business

The revenue from television business consisted of revenue from Digital Terrestrial Television (DTT) channel in Standard Definition Category including “Channel 8” and from satellite television channels, namely, “Channel 2” and “Sabaidee TV”.

Overall, revenue from the television media business in 2017 increased slightly due to the increase in revenue from Channel 8, which was able to secure long-term contracts and sell more for advertising time slot throughout the year. This was due to its highly popular programming, including those in the news category that are among the highest ranking shows, led by morning news and evening news, as well as other popular news programs following the concept “Easy to Watch, Easy to Understand”. Sport programs include “8 Max Muay Thai” and “The Champion”. In addition, the channel benefited from gaining the license to broadcast live international-level boxing. Another important feature included foreign series namely “Siya Ke Ram” and “Sankat Mochan Mahabali Hanumaan”. Channel 8 edited the content to be more concise, along with sound dubbing and localization of the music to better align with Thai tastes. As such, viewership reached over 3 million people, creating a fever pitch and smashing rating records among foreign series. As for new Thai drama series in 2017, there were eight shows, including “Rabam Fai”, “Chaloei Suek”, “Ngao Saneha”, “Game Payabaht”, “Plerng Rak Fai Man”, “Sai Yom Si”, “Jai Luang” and “Ngao Arthan”. Channel 8 also boosted the richness of its programming with a range of variety shows such as “Krua Lan Thung”, “Supta Talat Taek”, “Eung Teung Siew” and “The Guest Tee Sanit Khon Dang”. Given the diversity of the popular programs, Channel 8 enjoyed being among the top ranks in the country’s ratings, based on the research conducted by AGB Nielsen Media Research (Thailand).

Radio Media Business

Revenue from the radio media business was derived from “COOLfahrenheit”. Overall, revenue from the radio media business this year decreased 9.6 percent from the previous year. This is attributed to effects of the contracting radio media industry. Nevertheless, from the survey result of AGB Nielsen Media Research (Thailand), COOLfahrenheit retains its popularity, enjoying a number one ranking in the Easy Listening category and a number two ranking nationwide. This comprised a large re-branding effort that transformed it into a complete digital music station, delivering listeners content via on air and online platforms. COOLfahrenheit marks the first and only station at this time to calibrate its online results in a transparent and accurate manner. This has helped the listener base reach over 5 million people. Also, the station has been able to use advertising budgets on online media, which is growing. In 2017, activities for listeners such as “COOL Music Alive”, “COOL Outing”, “Ink Eat Around The World” and “Ink Eat All Around Year 7” continue to remain popular.

Revenue from Music Business

Revenue from the music business comprises revenue from the digital business, copyright collection and artist management. This year, the Company earned 254.5 million baht in total revenue, a decrease of 65.5 million baht from last year or 20.5 percent. This was due to the changing behavior of consumers who are increasingly accessing music via online channels. Revenue increased as a result of users who listen to music via online sources such as YouTube, Joox or Spotify. However, the increase was not sufficient to offset the loss of revenue from traditional channels. Nevertheless, after the restructuring of the business and efficient cost controls, the music business was able to better generate profits compared to 2016.

Revenue from Event Business

Revenue from the contract productions business comprises revenue from organizing concerts and marketing activities for various media owned by the Company. The revenue in 2017 amounted to 154.6 million baht, a decrease of 594.2 million baht from the

previous year or 79.4 percent. This was due to the fact that, in 2016, there was revenue from a one-time large-scale production that had a relatively higher value as well as a concert “Love Laugh Cry with 9 Men”. In 2017, main revenue was from in-house concerts namely “Sabaidee Si Mum Mueang”, “Sabaidee Sanjon”, “Sabaibee Saap Sing Isan Talad Taek” “Siang Sawan On Tour” and “Channel 8 Phob Phoen”.

Cost of Sales and Services

Cost of sales and services of 2,143.5 million baht decreased from the same period in 2016 by 187.5 million baht or 8.0 percent. This was mainly due to drop in revenue from satellite television, radio businesses and one-time large-scale production business in 2016.

Selling and Administrative Expenses, Other Expenses and Finance Costs

Selling and administrative expenses of 932.1 million baht increased from the same period in 2016 by 99.7 million baht or 12.0 percent. This was mainly due to the increase of revenue ratio of health and beauty business. However, cost-to-sale ratio decreased due to the efficient cost management.

Financial costs of 90.5 million baht, rose by 7.1 million baht or 8.5 percent. This was derived mainly from a long-term loan for DTT license fee payment installments.

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

	2016	2017
Gross Profit Margin	22.26%	38.79%
Net Profit Margin	-3.27%	9.40%
Return On Equity (ROE)	-7.39%	27.21%

In 2017, the Company experienced an increase in gross profit margin, net profit margin, and return on shareholders' equity, compared to the previous year. This was mainly due to growth in revenue from the Group's Health and Beauty business, as well as improved results of the Group's Media business.

Assets

Asset Components

As of December 31, 2017 the Company had assets totaling 4,209.1 million baht; of that figure, current assets accounted for 28.4 percent and non-current assets made up 71.6 percent. Core assets included the DTT license, accounting for 36.4 percent, trade accounts receivable and other receivables (net) of 14.8 percent, intangible assets (net) of 14.0 percent, buildings and equipment (net) of 9.6 percent, inventories (net) of 7.5 percent, and others in the portion of 17.7 percent.

Total assets as of December 31, 2017 in the amount of 4,209.1 million baht increased by 1.7 percent from the previous year; this was mainly due to the increase in inventory by 143.1 percent from the stocking of health and beauty products to support the plans for sales growth. Also, cash and cash equivalents increased by 122.5 percent, which were received from operations that were more efficient. However, during the year, the DTT license was amortized in the amount of 135.3 million baht.

Quality of the Assets

Trade Accounts Receivable – Others (net)

Unit : million baht	2016	2017
Current	266.0	301.7
Less than 3 months	205.9	188.1
3 – 6 months	13.5	3.1
6 – 12 months	3.5	6.5
Over 12 months	70.7	60.9
Total	559.6	560.3
Less: Allowance for doubtful accounts	-63.4	-60.0
Trade accounts receivable – others (net)	496.2	500.3
Receivable turnover ratio (time)	5.14	7.03
Collection days (day)	71	52
Allowance for doubtful accounts / Trade accounts receivable – others	11.3%	10.7%

As of December 31, 2017 the Company had trade accounts receivables - others (net) of 500.3 million baht, which marked a small increase from the previous year by 4.1 million baht or 0.8 percent in 2017. The Company enjoyed revenue from sales and services that increased from the previous year by 503.1 million baht, but trade accounts receivable only increased slightly as the bulk of the sales increase came from the Health and Beauty business, which is heavily cash based. This has caused the trade accounts receivable in 2017 to not increase on par with the increase in revenue. Nevertheless, for the Media business and other businesses, the trade accounts receivable were from normal activities; the Company may have partial advance collection terms or extend credit terms that are 60 to 90 days on average, depending on the type of sale or service.

From the above table, the Company's average collection period in 2017 was 52 days, which decreased from 2016's 71 days due to the increased selling of goods for cash as well as the more effective management of accounts receivable. Also, over 80 percent of the outstanding debts consisted of debts in the Group that are not yet due and shall be due in less than 3 months' time. This remains in line with the Company's credit policy of extending the average terms to around 60 to 90 days.

Nevertheless, the Company has a policy to regularly review and consider the allowance for doubtful accounts for accounts receivable that have defaulted over every accounting period. This allows the expected value of the accounts receivable to be reflected in the financial statements using the debt valuation method. Assessments cover the debtors that are likely to have difficulty making payments and problems of debt collection. The value of the debt will be used to determine the total debt of the debtor owed to the Company, including strict measures for the collection of the debt from the debtor.

Inventories (net)

Unit : million baht	2016	2017
Inventories	187.7	326.5
Less: Allowance for obsolete inventories	-58.0	-10.9
Inventories (net)	129.7	315.6
Inventory turnover ratio (time)	11.91	8.34
Average number of days sales (day)	31	44
Allowance for obsolete inventories / Inventories	30.9 %	3.3 %

As of December 31, 2017 inventories (net) consisted of finished goods in the health and beauty category, and works in progress like television programs, marketing activities, and others, with a total value of 315.6 million baht. This reflected an increase of 185.9 million baht from last year or 143.4 percent, mostly from products in the Health and Beauty business.

In 2017, the Company had an average sales period of 44 days, a small increase from last year's 31 days. This was due to the increased product stocking plans for the Health and Beauty business in response to anticipated future sales growth. However, the Company has a policy to control inventories at an appropriate and sufficient level, which is aligned with the sales and marketing plans, making sales and logistical operations work efficiently together.

However, the Company has a policy to regularly review the value of inventories in each accounting period, so that the total value of inventories is documented on the financial statements and the anticipated future benefits are accurately showed. In 2017, the Company's ratio for allowance for obsolete goods and value of inventories was 3.3 percent, a decrease from last year, which had a ratio of 30.9 percent. There was a reversal of the allowance for obsolete inventories for the "SUN BOX" set-top boxes that were sold.

Intangible Assets (net)

Unit : million baht	2016	2017
Cost	1,933.7	2,277.2
Less: Accumulated amortisation	-1,038.4	-1,340.5
Allowance for impairment of assets	-343.7	-349.5
Intangible assets (net)	551.6	587.2

As of December 31, 2017 intangible assets (net) consisted of drama series licenses, song licenses, computer software programs and others, valued at 587.2 million baht, up from last year by 35.6 million baht or 6.5 percent. This was from the increase in drama content, foreign series, and computer software that supports operations in various fields.

The allowances for impairment at the end of 2017 in the amount of 349.5 million baht reflected a slight increase from the previous year. This was mainly from the recording of the allowance for impairment of copyrighted songs with undetermined useful lives. The Company thus no longer amortized such licenses but instead used tests of impairment. However, the Company maintains a policy to regularly review the total expected worth of all types of intangible assets during every accounting period. This is to reduce risk that the values stated in the financial statements are higher than the expected values and economic benefits expected to be received in the future.

Liquidity

Cash Flow

Unit : million baht	2016	2017
Cash flow from operating activities	-206.8	1,039.2
Cash flow from investing activities	-568.5	-367.8
Cash flow from financing activities	122.0	-544.3
Net increase (decrease) in cash and cash equivalents	-653.3	127.1
Cash and cash equivalents, closing balance	103.7	230.8

For the year ending December 31, 2017 the Company had cash and cash equivalents in the amount of 230.8 million baht, an increase of 127.1 million baht from the previous year. Cash flow from operating activities increased by 1,039.2 million baht, largely from the greater sales of health and beauty products. Meanwhile, the total cash used in investing activities was 367.8 million baht; investments were in drama content and foreign series that were broadcasted on Channel 8. Cash used for financial activities amounted to 544.3 million baht; this was mostly from the repayment of short-term loans of 493.0 million baht. Also, during the year, the Company had an increase of 222.0 million baht in long-term loans, which were used to pay for the DTT license.

Key Liquidity Ratios

	2016	2017
Current Ratio (time)	0.54	0.89
Quick Ratio (time)	0.34	0.55
Collection days (day)	71	52
Average number of days sales (day)	31	44
Payment days (day)	23	37
Cash cycle (day)	79	59

In 2017, the Company had a current ratio and a quick ratio of 0.89 times and 0.55 times, respectively. This represented an increase over 2016, where the ratios were 0.54 times and 0.34 times, respectively, reflecting results over a period of greater operational efficiency. The Company had more and sufficient cash and was thus able to repay its short-term loans; the Company also had increased current assets and decreased current liabilities. Also, in 2017, the Company had an average cash cycle of 59 days, a decrease from the previous year's cash cycle of 79 days as they were able to collect debts faster and manage credit more efficiently.

Sources of Funds

Liabilities, Equity and Debt to Equity Ratio

Unit : million baht	2016	2017
Short-term loans from financial institution	706.0	213.0
Long-term loans from financial institution	444.1	666.1
Payable for cost of license for operation right in spectrum of digital television (net)	1,105.9	894.5
Other current liabilities	684.7	908.6
Other non-current liabilities	139.1	124.9
Total liabilities	3,079.8	2,807.1
Equity attributable to owners of the parent	1,049.3	1,396.9
Debt to equity ratio (time)	2.94	2.01

As of December 31, 2017 the Company had total liabilities of 2,807.1 million baht, a decrease of 272.7 million baht from last year or 8.9 percent. The main changes were the decline in short-terms loans from financial institutions in the amount of 493.0 million baht while other current liabilities increased by 223.9 million baht. This was mainly from creditors of goods in the Health and Beauty category. Long-term loans from financial institutions increased by 222.0 million baht, which were used to pay for the DTT license.

As of 31 December 2017, the Company's share in the parent company was 1,396.9 million baht, an increase of 347.6 million baht from last year or 33.1 percent, from the increase of profit during the period of 332.9 million baht.

In 2017, the ratio of debt to shareholders' equity was 2.01 times, which decreased from 2.94 times in 2016. The debt reduction was mainly from the repayment of short-term loans and the increase of the portion of the parent company's owner from increased operating results over the year.

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

In 2018, the Health and Beauty business plans to expand more into the commercial segment in order to most effectively manage advertising time slot of the Company's media channels, introducing an even wider variety of products. This includes personal, home and lifestyle products. The Company has negotiated with many of its business allies to advertise and sell quality products through the telesales channel of the Company. As for health and beauty products, there will be an expansion in the product types for a more comprehensive offering, from products that address specific issues to those that better fulfill consumer demand. The Company has developed an after-sales service team to steadily boost orders and sales. It will also strengthen its online channel, with the unveiling of new features in this area.

In 2018, Channel 8, which experienced great success with an average 0.65 percent rating this past December, expects to see its news programs and new foreign series, following the widely successful "Sankat Mochan Mahabali Hanumaan" series, to be even more well received by audiences. New type of variety show with rich content is also expected to bolster ratings and meet the goals of the revised advertising rate schedule in 2018.

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 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 authorised auditors for the consolidated financial statements of 2017 on the company and subsidiaries that the company's the financial position and the result of operation presents fairly in conformity with generally accepted accounting principles.



(Surachai Chetchotisak)
Chairman /
Chief Executive Officer

Audit Committee Report

To Shareholders,
RS Public Company Limited

In 2017, 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 2017 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 2017 the Audit Committee held 4 meetings, including those with external auditors without executives or management presence, in order to be well-informed all problems and concerns from audit findings. In addition, the Audit Committee has self-assessed the Audit Committee performance for 2017.

The Audit Committee also nominated PricewaterhouseCoopers ABAS Ltd. to be chosen as external auditor for 2018 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.



(Phisit Dachanabhirom)
Chairman of the Audit Committee



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 2017, 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 2017;
- 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>Valuation of the licence for operation right in spectrum of digital television</p> <p><i>Refer to note 14 Licence for operation right in spectrum of digital television (net) to the consolidated and company financial statements</i></p> <p>As at 31 December 2017, the Licence for operation right in spectrum of digital television was valued at Baht 1.53 billion 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 evaluated the impairment loss on the Licence for operation right in spectrum of digital television and found that no impairment loss needed to be recorded this year.</p> <p>I focused on the impairment test of the Licence for operation right in spectrum of digital television because it is a significant amount and significant assumptions were made by management to determine the overall growth rates and discount rates. 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"> • Evaluating and challenging management on the Group's cash flow forecast and the process by which it was drawn up, and testing the underlying values used in the calculations. • Comparing the Group's current year cash flow forecast to the previous year and evaluating significant amendments. Comparing the Group's cash flow forecast to the actual result for the year. • 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 whether they are achievable over the relevant period by comparing the revenue growth rates to economic and industry forecasts. • Testing the appropriateness of the discount rate applied to the cost of capital for the Group and the actual interest rate. • Performing a sensitivity analysis around the revenue growth rate and discount rate to determine the extent of change in those assumptions that would be required for the Licence for operation right in spectrum of digital television to be impaired. <p>As a result of 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 and an allowance for impairment was not required.</p>

Key audit matters**How my audit addressed the key audit matters****Deferred tax assets recognised from tax losses carried forward**

Refer to note 17 Deferred tax assets (net) to the consolidated and company financial statements

At 31 December 2017, the Group had deferred tax assets of Baht 274 million, of which Baht 127.5 million relates to deferred tax assets recognised from tax losses carried forward by the Company and the subsidiaries.

The Group recognised the deferred tax assets from tax losses carried forward to the extent that it was probable that future taxable profits will allow the deferred tax assets to be used. Management prepared financial projections which included the future taxable profit to support the recoverability of the deferred tax assets from the tax losses carried forward. The key assumptions included the revenue and profit growth rates, which may impact these projections.

I focused on this area because the amounts are significant to the financial statement. The estimation of future taxable profits is complex and the key assumptions involve significant judgement by management in assessing the future taxable profit.

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:

- assessed the available tax losses carried forward by considering their expiry periods together with any applicable provisions of the Revenue Code regarding the recovery of deferred tax assets. And evaluated the arithmetical accuracy in the tax computation and projection.
- evaluated and challenged management's assumptions used in the five-year business plan including expiry periods set by applicable tax laws, assumptions for future growth that were driven by revenue, and profit growth rates. The revenue growth rates in the business plan were compared to economic and industry forecasts.

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.

Key audit matters

How my audit addressed the key audit matters

Recognition of amortisation of production cost of drama series

Refer to note 2.10 intangible assets to the consolidated and company financial statements

At 31 December 2017, the Group presented the production cost of a drama series of Baht 316 million, as an intangible asset. This represents 54% of the total intangible assets. The production cost was carried at cost less accumulated amortisation and was amortised based on the expected pattern of consumption of the future economic benefits embodied in the assets.

Management divided the production cost 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.

I focused on the amortisation method 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 cost was a significant amount to the financial statements.

I understood and tested the amortisation method by performing these procedures:

- Assessed 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.
- Evaluated the actual consumption of certain drama series by comparing them to the channel's on-air schedule used in the calculation of the amortisation expense.
- Evaluated the arithmetical accuracy of the calculation.

Based on the available evidence, I consider management's judgement to be reasonable and within an acceptable range.

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
21 February 2018



RS Public Company Limited
Statement of Financial Position
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	230,823,831	103,761,958	29,268,469	23,739,791
Trade and others accounts receivable (net)	8	622,302,372	647,567,198	461,028,178	568,171,986
Short-term loans to related companies (net)	34 d)	-	-	841,700,000	577,700,000
Inventories (net)	9	315,635,411	129,679,765	2,646,381	3,525,818
Value added tax	22	24,836,068	67,630,189	-	-
Other current assets (net)	10	2,275,876	1,483,466	620,355	326,904
Total current assets		1,195,873,558	950,122,576	1,335,263,383	1,173,464,499
Non-current assets					
Trade accounts receivable					
- related company - non-current	8	-	-	-	291,364,640
Investments in subsidiaries (net)	11	-	-	555,909,254	581,361,593
Investments in an associated company (net)	12	3,988,995	4,103,678	-	-
Plant and equipment (net)	13	402,467,819	473,046,349	370,491,352	450,699,505
License for operation right in spectrum					
of digital television (net)	14	1,531,084,848	1,666,431,413	-	-
Intangible assets (net)	15	587,247,391	551,610,176	145,938,925	142,171,290
Prepaid expense - non-current		27,083,333	35,416,667	-	-
Withholding tax (net)	16	153,554,601	124,080,113	90,014,129	55,838,141
Deferred tax assets (net)	17	273,923,902	303,617,658	119,457,000	94,574,938
Other non-current assets (net)	18	33,905,738	30,859,926	30,549,040	27,713,927
Total non-current assets		3,013,256,627	3,189,165,980	1,312,359,700	1,643,724,034
Total assets		4,209,130,185	4,139,288,556	2,647,623,083	2,817,188,533

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements

RS Public Company Limited
Statement of Financial Position
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other accounts payable	19	815,418,868	589,116,455	284,267,502	264,066,264
Current portion of liability under finance lease agreements (net)	20	11,681,888	11,667,631	11,681,888	11,667,631
Current portion of payable for cost of license for operation right in spectrum (net)	14	176,864,317	378,075,913	-	-
Short-term loans from financial institutions	21	213,000,000	706,000,000	213,000,000	598,000,000
Short-term loans from related companies	34 e)	-	-	121,827,125	140,400,000
Current portion of payable for long-term loans from financial institutions	23	40,000,000	-	-	-
Provision for goods returned		-	1,891,930	-	-
Value added tax	22	29,758,153	43,962,189	20,614,565	33,707,868
Accrued income tax		41,610,288	22,905,356	-	-
Withholding tax payable		10,091,089	15,149,577	5,546,049	4,989,690
Total current liabilities		1,338,424,603	1,768,769,051	656,937,129	1,052,831,453
Non-current liabilities					
Liabilities under finance lease agreements (net)	20	17,688,912	24,702,002	17,688,912	24,702,002
Long-term loans from financial institution	23	626,085,000	444,060,000	-	-
Payable for cost of license for operation right in spectrum of digital television (net)	14	717,671,638	727,842,925	-	-
Employee benefit obligations	24	96,134,656	97,959,294	72,801,538	84,092,281
Other non-current liabilities	25	11,067,587	16,431,623	879,874	10,832,374
Total non-current liabilities		1,468,647,793	1,310,995,844	91,370,324	119,626,657
Total liabilities		2,807,072,396	3,079,764,895	748,307,453	1,172,458,110

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements



RS Public Company Limited
Statement of Financial Position
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
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	
1,009,937,646 ordinary shares					
of par Baht 1 each			1,009,937,646		1,009,937,646
Issued and fully paid-up share capital					
1,010,147,392 ordinary shares					
of par Baht 1 each		1,010,147,392		1,010,147,392	
1,009,937,646 ordinary shares					
of par Baht 1 each			1,009,937,646		1,009,937,646
Premium on share capital	26.1	258,236,895	255,824,816	258,236,895	255,824,816
Treasury shares	26.6	(465,274,840)	(465,274,840)	(465,274,840)	(465,274,840)
Retained earnings					
Appropriated - legal reserve		112,971,941	100,894,958	112,971,941	100,894,958
Appropriated - treasury share reserve		465,274,840	465,274,840	465,274,840	465,274,840
Unappropriated		15,517,712	(317,336,467)	517,959,402	278,073,003
Equity attributable to owners of the parent		1,396,873,940	1,049,320,953	1,899,315,630	1,644,730,423
Non-controlling interests		5,183,849	10,202,708	-	-
Total equity		1,402,057,789	1,059,523,661	1,899,315,630	1,644,730,423
Total liabilities and equity		4,209,130,185	4,139,288,556	2,647,623,083	2,817,188,533

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements

RS Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenue					
Revenue from sales		1,413,406,904	846,939,326	468,940	611,334,628
Revenue from services		2,088,275,276	2,151,676,257	658,870,040	792,298,352
Total revenue and services income		3,501,682,180	2,998,615,583	659,338,980	1,403,632,980
Cost of sales		(475,530,387)	(405,269,867)	(238,400)	(310,213,657)
Cost of services		(1,667,942,020)	(1,925,733,697)	(572,332,608)	(805,457,075)
Total cost of sales and services		(2,143,472,407)	(2,331,003,564)	(572,571,008)	(1,115,670,732)
Gross profit		1,358,209,773	667,612,019	86,767,972	287,962,248
Other income	28	40,906,581	123,589,627	723,917,238	444,284,393
Profit before expenses		1,399,116,354	791,201,646	810,685,210	732,246,641
Selling expenses		(398,268,164)	(315,635,017)	(134,940,259)	(102,142,791)
Administrative expenses		(533,852,730)	(516,763,250)	(438,569,053)	(427,375,121)
Reversal of allowance for impairment on investments in subsidiaries		-	-	(2,132,441)	11,870,455
Other expenses	29	(1,847,151)	(1,907,295)	(1,388,765)	(2,057,180)
Finance costs	31	(90,471,386)	(83,372,848)	(19,454,519)	(16,065,241)
Gain from modification of payment term of license for operation right in spectrum of digital television		45,539,315	-	-	-
Profit (loss) before income tax		420,216,238	(126,476,764)	214,200,173	196,476,763
Income tax	32	(87,192,943)	24,235,322	27,339,481	(14,197,440)
Profit (loss) for the year		333,023,295	(102,241,442)	241,539,654	182,279,323
Other comprehensive income:					
Item that will not be reclassified to profit or loss					
Remeasurements of post employment benefit obligations		15,086,776	-	13,029,660	-
Income tax on items that will not be reclassified		(3,017,355)	-	(2,605,932)	-
Other comprehensive income for the year, net of tax		12,069,421	-	10,423,728	-
Total comprehensive income for the year		345,092,716	(102,241,442)	251,963,382	182,279,323

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements



RS Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit (loss) attributable to					
Owners of the parent		332,861,741	(102,145,200)	241,539,654	182,279,323
Non - controlling interests		161,554	(96,242)	-	-
		<u>333,023,295</u>	<u>(102,241,442)</u>	<u>241,539,654</u>	<u>182,279,323</u>
Total comprehensive					
income attributable to					
Owners of the parent		344,931,162	(102,145,200)	251,963,382	182,279,323
Non - controlling interests		161,554	(96,242)	-	-
		<u>345,092,716</u>	<u>(102,241,442)</u>	<u>251,963,382</u>	<u>182,279,323</u>
Earning (loss) per share for profit					
attributable to the					
equity holders of the parent					
Basic earning (loss) per share (Baht)	33.1	<u>0.3443</u>	<u>(0.1043)</u>	<u>0.2499</u>	<u>0.1862</u>
Diluted earning (loss) per share (Baht)	33.2	<u>0.3328</u>	<u>(0.1043)</u>	<u>0.2415</u>	<u>0.1862</u>

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements

RS Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements (Baht)

For the year ended 31 December 2016

Attributable to owners of the parent

	Notes	Difference between the purchase price of investments in subsidiaries under common control and their net book value										Total
		Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Legal reserve	Retained earnings		Unappropriated	Total owners of the parent	Non-controlling interests		Total
						Appropriated	Treasury shares reserve					
Opening balance as at 1 January 2016		1,009,937,646	255,824,816	-	(16,593,840)	91,780,991	-	375,900,765	1,716,850,378	10,308,400	1,727,158,778	
Changes in equity for the year												
Resale of treasury shares	26.6	-	-	(465,274,840)	-	-	-	-	(465,274,840)	-	(465,274,840)	
Treasury shares reserve		-	-	-	-	-	465,274,840	(465,274,840)	-	-	-	
Difference between the purchase price of investments in subsidiaries under common control and their net book value		-	-	-	16,593,840	-	-	(16,593,840)	-	-	-	
Legal reserve		-	-	-	-	9,113,967	-	(9,113,967)	-	-	-	
Dividends payment	27	-	-	-	-	-	-	(100,109,385)	(100,109,385)	(9,450)	(100,118,835)	
Net profit for the year		-	-	-	-	-	-	(102,145,200)	(102,145,200)	(96,242)	(102,241,442)	
Closing balance as at 31 December 2016		1,009,937,848	255,824,816	(465,274,840)	-	100,894,958	465,274,840	(317,336,467)	1,049,320,953	10,202,708	1,059,523,661	

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements



RS Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2017

Consolidated financial statements (Baht)

		For the year ended 31 December 2017									
		Attributable to owners of the parent									
		Difference between the purchase price of investments in subsidiaries under common control and their net book value		Retained earnings			Total owners of the parent		Non-controlling interests		Total
		Authorised, issued and fully paid-up share capital	Share premium	Treasury shares		Legal reserve	Appropriated shares reserve	Unappropriated	Total owners of the parent	Non-controlling interests	Total
Notes											
	Opening balance as at 1 January 2017	1,009,937,846	255,824,816	(465,274,840)	-	100,894,958	465,274,840	(317,336,467)	1,049,320,953	10,202,708	1,059,523,661
	Changes in equity for the year										
	Increase share capital	26.5	209,746	-	-	-	-	-	2,621,825	-	2,621,825
	Difference between the purchase price of investments in subsidiaries under common control and their net book value		-	-	-	-	-	-	-	(4,687,500)	(4,687,500)
	Legal reserve		-	-	-	12,076,983	-	(12,076,983)	-	-	-
	Dividends payment		-	-	-	-	-	-	-	(492,913)	(492,913)
	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		1,010,147,392	258,236,895	(465,274,840)	-	112,971,941	15,517,712	1,396,873,940	5,183,849	1,402,057,789

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements

RS Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2017

		Separate financial statements (Baht)						
		For the year ended 31 December 2016						
		Attributable to owners						
	Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings		Total	
					Appropriated			Unappropriated
					Legal reserve	Treasury shares reserve		
Opening balance as at 1 January 2016		1,009,937,646	255,824,816	-	91,780,991	-	670,291,872	2,027,835,325
Changes in equity for the period								
Resale of treasury shares	26.6	-	-	(465,274,840)	-	-	-	(465,274,840)
Treasury shares reserve		-	-	-	-	465,274,840	(465,274,840)	-
Legal reserve		-	-	-	9,113,967	-	(9,113,967)	-
Dividend payment	27	-	-	-	-	-	(100,109,385)	(100,109,385)
Net profit for the year		-	-	-	-	-	182,279,323	182,279,323
Closing balance as at 31 December 2016		1,009,937,646	255,824,816	(465,274,840)	100,894,958	465,274,840	278,073,003	1,644,730,423

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements

RS Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2017

Separate financial statements (Baht)								
For the year ended 31 December 2017								
Attributable to owners								
	Note	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings			Total
					Appropriated		Unappropriated	
					Legal reserve	Treasury shares reserve		
Opening balance as at 1 January 2017		1,009,937,646	255,824,816	(465,274,840)	100,894,958	465,274,840	278,073,003	1,644,730,423
Changes in equity for the period								
Resale of treasury shares	26.6	209,746	2,412,079	-	-	-	-	2,621,825
Treasury shares reserve		-	-	-	12,076,983	-	(12,076,983)	-
Legal reserve								-
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
Closing balance as at 31 December 2017		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 note on page 125 to 180 are an integral of these consolidated and separate financial statements

RS Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax		420,216,238	(126,476,764)	214,200,173	196,476,763
Adjustments:					
Depreciation and amortisation	13, 14, 15, 30	558,172,985	468,498,619	142,106,043	110,597,903
Allowance for doubtful accounts	8	(2,696,990)	4,931,692	548,855	3,015,651
Allowance for doubtful in recoverable of withholding tax		-	(1,360,952)	-	-
Allowance for doubtful accounts for short-term loans to related companies (reversal)	34 d)	-	-	-	(9,425,226)
Allowance for obsolete inventories (reversal)	9	(47,116,226)	17,555,279	43,228	(3,565,749)
Loss from inventories destruction		314,226	6,959,939	-	6,959,234
Reversal of provision for goods returned		(1,891,930)	(12,473,944)	-	(14,365,874)
(Reversal of) allowance for impairment - intangible assets	15	13,502,476	15,152,801	13,502,476	15,460,069
Allowance for impairment					
- other current assets and other non-current assets	10, 18	80,000	(1,010,122)	80,000	93,536
Allowance for impairment - investment in an associated company	12	114,683	999,075	-	-
(Reversal of) allowance for impairments					
- investments in subsidiaries	11	-	-	2,014,839	(11,773,751)
Reversal of provision for loss on investment in subsidiaries	11	-	-	-	12,997,200
(Gain) loss on write-off plant and equipment and intangible assets	29	228	455,998	69	438,754
Gain on disposal of plant and equipment and intangible assets	28	52,717	(418,842)	(447,793)	(276,618)
Employee benefit obligations	24	13,262,138	12,413,546	1,738,917	9,278,992
Dividend income	27	-	-	(355,556,461)	(122,813,200)
Interest income	28	(1,143,323)	(1,741,591)	(31,750,488)	(25,992,049)
Finance costs - interest expense	31	90,471,386	83,372,848	19,454,519	16,065,241
Gain from modification of payment term of license for operation right in spectrum of digital television		(45,539,315)	-	-	-
		997,799,293	466,857,582	5,934,377	183,170,876
Changes in working capital					
Trade and other accounts receivable		27,954,805	223,219,784	397,480,985	34,853,007
Inventories		(139,153,646)	8,900,454	836,209	47,748,632
Value added tax		28,590,085	(31,149,983)	(13,093,303)	7,277,207
Other current assets		(872,410)	96,947,535	(373,451)	96,848,251
Prepaid expense - non current		8,333,334	(35,416,667)	-	-
Other non-current assets		(3,045,812)	969,771	(2,835,113)	(133,888)
Trade and other accounts payable		201,333,527	(879,676,310)	(5,908,811)	(877,491,970)
Withholding tax payable		(5,058,488)	3,200,420	556,359	(1,772,390)
Other non-current liabilities		(5,364,036)	(2,383,896)	(9,952,500)	(175,414)
		1,110,516,652	(148,531,310)	372,644,752	(509,675,689)
Cash generated from operating activities before income tax paid					
Withholding tax refunded	16	36,250,232	61,886,965	-	37,010,317
Income tax paid		(107,536,330)	(120,167,366)	(34,324,501)	(23,299,698)
		1,039,230,554	(206,811,711)	338,320,251	(495,965,070)
Net cash generated from (used in) operating activities					

The accompanying note on page 125 to 180 are an integral of these consolidated and separate financial statements



RS Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest income received		1,150,334	1,734,580	32,229,096	25,010,734
Increase in short-term loans to related companies	34 d)	-	(30,000,000)	(400,000,000)	(815,500,000)
Receipts from short-term loans to related companies	34 d)	-	30,000,000	136,000,000	741,500,000
Payments on investments in subsidiaries		-	-	23,437,500	(100,852,193)
Receipts from decrease in share capital of subsidiaries		-	4,522,302	-	-
Receipts from dividend income		-	-	355,556,461	249,809,030
Purchases of property, plant and equipment		(69,183,829)	(139,435,339)	(53,671,322)	(142,928,538)
Proceeds from disposals of property, plant and equipment		1,580,632	6,948,891	5,299,754	13,074,284
Purchases of intangible assets		(301,415,463)	(442,309,349)	(9,848,752)	(60,523,831)
Proceeds from disposals intangible assets		7	-	13,142,441	262,296
Net cash receipts (payments) from investing activities		(367,868,319)	(568,538,915)	102,145,178	(90,148,218)
Cash flows from financing activities					
Interest expense paid		(46,946,871)	(28,399,595)	(17,665,798)	(14,507,890)
Proceeds from short-term loans from financial institutions		2,125,000,000	3,046,000,000	1,870,000,000	2,573,000,000
Payments on short-term loans from financial institutions		(2,618,000,000)	(2,340,000,000)	(2,255,000,000)	(1,975,000,000)
Proceeds from long-term loans from financial institutions		222,025,000	444,060,000	-	-
Payments on liability under finance lease agreements		(16,319,903)	(19,265,933)	(16,319,903)	(19,265,933)
Advance payment of license for operation right in spectrum of digital television		(207,500,000)	(415,000,000)	-	-
Proceeds from short-term loans from related companies	34 e)	-	-	332,000,000	223,500,000
Payments on short-term loans from related companies	34 e)	-	-	(350,572,875)	(131,100,000)
Dividend paid	27	-	(100,109,385)	-	(100,109,385)
Decrease in non-controlling interests from dividend payment		(492,913)	(9,450)	-	-
Decrease in non-controlling interests from decrease capital	26.4	(4,687,500)	-	-	-
Proceeds from capital increase		2,621,825	-	2,621,825	-
Receipts from purchase of treasury shares	26.6	-	(465,274,840)	-	(465,274,840)
Net cash payments from financing activities		(544,300,362)	122,000,797	(434,936,751)	91,241,952
Net increase (decrease) in cash and cash equivalents		127,061,873	(653,349,829)	5,528,678	(494,871,336)
Cash and cash equivalents, opening balance		103,761,958	757,111,787	23,739,791	518,611,127
Cash and cash equivalents, closing balance		230,823,831	103,761,958	29,268,469	23,739,791
Non-cash transactions and additional information:					
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	-	-	-
Outstanding payables as at 31 December arising from purchases of property, plant and equipment during the year		2,081,869	28,751,749	1,537,346	27,742,761
Outstanding payables as at 31 December arising from purchases of intangible assets during the year		80,386,069	28,928,269	52,581,940	368,080
Payable as at 31 December arising from purchase of property, plant and equipment under finance lease agreement during the year		7,633,953	41,278,000	7,633,953	41,278,000

The accompanying note on page 125 to 180 are an integral 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 2017

1 General information

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

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

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

The principal business operations of the Group are entertainment business including media, music distribution, showbiz, other business supporting the Group's core business and trading in health and beauty product.

These consolidated and separate financial statements were authorised for issue by the board of directors on 21 February 2018.

2 Accounting policies

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

2.1 Basis of preparation

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

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

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

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

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

2 Accounting policies (Cont'd)

2.2 Revised accounting standards and financial reporting standards

2.2.1 Revised accounting standards and financial reporting standards which are effective for the periods beginning on or after 1 January 2017.

Revised accounting standards and financial reporting standards with significant changes are as follows:

TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets
IFRS 11 (revised 2016)	Joint arrangements



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

2.2 Revised accounting standards and financial reporting standards (Cont'd)

2.2.1 Revised accounting standards and financial reporting standards which are effective for the periods beginning on or after 1 January 2017. (Cont'd)

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

TAS 28 (revised 2016), the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

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

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

The management has already assessed and considered that the above revised standards have no material impact on the Group.

2.2.2 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. The Group has not yet adopted these revised standards.

Revised accounting of standards and financial reporting standards, which have significant changes and are relevant to the Group:

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 will not have a material impact on the Group except for disclosure.

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates

(1) Subsidiaries

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

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

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

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

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

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

(2) Transactions and non-controlling interests

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

(3) Disposal of subsidiaries

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



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

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

(4) Associates

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

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

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

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

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

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

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

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

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 : movie, drama, CD and others comprise direct production cost, making a film and other production cost. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expense. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Plant and equipment

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

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

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

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

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

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

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



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

2.9 License for operation right in spectrum of digital television

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

2.10 Intangible assets

Production cost of drama and showbiz

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

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.

Computer software

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

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

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

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

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

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

2.11 Impairment of assets

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

2.12 Leases - where a Group company is the lessee

Finance leases

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

Operating leases

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

2.13 Borrowings

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

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

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

2.14 Current and deferred income taxes

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

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



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

2.14 Current and deferred income taxes (Cont'd)

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

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

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

2.15 Employee benefit obligations

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

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

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

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

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

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

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

2.16 Financial assets and financial liabilities

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

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

2.17 Provisions - general

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

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

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

2.18 Share capital

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

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

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

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and 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.



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

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

2.19.3 Revenue from copyright

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

2.19.4 Revenue from interest income

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

2.19.5 Dividend income

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

2.20 Finance costs

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

2.21 Dividends

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

2.22 Segment reporting

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

RS Public Company Limited
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3 Financial risk management

3.1 Financial risk factors

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

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

3.1.1 Foreign exchange risk

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

However, as at 31 December 2017 and 2016, there are no outstanding foreign exchange forward contract.

3.1.2 Interest rate risk

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

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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

3.2 Fair value estimation

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

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

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



RS Public Company Limited
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For the year ended 31 December 2017

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.

RS Public Company Limited
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For the year ended 31 December 2017

6 Reclassification

Where necessary, comparative figures for the consolidated and separate statements of comprehensive income for the year ended 31 December 2016 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
Consolidated statement of comprehensive income for the year ended 31 December 2016			
Revenues			
Revenue from sales	838,344,671	8,594,655	846,939,326
Revenue from services	2,286,574,490	(134,898,233)	2,151,676,257
Expenses			
Cost of sales	(399,755,366)	(5,514,501)	(405,269,867)
Cost of services	(1,931,248,198)	5,514,501	(1,925,733,697)
Separate financial statements			
	As previously reported Baht	Debit (Credit) from reclassification Baht	After Reclassification Baht
Separate statement of comprehensive income for the year ended 31 December 2016			
Revenues			
Revenue from sales	602,604,617	8,730,011	611,334,628
Revenue from services	823,641,491	(31,343,139)	792,298,352
Expenses			
Cost of sales	(304,699,156)	(5,514,501)	(310,213,657)
Cost of services	(810,971,576)	5,514,501	(805,457,075)
Selling expenses	(124,755,919)	22,613,128	(102,142,791)

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	4,497,180	10,952,337	1,904,646	7,869,942
Cash at banks				
- savings accounts	222,543,132	87,138,053	27,348,409	15,066,493
- current accounts	3,770,696	5,658,917	15,414	803,356
- 3-month fixed deposits accounts	12,823	12,651	-	-
	<u>230,823,831</u>	<u>103,761,958</u>	<u>29,268,469</u>	<u>23,739,791</u>

As at 31 December 2017, savings accounts carry interest at the rates of 0.10% - 0.63% per annum (2016 : 0.10% - 0.62% per annum)

As at 31 December 2017, fixed deposits accounts (3-month) carry interest at the rates of 1.25% per annum (2016 : 1.37% per annum).



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8 Trade and other accounts receivable (net)

	Note	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts receivable					
- others		560,343,541	559,605,691	109,208,279	108,681,736
- related companies	34 b)	-	-	258,906,786	710,225,807
<u>Less</u> Trade accounts receivable					
- related company		-	-	-	(291,364,640)
- non-current		-	-	-	-
		560,343,541	559,605,691	368,115,065	527,542,903
Other accounts receivable					
- liquidator		26,065,280	-	-	-
Other accounts receivable					
- others		5,075,496	53,290,331	422,508	45,613,153
Accrued income					
- others		54,495,039	74,824,468	24,033,236	26,946,240
- related companies	34 b)	-	-	80,371,471	15,810,896
Advance payments					
- employees		1,758,559	8,440,880	44,433	820,933
- related companies	34 b)	-	-	263,679	180,713
Accrued interest income					
- others		-	7,011	-	3,400
- related companies	34 b)	2,489,884	2,489,884	9,841,747	10,316,955
Prepaid expenses - others		39,211,808	71,843,224	22,395,194	30,425,476
		689,439,607	770,501,489	505,487,333	657,660,669
<u>Less</u> Allowance for doubtful accounts					
- Trade accounts receivable					
- others		(59,985,123)	(63,415,499)	(36,482,840)	(36,688,994)
- Other accounts receivables					
- others		(414,500)	(53,100,066)	(414,500)	(45,578,383)
- Accrued income - others		(4,247,728)	(3,928,842)	(4,151,750)	(3,928,842)
- Accrued interest income					
- related companies	34 b)	(2,489,884)	(2,489,884)	(3,410,065)	(3,292,464)
		(67,137,235)	(122,934,291)	(44,459,155)	(89,488,683)
		622,302,372	647,567,198	461,028,178	568,171,986

Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Others				
Current	301,704,934	265,999,298	31,969,061	37,350,759
Overdue				
Less than 3 months	188,059,380	205,946,763	36,864,249	23,884,375
3 - 6 months	3,085,338	13,466,298	16,211	2,585,351
6 - 12 months	6,547,232	3,485,347	422,926	458,199
Over 12 months	60,946,657	70,707,985	39,935,832	44,403,052
	560,343,541	559,605,691	109,208,279	108,681,736

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

Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Related companies				
Current	-	-	123,962,276	100,800,170
Overdue				
Less than 3 months	-	-	82,490,152	96,764,008
3 - 6 months	-	-	50,422,640	94,215,062
6 - 12 months	-	-	2,031,718	127,081,927
Over 12 months	-	-	-	291,364,640
	-	-	258,906,786	710,225,807

As at 31 December 2016, in the separate financial statements, there is long outstanding balance over 12 months of accounts receivable of Baht 291,364,640 due from R.S. Television Co., Ltd., a subsidiary. The management considered that the subsidiary is in core business which is able to generate cash flow to the Group. The subsidiary need a large amount of working capital in the initial stage. The management assessed the collectability of this debt and review the repayment plan obtained from the subsidiary. The management is confident that the subsidiary has ability to settle the debt eventually. However, the management considers to classify the balance as non-current assets and also view that the allowance for doubtful debt is not necessary unless the subsidiary cannot repay as planned.

9 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Finished goods: Music and CDs, VCDs, DVDs and others	599,592	622,273	599,592	622,273
Beauty products	298,461,403	108,872,773	-	-
Souvenirs	1,039,683	1,288,288	1,039,683	1,288,288
Total finished goods	300,100,678	110,783,334	1,639,275	1,910,561
Work in process:				
Music	-	1,516,529	-	1,516,529
TV Program	1,511,022	6,352,480	130,000	-
Concert and others	1,739,024	1,004,404	1,691,024	869,418
Total work in process	3,250,046	8,873,413	1,821,024	2,385,947
Raw material	1,210,269	-	-	-
Satellite television receivers	7,832,013	64,614,658	-	-
Advance payment for inventories	11,197,182	1,829,625	-	-
Others	2,973,204	1,622,942	-	-
Total	326,563,392	187,723,972	3,460,299	4,296,508
Less Allowance for obsolete inventories	(10,927,981)	(58,044,207)	(813,918)	(770,690)
Inventories (net)	315,635,411	129,679,765	2,646,381	3,525,818

The cost of inventories recognised as expense and included in cost of sales and cost of services in the consolidated and company financial statements amounted to Baht 519,527,598 and Baht 271,286 (2016 : 384,178,271 and Baht 310,237,425) respectively.

The Company reversed allowance for obsolete inventory which was recognised in the consolidated financial statements of Baht 47,159,453 and recorded allowance for obsolete inventory in the company financial statements of Baht 43,228 (2016 : recorded Baht 17,555,279 in the consolidated financial statements and reversed Baht 3,565,749 in the company financial statements). 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Refundable deposits	1,117,814	600,000	217,813	-
Guarantees	165,389	260,698	87,726	-
Others	1,107,161	657,256	429,304	361,392
	2,390,364	1,517,954	734,843	361,392
<u>Less</u> Allowance for impairment	(114,488)	(34,488)	(114,488)	(34,488)
Other current assets (net)	2,275,876	1,483,466	620,355	326,904

11 Investments in subsidiaries (net)

Investments in subsidiaries which recorded by the cost method as at 31 December 2017 and 2016, consisted of:

Company name	Nature of business	Registered in	Percentage of shareholding	
			2017 %	2016 %
Operating subsidiaries				
R.S. Television Co., Ltd.	Digital TV business	Thailand	100	100
Lifestar Co., Ltd.	Media, showbiz and beauty products	Thailand	100	100
Coolism Co., Ltd.	Radio business	Thailand	100	100
Thai Copyright Collection Co., Ltd.	Copyrights collection	Thailand	100	100
Buntoeng Variety Co., Ltd.	TV program	Thailand	100	100
Yaak Co., Ltd.	TV program	Thailand	100	100
Goodlife Group Co., Ltd. (Formerly : Dee Media and Production Co., Ltd.)	Event organizer	Thailand	100	100
R Alliance Co., Ltd.	Event organizer	Thailand	100	100
Non-operating subsidiaries				
Blufairy Co., Ltd.	Event organizer	Thailand	100	100
Very Well Co., Ltd.	Event organizer	Thailand	100	100
Aladdin House Co., Ltd.	Event organizer	Thailand	100	100
RS In-Store Media Co., Ltd.	Event organizer	Thailand	65	65
R.S. Sportmaster Co., Ltd.	Production TV Program and event	Thailand	76	76
RS International Broadcasting and Sports Management Co., Ltd.	Event and sport activity organizer	Thailand	83	83

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

Investments in subsidiaries which recorded by the cost method as at 31 December 2017 and 2016, consisted of: (Cont'd)

	Separate financial statements								Dividend income (Note 28)	
	Paid up capital		Cost Method		Allowance for impairment		Carrying value			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Operating subsidiaries										
R.S. Television Co., Ltd.	300,000,000	300,000,000	300,209,300	300,209,300	-	-	300,209,300	300,209,300	-	-
Lifestar Co., Ltd.	200,000,000	200,000,000	199,999,300	199,999,300	-	-	199,999,300	199,999,300	107,599,623	36,999,870
Coolism Co., Ltd.	25,000,000	25,000,000	5,199,993	5,199,993	-	-	5,199,993	5,199,993	199,309,419	69,198,062
Thai Copyright Collection Co., Ltd.	5,000,000	5,000,000	4,999,400	4,999,400	-	-	4,999,400	4,999,400	21,829,880	8,294,005
Buntong Variety Co., Ltd.	1,000,000	1,000,000	852,193	852,193	-	-	852,193	852,193	4,853,903	-
Yaak Co. Ltd.	2,500,000	2,500,000	2,499,300	2,499,300	-	-	2,499,300	2,499,300	18,979,684	7,495,401
Goodlife Group Co. Ltd.	37,000,000	37,000,000	32,775,000	32,775,000	(25,996,414)	(26,289,091)	6,778,586	6,485,909	-	-
(Formerly : Dee Media and Production Co., Ltd.)	80,000,000	80,000,000	80,000,000	80,000,000	(76,078,180)	(76,069,917)	3,921,820	3,930,083	-	-
R Alliance Co., Ltd.										
Total	650,500,000	650,500,000	626,534,486	626,534,486	(102,074,594)	(102,359,008)	524,459,892	524,175,478	352,572,509	121,987,338
Non-operating subsidiaries										
Blufairy Co., Ltd.*	5,000,000	5,000,000	4,009,993	4,009,993	-	-	4,009,993	4,009,993	-	193,973
Very Well Co., Ltd. *	4,000,000	4,000,000	3,999,300	3,999,300	-	-	3,999,300	3,999,300	599,897	631,889
Aladdin House Co., Ltd.*	5,000,000	5,000,000	4,999,300	4,999,300	-	-	4,999,300	4,999,300	-	-
RS In-Store Media Co., Ltd.*	30,000,000	30,000,000	19,499,300	19,499,300	(11,996,774)	(12,004,681)	7,502,526	7,484,619	-	-
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	37,500,000	167,812,500	191,250,000	(156,874,257)	(154,567,097)	10,938,243	36,682,903	2,394,055	-
Total	57,875,000	86,000,000	202,987,988	226,425,488	(171,538,626)	(169,239,373)	31,449,362	57,186,115	2,983,952	825,862
Grand Total	708,375,000	736,500,000	829,522,474	852,959,974	(273,613,220)	(271,598,381)	555,909,254	581,361,593	355,556,461	122,813,200

* Dissolute and in the process of liquidation



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

Investments in subsidiaries which recorded by the cost method as at 31 December 2017 and 2016, 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 Sports Management Co., Ltd., RS In-Store Media Co., Ltd. and R.S. Sportmaster Co., Ltd. are Subsidiaries Company and not material, so the Company therefore did not disclose the financial information of these subsidiaries.

Movement of investment in subsidiaries for the years ended 31 December 2017 and 2016 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 registered for the dissolution with the Ministry of Commerce on 30 November 2017.
- 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 (Total share registration).
- On 25 March 2016, the Company has entered a share purchase agreement with Nano Life Co., Ltd. to acquire all of its 100,000 ordinary share for the amount of Baht 107,208. The Company received shares and registered in the list of shareholders of Nano Life Co., Ltd. on 11 April 2016. Then Nano Life Co., Ltd. changed its name to Buntoeng Variety Co., Ltd. on 4 May 2016.
- On 28 April 2016, Buntoeng Variety Co., Ltd. called for addition paid-up 7.45 Baht per shares amounting to Baht 745,000 for 100,000 ordinary shares with a par value of Baht 10 per share.
- There are subsidiaries which have already ceased their operations and were liquidated. The companies registered for the dissolution with the Ministry of Commerce. Avant Co., Ltd. registered for the dissolution on 25 November 2016. Bangkok Organizer Co., Ltd., R Siam Co., Ltd., and RS Film and Distribution Co., Ltd. registered for the dissolution on 28 November 2016. Commencing the date of registration for dissolution, the financial information of these four subsidiaries were excluded from the consolidated financial information.
- S-One Sport Co., Ltd. is subsidiary which was under the bankruptcy process and the absolute receivership. Therefore, the financial information of it was excluded from the consolidated financial information for the year ended 31 December 2016.

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	
		2017 Baht	2016 Baht	2017 Baht	2016 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	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Investment in Idea Power Co., Ltd.		3,988,995	4,103,678	6,303,621	6,303,621
Less Allowance for impairment		-	-	(2,314,626)	(2,199,943)
Total investment in an associated company (net)		3,988,995	4,103,678	3,988,995	4,103,678

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

The net movement of investment in associated company for the years ended 31 December 2017 and 2016 comprise:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Opening net book amount	4,103,678	5,102,753
Share of loss for the year	13,922	74,227
	(128,605)	(1,073,302)
Closing net book amount	3,988,995	4,103,678

Proportionate net worth for the year ended 31 December 2017 and 2016, 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	
	2017 Baht	2016 Baht
Current assets	15,782,167	15,777,710
Non-current assets	187,731	711,596
	15,969,898	16,489,306
Current liabilities	13,922	74,598
Non-current liabilities	-	-
	13,922	74,598
Net assets	15,955,976	16,414,708

Summary statement of comprehensive income

	Idea Power Co., Ltd. For the year ended 31 December	
	2017 Baht	2016 Baht
Revenue	90,301	690,512
Expense	(20,693)	(319,007)
Profit before income tax	69,608	371,505
Income tax expense	(13,922)	(74,598)
Net profit	55,686	296,907
Equity method based on percentage of shareholding	13,922	74,227

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13 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 2017					
Cost	34,189,065	413,058,761	483,579,834	67,181,399	998,169,453
Less Accumulated depreciation	(33,251,677)	(163,864,516)	(304,314,484)	(23,692,427)	(525,123,104)
Net book amount	937,388	249,194,245	179,265,350	43,488,972	473,046,349
For the year ended 31 December 2017					
Opening net book amount	937,388	249,194,245	179,265,350	43,488,972	473,046,349
Additions	-	7,256,014	23,197,044	17,459,405	50,147,902
Transfer from construction in progress	-	-	2,395,833	-	(2,395,833)
Disposals - cost	-	(12,267,084)	(15,845,042)	(3,210,000)	(31,322,126)
- accumulated depreciation	-	12,206,324	14,849,579	2,632,896	29,688,799
Write-off - cost	(31,549,959)	-	(1,173,796)	(8,915,042)	(41,638,797)
- accumulated depreciation	31,549,866	-	1,173,708	8,915,033	41,638,607
Depreciation charge (Note 30)	(799,252)	(45,000,632)	(64,611,016)	(8,682,015)	(119,092,915)
Closing net book amount	138,043	211,388,867	139,251,660	51,689,249	402,467,819
As at 31 December 2017					
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



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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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost of the assets under the financial lease agreements	53,181,399	60,153,041	53,181,399	60,153,041
<u>Less</u> Accumulated depreciation	(11,216,510)	(12,877,093)	(11,216,510)	(12,877,093)
Net book amount	41,964,889	47,275,948	41,964,889	47,275,948

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 2017 and 2016 are summarised below.

	Consolidated financial statements	
	2017 Baht	2016 Baht
Cash equivalent value (present value)	2,030,326,376	2,030,326,376
<u>Less</u> Accumulated amortisation	(499,241,528)	(363,894,963)
	1,531,084,848	1,666,431,413

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.

On 22 March 2017, the Group received the letter of approval from National Broadcasting and Telecommunication Commission ("NBTC") for extent the payment term.

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.76/2559, the license payment term 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.

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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)

- 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 National Council for Peace and Order No.76/2559, the license payment term for the remaining of the exceeding amount of the minimum bid price amounting to Baht 1,131 million is divided into 6 instalments as follows:

- First instalment: The exceeding amount of the minimum bid price amounting to Baht 188.5 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 188.5 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 Ministry Policy Committee, Bank of Thailand on the payment date. (At the present, the interest rate is 1.5%).
- 3) The subsidiary placed the letter of guarantee issued by a financial institution for the remaining license fee with NBTC. As at 31 December 2017, the outstanding balance of letter of guarantee was Baht 1,028.81 million (31 December 2016: Baht 1,250.83 million).
- 4) Obligation to pay for license are as follows:

Based on original condition

No. instalments	For the minimum bidding price	For the exceeding amount of the minimum bidding price	Total license fee	Due for payment
	Million Baht	Million Baht	Million Baht	
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	38.00	377.00	415.00	23 May 2017
5	-	377.00	377.00	23 May 2018
6	-	377.00	377.00	23 May 2019
Total	380.00	1,885.00	2,265.00	

Based on new condition

No. instalments	For the minimum bidding price	For the exceeding amount of the minimum bidding price	Total license fee	Interest expense from the extension of payment term	Due for payment after extent the payment term
	Million Baht	Million Baht	Million Baht	Million Baht	
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
Total	380.00	1,885.00	2,265.00	25.73	

Subsidiaries 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 2017 (Baht)			31 December 2016 (Baht)		
	Obligation to pay	Future finance charges	Net book amount	Obligation to pay	Future finance charges	Net book amount
Opening amount	1,169,000,000	(63,081,162)	1,105,918,838	1,584,000,000	(116,406,400)	1,467,593,600
Addition (Decrease) from extend the payment term of license	25,732,500	(71,271,815)	(45,539,315)	-	-	-
(Repayments)/Amortisation	(207,500,000)	41,656,432	(165,843,568)	(415,000,000)	53,325,238	(361,674,762)
Closing amount	987,232,500	(92,696,545)	894,535,955	1,169,000,000	(63,081,162)	1,105,918,838

The result of modification of payment term of license for operation right in spectrum of digital television is recognised as gain amounting to Baht 45.54 million in statement of comprehensive income.

As at 31 December 2017 and 2016, the subsidiary has obligation to pay the license for operation right in spectrum of digital television as follows:

	Consolidated Financial statements	
	2017 Baht	2016 Baht
License of operation right in spectrum of digital television	987,232,500	1,169,000,000
<u>Less</u> Future finance charges	(92,696,545)	(63,081,162)
	894,535,955	1,105,918,838
<u>Less</u> Current portion	(176,864,317)	(378,075,913)
	717,671,638	727,842,925

As at 31 December 2017 and 2016, the payments to be made in subsequent years are as follows:

	Consolidated Financial statements	
	2017 Baht	2016 Baht
<u>Due within</u>		
1 year	210,612,500	415,000,000
2 - 5 years	776,620,000	754,000,000
	987,232,500	1,169,000,000

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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	Total	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Total
As at 1 January 2016										
Cost	295,821,750	1,045,856,452	102,189,180	18,827,184	1,482,694,566	295,821,790	624,028,723	92,759,077	160,000	1,012,769,590
Less Accumulated amortisation	(82,703,674)	(672,515,495)	(55,323,744)	-	(810,542,913)	(82,703,674)	(451,074,954)	(50,288,870)	-	(584,067,498)
Allowance for impairment	(152,793,280)	(174,242,368)	(1,544,808)	-	(328,580,456)	(152,793,280)	(166,242,356)	-	-	(319,035,636)
Net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456
For the year ended 31 December 2016										
Opening net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456
Addition	4,501,408	-	40,917,373	426,234,425	471,653,206	4,501,408	-	39,198,503	17,192,000	60,891,911
Transferred in (out)	-	317,690,622	-	(317,690,622)	-	-	160,000	-	(160,000)	-
Disposal - cost	-	-	-	-	-	-	-	(117,040)	-	(277,040)
- accumulated amortisation	-	-	(635,721)	-	(635,721)	-	-	14,744	-	14,744
Write-off - cost	-	-	-	-	-	-	-	(12,221)	-	(12,221)
- accumulated amortisation	-	-	634,278	-	634,278	-	-	10,793	-	10,793
Amortisation charge (Note 30)	(60,000)	(218,370,927)	(10,029,056)	-	(228,459,983)	(60,000)	(3,132,579)	(9,470,705)	-	(12,663,284)
Impairment	(15,460,045)	307,244	-	-	(15,152,801)	(15,460,069)	-	-	-	(15,460,069)
Closing net book amount	49,306,159	298,725,528	76,207,502	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290
As at 31 December 2016										
Cost	300,323,158	1,363,547,074	142,470,832	127,370,987	1,933,712,051	300,323,198	624,028,723	131,828,319	17,192,000	1,073,372,240
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	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290



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15 Intangible assets (net) (Cont'd)

	Consolidated financial statements (Baht)					Separate Financial Statements (Baht)				
	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Total	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Total
As at 1 January 2017										
Cost	300,323,158	1,363,547,074	142,470,832	127,370,987	1,933,712,051	300,323,198	624,028,723	131,828,319	17,192,000	1,073,372,240
Less Accumulated amortisation	(82,763,674)	(990,886,422)	(64,718,522)	-	(1,038,368,618)	(82,763,674)	(454,207,533)	(59,734,038)	-	(596,705,245)
Less Allowance for impairment	(168,253,325)	(173,935,124)	(1,544,808)	-	(343,733,257)	(168,253,349)	(166,242,356)	-	-	(334,495,705)
Net book amount	49,306,159	298,725,528	76,207,502	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290
For the year ended 31 December 2017										
Opening net book amount	49,306,159	298,725,528	76,207,502	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290
Addition	2,637,632	138,894,772	7,201,834	204,139,025	352,873,263	2,637,632	46,570,000	4,493,380	8,361,600	62,082,612
Transferred in (out)	-	169,036,208	32,135,600	(201,173,808)	-	-	-	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)	-	(20,144,551)	(11,503,525)	-	(31,648,076)
Impairment	(13,502,476)	7,692,756	-	-	(5,809,720)	(13,502,476)	-	-	-	(13,502,476)
Closing net book amount	38,441,315	316,477,542	101,992,330	130,336,204	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	130,336,204	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)
Less 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	130,336,204	587,247,391	38,441,331	30,004,283	74,885,311	2,608,000	145,938,925

As at 31 December 2017, 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 119,531,268 and Baht 110,831,268 (2016 : Baht 79,360,064 and Baht 78,955,164), respectively.

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16 Withholding tax (net)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Withholding tax	154,376,616	131,947,576	90,014,129	55,838,141
<u>Less</u> Allowance for doubtful in recoverable of withholding tax	(822,015)	(7,867,463)	-	-
	153,554,601	124,080,113	90,014,129	55,838,141

During the year, the group received withholding tax in the consolidated amounted to Baht 36,250,232 (2016: Baht 61,886,965 and Baht 37,010,317, in the consolidated financial statement and separate financial statements, respectively). 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 (2016 : Baht 1,114,864 in the consolidated financial statements). And reversed of allowance for doubtful in recoverable of withholding tax in the consolidated financial statement of Baht 7,587,168 (2016 : Baht 1,114,864 in the consolidated financial statements) (Note 32).

17 Deferred tax (net)

The analysis of deferred tax assets and liabilities (net) as at 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	80,242,743	98,614,369	19,568,645	15,091,755
Deferred tax assets to be recovered after more than 12 months	195,685,304	206,682,177	101,892,500	81,162,071
	275,928,047	305,296,546	121,461,145	96,253,826
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(461,459)	898,031	(461,459)	898,031
Deferred tax liabilities to be settled after more than 12 months	(1,542,686)	(2,576,919)	(1,542,686)	(2,576,919)
	(2,004,145)	(1,678,888)	(2,004,145)	(1,678,888)
Deferred tax assets (net)	273,923,902	303,617,658	119,457,000	94,574,938

The movement of deferred taxes for the years ended 31 December 2017 and 2016 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance for the year	303,617,658	228,020,379	94,574,938	108,772,378
Increase in the statement of income	(26,676,401)	75,597,279	27,487,994	(14,197,440)
Increase (decrease) to the statement of comprehensive income	(3,017,355)	-	(2,605,932)	-
Closing balance for the year	273,923,902	303,617,658	119,457,000	94,574,938

Deferred tax assets and deferred tax liabilities presented by considering net position of each taxable unit as at 31 December 2017 and 2016 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets (net)	273,923,902	303,617,658	119,457,000	94,574,938
Deferred tax liabilities (net)	-	-	-	-
	273,923,902	303,617,658	119,457,000	94,574,938



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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 2017 and 2016 comprises the following:

	Consolidated financial statements			Separate Financial Statements		
	1 January 2017 Baht	Increase (decrease) to the statement of income Baht	Increase (decrease) to the statement of comprehensive income Baht	1 January 2017 Baht	Increase (decrease) to the statement of income Baht	Increase (decrease) to the statement of comprehensive income Baht
Deferred tax assets:						
Allowance for doubtful accounts	19,101,865	(710,958)	-	14,145,133	125,770	-
Intangible assets	39,528,915	1,231,452	-	5,267,457	(3,900,848)	-
Provision for goods returned	378,386	(378,386)	-	-	-	-
Allowance for slow moving	12,580,353	(9,314,757)	-	154,138	8,646	-
License for operation right in spectrum of digital television	26,060,818	(4,284,174)	-	-	-	-
Employee benefit obligations	19,591,859	2,652,427	(3,017,355)	16,818,456	347,784	(2,605,932)
Tax loss carry forward	143,044,720	(15,514,727)	-	14,859,012	31,263,920	-
Allowance for impairment of investments	40,607,981	459,850	-	40,607,981	459,850	-
Depreciation expense from building and equipment	4,401,649	(491,871)	-	4,401,649	(491,871)	-
Total deferred tax assets	305,296,546	(26,351,142)	(3,017,355)	96,253,826	27,813,251	(2,605,932)
Deferred tax liabilities:						
Assets under finance lease agreement	(1,678,888)	(325,257)	-	(1,678,888)	(325,257)	-
Total deferred tax liabilities	(1,678,888)	(325,257)	-	(1,678,888)	(325,257)	-
Deferred tax assets (net)	303,617,658	(26,676,401)	(3,017,355)	94,574,938	27,487,994	(2,605,932)
						119,457,000



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18 Other non-current assets (net)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Refundable deposits	3,493,187	557,673	3,493,187	557,673
Guarantees	39,898,428	39,788,130	31,141,730	31,242,131
	43,391,615	40,345,803	34,634,917	31,799,804
<u>Less</u> Allowance for impairment of guarantees	<u>(9,485,877)</u>	<u>(9,485,877)</u>	<u>(4,085,877)</u>	<u>(4,085,877)</u>
Other non-current asset (net)	<u>33,905,738</u>	<u>30,859,926</u>	<u>30,549,040</u>	<u>27,713,927</u>

19 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts payable					
- other companies		300,449,352	130,421,797	64,232,672	40,453,007
- related companies	34 c)	-	-	6,316,643	25,247,407
Other accounts payable					
- other companies		25,831,135	35,312,967	15,460,207	28,804,620
- related companies	34 c)	2,143,248	3,720,985	1,771,878	3,651,447
Unearned revenue					
- other companies		81,556,576	132,067,313	9,693,717	31,812,878
- related companies	34 c)	-	-	31,899,802	40,504,358
Accrued expenses					
- Accrued commission and promotion expenses					
- other companies		229,614,500	202,490,061	69,296,518	59,624,854
- related companies	34 c)	-	-	2,944,792	997,996
- Accrued project expenses					
- other companies		72,283,068	62,034,949	20,345,547	28,537,698
- related companies	34 c)	-	-	6,598,677	-
- Accrued interest expenses					
- other companies		542,905	361,939	-	-
- related companies	34 c)	-	-	503,235	401,631
- Other accrued expenses					
- other companies		102,998,084	22,706,444	55,203,814	4,030,369
		<u>815,418,868</u>	<u>589,116,455</u>	<u>284,267,502</u>	<u>264,066,264</u>

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20 Liabilities under financial lease agreements (net)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Liabilities under financial lease agreements	31,566,621	38,965,125	31,566,621	38,965,125
<u>Less</u> Future finance charges on finance lease	<u>(2,195,821)</u>	<u>(2,595,492)</u>	<u>(2,195,821)</u>	<u>(2,595,492)</u>
	29,370,800	36,369,633	29,370,800	36,369,633
<u>Less</u> Current portion	<u>(11,681,888)</u>	<u>(11,667,631)</u>	<u>(11,681,888)</u>	<u>(11,667,631)</u>
	<u>17,688,912</u>	<u>24,702,002</u>	<u>17,688,912</u>	<u>24,702,002</u>

As at 31 December 2017 and 2016, payments to be made for financial lease agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	12,871,620	13,025,844	12,871,620	13,025,844
More than 1 year but no longer than 5 years	18,695,001	25,939,281	18,695,001	25,939,281
	<u>31,566,621</u>	<u>38,965,125</u>	<u>31,566,621</u>	<u>38,965,125</u>

21 Short-term loans from financial institutions

Type of short-term loans	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Promissory notes	213,000,000	706,000,000	213,000,000	598,000,000

As at 31 December 2017, roll able-over promissory notes denominated in Thai Baht bear interest rate approximately of 3.5% per annum (2016 : 3.10% per annum to 3.60% per annum). The outstanding principal and interest are due for payable during February to March 2018 (2016 : due for payable during February and March 2017).

The movement of short-term loans from financial institution for the years ended 31 December 2017 and 2016 is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Promissory notes				
Opening net book amount	706,000,000	-	598,000,000	-
Additions	2,125,000,000	3,046,000,000	1,870,000,000	2,573,000,000
Repayments	(2,618,000,000)	(2,340,000,000)	(2,255,000,000)	(1,975,000,000)
Closing net book amount	<u>213,000,000</u>	<u>706,000,000</u>	<u>213,000,000</u>	<u>598,000,000</u>



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22 Value added tax

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Undue output tax	(55,474,132)	(88,179,440)	(23,908,251)	(52,906,013)
Undue input tax	25,649,014	60,418,191	1,417,306	3,065,294
Value added tax receivable	31,570,170	51,429,249	1,876,380	16,132,851
Value added tax payable	(6,667,137)	-	-	-
	(4,922,085)	23,668,000	(20,614,565)	(33,707,868)

Value added tax present by net position of each taxable unit as at 31 December 2017 and 2016 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Value added tax (assets)	24,836,068	67,630,189	-	-
Value added tax (liabilities)	(29,758,153)	(43,962,189)	(20,614,565)	(33,707,868)
	(4,922,085)	23,668,000	(20,614,565)	(33,707,868)

23 Long-term loans from a financial institution

The movements of long-term loans from a financial institution for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Balance as at 1 January	444,060,000	-
Additions during the year	222,025,000	444,060,000
Repayments during the year	-	-
Balance as at 31 December	666,085,000	444,060,000

On 31 December 2017, the Group has credit facilities for long-term loans from a financial institution amounted to Baht 1.60 billion (2016 : 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	
	2017 Baht	2016 Baht
Long-term loans from a financial institution	4.25%	4.25%

The carrying amounts and fair value of certain long-term borrowing are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term loans from a financial institution	666,085,000	444,060,000	666,085,000	444,060,000
	<u>666,085,000</u>	<u>444,060,000</u>	<u>666,085,000</u>	<u>444,060,000</u>

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 (2016 : 4.25% per annum) and are within level 2 of the fair value hierarchy.

As at 31 December 2017 and 2016, repayment periods of the long-term loans from a financial institution are summarised below:

	Consolidated financial statements	
	2017 Baht	2016 Baht
<u>Due within the years ending</u>		
Between 1 year	40,000,000	-
Between 2 years and 5 years	626,085,000	444,060,000
	<u>666,085,000</u>	<u>444,060,000</u>

24 Employee benefit obligations

Employee benefit obligations as at 31 December 2017 and 2016

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Statement of financial position				
Employee benefit obligation	<u>96,134,656</u>	<u>97,959,294</u>	<u>72,801,538</u>	<u>84,092,281</u>



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24 Employee benefit obligations (Cont'd)

The movement of employee benefit obligations for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	97,959,294	85,545,748	84,092,281	74,813,289
Current service cost	10,080,582	9,626,100	(635,893)	7,036,956
Interest cost	3,181,556	2,787,446	2,374,810	2,242,036
Gain from remeasurements of post employment benefit obligations	(15,086,776)	-	(13,029,660)	-
Closing balance	96,134,656	97,959,294	72,801,538	84,092,281

	Consolidated and Separate Financial Statements	
	2017 Baht	2016 Baht
Discount rate	3.50%	3.50%
Inflation rate	3.00%	3.00%
Salary increase rate	7.00 - 7.50%	7.00 - 7.50%
Mortality rate	1.00%	1.00%

Sensitivity analysis from each significant assumption are as follows:

		Impact on defined benefit obligation Increase (Decrease)			
	Change in assumption	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Discount rate	Increase by 1%	(10,062,514)	(10,198,869)	(6,910,711)	(8,691,390)
Discount rate	Decrease by 1%	11,738,964	11,858,406	7,983,440	10,085,983
Salary growth rate	Increase by 1%	11,119,026	13,250,483	7,558,633	11,297,659
Salary growth rate	Decrease by 1%	(9,768,443)	(11,489,778)	(6,703,751)	(9,815,474)
Turnover rate	Increase by 20%	(11,016,761)	(14,065,131)	(7,071,202)	(11,889,888)
Turnover rate	Decrease by 20%	13,653,042	17,729,684	8,576,985	14,921,219
Mortality rate	Increase by 1%	276,355	-	169,840	-
Mortality rate	Decrease by 1%	(304,910)	-	(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.

25 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deposits received	-	-	66,000	66,000
Retention payable	11,030,224	16,431,623	798,874	10,766,374
Other	37,363	-	15,000	-
	11,067,587	16,431,623	879,874	10,832,374

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26 Share capital

26.1 Ordinary shares and provision on share capital

	Consolidated and Separate financial statements		
	Ordinary shares Shares	Ordinary shares Bath	Share Premium Bath
Opening balance as at 1 January 2016	1,009,937,646	1,009,937,646	255,824,816
Issue of shares	-	-	-
Closing balance as at 31 December 2016	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

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.

26.3 Increase in share capital of subsidiary

On 29 December 2016, the extraordinary shareholders of the R.S. Television Co., Ltd., a subsidiary, passed a resolution to approve increase the authorised share capital from 2,000,000 ordinary shares with a par value of Baht 100 per share to 3,000,000 ordinary shares with a par value of Baht 100 per share. On 29 December 2016, the Company received subscription of 1,000,000 additional shares at Baht 100 par value which were priced at Baht 100 per share. The paid-up share capital totalling Baht 100,000,000. The Company registered the increased share capital with the ministry of commerce on 30 December 2016.

26.4 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 share capital on 9 June 2017. The subsidiary company paid to non-controlling interest amounting to Baht 4,687,500.

26.5 Warrants

The exercise of warrants to purchase ordinary share of RS Public Company Limited, have movement for the years ended 31 December 2017 and 2016 as follows:

Warrants No. (RS-W3)

Warrants had not been exercised as at 1 June
Warrants had been exercised
Outstanding as at 31 December

Consolidated and Separate financial statements	
2017 Unit	2016 Unit
193,332,760	-
(209,746)	-
193,123,014	-



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26 Share capital (Cont'd)

26.5 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.

26.6 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.

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26 Share capital (Cont'd)

26.6 Treasury shares/treasury shares reserve (Cont'd)

The movement of treasury shares and premium on share capital for the years ended 31 December 2017 and 2016 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 2016	-	-	(600,184)
Reissuance			
Decrease in share capital	43,273,300	465,274,840	-
Closing balance as at 31 December 2016	43,273,300	465,274,840	(600,184)
Reissuance			
Decrease in share capital	-	-	-
Closing balance as at 31 December 2017	43,273,300	465,274,840	(600,184)

27 Dividend payment

At the Company's Annual General Shareholders' Meeting on 27 April 2016, the shareholders approved a dividend payment from the operating results for the year 2015 of Baht 0.10 per share, totally Baht 100,109,385. This dividend was paid on 11 May 2016.

28 Other income

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Gain (loss) from exchange rate	8,873	2,038,922	(93,719)	1,866,035
Gain (loss) from disposal building and equipment and intangible assets	(52,717)	418,842	447,793	276,618
Interest income	1,143,323	1,741,591	31,750,488	25,992,049
Dividend income (Note 12)	-	-	355,556,461	122,813,200
Rental income	258,100	407,634	2,819,900	8,117,654
Management fee	-	-	310,747,910	225,861,968
Pirate of copyright income	348,411	391,308	-	-
Other income	39,200,591	118,591,330	22,688,405	59,356,869
	<u>40,906,581</u>	<u>123,589,627</u>	<u>723,917,238</u>	<u>444,284,393</u>

Pirate of copyright income represent income charged from a company for sport pirate of copyright.



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29 Other expenses

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Loss from write off plant and equipment and intangible assets	(228)	(455,998)	(69)	(438,754)
Reverse impairment of assets	(217,046)	524,183	(80,000)	216,940
Loss on impairment of investment in other companies	-	(999,076)	-	-
Gain (loss) from liquidation in subsidiaries	-	1,268,868	-	(103,747)
Others	(1,629,877)	(2,245,272)	(1,308,696)	(1,731,619)
	<u>(1,847,151)</u>	<u>(1,907,295)</u>	<u>(1,388,765)</u>	<u>(2,057,180)</u>

30 Expense by nature

The following significant expenditure items, classified by nature for the years ended 31 December 2017 and 2016, have been charged in the profit before finance costs and income tax:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Change in inventories of finished goods and work in process	(140,776,586)	15,860,392	836,209	54,707,866
Raw material and consumables used	2,043,030,944	2,126,282,856	734,816,866	760,655,617
Staff costs	462,027,784	688,790,268	203,764,746	469,640,036
Depreciation charge (Note 13)	119,092,915	104,411,795	110,457,967	97,934,619
Amortisation charge (Note 14 and 15)	439,808,070	364,086,823	31,648,076	12,663,284
Rental expenses and utilities expenses	106,979,124	109,421,784	77,877,458	93,900,822
Promotion and advertising expenses	153,293,767	108,781,805	61,025,397	14,790,006
(Reversed) loss from impairment of assets	13,583,697	16,902,815	13,625,704	15,656,163
Loss from inventory destruction and obsolescence of inventories	(46,123,603)	23,525,589	-	2,405,077

31 Finance costs

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest expense from short-term borrowings from financial institutions	(47,127,837)	(28,761,534)	(15,847,474)	(13,676,726)
Interest expense from short-term borrowings from related companies (Note 34 a))	-	-	(1,919,928)	(1,102,439)
Interest expense for liability under finance lease agreements	(1,687,117)	(1,286,076)	(1,687,117)	(1,286,076)
Interest expense from license for operation right in section of digital television	(41,656,432)	(53,325,238)	-	-
	<u>(90,471,386)</u>	<u>(83,372,848)</u>	<u>(19,454,519)</u>	<u>(16,065,241)</u>

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32 Income tax

Reconciliation of income tax expense for the years ended 31 December 2017 and 2016 comprises:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current income tax on taxable profit for the year	(59,756,889)	(51,361,957)	-	-
Write - off allowance for doubtful in recoverable of withholding tax	(7,805,101)	(1,114,864)	(148,513)	-
Allowance for doubtful in recoverable of withholding tax	(541,720)	-	-	-
Reversal of allowance for doubtful in recoverable of withholding tax	7,587,168	1,114,864	-	-
Origination of temporary differences (Note 17)	(26,676,401)	75,597,279	27,487,994	(14,197,440)
Total income tax credit (expense)	(87,192,943)	24,235,322	27,339,481	(14,197,440)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit (loss) before tax accounting base	420,216,238	(126,476,764)	214,200,173	196,476,763
Tax calculated at the rate of 20%	(84,043,248)	25,295,353	(42,840,035)	(39,295,353)
Tax effect of:				
Non-deductible expenses	(5,788,123)	(9,167,357)	(3,645,685)	(6,234,948)
Additional deductible expenses	3,885,976	2,441,020	2,705,438	359,044
Temporary deferred of previously unrecognised deferred tax	55,188	(664,828)	(140,475)	(698,146)
Allowance for impairment in subsidiaries and loan to related parties	33,946	6,340,571	56,883	7,109,323
Allowance for doubtful in recoverable of withholding tax	(759,654)	-	(148,513)	-
Tax exemption - dividend received	-	-	71,111,292	24,562,640
Under recorded prior year income tax	(577,028)	(9,437)	240,576	-
Tax charge	(87,192,943)	24,235,322	27,339,481	(14,197,440)



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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.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017	2016	2017	2016
Profit (loss) attributable to ordinary shareholders (Baht)	332,861,741	(102,145,200)	241,539,654	182,279,323
Weighted average number of Ordinary shares in issue during the year (shares)	966,695,952	978,992,072	966,695,952	978,992,072
Basic earnings (loss) per share (Baht)	0.3443	(0.1043)	0.2499	0.1862

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).

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017	2016	2017	2016
Net profit (loss) attributable to ordinary shareholders (Baht)	332,861,741	(102,145,200)	241,539,654	182,279,323
Weighted average number of common shares (basic) (shares)	966,695,952	978,992,072	966,695,952	978,992,072
<u>Adjustment for :</u>				
Assume conversion of warrants	33,579,802	-	33,579,802	-
Weighted average number of common shares for calculation of diluted earnings per share (shares)	1,000,275,754	978,992,072	1,000,275,754	978,992,072
Diluted earnings (loss) per shares (Baht)	0.3328	(0.1043)	0.2415	0.1862

RS Public Company Limited
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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. Idea Power Co., Ltd. Membership Co., Ltd. Key management personnel	Rental service Organizer Rental service -	Common shareholder and directors Indirect shareholding and common directors of subsidiaries Common shareholder and directors Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group company



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

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 2017 and 2016.

	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	Interest income
Subsidiaries						
R.S. Television Co., Ltd.	49,568,104	630,256	13,075,865	10,557,778	198,466,895	31,458,356
Lifestar Co., Ltd.	57,135,422	622,000	-	-	59,171,222	-
Coolism Co., Ltd.	-	-	-	-	48,045,817	-
Thai Copyright Collection Co., Ltd.	-	41,331,814	-	-	5,063,976	-
Buntoeng Variety Co., Ltd.	6,845,000	210,000	-	-	-	-
R.S. Sportmaster Co., Ltd.	-	-	-	-	-	93,600
Total	113,548,526	42,794,064	13,075,865	10,557,778	310,747,910	31,551,956
						7,472,729

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

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 2017 and 2016. (Cont'd)

	Separate Financial Statements						
	For the year ended 31 December 2016 (Baht)					Other income	
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from other service income	Revenue from management service	Interest income	Other income
Subsidiaries							
R.S. Television Co., Ltd.	49,775,048	4,372,500	23,276,673	26,322,283	127,534,943	24,251,169	2,840,964
Lifestar Co., Ltd.	23,530,921	(67)	2,525,073	-	60,000,000	-	7,632,499
Coolism Co., Ltd.	-	-	2,744,449	-	24,003,900	-	559,386
Thai Copyright Collection Co., Ltd.	7,850	45,448,946	-	-	10,325,100	-	11,349
R Alliance Co., Ltd.	-	-	-	-	-	137,705	-
Yaak Co., Ltd.	32,787,517	-	-	-	3,606,050	577,049	-
Buntoeng Variety Co., Ltd.	3,529,950	-	-	-	391,975	-	-
R.S. Sportmaster Co., Ltd.	-	-	-	-	-	93,600	-
Total	109,631,286	49,821,379	28,546,195	26,322,283	225,861,968	25,059,523	11,044,198



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

34 Related party transactions (Cont'd)

- a) Revenues and expenses transaction between the Group with related parties for the years ended 31 December 2017 and 2016. (Cont'd)

	Consolidated Financial Statements			
	For the year ended 31 December 2017 (Baht)	Selling and administrative expenses	Cost of sales and service	For the year ended 31 December 2016 (Baht)
				Selling and administrative expenses
Chetchotsak Co., Ltd.	20,063,406	50,109,021	28,095,327	44,555,259
Membership Co., Ltd.	9,649,674	3,222,000	4,364,070	6,337,838
Group of person	-	264,000	-	-
Total	29,713,080	53,595,021	32,459,397	50,893,097
Separate Financial Statements				
	For the year ended 31 December 2017 (Baht)	Selling and administrative expenses	Cost of sales and service	For the year ended 31 December 2016 (Baht)
				Selling and administrative expenses
Chetchotsak Co., Ltd.	20,063,406	39,748,273	27,157,673	35,105,543
Membership Co., Ltd.	-	3,222,000	2,131,800	6,337,838
Group of person	-	264,000	-	-
Total	20,063,406	43,234,273	29,289,473	41,443,381

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

34 Related party transactions (Cont'd)

- a) Revenues and expenses transaction between the Group with related parties for the years ended 31 December 2017 and 2016. (Cont'd)

	Separate Financial Statements							
	For the year ended 31 December 2017 (Baht)			For the year ended 31 December 2016 (Baht)			Key management's remuneration	
	Cost of sales and service	Selling and administrative expenses	Finance cost - interest expense	Key management's remuneration	Cost of sales and service	Selling and administrative expenses		Finance cost - interest expense
Subsidiaries								
R.S. Television Co., Ltd.	13,120,205	2,914,618	-	-	24,823,386	1,259,100	-	-
Lifestar Co., Ltd.	5,071,656	121,860	450,171	-	3,928,834	74,327	4,098	-
Coolism Co., Ltd.	-	20,000	895,750	-	548,842	100,000	348,402	-
Thai Copyright Collection Co., Ltd.	-	-	27,158	-	-	-	-	-
Yaak Co., Ltd.	-	-	-	-	20,886,100	-	-	-
Aladdin House Co., Ltd.	-	-	57,067	-	-	-	68,899	-
Very Well Co., Ltd.	-	-	56,717	-	-	-	75,714	-
Blufairy Co., Ltd.	-	-	57,067	-	-	-	57,703	-
RS International Broadcasting and Sports Management Co., Ltd.	-	-	286,943	-	-	-	-	-
RS In-Store Media Co., Ltd.	-	-	-	-	-	-	436,933	-
Buntoeng Variety Co., Ltd.	-	-	-	-	-	-	60,485	-
Goodlife Group Co., Ltd.	-	-	19,826	-	2,263,500	-	1,639	-
(Formerly : Dee Media and Production Co., Ltd.)	-	-	69,229	-	-	-	48,566	-
Total	18,191,861	3,056,478	1,919,928	-	52,450,662	1,433,427	1,102,439	-

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

34 Related party transactions (Cont'd)

- c) Outstanding balance of trade and others accounts payable as at 31 December 2017 and 2016 are as follows:

	Consolidated financial statements					
	As at 31 December 2017 (Baht)			As at 31 December 2016 (Baht)		
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses	Trade accounts payable
Chetchotsak Co., Ltd.	-	1,777,030	-	-	-	-
Membership Co., Ltd.	-	366,218	-	-	-	-
Total	-	2,143,248	-	-	-	1,654,580
						2,066,405
						3,720,985

	Separate financial statements					
	As at 31 December 2017 (Baht)			As at 31 December 2016 (Baht)		
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses	Trade accounts payable
Chetchotsak Co., Ltd.	-	1,432,105	-	-	-	-
Membership Co., Ltd.	-	59,920	-	-	-	-
Total	-	1,492,025	-	-	-	1,305,189
						2,066,405
						3,371,594



RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

34 Related party transactions (Cont'd)

c) Outstanding balance of trade and others accounts payable as at 31 December 2017 and 2016 are as follows: (Cont'd)

	Separate financial statements											
	As at 31 December 2017 (Baht)					As at 31 December 2016 (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												
R.R.S. Television Co., Ltd.	5,812,816	279,853	-	-	2,944,792	6,598,677	8,836,542	279,853	-	-	997,996	-
Lifestar Co., Ltd.	343,327	-	-	317,638	-	-	-	-	56,000	-	-	-
Coolism Co., Ltd.	-	-	-	130,993	-	-	94,615	-	-	215,615	-	-
Thai Copyright Collection Co., Ltd.	-	-	31,899,802	19,452	-	-	12,500	-	40,448,358	-	-	-
Yaak Co., Ltd.	160,500	-	-	-	-	-	15,360,010	-	-	-	-	-
Buntoeng Variety Co., Ltd.	-	-	-	1,462	-	-	943,740	-	-	1,639	-	-
Goodlife Group Co., Ltd. (Formerly : Dee Media and Production Co., Ltd.)	-	-	-	10,445	-	-	-	-	-	18,852	-	-
Aladdin House Co., Ltd.	-	-	-	-	-	-	-	-	-	16,967	-	-
Very Well Co., Ltd.	-	-	-	-	-	-	-	-	-	18,476	-	-
Blufairy Co., Ltd.	-	-	-	-	-	-	-	-	-	16,967	-	-
RRS International Broadcasting and Sports Management Co., Ltd.	-	-	-	23,245	-	-	-	-	-	113,115	-	-
Total	6,316,643	279,853	31,899,802	503,235	2,944,792	6,598,677	25,247,407	279,853	40,504,358	401,631	997,996	-
Grand total	6,316,643	1,771,878	31,899,802	503,235	2,944,792	6,598,677	25,247,407	3,651,447	40,504,358	401,631	997,996	-

RS Public Company Limited
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34 Related party transactions (Cont'd)

e) Short-term loans from related companies

	Separate financial statements							
	For the year ended 31 December 2017 (Baht)				For the year ended 31 December 2016 (Baht)			
	Short-term loans				Short-term loans			
	Opening balance	Increase during the period	Payments during the period	Closing balance	Opening balance	Increase during the period	Payments during the period	Closing balance
Subsidiaries								
Coolism Co., Ltd.	89,000,000	110,000,000	(199,000,000)	-	-	189,000,000	(100,000,000)	89,000,000
RS In-Store Media Co., Ltd.	-	-	-	-	10,000,000	1,000,000	(11,000,000)	-
RS International Broadcasting and Sports Management Co., Ltd.	30,000,000	-	(18,872,875)	11,127,125	26,000,000	4,000,000	-	30,000,000
Aladdin House Co., Ltd.	4,500,000	-	(4,500,000)	-	4,500,000	-	-	4,500,000
Very Well Co., Ltd.	4,900,000	-	(4,900,000)	-	5,000,000	-	(100,000)	4,900,000
Blufairy Co., Ltd.	4,500,000	-	(4,500,000)	-	2,500,000	2,000,000	-	4,500,000
Goodlife Group Co., Ltd.	5,000,000	-	-	5,000,000	-	5,000,000	-	5,000,000
(Formerly : Dee Media and Production Co., Ltd.)	2,500,000	-	(1,800,000)	700,000	-	2,500,000	-	2,500,000
Buntoeng Variety Co., Ltd.	-	210,000,000	(105,000,000)	105,000,000	-	20,000,000	(20,000,000)	-
Lifestar Co., Ltd.	-	12,000,000	(12,000,000)	-	-	-	-	-
Thai Copyright Co., Ltd.	-	-	-	-	-	-	-	-
Total	140,400,000	332,000,000	(350,572,875)	121,827,125	48,000,000	223,500,000	(131,100,000)	140,400,000



HS 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	147,392,995	160,488,746	121,625,995	137,786,906
Post-employment benefits	2,594,072	4,013,808	2,168,502	3,082,573
	<u>149,987,067</u>	<u>164,502,554</u>	<u>123,794,497</u>	<u>140,869,479</u>

35 Segment information

To assess the group's operation, the Group considers the gross profit from the revenue transactions comprising revenues from media, revenues from music, revenues from event business, revenues from health and beauty and revenues from other services. Intercompany sales were already eliminated. Group profit was determined by subtracting cost of sales and services.

Consolidated financial statements								
For the year ended 31 December 2017								
	Media business Baht	Music business Baht	Event business Baht	Health and beauty Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues external	1,703,504,304	254,507,293	154,574,852	1,389,095,731	-	3,501,682,180	-	3,501,682,180
Revenues internal	331,590,060	47,244,064	33,854,761	86,149	29,069,081	441,844,115	(441,844,115)	-
Total revenues	2,035,094,364	301,751,357	188,429,613	1,389,181,880	29,069,081	3,943,526,295	(441,844,115)	3,501,682,180
Cost of sales and services	1,863,502,473	149,959,409	127,904,512	467,109,190	28,494,755	2,436,970,339	(293,497,933)	2,143,472,407
Gross profit	<u>371,591,891</u>	<u>151,791,948</u>	<u>60,525,101</u>	<u>922,072,690</u>	<u>574,326</u>	<u>1,506,555,956</u>	<u>(148,346,182)</u>	<u>1,358,209,773</u>

Consolidated financial statements								
As at 31 December 2017								
	Media business Baht	Music business Baht	Event business Baht	Health and beauty Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Fixed assets	252,009,348	1,723,913	494,380	28,247,828	119,992,350	402,467,818	-	402,467,818
Intangible assets	1,974,991,853	38,501,636	-	27,345,440	77,493,310	2,118,332,239	-	2,118,332,239

Consolidated financial statements								
For the year ended 31 December 2016								
	Media business Baht	Music business Baht	Event business Baht	Health and beauty Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues external	1,694,805,815	320,008,083	748,726,646	227,740,685	7,334,354	2,998,615,583	-	2,998,615,583
Revenues internal	289,254,492	48,480,393	108,226,233	-	74,254,040	520,215,158	(520,215,158)	-
Total revenues	1,984,060,307	368,488,476	856,952,879	227,740,685	81,588,394	3,518,830,741	(520,215,158)	2,998,615,583
Cost of sales and services	1,857,220,683	190,480,535	497,758,329	58,856,375	79,974,585	2,684,290,507	(353,286,943)	2,331,003,564
Gross profit	<u>126,839,624</u>	<u>178,007,941</u>	<u>359,194,550</u>	<u>168,884,310</u>	<u>1,613,809</u>	<u>834,540,234</u>	<u>(166,928,215)</u>	<u>667,612,019</u>

Consolidated financial statements								
As at 31 December 2016								
	Media business Baht	Music business Baht	Event business Baht	Health and beauty Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Fixed assets	319,479,861	12,694,528	692	16,278,441	124,592,826	473,046,348	-	473,046,348
Intangible assets	2,074,648,449	49,368,622	-	4,538,237	89,286,281	2,218,041,589	-	2,218,041,589

RS Public Company Limited
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36 Credit facilities

As at 31 December 2017 and 2016, undrawn borrowing facilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Various credit facilities - Unused	2,026	5,090	672	2,207

37 Commitments, contingent liabilities and significant agreements

37.1 Commitments

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Capital Commitments				
Purchase assets	1,151,100	-	-	-
Operating lease Commitments				
Within 1 year	21,654,302	53,863,531	12,682,868	46,887,951
Later than 1 year but not later than 3 years	-	29,380,931	-	26,274,731
Total	21,654,302	83,244,462	12,682,868	73,162,682

37.2 Significant agreements with related parties and other entities

- The subsidiary have entered an agreement whereby those companies are to provide satellite transmission services during year 2012-2023. The Company is obligated to pay transmission service fee and other expenses as stipulated in the agreements. The Company is required to comply with conditions stipulated in the agreements.
- The subsidiary has entered into 1 agreements to buy airtime of Radio Broadcast Station with the government agency for the period of 2 years starting from 1 January 2018 to 31 December 2019 as stipulated in the agreements.
- The National Broadcasting and Telecommunications Commission (NBTC) granted licenses to the Company and three 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.



HS Public Company Limited
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37 Commitments, contingent liabilities and significant agreements (Cont'd)

37.3 Contingent liabilities

As at 31 December 2017 and 2016, the Group had contingent liabilities with the local banks as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Bath	2016 Million Bath	2017 Million Bath	2016 Million Bath
Guarantee to the Company, its subsidiary and other companies (Baht Million)	8.02	4.93	0.01	0.26

38 Significant claims and legal litigations

38.1 As at 31 December 2017 and 2016, 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 45.58 million and Baht 38.32 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

On 21 February 2018, the Company's Board of Director meeting No. 1/2018 passed a resolution to resale the treasury shares 43,273,300 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.

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