

# **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><b>Valuation of the licence for operation right in spectrum of digital television</b></p> <p><i>Refer to note 14 Licence for operation right in spectrum of digital television (net) 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"> <li>• 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.</li> <li>• 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.</li> <li>• Challenging management on their key assumptions, including the revenue growth rates and the discount rate, to understand management's plans for future growth. Also, assessing whether they are achievable over the relevant period by comparing the revenue growth rates to economic and industry forecasts.</li> <li>• Testing the appropriateness of the discount rate applied to the cost of capital for the Group and the actual interest rate.</li> <li>• 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.</li> </ul> <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
<p><b>Deferred tax assets recognised from tax losses carried forward</b></p> <p><i>Refer to note 17 Deferred tax assets (net) to the consolidated and company financial statements</i></p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>To gain an understanding of the transactions underlying the significant deferred tax assets and assess management's assumptions that were used in the calculation of future taxable profit to determine the recoverability of the deferred tax assets, I:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> <p>As a result of above procedures, I considered management's key assumptions used in the estimate of future taxable profit to be within a reasonable range.</p>

Key audit matters	How my audit addressed the key audit matters
<p><b>Recognition of amortisation of production cost of drama series</b></p> <p><i>Refer to note 2.10 intangible assets to the consolidated and company financial statements</i></p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>I understood and tested the amortisation method by performing these procedures:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Evaluated the arithmetical accuracy of the calculation.</li> </ul> <p>Based on the available evidence, I consider management's judgement to be reasonable and within an acceptable range.</p>

## **Other information**

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

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

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

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

## **Responsibilities of the directors for the consolidated and separate financial statements**

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Krit Chatchavalwong**

Certified Public Accountant (Thailand) No. 5016

Bangkok

21 February 2018

**RS PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**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
<b>Assets</b>					
<b>Current assets</b>					
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
<b>Total current assets</b>		<b>1,195,873,558</b>	<b>950,122,576</b>	<b>1,335,263,383</b>	<b>1,173,464,499</b>
<b>Non-current assets</b>					
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
<b>Total non-current assets</b>		<b>3,013,256,627</b>	<b>3,189,165,980</b>	<b>1,312,359,700</b>	<b>1,643,724,034</b>
<b>Total assets</b>		<b>4,209,130,185</b>	<b>4,139,288,556</b>	<b>2,647,623,083</b>	<b>2,817,188,533</b>

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

The accompanying notes on pages 19 to 74 are an integral part 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
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
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
<b>Total current liabilities</b>		<b>1,338,424,603</b>	<b>1,768,769,051</b>	<b>656,937,129</b>	<b>1,052,831,453</b>
<b>Non-current liabilities</b>					
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
<b>Total non-current liabilities</b>		<b>1,468,647,793</b>	<b>1,310,995,844</b>	<b>91,370,324</b>	<b>119,626,657</b>
<b>Total liabilities</b>		<b>2,807,072,396</b>	<b>3,079,764,895</b>	<b>748,307,453</b>	<b>1,172,458,110</b>

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**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
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	26.1				
Authorised share capital					
1,203,270,516 ordinary shares					
of par Baht 1 each		1,203,270,516		1,203,270,516	
1,009,937,646 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
<b>Equity attributable to owners of the parent</b>		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	-	-
<b>Total equity</b>		1,402,057,789	1,059,523,661	1,899,315,630	1,644,730,423
<b>Total liabilities and equity</b>		4,209,130,185	4,139,288,556	2,647,623,083	2,817,188,533

The accompanying notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

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

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
<b>Revenue</b>					
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
<b>Total revenue and services income</b>		<b>3,501,682,180</b>	<b>2,998,615,583</b>	<b>659,338,980</b>	<b>1,403,632,980</b>
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)
<b>Total cost of sales and services</b>		<b>(2,143,472,407)</b>	<b>(2,331,003,564)</b>	<b>(572,571,008)</b>	<b>(1,115,670,732)</b>
<b>Gross profit</b>		<b>1,358,209,773</b>	<b>667,612,019</b>	<b>86,767,972</b>	<b>287,962,248</b>
Other income	28	40,906,581	123,589,627	723,917,238	444,284,393
<b>Profit before expenses</b>		<b>1,399,116,354</b>	<b>791,201,646</b>	<b>810,685,210</b>	<b>732,246,641</b>
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	-	-	-
<b>Profit (loss) before income tax</b>		<b>420,216,238</b>	<b>(126,476,764)</b>	<b>214,200,173</b>	<b>196,476,763</b>
Income tax	32	(87,192,943)	24,235,322	27,339,481	(14,197,440)
<b>Profit (loss) for the year</b>		<b>333,023,295</b>	<b>(102,241,442)</b>	<b>241,539,654</b>	<b>182,279,323</b>
<b>Other comprehensive income:</b>					
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)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>12,069,421</b>	<b>-</b>	<b>10,423,728</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>345,092,716</b>	<b>(102,241,442)</b>	<b>251,963,382</b>	<b>182,279,323</b>

The accompanying notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

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

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
<b>Profit (loss) attributable to</b>					
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>
<b>Total comprehensive</b>					
<b>income attributable to</b>					
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>
<b>Earning (loss) per share for profit</b>					
<b>attributable to the</b>					
<b>equity holders of the parent</b>					
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 notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

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

Consolidated financial statements (Baht)										
For the year ended 31 December 2016										
Attributable to owners of the parent										
Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Difference between the purchase price of investments in subsidiaries under common control and their net book value	Retained earnings			Total owners of the parent	Non- controlling interests	Total
					Appropriated		Unappropriated			
					Legal	Treasury				
					reserve	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	1,009,937,646	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 notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

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

Consolidated financial statements (Baht)										
For the year ended 31 December 2017										
Attributable to owners of the parent										
Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Difference between the purchase price of investments in subsidiaries under common control and their net book value	Retained earnings			Total owners of the parent	Non- controlling interests	Total
					Appropriated		Unappropriated			
					Legal	Treasury				
					reserve	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	(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	2,412,079	-	-	-	-	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	27	-	-	-	-	-	-	-	(492,913)	(492,913)
Other comprehensive income for the year - remeasurement of post employment benefit obligations, net of tax		-	-	-	-	-	12,069,421	12,069,421	-	12,069,421
Net profit for the year		-	-	-	-	-	332,861,741	332,861,741	161,554	333,023,295
Closing balance as at 31 December 2017	1,010,147,392	258,236,895	(465,274,840)	-	112,971,941	465,274,840	15,517,712	1,396,873,940	5,183,849	1,402,057,789

The accompanying notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

**RS Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 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 notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

**RS Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 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
Net profit for the year		-	-	-	-	-	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 notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

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

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	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)
Cash generated from operating activities before income tax paid		1,110,516,652	(148,531,310)	372,644,752	(509,675,689)
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)
Net cash generated from (used in) operating activities		1,039,230,554	(206,811,711)	338,320,251	(495,965,070)

The accompanying notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

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

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
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)
<b>Cash flows from financing activities</b>					
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
<b>Net increase (decrease) in cash and cash equivalents</b>		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
<b>Non-cash transactions and additional information:</b>					
Write-off other accounts receivable and allowance for doubtful accounts - other accounts receivable		53,100,066	-	45,578,383	-
Write-off cost of movie and impairment for cost of movie		7,692,756	-	-	-
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 notes on pages 19 to 74 are an integral part of these consolidated and separate financial statements.

## **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

## **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.

**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.

## 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.

## 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.

## 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.

## **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.

## **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.

## **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.

## **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.

### **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.

#### **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.

## 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
<b>Consolidated statement of comprehensive income for the year ended 31 December 2016</b>			
<b>Revenues</b>			
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
<b>Expenses</b>			
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
<b>Separate statement of comprehensive income for the year ended 31 December 2016</b>			
<b>Revenues</b>			
Revenue from sales	602,604,617	8,730,011	611,334,628
Revenue from services	823,641,491	(31,343,139)	792,298,352
<b>Expenses</b>			
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).

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					
- non-current		-	-	-	(291,364,640)
		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
<b>Others</b>				
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

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

Trade accounts receivable classified by aging are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>Related companies</b>				
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
	<u>-</u>	<u>-</u>	<u>258,906,786</u>	<u>710,225,807</u>

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)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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	<u>300,100,678</u>	<u>110,783,334</u>	<u>1,639,275</u>	<u>1,910,561</u>
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	<u>3,250,046</u>	<u>8,873,413</u>	<u>1,821,024</u>	<u>2,385,947</u>
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	<u>326,563,392</u>	<u>187,723,972</u>	<u>3,460,299</u>	<u>4,296,508</u>
<u>Less</u> Allowance for obsolete inventories	<u>(10,927,981)</u>	<u>(58,044,207)</u>	<u>(813,918)</u>	<u>(770,690)</u>
Inventories (net)	<u>315,635,411</u>	<u>129,679,765</u>	<u>2,646,381</u>	<u>3,525,818</u>

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.

**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)

	Paid up capital		Cost Method		Separate financial statements Allowance for impairment		Carrying value		Dividend income (Note 28)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Operating subsidiaries</b>										
R.S. Television Co., Ltd.	300,000,000	300,000,000	300,209,300	300,209,300	-	-	300,209,300	300,209,300	-	-
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
Buntoeng 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. (Formerly : Dee Media and Production 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	-	-
R Alliance 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	-	-
<b>Total</b>	<b>650,500,000</b>	<b>650,500,000</b>	<b>626,534,486</b>	<b>626,534,486</b>	<b>(102,074,594)</b>	<b>(102,359,008)</b>	<b>524,459,892</b>	<b>524,175,478</b>	<b>352,572,509</b>	<b>121,987,338</b>
<b>Non-operating subsidiaries</b>										
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	589,897	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	7,494,619	-	-
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	-
<b>Total</b>	<b>57,875,000</b>	<b>86,000,000</b>	<b>202,987,988</b>	<b>226,425,488</b>	<b>(171,538,626)</b>	<b>(169,239,373)</b>	<b>31,449,362</b>	<b>57,186,115</b>	<b>2,983,952</b>	<b>825,862</b>
<b>Grand Total</b>	<b>708,375,000</b>	<b>736,500,000</b>	<b>829,522,474</b>	<b>852,959,974</b>	<b>(273,613,220)</b>	<b>(271,598,381)</b>	<b>555,909,254</b>	<b>581,361,593</b>	<b>355,556,461</b>	<b>122,813,200</b>

\* Dissolute and in the process of liquidation

## **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)**

		<b>Consolidated financial statements</b>			
		<b>Baht</b>		<b>Percentage</b>	
<b>Name</b>	<b>Nature of business</b>	<b>Issued and paid-up share capital</b>		<b>Percentage of shareholding</b>	
		<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
Idea Power Co., Ltd.	Organizer	20,000,000	20,000,000	25.00	25.00
		<b>Consolidated financial statements</b>			
		<b>Investments at equity method</b>		<b>Investments at cost method</b>	
		<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
Investment in Idea Power Co., Ltd.		3,988,995	4,103,678	6,303,621	6,303,621
<u>Less</u> 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

**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:

	<b>Consolidated financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
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**

	<b>Idea Power Co., Ltd. As at 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
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**

	<b>Idea Power Co., Ltd. For the year ended 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
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

13 Buildings and equipment (net)

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

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
<b>As at 1 January 2017</b>						
Cost	34,189,065	413,058,761	483,579,834	67,181,399	160,394	998,169,453
<u>Less</u> Accumulated depreciation	(33,251,677)	(163,864,516)	(304,314,484)	(23,692,427)	-	(525,123,104)
Net book amount	937,388	249,194,245	179,265,350	43,488,972	160,394	473,046,349
<b>For the year ended 31 December 2017</b>						
Opening net book amount	937,388	249,194,245	179,265,350	43,488,972	160,394	473,046,349
Additions	-	7,256,014	23,197,044	17,459,405	2,235,439	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
<b>As at 31 December 2017</b>						
Cost	2,639,106	408,047,691	492,153,873	72,515,762	-	975,356,432
<u>Less</u> 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

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

	Separate financial statements (Baht)				
	Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation
					Total
<b>As at 1 January 2016</b>					
Cost	25,503,343	129,808,764	423,027,969	47,557,771	86,602,858
<u>Less</u> Accumulated depreciation	(23,631,509)	(74,962,341)	(233,453,807)	(21,716,107)	-
Net book amount	1,871,834	54,846,423	189,574,162	25,841,664	86,602,858
<b>For the year ended 31 December 2016</b>					
Opening net book amount	1,871,834	54,846,423	189,574,162	25,841,664	86,602,858
Additions	936,134	35,729,931	31,400,050	31,670,239	103,395,821
Transfer from construction in progress	-	181,301,135	8,537,150	-	(189,838,285)
Disposals - cost	-	(337,301)	(21,151,281)	(15,672,294)	-
- accumulated depreciation	-	333,747	14,568,736	9,460,727	-
Write-off - cost	-	(43,000)	(1,227,272)	(1,414,659)	-
- accumulated depreciation	-	43,000	1,214,344	990,261	-
Depreciation charge (Note 30)	(2,112,343)	(25,603,731)	(60,114,227)	(10,104,318)	-
Closing net book amount	695,625	246,270,204	162,801,662	40,771,620	160,394
<b>As at 31 December 2016</b>					
Cost	26,439,477	346,459,529	440,586,617	62,141,057	160,394
<u>Less</u> Accumulated depreciation	(25,743,852)	(100,189,325)	(277,784,955)	(21,369,437)	-
Net book amount	695,625	246,270,204	162,801,662	40,771,620	160,394

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

	Separate financial statements (Baht)				
	Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation
<b>As at 1 January 2017</b>					
Cost	26,439,477	346,459,529	440,586,617	62,141,057	160,394
<u>Less</u> Accumulated depreciation	(25,743,852)	(100,189,325)	(277,784,955)	(21,369,437)	-
Net book amount	695,625	246,270,204	162,801,662	40,771,620	160,394
<b>For the year ended 31 December 2017</b>					
Opening net book amount	695,625	246,270,204	162,801,662	40,771,620	160,394
Additions	-	6,940,530	10,699,924	17,459,406	-
Transfer from construction in progress	-	-	160,394	-	(160,394)
Disposals - cost	-	(5,995,481)	(18,411,612)	(3,210,000)	-
- accumulated depreciation	-	5,937,144	14,197,076	2,632,896	-
Write-off - cost	(24,194,271)	-	(779,190)	(8,915,042)	-
- accumulated depreciation	24,194,228	-	779,173	8,915,033	-
Depreciation charge (Note 30)	(695,580)	(43,492,227)	(58,596,520)	(7,673,640)	-
Closing net book amount	2	209,660,170	110,850,907	49,980,273	-
<b>As at 31 December 2017</b>					
Cost	2,245,206	347,404,578	432,256,133	67,475,421	-
<u>Less</u> Accumulated depreciation	(2,245,204)	(137,744,408)	(321,405,226)	(17,495,148)	-
Net book amount	2	209,660,170	110,850,907	49,980,273	-

As at 31 December 2017, the gross carrying amount of fully depreciated buildings and equipment that are still in used as included in the consolidated and company financial statements were Baht 227,306,608 and Baht 208,948,434 (2016 : Baht 209,801,826 and Baht 177,518,206), respectively.

**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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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	<u>41,964,889</u>	<u>47,275,948</u>	<u>41,964,889</u>	<u>47,275,948</u>

**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.

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

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.

**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 Monetary 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. installments	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. installments	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).

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	<u>987,232,500</u>	<u>(92,696,545)</u>	<u>894,535,955</u>	<u>1,169,000,000</u>	<u>(63,081,162)</u>	<u>1,105,918,838</u>

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	<u>(92,696,545)</u>	<u>(63,081,162)</u>
	894,535,955	1,105,918,838
<u>Less</u> Current portion	<u>(176,864,317)</u>	<u>(378,075,913)</u>
	<u>717,671,638</u>	<u>727,842,925</u>

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
	<u>987,232,500</u>	<u>1,169,000,000</u>

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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
<b>As at 1 January 2016</b>										
Cost	295,821,750	1,045,856,452	102,189,180	18,827,184	1,462,694,566	295,821,790	624,028,723	92,759,077	160,000	1,012,769,590
<u>Less</u> Accumulated amortisation	(82,703,674)	(672,515,495)	(55,323,744)	-	(810,542,913)	(82,703,674)	(451,074,954)	(50,288,870)	-	(584,067,498)
Allowance for impairment	(152,793,280)	(174,242,368)	(1,544,808)	-	(328,580,456)	(152,793,280)	(166,242,356)	-	-	(319,035,636)
Net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456
<b>For the year ended 31 December 2016</b>										
Opening net book amount	60,324,796	199,098,589	45,320,628	18,827,184	323,571,197	60,324,836	6,711,413	42,470,207	160,000	109,666,456
Addition	4,501,408	-	40,917,373	426,234,425	471,653,206	4,501,408	-	39,198,503	17,192,000	60,891,911
Transferred in (out)	-	317,690,622	-	(317,690,622)	-	-	160,000	-	(160,000)	-
Disposal- cost	-	-	-	-	-	-	(160,000)	(117,040)	-	(277,040)
- accumulated amortisation	-	-	-	-	-	-	-	14,744	-	14,744
Write-off- cost	-	-	(635,721)	-	(635,721)	-	-	(12,221)	-	(12,221)
- accumulated amortisation	-	-	634,278	-	634,278	-	-	10,793	-	10,793
Amortisation charge (Note 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
<b>As at 31 December 2016</b>										
Cost	300,323,158	1,363,547,074	142,470,832	127,370,987	1,933,712,051	300,323,198	624,028,723	131,828,319	17,192,000	1,073,372,240
<u>Less</u> Accumulated amortisation	(82,763,674)	(890,886,422)	(64,718,522)	-	(1,038,368,618)	(82,763,674)	(454,207,533)	(59,734,038)	-	(596,705,245)
Allowance for impairment	(168,253,325)	(173,935,124)	(1,544,808)	-	(343,733,257)	(168,253,349)	(166,242,356)	-	-	(334,495,705)
Net book amount	49,306,159	298,725,528	76,207,502	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290

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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
<b>As at 1 January 2017</b>										
Cost	300,323,158	1,363,547,074	142,470,832	127,370,987	1,933,712,051	300,323,198	624,028,723	131,828,319	17,192,000	1,073,372,240
<u>Less</u> Accumulated amortisation	(82,763,674)	(890,886,422)	(64,718,522)	-	(1,038,368,618)	(82,763,674)	(454,207,533)	(59,734,038)	-	(596,705,245)
Allowance for impairment	(168,253,325)	(173,935,124)	(1,544,808)	-	(343,733,257)	(168,253,349)	(166,242,356)	-	-	(334,495,705)
Net book amount	49,306,159	298,725,528	76,207,502	127,370,987	551,610,176	49,306,175	3,578,834	72,094,281	17,192,000	142,171,290
<b>For the year ended 31 December 2017</b>										
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	62,062,612
Transferred in (out)	-	169,038,208	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
<b>As at 31 December 2017</b>										
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
<u>Less</u> Accumulated amortisation	(82,763,674)	(1,181,067,388)	(76,637,966)	-	(1,340,469,028)	(82,763,674)	(474,352,084)	(69,196,151)	-	(626,311,909)
Allowance for impairment	(181,755,801)	(166,242,368)	(1,544,808)	-	(349,542,977)	(181,755,825)	(166,242,356)	-	-	(347,998,181)
Net book amount	38,441,315	316,477,542	101,992,330	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.

**16 Withholding tax (net)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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)	-	-
	<u>153,554,601</u>	<u>124,080,113</u>	<u>90,014,129</u>	<u>55,838,141</u>

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 consolidate 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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>Deferred tax assets:</b>				
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
	<u>275,928,047</u>	<u>305,296,546</u>	<u>121,461,145</u>	<u>96,253,826</u>
<b>Deferred tax liabilities:</b>				
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)
	<u>(2,004,145)</u>	<u>(1,678,888)</u>	<u>(2,004,145)</u>	<u>(1,678,888)</u>
Deferred tax assets (net)	<u>273,923,902</u>	<u>303,617,658</u>	<u>119,457,000</u>	<u>94,574,938</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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	<u>273,923,902</u>	<u>303,617,658</u>	<u>119,457,000</u>	<u>94,574,938</u>

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:

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

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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:

	<b>Consolidated financial statements</b>				<b>Separate Financial Statements</b>			
	<b>1 January 2017 Baht</b>	<b>Increase (decrease) to the statement of income Baht</b>	<b>Increase (decrease) to the statement of comprehensive income Baht</b>	<b>31 December 2017 Baht</b>	<b>1 January 2017 Baht</b>	<b>Increase (decrease) to the statement of income Baht</b>	<b>Increase (decrease) to the statement of comprehensive income Baht</b>	<b>31 December 2017 Baht</b>
<b>Deferred tax assets:</b>								
Allowance for doubtful accounts	19,101,865	(710,958)	-	18,390,907	14,145,133	125,770	-	14,270,903
Intangible assets	39,528,915	1,231,452	-	40,760,367	5,267,457	(3,900,848)	-	1,366,609
Provision for goods returned	378,386	(378,386)	-	-	-	-	-	-
Allowance for slow moving	12,580,353	(9,314,757)	-	3,265,596	154,138	8,646	-	162,784
License for operation right in spectrum of digital television	26,060,818	(4,284,174)	-	21,776,644	-	-	-	-
Employee benefit obligations	19,591,859	2,652,427	(3,017,355)	19,226,931	16,818,456	347,784	(2,605,932)	14,560,308
Tax loss carry forward	143,044,720	(15,514,727)	-	127,529,993	14,859,012	31,263,920	-	46,122,932
Allowance for impairment of investments	40,607,981	459,850	-	41,067,831	40,607,981	459,850	-	41,067,831
Depreciation expense from building and equipment	4,401,649	(491,871)	-	3,909,778	4,401,649	(491,871)	-	3,909,778
<b>Total deferred tax assets</b>	<b>305,296,546</b>	<b>(26,351,142)</b>	<b>(3,017,355)</b>	<b>275,928,047</b>	<b>96,253,826</b>	<b>27,813,251</b>	<b>(2,605,932)</b>	<b>121,461,145</b>
<b>Deferred tax liabilities:</b>								
Assets under finance lease agreement	(1,678,888)	(325,257)	-	(2,004,145)	(1,678,888)	(325,257)	-	(2,004,145)
<b>Total deferred tax liabilities</b>	<b>(1,678,888)</b>	<b>(325,257)</b>	<b>-</b>	<b>(2,004,145)</b>	<b>(1,678,888)</b>	<b>(325,257)</b>	<b>-</b>	<b>(2,004,145)</b>
<b>Deferred tax assets (net)</b>	<b>303,617,658</b>	<b>(26,676,401)</b>	<b>(3,017,355)</b>	<b>273,923,902</b>	<b>94,574,938</b>	<b>27,487,994</b>	<b>(2,605,932)</b>	<b>119,457,000</b>

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: (Cont'd)

	Consolidated financial statements			Separate Financial Statements		
	1 January 2016 Baht	Increase (decrease) to the statement of comprehensive income Baht	31 December 2016 Baht	1 January 2016 Baht	Increase (decrease) to the statement of comprehensive income Baht	31 December 2016 Baht
<b>Deferred tax assets:</b>						
Allowance for doubtful accounts	13,282,224	5,819,641	19,101,865	8,396,278	5,748,855	14,145,133
Intangible assets	39,592,323	(63,408)	39,528,915	13,079,936	(7,812,479)	5,267,457
Provision for goods returned	2,873,175	(2,494,789)	378,386	2,873,175	(2,873,175)	-
Allowance for slow moving	9,069,298	3,511,055	12,580,353	867,288	(713,150)	154,138
License for operation right in spectrum of digital television	18,470,404	7,590,414	26,060,818	-	-	-
Employee benefit obligations	17,109,150	2,482,709	19,591,859	14,962,658	1,855,798	16,818,456
Tax loss carry forward	83,513,917	59,530,803	143,044,720	24,483,155	(9,624,143)	14,859,012
Allowance for impairment of investments	42,394,997	(1,787,016)	40,607,981	42,394,997	(1,787,016)	40,607,981
Depreciation expense from building and equipment	2,336,066	2,065,583	4,401,649	2,336,066	2,065,583	4,401,649
Total deferred tax assets	228,641,554	76,654,992	305,295,546	109,393,553	(13,139,727)	96,253,826
<b>Deferred tax liabilities:</b>						
Assets under finance lease agreement	(621,175)	(1,057,713)	(1,678,888)	(621,175)	(1,057,713)	(1,678,888)
Total deferred tax liabilities	(621,175)	(1,057,713)	(1,678,888)	(621,175)	(1,057,713)	(1,678,888)
Deferred tax assets (net)	228,020,379	75,597,279	303,617,658	108,772,378	(14,197,440)	94,574,938

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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**

	<b>Note</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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	(2,195,821)	(2,595,492)	(2,195,821)	(2,595,492)
	29,370,800	36,369,633	29,370,800	36,369,633
<u>Less</u> Current portion	(11,681,888)	(11,667,631)	(11,681,888)	(11,667,631)
	<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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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**

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

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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Promissory notes</b>	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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>

**22 Value added tax**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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)	-	-	-
	<u>(4,922,085)</u>	<u>23,668,000</u>	<u>(20,614,565)</u>	<u>(33,707,868)</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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)
	<u>(4,922,085)</u>	<u>23,668,000</u>	<u>(20,614,565)</u>	<u>(33,707,868)</u>

**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:

	<b>Consolidated financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
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	<u>666,085,000</u>	<u>444,060,000</u>

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.

**23 Long-term loans from a financial institution (Cont'd)**

The effective interest rates at the statements of financial position date were as follows:

	<b>Consolidated financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
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:

	<b>Consolidated financial statements</b>			
	<b>Carrying amounts</b>		<b>Fair values</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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:

	<b>Consolidated financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
<b><u>Due within the years ending</u></b>		
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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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>

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

## 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:

<u>Warrants No. (RS-W3)</u>	Consolidated and Separate financial statements	
	2017 Unit	2016 Unit
Warrants had not been exercised as at 1 June	193,332,760	-
Warrants had been exercised	(209,746)	-
Outstanding as at 31 December	193,123,014	-

**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.

**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:

	<b>Consolidated and Separate financial statements</b>		
	<b>Shares</b>	<b>Amount of treasury shares Baht</b>	<b>Premium on treasury shares Baht</b>
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**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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
	<b>40,906,581</b>	<b>123,589,627</b>	<b>723,917,238</b>	<b>444,284,393</b>

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

**29 Other expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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>

**32 Income tax**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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)	<u>(87,192,943)</u>	<u>24,235,322</u>	<u>27,339,481</u>	<u>(14,197,440)</u>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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	<u>(577,028)</u>	<u>(9,437)</u>	<u>240,576</u>	<u>-</u>
Tax charge	<u>(87,192,943)</u>	<u>24,235,322</u>	<u>27,339,481</u>	<u>(14,197,440)</u>

### 33 Earnings (loss) per share

#### 33.1 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
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).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
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
Adjustment for :				
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

### 34 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The significant investments in subsidiaries and associates are set out in Notes 11 and 12.

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

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

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

Significant related parties transactions can be summarised as follows:

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

	Separate Financial Statements					
	For the year ended 31 December 2017 (Baht)					
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from other service Income	Other income	
					Revenue from management service	Interest income  Other income
<b>Subsidiaries</b>						
R.S. Television Co., Ltd.	49,568,104	630,256	13,075,865	10,557,778	198,466,895	31,458,356 152,095
Lifestar Co., Ltd.	57,135,422	622,000	-	-	59,171,222	- 6,932,131
Coolism Co., Ltd.	-	-	-	-	48,045,817	- 18,668
Thai Copyright Collection Co., Ltd.	-	41,331,814	-	-	5,063,976	- 369,835
Buntoeng Variety Co., Ltd.	6,845,000	210,000	-	-	-	-
R.S. Sportmaster Co., Ltd.	-	-	-	-	-	93,600 -
<b>Total</b>	<b>113,548,526</b>	<b>42,794,064</b>	<b>13,075,865</b>	<b>10,557,778</b>	<b>310,747,910</b>	<b>31,551,956 7,472,729</b>

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)					
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from other service Income	Other income	
					Revenue from management service	Interest income
<b>Subsidiaries</b>						
R.S. Television Co., Ltd.	49,775,048	4,372,500	23,276,673	26,322,283	127,534,943	24,251,169
Lifestar Co., Ltd.	23,530,921	(67)	2,525,073	-	60,000,000	-
Coolism Co., Ltd.	-	-	2,744,449	-	24,003,900	-
Thai Copyright Collection Co., Ltd.	7,850	45,448,946	-	-	10,325,100	-
R Alliance Co., Ltd.	-	-	-	-	-	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
<b>Total</b>	<b>109,631,286</b>	<b>49,821,379</b>	<b>28,546,195</b>	<b>26,322,283</b>	<b>225,861,968</b>	<b>25,059,523</b>
						<b>11,044,198</b>

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)		For the year ended 31 December 2016 (Baht)	
	Cost of sales and service	Selling and administrative expenses	Cost of sales and service	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	-	-
<b>Total</b>	<b>29,713,080</b>	<b>53,595,021</b>	<b>32,459,397</b>	<b>50,893,097</b>

  

Separate Financial Statements				
	For the year ended 31 December 2017 (Baht)		For the year ended 31 December 2016 (Baht)	
	Cost of sales and service	Selling and administrative expenses	Cost of sales and service	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	-	-
<b>Total</b>	<b>20,063,406</b>	<b>43,234,273</b>	<b>29,289,473</b>	<b>41,443,381</b>

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

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

b) Outstanding balance arising from trade and other accounts receivable as at 31 December 2017 and 2016 are as follows:

<b>Consolidation Financial Statements</b>										
<b>As at 31 December 2017 (Baht)</b>					<b>As at 31 December 2016 (Baht)</b>					
<b>Trade accounts receivable</b>	<b>Accrued income</b>	<b>Accrued Interest income</b>	<b>Allowance for doubtful accounts - accrued interest income</b>	<b>Advance payments</b>	<b>Trade accounts receivable</b>	<b>Accrued income</b>	<b>Accrued Interest income</b>	<b>Allowance for doubtful accounts - accrued interest income</b>	<b>Advance payments</b>	
<b>Related party</b>										
S-One Sport Co., Ltd.	-	-	2,489,884	(2,489,884)	-	-	2,489,884	(2,489,884)	-	
<b>Total</b>	-	-	2,489,884	(2,489,884)	-	-	2,489,884	(2,489,884)	-	
<b>Separate Financial Statements</b>										
<b>As at 31 December 2017 (Baht)</b>					<b>As at 31 December 2016 (Baht)</b>					
<b>Trade accounts receivable</b>	<b>Accrued income</b>	<b>Accrued Interest income</b>	<b>Allowance for doubtful accounts - accrued interest income</b>	<b>Advance payments</b>	<b>Trade accounts receivable</b>	<b>Accrued income</b>	<b>Accrued Interest income</b>	<b>Allowance for doubtful accounts - accrued interest income</b>	<b>Advance payments</b>	
<b>Subsidiaries</b>										
R.S. Television Co., Ltd.	225,637,832	74,500,284	5,644,241	-	-	602,095,439	15,476,333	6,213,049	-	-
Lifestar Co., Ltd.	20,274,261	5,871,187	-	-	-	83,608,315	334,563	-	-	-
Coolism Co., Ltd.	4,287,766	-	-	-	-	4,490,158	-	-	-	-
Thai Copyright Collection Co., Ltd.	1,158,077	-	-	-	-	1,847,735	-	-	-	-
R Alliance Co., Ltd.	-	-	-	-	1,121	-	-	-	-	2,665
Yaak Co., Ltd.	-	-	-	-	-	17,437,915	-	-	-	-
Aladdin House Co., Ltd.	-	-	-	-	4,655	-	-	-	-	2,315
Very Well Co., Ltd.	-	-	-	-	6,763	-	-	-	-	4,067
Blufairy Co., Ltd.	-	-	-	-	3,555	-	-	-	-	1,750
Goodlife Group Co., Ltd. (Formerly : Dee Media and Production Co., Ltd.)	-	-	-	-	6,929	-	-	-	-	5,200
Buntoeng Variety Co., Ltd.	7,548,850	-	-	-	-	746,245	-	-	-	-
R.S. Sportmaster Co., Ltd.	-	-	1,707,622	(920,181)	240,656	-	-	1,614,022	(802,580)	164,716
<b>Total</b>	<b>258,906,786</b>	<b>80,371,471</b>	<b>9,841,747</b>	<b>(3,410,065)</b>	<b>263,679</b>	<b>710,225,807</b>	<b>15,810,896</b>	<b>10,316,955</b>	<b>(3,292,464)</b>	<b>180,713</b>

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	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses
Chetchotsak Co., Ltd.	-	1,777,030	-	-	-	1,654,580	-	-	-
Membership Co., Ltd.	-	366,218	-	-	-	2,066,405	-	-	-
<b>Total</b>	-	2,143,248	-	-	-	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	Other accounts payable	Unearned revenue	Accrued interest expense	Accrued expenses
Chetchotsak Co., Ltd.	-	1,432,105	-	-	-	1,305,189	-	-	-
Membership Co., Ltd.	-	59,920	-	-	-	2,066,405	-	-	-
<b>Total</b>	-	1,492,025	-	-	-	3,371,594	-	-	-

**RS Public Company Limited**  
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**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
<b>Subsidiaries</b>												
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	-	-
RS International Broadcasting and Sports Management Co., Ltd.	-	-	-	23,245	-	-	-	-	-	113,115	-	-
<b>Total</b>	<u>6,316,643</u>	<u>279,853</u>	<u>31,899,802</u>	<u>503,235</u>	<u>2,944,792</u>	<u>6,598,677</u>	<u>25,247,407</u>	<u>279,853</u>	<u>40,504,358</u>	<u>401,631</u>	<u>997,996</u>	<u>-</u>
<b>Grand total</b>	<u>6,316,643</u>	<u>1,771,878</u>	<u>31,899,802</u>	<u>503,235</u>	<u>2,944,792</u>	<u>6,598,677</u>	<u>25,247,407</u>	<u>3,651,447</u>	<u>40,504,358</u>	<u>401,631</u>	<u>997,996</u>	<u>-</u>

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

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

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

**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)**

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

	Consolidate financial statements												
	For the year ended 31 December 2016 (Baht)												
	Short-term loans				Allowance for impairment of short-term loans				Short-term loans (net)				
	Opening balance	Increase during the period	Received during the period	Closing balance	Opening balance	Increase during the period	Decrease during the period	Closing balance	Opening balance	Increase during the period	Received during the period	Decrease during the period	Closing balance
Indirect associate	-	30,000,000	(30,000,000)	-	-	-	-	-	-	30,000,000	(30,000,000)	-	-
Idea Power Co., Ltd.													
	Separate financial statements												
	For the year ended 31 December 2016 (Baht)												
	Short-term loans				Allowance for impairment of short-term loans				Short-term loans (net)				
	Opening balance	Increase during the period	Received during the period	Closing balance	Opening balance	Increase during the period	Decrease during the period	Closing balance	Opening balance	Increase during the period	Received during the period	Decrease during the period	Closing balance
Subsidiaries													
R Alliance Co., Ltd.	-	30,000,000	(30,000,000)	-	-	-	-	-	-	30,000,000	(30,000,000)	-	-
Yaak Co., Ltd.	24,000,000	4,500,000	(28,500,000)	-	(9,425,226)	-	9,425,226	-	14,574,774	4,500,000	(28,500,000)	9,425,226	-
R.S. Sportmaster Co., Ltd.	2,340,000	-	-	2,340,000	(2,340,000)	-	-	(2,340,000)	-	-	-	-	-
R.S. Television Co., Ltd.	479,700,000	781,000,000	(683,000,000)	577,700,000	-	-	-	-	479,700,000	781,000,000	(683,000,000)	-	577,700,000
S-One Sport Co., Ltd.	20,355,000	-	-	20,355,000	(20,355,000)	-	-	(20,355,000)	-	-	-	-	-
Total	526,395,000	815,500,000	(741,500,000)	600,395,000	(32,120,226)	-	9,425,226	(22,695,000)	494,274,774	815,500,000	(741,500,000)	9,425,226	577,700,000

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
<b>Subsidiaries</b>								
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. (Formerly : Dee Media and Production Co., Ltd.)	5,000,000	-	-	5,000,000	-	5,000,000	-	5,000,000
Buntoeng Variety Co., Ltd.	2,500,000	-	(1,800,000)	700,000	-	2,500,000	-	2,500,000
Lifestar Co., Ltd.	-	210,000,000	(105,000,000)	105,000,000	-	20,000,000	(20,000,000)	-
Thai Copyright Co., Ltd.	-	12,000,000	(12,000,000)	-	-	-	-	-
<b>Total</b>	<b>140,400,000</b>	<b>332,000,000</b>	<b>(350,572,875)</b>	<b>121,827,125</b>	<b>48,000,000</b>	<b>223,500,000</b>	<b>(131,100,000)</b>	<b>140,400,000</b>

**RS Public Company Limited**  
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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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
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.

<b>Consolidated financial statements</b>								
<b>For the year ended 31 December 2017</b>								
	<b>Media business Baht</b>	<b>Music business Baht</b>	<b>Event business Baht</b>	<b>Health and beauty Baht</b>	<b>Other services Baht</b>	<b>Total Baht</b>	<b>Eliminated Baht</b>	<b>Total Baht</b>
Revenues								
external	1,703,504,304	254,507,293	154,574,852	1,389,095,731	-	3,501,682,180	-	3,501,682,180
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	1,663,502,473	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>
<b>Consolidated financial statements</b>								
<b>As at 31 December 2017</b>								
	<b>Media business Baht</b>	<b>Music business Baht</b>	<b>Event business Baht</b>	<b>Health and beauty Baht</b>	<b>Other services Baht</b>	<b>Total Baht</b>	<b>Eliminated Baht</b>	<b>Total Baht</b>
Fixed assets	252,009,348	1,723,913	494,380	28,247,828	119,992,350	402,467,818	-	402,467,819
Intangible assets	1,974,991,853	38,501,636	-	27,345,440	77,493,310	2,118,332,239	-	2,118,332,239
<b>Consolidated financial statements</b>								
<b>For the year ended 31 December 2016</b>								
	<b>Media business Baht</b>	<b>Music business Baht</b>	<b>Event business Baht</b>	<b>Health and beauty Baht</b>	<b>Other services Baht</b>	<b>Total Baht</b>	<b>Eliminated Baht</b>	<b>Total Baht</b>
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
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>
<b>Consolidated financial statements</b>								
<b>As at 31 December 2016</b>								
	<b>Media business Baht</b>	<b>Music business Baht</b>	<b>Event business Baht</b>	<b>Health and beauty Baht</b>	<b>Other services Baht</b>	<b>Total Baht</b>	<b>Eliminated Baht</b>	<b>Total Baht</b>
Fixed assets	319,479,861	12,694,528	692	16,278,441	124,592,826	473,046,348	-	473,046,348
Intangible assets	2,074,848,449	49,368,622	-	4,538,237	89,286,281	2,218,041,589	-	2,218,041,589

### 36 Credit facilities

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	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	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>Capital Commitments</b>				
Purchase assets	1,151,100	-	-	-
<b>Operating lease Commitments</b>				
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.

**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.