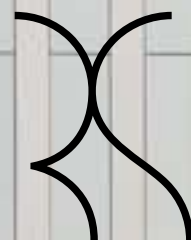


Annual Report 2019



RS GROUP

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Message from the Chairman and Chief Executive Officer







Mr. Surachai Chetchotisak
Chairman and Chief Executive Officer

Message from the Chairman and Chief Executive Officer

The past year was impacted by the local economic situation and decline of Thai exports, as well as by external factors like the uncertainty of the trade war, the Brexit issue and the global economic slowdown. Although the government implemented measures to assist low-income people, stimulate consumption and promote domestic investment, as well as initiatives to help small-scaled farmers and farmers suffering from drought, the Thai economy has not improved in the last year.

At RS, we are determined to operate the business in accordance with a horizontal strategy for business growth and expansion, including the growth of new commerce businesses combined with our existing strength in television and radio media as well as in music. We are also entering into alliances with strong business partners who have unbroken potential, including both digital TV leaders and other leading media partner groups, in order to expand our business as well as the broader business ecosystem with new ways thinking, unhindered by boundaries. Important components of the past year include our constant adaptation to this era of disruption and directly forging paths to and better understanding of consumers' needs (Direct to Customer), both of which have ensured continuous growth for the Company along with all its partners; we were also largely shielded from the overall economic slowdown.

For 2019, the Company earned a total revenue of 3,611 million baht, a slight decrease from the previous year. The growth of our commerce business revenue was relatively stable from the previous year. While the overall economy caused customers to delay their purchasing decisions, a strong and complete business ecosystem, from upstream to downstream; a variety of content; marketing that reaches consumers directly; complete and robust media from both RS and the synergies with its partners; ownership of products that meet customers' needs in each platform; a database management system of more than 1.3 million customers that features in-depth or data-driven analysis; telemarketing system teams; warehouse management; and alliances with efficient delivery and payment partners have resulted in the combination of our strengths in "Entertainment", in terms

of owned content and major media platforms, with "Commerce". The latter encompasses our full participation in the commerce business, offering products and services, with direct access to consumers on all platforms. This has enabled the Company to fully step into the "Entertainmerce" role.

As for Channel 8, despite being affected by the overall industry slowdown, the number of TV viewers has clearly not decreased; as such, Channel 8 remains an important base to further expand the commerce business. Also, measures to help digital TV in the past year, starting now, will reduce Channel 8's digital TV licensing fee and broadcasting network (multiplexer) rental fee, which amount to over 100 million baht per year. In addition, RS's DNA in both the radio and music businesses has been an important part of generating income and profits in the past year, including the spotlighting of famous artists from the past who still have a loyal fan base at the "Raptor Evolution 25 Years Mai Mee Krengjai" and "D2B Infinity Concert 2019", both of which were well received. Concert tickets sold out within a few minutes, and this phenomenon will return in 2020.

For 2020, the Company will focus on developing every business in the group continuously. This will be done by working with partners to expand channels that reach more diverse customers; developing online channels through the COOL brand, which has a strong online customer base; re-branding the entire organization through the formulation of a new vision, mission and corporate culture, including management restructuring with a focus on data-driven strategies to run the business more efficiently; and forging ahead with new business opportunities. These will all drive the operations in 2020 to grow with strength and build long-term sustainability.

In the past year, RS encountered many trying moments, but with the support from its shareholders, partners, customers, employees and stakeholders, we were able to successfully overcome the challenges. On behalf of the Management and Board of Directors, we thank you and sincerely hope that all of you will continue to support and grow with the Company.

Board of Directors Report

To Shareholders,
RS Public Company Limited

The Board of Director is responsible for the reporting of the consolidated financial statements on the Company and subsidiaries, contents of which have been consistently prepared with respect to the Thai generally accepted accounting standards where prudence are duly exercised and information disclosed in the notes accompanying the statements.

The Extraordinary General Meeting of Shareholders No. 1/2546 (2003) has approved an Audit Committee comprising independent directors who are not involved in the day-to-day operations to take responsibility over the quality of the financial reports and internal controls, which the Audit Committee's opinion was described in Audit Committee Report shown in this annual report.

The Board of Director has considered that the Company has good internal control and has concurred with the Audit Committee, the Executives and the authorized auditors for the consolidated financial statements of 2019 on the Company and subsidiaries that the Company's financial position and the result of operation present fairly in conformity with generally accepted accounting principles.

Mr. Surachai Chetchotisak
Chairman and Chief Executive Officer





Audit Committee Report

To Shareholders,
RS Public Company Limited

In 2019, the Audit Committee performed its duties in accordance with the Audit Committee Charter approved by the Board of Directors and encouraged all related practices to ensure good corporate governance. This included strengthening the conformity of transparency, ethics, and code of conduct compliance to create confidence towards shareholders, and other stakeholders. The financial statements of 2019 had been reviewed by the Audit Committee, Executives and the authorized auditors to ensure that the company's financial statements and financial data disclosure are accurate, adequate and meet the general accounting standard. The Audit Committee also suggested the improvements of internal control system to align the system with rules, and good corporate governance policies, especially those concerning with conflict of interest.

The Audit Committee also held meetings with external auditors and internal audit department in order to discuss the issues on risk assessment and prevention, audit results and the adequacy of the internal control systems. Moreover, the Audit Committee brought into close consideration the internal audit plans and major company's operations to ensure transparency and compliance with laws and regulations.

In 2019, the Audit Committee held 5 meetings, including those with external auditors without Executives or Management presence, in order to be well-informed all problems and audit findings' concerns. In addition, the Audit Committee has self-assessed the Audit Committee performance for 2019. Also, PricewaterhouseCoopers ABS Ltd., was nominated and chosen as external auditor for 2020 based on the company's qualification, independence, experiences and audit fee. This has been proposed to the Board of Directors for further approval in Shareholders' Meeting.

Mr. Phisit Dachanabhirom
Chairman of the Audit Committee



Board of Directors





Mr. Surachai Chetchotisak

Age 57

Position : Chairman, Chairman of the Executive Committee and Chief Executive Officer

Shareholding : 20.70%

Education :

Honorary Doctorate of Marketing,
Chandrakasem Rajabhat University
Bachelor of Political Sciences,
Ramkhamhaeng University

Thai Institute of Directors Training :
Director Accreditation Program (DAP) Year
2003

Certificate Program in 2019 :-

Experience :

- 2012 - Present : Chairman
RS Public Company Limited
- 2003 - Present : Chairman of the
Executive Committee
RS Public Company Limited

- 1992 - Present : Chief Executive Officer
RS Public Company Limited
- 2003 - 2012 : Vice Chairman
RS Public Company Limited

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

- Director, Chetchotisak Co.,Ltd.
- Director, Membership Co.,Ltd.
- Director, Tiger Fun Co.,Ltd.
- Director, Chetchot Co.,Ltd.
- Director, Soaring Tiger Co.,Ltd.
- Director, Golden Tiger Co.,Ltd.

Shareholding at the beginning of year

2019 (shares) : 366,300,000

Shares buying during year 2019 (shares) :-

**Shares selling/transferring during
year 2019 (shares) : 165,031,700**

Shareholding at the ending of year

2019 (shares) : 201,268,300

**Relation among Family with Other
Directors and Management : None**



Mrs. Pornpan Techarungchaikul

Age 49

Position : Director, Member of the Executive Committee, Chairman of the Corporate Governance Committee, Chairman of the Risk Management Committee, Chairman of the Human Development Committee, Company Secretary and Chief Commercial Officer

Shareholding : None

Education :

Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
Bachelor of Statistics, Chulalongkorn University

Thai Institute of Directors Training :
Director Certification Program (DCP)
Year 2007
Director Accreditation Program (DAP)
Year 2004

Certificate Program in 2019 :-

Experience :

- Oct 15, 2019 - Present : Chief Commercial Officer
RS Public Company Limited
- 2011 - Present : Chairman of the Corporate Governance Committee
RS Public Company Limited
- 2010 - Present : Chairman of the Risk Management Committee
RS Public Company Limited
- 2008 - Present : Company Secretary
RS Public Company Limited
- 2007 - Oct 14, 2019 : Chief Operating Officer
RS Public Company Limited
- 2004 - Present : Director, Member of the Executive Committee and Chairman of the Human Development Committee
RS Public Company Limited

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

Shareholding at the beginning of year 2019 (shares) :-

Shares buying during year 2019 (shares) :-

Shares selling/transferring during year 2019 (shares) :-

Shareholding at the ending of year 2019 (shares) :-

Relation among Family with Other Directors and Management : None



Mr. Darm Nana

Age 50

Position : Director, Member of the Executive Committee and Chief Financial Officer

Shareholding : None

Education :

Master of Business Administration (MBA),
University of Notre Dame, Indiana, USA
Bachelor of Arts in Economics (BA Econ),
Thammasat University

Thai Institute of Directors Training :
Director Certification Program (DCP)
Year 2008
Director Accreditation Program (DAP)
Year 2008

Certificate Program in 2019 :
Beyond Treasury Management, The
Federation of Accounting Professions

Experience :

• 2007 - Present : Director, Member of the
Executive Committee and Chief

Financial Officer

RS Public Company Limited

• 2011 - 2016 : Member of the Corporate
Governance Committee

RS Public Company Limited

• 2010 - 2016 : Member of the Risk
Management Committee

RS Public Company Limited

• 2002 - 2007 : Senior Vice President
Corporate Banking HSBC Thailand

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

**Shareholding at the beginning of year
2019 (shares) :-**

Shares buying during year 2019 (shares) :-

**Shares selling/transferring during
year 2019 (shares) :-**

**Shareholding at the ending of year 2019
(shares) :-**

**Relation among Family with Other
Directors and Management : None**



Mr. Danaisidh Peslapunt

Age 64

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

Shareholding : None

Education :

Thai Barrister at Law from The Institute of Legal Education Thai Bar Association
 Bachelor of Law from Ramkhamhaeng University
 Certificate of International Trade, Institute of Legal Education Thai Bar Association
 Certificate of Tax Law, Institute of Legal Education Thai Bar Association

Thai Institute of Directors Training :
 Director Certification Program (DCP)
 Year 2008

Director Accreditation Program (DAP)
 Year 2008

Financial Statements for Directors (FSD) Year 2008

Certificate Program in 2019 :-

Experience :

- Feb 1, 2017 - Present : Member of the Corporate Governance Committee and Member of the Risk Management Committee RS Public Company Limited
- 2015 - Present : Chief Legal Officer RS Public Company Limited
- 2008 - Present : Director RS Public Company Limited
- 2007 - 2015 : Executive Vice President - Central Legal Office RS Public Company Limited
- 2012 - 2014 : Member of the Nomination and Remuneration Committee RS Public Company Limited
- 1997 - 2007 : Law Consultant RS Public Company Limited

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

Shareholding at the beginning of year 2019 (shares) :-

Shares buying during year 2019 (shares) :-

Shares selling/transferring during year 2019 (shares) :-

Shareholding at the ending of year 2019 (shares) :-

Relation among Family with Other Directors and Management : None



Mr. Sorat Vanichvarakij

Age 46

Position : Director

Shareholding : 10.08%

Education :

Master of Business Administration (MBA),
Asian Institute of Technology (AIT)
Bachelor of Marketing Business
Administration, Assumption
University of Thailand (ABAC)

Thai Institute of Directors Training :
Director Certification Program (DCP)
Year 2013

Certificate Program in 2019 :-

Experience :

- 2012 - Present : Director
RS Public Company Limited
- 2000 - Present : Chief Executive Officer
Pan Asia Industrial Company Limited

**Directorships in other companies that
are not owned by the RS Public**

Company Limited :

Managing Director, Pan Asia Industrial
Company Limited

**Shareholding at the beginning of year
2019 (shares) : 113,000,000**

**Shares buying during year 2019
(shares) : -**

**Shares selling/transferring during
year 2019 (shares) : 15,000,000**

**Shareholding at the ending of year
2019 (shares) : 98,000,000**

**Relation among Family with Other
Directors and Management : None**



Mr. Phisit Dachanabhirom

Age 78

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

Shareholding : None

Education :

Bachelor of Accounting, Thammasat University
 Bachelor of Commerce, Thammasat University
 Certified Public Account No.966

Thai Institute of Directors Training :

Director Certification Program (DCP) Year 2007
 Audit Committee Program (ACP) Year 2005
 Director Accreditation Program (DAP) Year 2004

Certificate Program in 2019 :-

Experience :

- 2018 - Present : Chairman of the Committee BJC Staff Savings Cooperative Limited
- 2014 - Present : Director

Don Muang Tollway Public Company Limited

- Feb 2007 - Present : Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee

RS Public Company Limited

- 2003 - Present : Director, Chairman of Audit Committee and Vice Chairman of Selection and Remuneration Committee Jaymart Public Company Limited

- 2001 - Present : Chairman of the Executive Committee Professional Alliance Group Limited

- 1992 - Present : Director and Member of the Executive Committee Polipharm Company Limited

- 2002 - 2014 : Member of the Executive Committee Phuket International Hospital Company Limited

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

- Chairman of the Committee

BJC Staff Savings Cooperative Limited

- Director

Don Muang Tollway Public Company Limited

- Chairman of the Executive Committee, Professional Alliance Group Limited

- Director and Chairman of Audit Committee Jaymart Public Company Limited

- Director

Polipharm Company Limited

Shareholding at the beginning of year 2019 (shares) :-

Shares buying during year 2019 (shares) :-

Shares selling/transferring during year 2019 (shares) :-

Shareholding at the ending of year 2019 (shares) :-

Relation among Family with Other Directors and Management : None



Mrs. Wansuda Thanasaranart

Age 68

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

Shareholding : -

Education :

Master of Business Administration (MBA), Thammasat University
Bachelor of Accounting, Chiangmai University

Thai Institute of Directors Training : Director Accreditation Program (DAP) Year 2016

Certificate Program in 2019 : -

Experience :

• Jan 2016 - Present : Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
RS Public Company Limited

• 2010 - Present : Senior Vice President - Chinese and Corporate Customers Bangkok Bank Public Company Limited

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

Shareholding at the beginning of year 2019 (shares) : -

Shares buying during year 2019 (shares) : -

Shares selling/transferring during year 2019 (shares) : -

Shareholding at the ending of year 2019 (shares) : -

Relation among Family with Other Directors and Management : None



Mr. Chakkrit Parapuntakul

Age 60

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

Shareholding : -

Education :

Master of Business Administration (MBA), Angelo State University, Texas, U.S.A
Bachelor of Accounting, Thammasat University

Thai Institute of Directors Training :-

Director Accreditation Program (DAP) Year 2004
Board Matters and Trends (BMT 4/2017) Year 2017
Ethical Leadership Program (ELP 9/2017) Year 2017

Certificate Program in 2019 :-

Experience :

- Jul 9, 2019 - Present : Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee RS Public Company Limited
- 2019 - Present : Director and Chairman of

- the Independent Director, Synnex (Thailand) Public Company Limited
- 2018 - Present : Chairman of the Committee, NBD Healthcare Company Limited
- 2018 - Present : Chairman of the Committee, ASEAN Potash Chaiyaphum Public Company Limited
- 2018 - Present : Chairman of the Committee and Chairman of the Audit Committee, Sabuy Technology Public Company Limited
- 2017 - Present : Deputy Permanent Secretary, Ministry of Finance
- 2017 - Present : President, Federation of Accounting Professions under The Royal Patronage of His Majesty The King
- 2017 - Present : Director, Esso (Thailand) Public Company Limited
- 2015 - Present : Director and Member of the Nomination, Compensation and Corporate Governance Committee Siam Commercial Bank
- 2014 - Present : Director, Pinthong Industrial Park Public Company Limited
- 2017 - 2018 : Director TRIS Corporation Company Limited
- 2015 - 2017 : Director - General,

Treasury Department

- 2015 - 2017 : Chairman, Dhanarak Asset Development Company Limited
- 2014 - 2015 : Director, Krung Thai Bank Public Company Limited
- 2013 - 2016 : Director, Vichitbhan Palmoil Public Company Limited
- 2011 - 2016 : Director, PTT Exploration and Production Public Company Limited
- 2003 - Apr 2019 : Chairman of the Committee and Independent Director, MPG Corporation Public Company Limited

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

- Deputy Permanent Secretary, Ministry of Finance
- President, Federation of Accounting Professions under The Royal Patronage of His Majesty The King
- Chairman of the Committee, NBD Healthcare Company Limited
- Chairman of the Committee, ASEAN Potash Chaiyaphum Public Company Limited
- Chairman of the Committee and Chairman of the Audit Committee, Sabuy Technology Public Company Limited
- Director and Chairman of the Independent Director, Synnex (Thailand) Public Company Limited
- Director and Member of the Nomination, Compensation and Corporate Governance Committee, Siam Commercial Bank
- Director, Pinthong Industrial Park Public Company Limited
- Director, Esso (Thailand) Public Company Limited

Shareholding at the beginning of year 2019 (shares): -

Shares buying during year 2019 (shares) : -
Shares selling/transferring during year 2019 (shares) : -

Shareholding at the ending of year 2019 (shares) : -

Relation among Family with Other Directors and Management : None

Policy and Overall Business Operations

A photograph of a modern glass building entrance. The building has a curved facade with large glass panels. In the foreground, there is a curved canopy structure supported by several columns, with a glass roof. The ground is paved with light-colored tiles. The overall scene is bright and modern.



Policy and Overall Business Operations





RS Public Company Limited (“RS” or “Company”) was established in 1976, starting from a comprehensive music business. Later, it was converted into a public company, listed on the Stock Exchange of Thailand in 2003 with a registered capital of 560 million baht. The Company later changed its name to “RS Public Company Limited”. As of December 31, 2019, the Company’s issued and paid-up capital was 972,495,202 shares, with a par value of one baht. The Company has expanded continuously since its music business days, going into radio and television media and event business. Since April 2014, the Company has adapted its existing “Channel 8”, which originally aired on the satellite TV system, to a standard-definition digital TV instead. In the same year, the Company has started to sell health and beauty products, advertising them through the Company’s television and radio media platforms, including product launches online and via modern retail stores. Also, the Company has developed a telemarketing system that analyzes customer data to recommend products and close sales, as well as a more effective after-sales support system. From 2018 to 2019, the Company continued to work on and expand distribution channels through its commerce business and collaborating with various digital TV channel partners, offering diverse items including personal appliances, household goods, accessories and more. In addition, the Company developed and increased the number of telemarketing teams to be able to analyze customer data precisely and support the increasing number of customers, which is in excess of 1.3 million. These activities have made this business highly unique, with continuous growth.

Core Purpose

Inspire and fulfill people with valuable entertainment and solutions.

Motto

Passion To Win

5 - Year Business Direction

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

Significant Changes and Developments in the Past 3 Years

The Company has evolved from being a leader in the media business to becoming a commerce business that provides content and powerful entertainment as well as sells both its own products and that of its partners. This includes establishing a system to analyze customer data and a telemarketing system through the brand “RS Mall”. The Company also continuously expands its distribution channels to be more diverse for both itself and its partners.

Overview of the Business Operations of the Company and its Subsidiaries

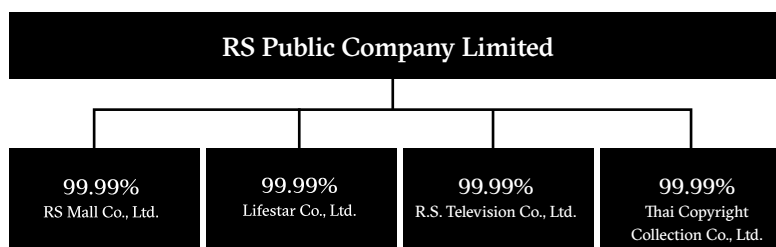
Currently, RS’s main business operations are

divided into 3 groups, which are the commerce business, media business, and music and other businesses. The commerce business commands the highest proportion of income, conducting its activities under RS Mall Company Limited and Lifestar Company Limited to sell health and beauty products, personal appliances and household goods, accessories and more. Distribution is conducted through the media channels of the Company, including television media, with Channel 8 being a leader in the digital TV group under R.S. Television Company Limited, and 3 satellite TV channels; radio media through the station COOLfahrenheit; online channels; and modern retail stores. In addition, the Company has invested through various subsidiaries, with the below details.

Subsidiaries Owned and Operated by the Company

- RS Mall Co., Ltd. (99.99%) operates commerce business
- Lifestar Co., Ltd. (99.99%) operates commerce business
- R.S. Television Co., Ltd. (99.99%) operates digital television business
- Thai Copyright Collection Co., Ltd. (99.99%) operates copyright collection

The Company’s Investment Structure



Remarks

- The percentage shown is the percentage of RS’s investment in each company.
- The remaining shareholders of subsidiaries that are not owned 100% by the Company are not related to the Company.
- The temporarily suspended subsidiaries consist of Coolism Co., Ltd, R.S. Sportmaster Co., Ltd., RS International Broadcasting and Sports Management Co., Ltd., R Alliance Co., Ltd., Yaak Co., Ltd. and Goodlife Group Co., Ltd.



Business Description





Business Description

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

Revenue Structure

Type of Revenue	2017		2018		2019	
	Amount (million baht)	Share in Total Revenue (%)	Amount (million baht)	Share in Total Revenue (%)	Amount (million baht)	Share in Total Revenue (%)
Commerce business	1,389.1	40	2,126.8	56	2,012.4	56
Media business	1,703.5	49	1,344.7	35	1,069.2	30
Music & Other business	409.1	11	355.2	9	529.5	14
Total Revenue	3,501.7	100	3,826.7	100	3,611.1	100

Commerce Business

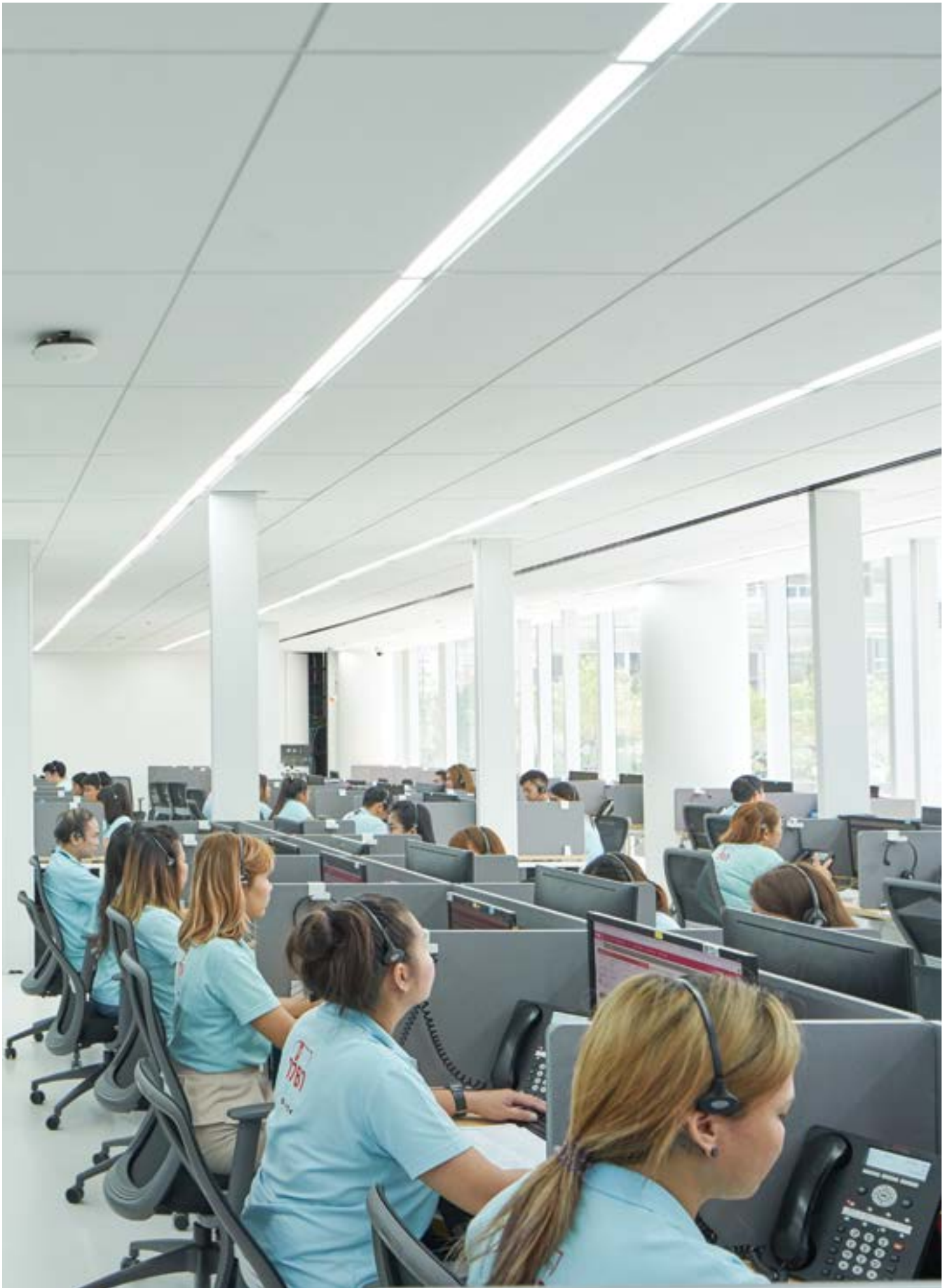


The commerce business, operated under RS Mall Company Limited and Lifestar Company Limited, offers a variety of products including Health & Beauty Products, Home & Lifestyle Products and Accessories. The health and beauty products are divided into skin care products under the brand “Magique”, hair care under the brand “Revive” and food supplements under the brand “S.O.M.”, of which the company has collaborated on with research institutions and local and overseas manufacturers. The latter are producers of quality products that meet international standards as well as address the needs of customers. Also, the Company has partnered with the product owner. As a result, there are over 100 items sold through the distribution channels of the commerce business. The procurement of products stems from research data from leading research and testing laboratories that the Company works with, including direct data collection from customers. This helps the Company understand the trends and needs of the overall market as well as the consumers’ needs before developing each type of product. Before and during the sale of each type of product, the Company conducts a random inspection of product quality by regularly submitting components for inspection with the laboratory. If the product is from a partner, it is randomly inspected before being sent to the warehouse and while it leaves the warehouse before it reaches the hands of the consumers.

Regarding many of the Company’s distribution channels, there is continuous development and promotion

of product variety under the brand “RS Mall” using the Company’s offline and online media channels, including: 1) Offline media owned by the Company including Channel 8, satellite TV channels and radio media through COOLfahrenheit, as well as two other digital TV channels owned by partners, namely, Thairath TV and Workpoint, that can reach over 30 million viewers per day; 2) Online media on the Company’s own platform of www.rsmall.co.th and LINE SHOP via @RSMall, which have over 500,000 followers, and during the year, the Company also entered into trade agreements with other leading online platforms in the country to present products through channels such as Shopee and Lazada; and 3) Sell through more than 600 modern retail stores nationwide.

Should the customer wish to buy products and services, they can do so through the various channels (except for products placed in modern retail stores and cosmeceutical outlets) via the Company’s call center agent and system. The Company has continuously developed a telemarketing system to support a growing customer base of more than 1.3 million people; it is also able to analyze customer data to precisely meet the needs and lifestyles of customers. The Company has developed the skills and capabilities of its outbound call center in order to be able to recommend and effectively sell products that meet the needs of customers. The Company also added a customer relationship management (CRM) team to take care of important VIP customers, ensure customer satisfaction, and maintain loyalty of the



customer base to the RS Mall brand and increase the number of repeat purchases. In addition, the Company organizes sales and marketing activities throughout the year such as “Shop1781 Mid Year Super Sales” and “RS Mall New Year Celebration 2020” to stimulate customer spending from both new customers and existing customers in the Company’s database, which has grown to 1.3 million at the end of 2019.

The Company has outsourced an external company to deliver products to the customers. For customers in Bangkok and its perimeters, the goods will be sent within the day following the date of purchase. Customers in the provinces will receive their products within 1 to 5 days. More than 99 percent of payments is from the collection of cash upon delivery.

Marketing and Competition

The Thai retail market has a market size of 4 to 5 trillion baht, with a steady growth rate of approximately 5 percent per year. However, in 2019, the growth rate decreased to 3.1 percent, and in 2020, it is expected to grow at a level of 2.7 to 3.0 percent. However, the E-Commerce market targets customers with medium to high purchasing power, and it still has the tendency to perform better than other retail markets. It also plays an increasing number of roles, with a growth rate that is higher than 20 percent per year, especially in Thailand which has the highest such growth rate in the ASEAN region. At the end of 2019, more than 90 percent of revenue from the Company’s commerce business was from advertising and distribution through the Company’s offline media. When considering competitive aspects, it can be deemed that the Company does not have direct competitors. The purchasing behavior of customers through the above mentioned channels stems from satisfaction and product purchasing decisions based on product features, pricing and promotions that meet the current needs of customers. Viewers, listeners, music fans and program fans of the Company’s media are approached at the same time which differentiate the Company from the media of other companies.

It is the view of Kasikorn Thai Research Center that, although the online shopping market will play a greater role in consumers’ purchasing behaviors in the next 5 years, consumers are still expected to choose to buy products through both offline and online channels, depending on the type of product and their emotional states, moods or demands at that time. However, retailers must differentiate their products, as well as offer services that impress or create new experiences for each customer. They must also have the flexibility to adapt quickly to meet the needs of each client who is always looking for new experiences or new things, in order to encourage repeat purchases and get such customers to share information or such experiences to other potential new customer groups. Through this approach, which is consistent with the method of expanding the commerce business of the Company, it can be seen that in 2019, in addition to advertising and selling through the Company’s media channels with a high growth rate due to the in-depth analysis of data surrounding the needs of customers as well as the support of a telemarketing team with increased efficiency, the Company is also expanding new distribution channels both in its online channels and modern retailers, as well as developing sales channels through Application COOLISM, a platform of COOLfahrenheit. This allows nearly 2 million active users to listen to online music, which can be considered a new channel that will be launched in 2020, in line with current consumer behavior patterns.

Procurement of Products or Services

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

Media Business

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

Television Media Business

RS operates “Channel 8” digital TV and 3 satellite TV channels, including Sabaidee TV, Channel 2 and SATV that have distinctive formats and target viewers, as follows:



Channel 8

The “Channel 8” television channel, under the concept “Everyone Can Watch Channel 8, Press Number 27”, presents programs that respond to the needs of the majority of the audience in the country. The concept is to feature free television that can reach people of many genders and ages. There are programs that serve as the





magnets of the channel, such as news programs with the slogan “Channel 8 News, Reliable and Easy to Understand”, which continues to be popular, along with “Morning News”, “Evening News” and “Late Evening News” as well as other news programs presenting talks and grievances, delicious menus and various popular tourist attractions, such as “Cho Praden”, “Pak Tong Dong Ru” and “Sakit Kao Rop Lok”. This also includes programs in the boxing sports group which has continuously improving ratings like “8 Muay Thai Super Champ”; added time for “Muay Hardcore” boxing program on Saturday where the unique difference is the use of open-fingered gloves (MMA fighting); and “Ultimate Fighting Championship (UFC)” world-class boxing that has been licensed for live broadcasting. Channel 8 also maintained its leadership in international series that have been popular for a long time. In 2019, Channel 8 began production of a 4-part series under the name “The Series 8”, which has increased over 70 percent in popularity among a new audience in Bangkok and its vicinity. Ten new dramas in 2019, including “Dong Poodee”, “Matchurat Holiday”, “Bussaba Pean Foon”, “Pom Rak Salap Huajai”, “Preng Lablae”, “Manee Naka”, “Thepthida Khon Nok”, “Perng Ritsaya”, “Lae Ranjuan” and “Sang Nang Prai”, remain viewers’ favorites in 2019, and Channel 8 will continue to produce quality shows in the drama, fantasy, mystery and beliefs genres throughout 2020. The year will also see Channel 8 advance further into the drama segment, catering to the preferences of Channel 8 viewers, as well as increase its entertainment factor with a range of variety programs that have always been popular, including “Krua Lan Thung”, “Eung Teung Siew”, “Plaek Tua Tid”, and new programs that have proven to be extremely popular online like “Chong Song Phee”. With such a variety of popular program types, “Channel 8” enjoys top ratings in the country, based on surveys conducted by AGB Nielsen Media Research (Thailand) throughout 2019.



Satellite Television

consists of 3 main channels: Sabaidee TV, Channel 2 and SATV. Each channel maintains its own concept and types of programs, as follows:

Sabaidee TV

“Sabaidee TV - Number One Hit Music Television Station in Thailand” targets Thai music lovers, presenting a variety of music genres, including folk songs, music for life, string music, popular songs in the past, and old songs that are hard to find. The strength of Sabaidee TV channel lies in overseeing the production and management of content under the RSiam music label, resulting in a variety of programs. Coupled with the selection of unique program operators, the programming is memorable and loved by a variety of groups, making the Sabaidee TV channel a fun way to watch television throughout the day. And, ongoing events make it possible to communicate with and reach out to more audiences.

Channel 2

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

SATV

“SATV” or “Satellite Variety” presents MV of hit songs, leading series and movies, throughout the day.

Marketing and Competition

The television media industry competes for viewers and ad spending is more intense than in the past. In terms of digital TV licenses in the business, there has been an increase to 24 licenses (22 channels). In 2019, the Office of the National Broadcasting and Telecommunications Commission (NBTC) terminated the licenses of 7 digital TV channels, resulting in 15 remaining channels. However, this does not reduce competition in the business as it is still concentrated among the leading channels. Channel 8 reflects a channel with extensive experience in television media, having been engaged in the satellite TV business. The Company has the knowledge and capability, continuously producing good quality works that draw audiences. It is still being affected by the slowdown in the overall media industry, although the number of TV viewers in the past 5 years has not changed much.

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

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

For the marketing strategy, in addition to setting clear target audience groups, and designing and producing quality programs, the Company has also leveraged its competitive advantage. Channel 8 focuses on an audience aged 35 years and up because this is still the main audience watching television programs. It is a large market with a high purchasing ability. The Company

also targets the youth market and the country music market, which it has been involved with since the past. It also produces programs on satellite TV channels with content from artists, singers, actors and MCs involved in music and others. Used as a key component in the production of programs, combined with the strength of a team that is experienced in the production of television programs, the production results are of high quality and receive good feedback. This is enhanced with the flexible structure in management and cost management, including using the company's staff in some of the production processes, employing external personnel (outsourcing) and using the same personnel in the digital TV and satellite TV channel operations. Managing the cost of television media is going as planned, and the Company can focus on quality as well, in order to be accepted and trusted by both the audience and customers. While analysis of the needs of the target audience helps to develop the format of the programs to match the needs of the audience and customers, and raise the popularity of the programming, another important component is that the production quality must satisfy the audience and

customers, including services both before and after sales, such as responding to customer needs quickly and precisely, listening to and solving problems for customers, creating a pack for selling advertising to meet the needs of customers and maximizing their benefits, etc.

Procurement of Products or Services

The Company has signed contracts with various personnel. It has also selected employees, from the front end to the back end, that are capable, skilled and accepted by the target customer group. For front end staff, there is a focus on artists and performers in the RS network, but independent performers and artists are also selected. As for production process, the Company's team handles the formatting and production management. While production is handled by the Company's employees to one extent and contract productions are also employed. The Company maintains partners who are leading domestic and international companies to help continuously select new and interesting programs for local audiences.

Radio Media Business

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



commercial radio by continuing to focus on maintaining its popularity. At present, COOLfahrenheit, under the concept "GEN COOL Living Young & Beyond", has been able to keep its listener base and popularity all over the country, as well as maintain its number 1 rating in the target category for over 16 years. These results are from a survey conducted by AGB Nielsen Media Research (Thailand), which resulted in advertising firm clients and product owners remaining confident in utilizing the Company's advertising media.

Programming Format

COOLfahrenheit is a station offering international and Thai music for Generation C that connects with the online world; they are aged between 20 to 44 years, located both in the Bangkok metropolitan region and major cities nationwide. The station has been recognized by audiences for more than 16 years, and it is the first station to continuously play popular music, with carefully chosen songs based on a survey of listeners. The experience is enhanced by a professional COOLJ team that is unique and popular with listeners. The station also organizes activities that speak to the lifestyles and continually broadens the outlook of a new generation of professionals. Signature activities include COOL Outing, which gives a grand prize winner the chance to take their office to popular tourist destinations domestically and internationally; Ink Eat All Around, an event for foodies that showcases delicious local and global food, backed by M.L. Pasan Sawasdiwat; and COOL Music Fest, a music festival for Gen Y. These factors have all helped to make COOLfahrenheit the number one music station continuously, according to an AGB Nielsen Media Research (Thailand) survey from 2002 to the present (date from December 2019) in the Thai and international music

Radio Station	COOLfahrenheit
Concessioner	Navy Radio Station
Airtime	24 hours
Signal Coverage	Bangkok and vicinity, and through online and mobile channels nationwide
Program Concept	GEN COOL Living Young & Beyond
Target Audience	Generation C, aged between 20 to 44 years

COOLfahrenheit Radio Station

COOLfahrenheit follows the Digital Transformation strategy. Without attaching its brand solely to a FM Analog radio station, the station has forayed into the digital platform and plans to maintain a hybrid system. The Company continues to fully operate



radio program groups, with listeners aged 20 to 44 years.

Marketing and Competition

Marketing and competition in the radio media business remains high due to reduced ad spending. Customers thus choose to purchase advertising media at stations that are highly popular. While this is the main factor of consideration, pricing strategy is also an important point for such decision making. As such, the Company leverages its strengths of being the number one-rated station in terms of CPM or cost per thousand, a comparison of the ratio of listeners and advertising prices per unit that indicates value for money, allowing customers to get maximum efficiency and reach the most targeted audiences. In addition, new media bundle packages have been created for sale under the COOL brand, including On Air, Online and On Mobile. With over 49 million online listeners per month in the past year, this platform takes the number one spot in Asia.

Marketing Strategy

1. “Value for Money” strategy

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

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

2. Strategy of promotional activities

The radio media business has become intensely competitive for those who want to create unique programming that adds value for the radio station and the customers as well as for the products featured in various promotional activities. Advertising alone is not sufficient to meet the needs of the customers, and to build the brands of the company and station. For this reason, the Company has improved its implementation strategy to focus on the promotion of a strategic partnership with partners in various fields by participating as a media partner in an event or a concert with the same target group. This also results in added value of the products in the promotional activities that are done between the show and the audience.

As for the promotional activities, the Company will focus on activities that can provide quality information and entertainment to the event participants. At the same time, the activities should be able to effectively fulfill the customers' marketing policies. They should also be clear and appropriate for the target audience, and ultimately enable the Company to generate another income stream for the customer.

In addition, the Company also leverages its advertising and public relations departments to publicize the activities of COOLfahrenheit and its clients, to become widely known and accepted via press releases

and advertising in other media, such as online media, television shows, and out of home (OOH) media, etc.

3. Strategic planning of advertising services

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

Procurement of Products or Services

1. Radio hosts and creative and production personnel

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

2. Broadcasting System

The Company has chosen to use a computer system to control the broadcast automation technology to meet international standards. The software is also constantly updated to be modern, and the broadcasting quality of FM radio systems and digital platforms can be accessed from all types of devices.

Music Business

The logo for RSIAM, consisting of the letters 'RSIAM' in a bold, stylized, sans-serif font.

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

1. To structure the music business model, the production of music begins with the offering of ideas, the concept and a definition of the target audience with artists who are ready to partner with RS, which features a team that is efficient and experienced in a variety of media channels, including both offline and online formats. This makes it possible to produce a wide variety of music to satisfy every target group, as well as produce music to market constantly. The process then includes the presentation of the concept and strategy to the Music Business Management Board for approval.
2. To set an appropriate production policy, stressing the importance of quality of the works and closely supervising the products on the market from beginning to end. Also, by focusing on communicating with artists on social media channels, the Company was able to stick to production based on the initial planning of each project; they were also able to measure and evaluate both the quality and response of the target group through various social media channels.
3. The use of various media, especially the social media of artists and music networks of the Company and its affiliates, has helped to make public relations work effective while leveraging all available media for maximum efficacy.
4. Systematically and efficiently manage music rights to generate additional revenue for the Company.
5. To add value to the artists who produce the works can be done via events and other kinds of showbiz, including taking on brand ambassador and presenter roles for products with the same positioning and target group as the artist.
6. To implement a policy that creates opportunities for new artists, songwriters and new music creation channels or new media channels, always keeping the Company's songs up to date and covering the target audiences.

The music business operations include three main revenue sources, as follows:

1. Revenue from events and showbiz of the artists under the label reflects a strategy for event sales and artist showcases throughout the year. It is also a way to extend the image of the artist in terms of being a brand ambassador or presenter for a variety of goods and business extension with partners through artists' social media channels such as branded content.
2. Revenue from the sales of music products in various formats through digital content, both in terms of music played by online streaming through various platforms such as JOOX and Spotify; listening to music and watching online music videos through platforms such as YouTube and AIS

play; downloading songs and ring tones via the mobile phone; or downloading full songs from other channels like iTunes or via wireless application protocol (WAP).

3. Revenue from copyright collected by a Thai copyright collection Co., Ltd. (TCC), a subsidiary that serves to store the Company's copyrighted works used in a commercial capacity.

Artists/Singers

At present, the Company has artists and singers with good potential under the RSiam brand, which is part of the strategy to tackle the changing media landscape and adapting target groups. In 2020, there will be the addition of more artists in the strings song category.

Artists and singers under the label, including both solo artists and groups, are those with the ability to perform and can add value to the business. They feature a wide range of music, covering all target groups across the country. Examples of RSiam artists include Baitoey RSiam, Ja RSiam, Kratae RSiam, Ble Patumrach RSiam, Lulu Lala RSiam, Flame, Tanya RSiam and Aof Dokfa RSiam etc.

Marketing and Competition

Currently, consumers have different behaviors when it comes to listening to music, compared to the past. The important factors for the shift are the use of the internet and the widespread increase of smartphone usage, which have both gotten consumers to listen to music online through various websites or social media, increasingly so through their smartphones. There has also been a lot of artists and singers who release their works online, which has created more competition.

As such, the Company must impart importance to the music business and lay plans that respond to the target groups as well as use social media that changes according to the preferences of the target groups. These areas of focus will help to reach consumers quickly and align with the respective lifestyles of each target group.



Risk Factors



Risk Factors





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

Risks from relying on product manufacturers

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

Risks from health and beauty products expiring

Production orders of health and beauty products must be in large quantities to reduce cost. Inventory levels must be maintained adequately for further distribution to retailers throughout the country. Due to these necessities, the Company has risk of losing products to expirations. On average, most health and beauty products can last up to 3 years. In cases where consumer trends change, or the Company is in its stages of higher growth, or the Company must offer new products frequently to the market, it is important to research trends before creating a product. Research helps with analysis, accurate sales forecasts, and market trends. It is important to keep track of product expiration dates as well as managing stock appropriately. If a product will expire within 18 months and there is a slow-moving rate, the products will be reconsidered by management for a marketing campaign and promotions to liquidate the products as soon as possible.

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

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

Risks from announcements on regulations from the Office of the National Broadcasting and Telecommunications Commission (NBTC)

The Company operates television business in the digital terrestrial television and the satellite television business. The television business is considered a mass communication business that is very influential to the people as people can reach and receive information thoroughly more than any other mass media channels, hence, business operations of the television business is essentially operated under the laws. Office of the National Broadcasting and Telecommunications Commission (NBTC) is the regulatory authority that issues guidelines in order to control and supervise television operators in a setting with free and fair competition. It also oversees ethical standards and protects consumers, so they gain benefits and not be taken advantage of by operators. For example, this covers the supervision of program content to be of quality suitable for the target group, classification of programs for the protection of children and youth, advertisement, promotion and protection of the rights of

the disabled to access, recognize and utilize the programs, etc. Also, the NBTC has the duty to develop and promote the television broadcasting and telecommunication businesses in Thailand, so that they have sufficient capacity to support rapid technological development. As such, the NBTC continuously revises the rules and regulations to be suitable for the issues of all operators in each time period. This includes revising the spectrum management plan that has been modified to restore certain frequency bands, so that reallocation is more suitable and beneficial than before; it also complies with national policies and plans for digital development for the economy and society, as well as with national strategy and country reform plans. As such, the various regulations for controlling the television business of the Company are not fully established. It would take some time to see all the regulations coming into force, and the subsequent impact they would have on the business operations of the Company, reflecting the risk factors for the business.

Risks from intense competition in the television media business

Since the beginning of digital television broadcasting in the middle of 2014, the television industry has encountered intense competition as each channel operator makes various adjustments and adaptations. The operators have to fight for most of the ratings and ad spending in the market. Many strategies have been used to gain popular rating using contents as the main important magnetism to attract audiences, especially during prime time that will have the most intense competition. Thus, audiences will benefit from variety of choices, and the media agencies will have more selections on advertising clients. Hence, "rating" and "good value for money" will be criteria for determining the advertising choices, thus, making it more difficult to sell the advertising time. However, due to the facts that the Company has experiences in the producing of television programs business and in management of its own channel for a long time, having clear target audience group, strong and various contents with patterns that match the tastes of the target audience, as well as the organization of various types of the marketing promotion activities in order to constantly stimulate audiences, and to be known in a wider area, and thus, eventually place the Company's television channel in a high ranking position of the AGB Nielsen Media Research (Thailand). The Company also creates sales packages to glean the most value for money. These will enable the Company to maintain market share from competitors in the industry.





Risks from concessions renewal

Concession for Satellite Television Business

The NBTC has made announcements on the regulations and methods in giving permission for television broadcasting in order to organize the satellite television and cable television operators into its regulatory mechanisms. The NBTC will issue licenses to operators periodically in which the initial permits will have one year duration, and after that consideration will be made to issue licenses of no more than two years at a time. NBTC will take into consideration, complaints on violation of inappropriate contents, or advertising that contravene with the law, or any actions that are contrary or inconsistent with the regulations on consumers' protection, including other new regulations that NBTC will introduce in future, as the basis to consider the issuing of the renewal licenses to each operator. The periodic issuing of licenses with a rather short operating time may limit business operations, manufacturing plans, and revenue generating of the Company, however, the Company realizes the importance of strictly complying with rules and regulations in order to create confident that continuous renewal of license on satellite television will be granted.

Concession for Radio Business

Normally, the leasing period for the radio station's broadcasting is about two years, if the leasing time has not been extended, it will result on impacts on the broadcasting continuity and the Company's revenue. This will include risk on any changes in the contract conditions which may result in the inferior condition from original contract. Moreover, searching for the new radio broadcast's airing time as replacement may result in losing business continuity, and in building similar popularity rating as the previous program, or may cause higher cost as well. However, the Company truly believes that due to its continuously producing good quality performances and receiving high popularity with constant listeners' base group, including as an important business operator who abides with standard payment and strictly conforms to payment conditions on airing time as well as on building good relationship with the concession provider, the Company will receive some trust and, thus, reduce some risk that may happen during concession renewal. Nevertheless, the Company will consider value of the concession renewal by comparing with investment cost. If the concession renewal does not benefit the Company, investment on concession renewal may not be considered. However, the Company was approved a renewal of the concession for two years which will end in 2021.

Since December 20, 2016, the order by National Council for Peace and Order, using Article 44 of constitution of The Kingdom of Thailand extends the same right and control of frequencies for radio broadcasting which ended in 2017 for another five years. The Company realizes the radio business will benefit by the Order, this results in no change of concession cost and rights of use of radio broadcasting.

Risks associated with the advancement of technology

Technology influences the lives of people around the world. As a result, people's communication behavior has changed rapidly according to the progress of technology. Communications and access to entertainment news is within reach, now at one's fingertips. People today are able to seek information as well as be a creator of information for others to access on their own. This is coupled with the quick spread of information via the Internet to electronic devices that are in everyone's hands such as smartphones, tablets or other portable devices, which serves as the second screen after television. Therefore, it is important that the role of television programs change, adapting to support social media communications. The Company recognizes the shift towards these technologies and the opportunity to communicate with audiences through these avenues. An important aspect related to social media is the increasing control, monitoring, and regulation by the government. However, it is an early stage and information on social media is less controlled than information on TV, which is under the supervision of the NBTC. Thus, it is likely a department will be delegated to supervise and regulate social media in the near future. This will cause any

businesses operating through these channels to be more restricted. It will affect business license applications, fees, and controls on information. However, the Company always operates with caution and within legal frameworks, thus ensuring that the Company will be able to adapt to any situations.

Risks from copyright violation

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

However, the Company realizes the importance of this problem and steps have been enforced to correct it by always reviewing the new business plan to alleviate the problem. This is to create flexibility, suitability and update the situation such as adjustment of the internal structure of functional work in order to serve the changing workflow, using sale strategy to be in accordance with present consumers' behavior and suitable for such media channel at present and in the future.

The development of the internal working system is to serve with various existing streaming platforms in the present market and new platforms that will occur in future. This also includes having department that is especially responsible in protection and suppression of copyright violation, which receives cooperation and support from government agencies in law enforcement against operators who are guilty in copyright violation. From the above mentioned measures, the Company expects to significantly reduce the impact on risk of being copyright violated.



Property Used in the Business



Property Used in the Business

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

Office Building

Location	Ownership	Rental/ Service Fee/ Month (million baht)	Obligation
1. 419/1-3 Soi Ladphrao 15, Ladphrao, Chatuchak, Bangkok Total space of 12,882 sq.m.	RS and subsidiaries made rental agreement for 1 year and 8 months (Jun'18 - Jan'20)	5.65	Nil
2. 203/18-20 Soi Ladphrao 15, Ladphrao, Chatuchak, Bangkok Total space of 600 sq.m.	RS's subsidiaries made rental agreement for 1 year and 8 months (Jun'18 - Jan'20)	0.25	Nil
3. 203/34-36 Soi Ladphrao 15, Ladphrao, Chatuchak, Bangkok Total space of 600 sq.m.	RS's subsidiaries made rental agreement for 1 year and 8 months (Jun'18 - Jan'20)	0.20	Nil

Equipment

Type	Ownership	Book Value Year 2019 (million baht)	Obligation
1. Studio recording and broadcast equipment	Owner	145.62	Nil
2. Software and operational equipment	Owner	126.10	Nil

Warehouse

Location	Ownership	Rental/ Service Fee/ Month (million baht)	Obligation
1. 9/102 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani Total space of 1,200 sq.m.	RS's subsidiaries made rental agreement for 1 year (May'19 - Apr'20)	0.21	Nil
2. 9/46 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani Total space of 600 sq.m.	RS's subsidiaries made rental agreement for 8 months (Jan'19 - Aug'19)	0.10	Nil
3. 9/119 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani Total space of 600 sq.m.	RS's subsidiaries made rental agreement for 9.5 months (Nov'18 - Aug'19)	0.10	Nil
4. 9/253-256 Moo 5, Phaholyothin Road, Klong 1, Klongluang, Pathumthani Total space of 2,932.50 sq.m.	RS's subsidiaries made rental agreement for 5 years (Sep'19 - Aug'24)	0.50	Nil

Concession and Radio leases

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

Remark

* The lease is currently extended to January 1, 2020 - December 31, 2021.

Broadcast transmission service agreement

One of its subsidiaries has entered into a broadcast transmission service agreement and other related services are as follows:

Service Providers	Contract Term
1. Office of The National Broadcasting and Telecommunications Commission	Ends Jun 16, 2028
2. Thaicom Public Company Limited	Dec 20, 2019 - Sep 10, 2021
3. TC Broadcasting Company Limited	Dec 20, 2019 - Sep 10, 2021
4. Symphony Communication Public Company Limited	Apr 1, 2019 - Mar 31, 2020



License for operation rights in spectrum of digital television

R.S. Television Co., Ltd., a subsidiary of the Company, is permitted to operate the television business, providing digital television services as a national level service business in the general category with standard definition. The license from the Board of the Office of the National Broadcasting and Telecommunications Commission (NBTC) number B1-S20031-0012-57 at the bidding price of 2,265 million baht (exclusive of VAT) is valid for 15 years from April 25, 2014 to April 24, 2029.

Later, the Order of the National Council for Peace and Order no. 4/2562 (2019) dated April 11, 2019 waived the last 2 installments of license fee, resulting in a decrease of fee from 2,265 million baht (exclusive of VAT) to 1,511 million baht (exclusive of VAT). In 2019, R.S. Television Co., Ltd. has paid all license fee.

Legal Disputes





Legal Disputes





The Company and its subsidiaries had no legal dispute that significantly affected the Company's business or posed negative effects on the Group's assets of which its overall value, as at December 31, 2019, was higher than 5% of shareholders' equity. The Company and its subsidiaries had no legal dispute arisen from an out-of-the-ordinary course of business of the Group either.



General Information and Other Important Information





General Information and Other Important Information

General Information

Company's Name : RS Public Company Limited

Type of business : Three main businesses: Commerce, Media including Television and Radio, Music & Other businesses

Address : Chetchotisak Building, 419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900, Thailand

Registration No. : 0107546000016

Website : www.rs.co.th

Telephone : +66 2511 0555

Fax : +66 2511 2324

Registered Capital : 1,161,997,216 baht including 1,161,997,216 ordinary shares at one baht par value (as of December 31, 2019)

Paid-up Capital : 972,495,202 baht including 972,495,202 ordinary shares at one baht par value (as of December 31, 2019)

Securities Registrar : Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Website : www.set.or.th/tsd

Telephone : +66 2009 9000

Fax : +66 2009 9991

Auditor : Pricewaterhouse Coopers ABAS Limited

15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand

Website : www.pwc.com/th

Telephone : +66 2844 1000

Fax : +66 2286 5050

Legal Consultant : Legal Office, RS Public Company Limited Chetchotisak Building, 419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900, Thailand
Telephone : +66 2511 0555
Fax : +66 2938 5622

General Information of the subsidiary that the company holds more than 10 percent

Company Name : RS Mall Co., Ltd. (Formerly: Buntoeng Variety Co., Ltd.)

Address : 3rd Floor Chetchotisak Building 2 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900

Tel. : +66 2511 0555

Fax. : +66 2511 2324

Type of Business : Commerce Business

Type of Share : Ordinary shares

Registered Capital : 1,000,000 Baht

Paid-up Capital : 1,000,000 Baht

Percentage of Shareholding : 99.99

Company Name : Lifestar Co., Ltd.

Address : 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900

Tel. : +66 2902 1933,

+66 2511 0555

Fax. : +66 2938 5621

Type of Business : Commerce Business

Type of Share : Ordinary shares

Registered Capital : 200,000,000 Baht

Paid-up Capital : 200,000,000 Baht

Percentage of Shareholding : 99.99

Company Name : R.S. Television Co.,Ltd.

Address : 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900

Tel. : +66 2902 1933,

+66 2511 0555

Fax. : +66 2938 5621

Type of Business : Digital Television



BusinessType of Share : Ordinary shares
Registered Capital : 300,000,000 Baht
Paid-up Capital : 300,000,000 Baht
Percentage of Shareholding : 99.99

Company Name : Thai Copyright Collection Co., Ltd.
Address : 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900
 Tel. +66 2511 0555
 Fax. +66 2938 5694

Type of Business : Copyright Collection
Type of Share : Ordinary shares
Registered Capital : 5,000,000 Baht
Paid-up Capital : 5,000,000 Baht
Percentage of Shareholding : 99.99

Company Name : Coolism Co., Ltd.*
Address : 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900
 Tel. +66 2511 0555
 Fax. +66 2938 5694
Type of Business : -

Type of Share : Ordinary shares
Registered Capital : 6,250,000 Baht
Paid-up Capital : 6,250,000 Baht
Percentage of Shareholding : 99.99

Company Name : Yaak Co., Ltd.*
Address : 419/2 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900
 Tel. +66 2511 0555
 Fax. +66 2938 5694

Type of Business : -
Type of Share : Ordinary shares
Registered Capital : 2,500,000 Baht
Paid-up Capital : 2,500,000 Baht
Percentage of Shareholding : 99.97

Company Name : Goodlife Group Co., Ltd.*
Address : 419/1 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900
 Tel. +66 2511 0555
 Fax. +66 2511 2324

Type of Business : -
Type of Share : Ordinary shares
Registered Capital : 37,000,000 Baht
Paid-up Capital : 37,000,000 Baht
Percentage of Shareholding : 99.99

Company Name : R Alliance Co., Ltd.*
Address : 203/34-36 Soi Ladphrao 15, Ladphrao Road, Chomphon,

Chatuchak, Bangkok 10900
 Tel. +66 2511 0555
 Fax. +66 2511 2324
Type of Business : -
Type of Share : Ordinary shares
Registered Capital : 80,000,000 Baht
Paid-up Capital : 80,000,000 Baht
Percentage of Shareholding : 99.99

Company Name : RS International Broadcasting and Sports Management Co., Ltd.*

Address : 419/3 Soi Ladphrao 15, Ladphrao Road, Chomphon, Chatuchak, Bangkok 10900
 Tel. +66 2511 0555
 Fax. +66 2511 2324

Type of Business : -
Type of Share : Ordinary shares
Registered Capital : 9,375,000 Baht
Paid-up Capital : 9,375,000 Baht
Percentage of Shareholding : 83.33

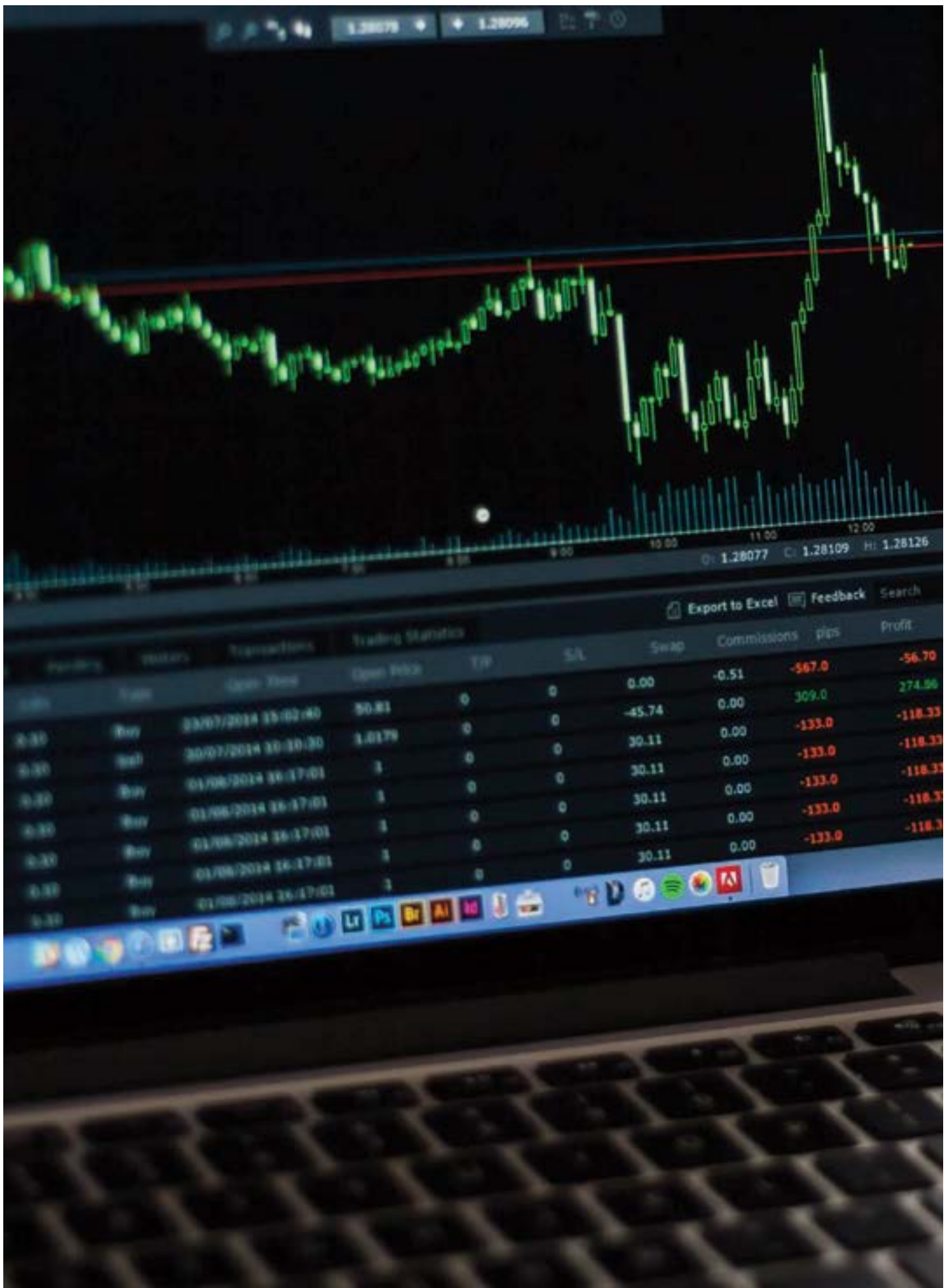
*The temporarily suspended subsidiaries

Other Important Information
 -None-

A photograph of a modern building's interior, featuring a glass and metal staircase with a glass railing. The background shows large glass windows and structural elements of the building. The text "Securities and Shareholder Information" is overlaid in white on the left side of the image.

Securities and Shareholder Information





Securities and Shareholder Information

Registered Capital and Paid-up Capital

As of December 31, 2019, the Company has the registered capital of 1,161,997,216 baht including 1,161,997,216 ordinary shares at one baht par value. The Company has the paid-up capital of 972,495,202 baht including 972,495,202 ordinary shares at one baht par value.



Shareholders

The 10 major shareholders as at the book closure date on December 30, 2019 are as follows:

No. 1: Chetchotisak Group*

No. of shares held : 201,618,364

Percentage : 20.73

No. 2 : Mr. Sorat Vanichvarakij

No. of shares held : 98,000,000

Percentage : 10.08

No. 3 : Srivaddhanaprabha Group**

No. of shares held : 95,000,000

Percentage : 9.77

No. 4 : BTS Group Holdings PCL***

No. of shares held : 72,130,100

Percentage : 7.42

No. 5 : Bangkok Bank PCL

No. of shares held : 50,331,900

Percentage : 5.18

No. 6 : Thai NVDR Company Limited

No. of shares held : 36,051,929

Percentage : 3.70

No. 7 :The Hongkong and Shanghai Banking Corporation Limited

No. of shares held : 20,000,000

Percentage : 2.06

No. 8 : Ms. Patteera Pairatvej by KTB Securities (Thailand) PCL

No. of shares held : 18,740,000

Percentage : 1.93

No. 9 : Kasikorn Securities PCL (LNS)

No. of shares held : 17,990,000

Percentage : 1.85

No. 10 : Phatra Securities PCL

No. of shares held : 15,882,700

Percentage : 1.63

Remarks

* Chetchotisak Group including

1. Mr. Surachai Chetchotisak holds 201,268,300 shares (20.70%)

2. Mr. Chet Chetchotisak holds 64 shares (0.0000066%)

3. Mr. Chot Chetchot holds 350,000 shares (0.036%)

** Srivaddhanaprabha Group including

1. Ms. Aroonrung Srivaddhanaprabha holds 47,500,000 shares (4.884%)

2. Mr. Apichet Srivaddhanaprabha holds 47,500,000 shares (4.884%)

*** BTS Group Holdings PCL, listed on the Stock Exchange of Thailand, operates mass transit, real estate development, media and service businesses.

List of major shareholders who, according to their conducts, were able to assert their influences towards the management policy and operation procedure of the Company with ulterior motives (Shareholding groups or shareholders who owned over 10% and holding position as the Company's director or sending representative as the Company's director).

The Issuance of Other Securities

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

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

Type of securities : Warrants to purchase ordinary shares of RS Public Company Limited Series 3 (RS-W3)

Secondary market : The Stock Exchange of Thailand

Number of offering warrants : 193,332,760 units

No. of new ordinary shares reserved for exercise of warrants : 193,332,760 shares

Warrant issuer : RS Public Company Limited allocated to existing shareholders whose names appeared in the shareholders register book on April 18, 2017 in accordance with Section 225 of Securities and Stock Exchange of Thailand Act B.E. 2535 (1992) regarding the closing method of the shareholders register book and determining the rights of the shareholders on April 19, 2017 at a ratio of 5 existing ordinary shares to 1 unit of warrant with no cost

Right of warrant : 1 unit of warrant to 1.0047 ordinary share at exercise price of 12.4419 baht, the price and ratio related to the exercise of this right may change at a later date, in accordance with the Protection Measures for Warrant Holders (Exercise ratio before adjustment is 1 unit per 1.0028 ordinary share and the exercise price before the adjustment is 12.4658 baht per 1 ordinary share. The Board of Directors' Meeting No. 4/2562 (2019) held on August 13, 2019 approved payment of dividends during that time. Such payments required the Company to adjust the exercise price and ratio per Clause 4.2 (Jor) of Terms, Conditions and Obligations of the Warrants Issuer and Warrant of RS Public Company Limited Series 3)

Type of warrant : Transferable named certificate

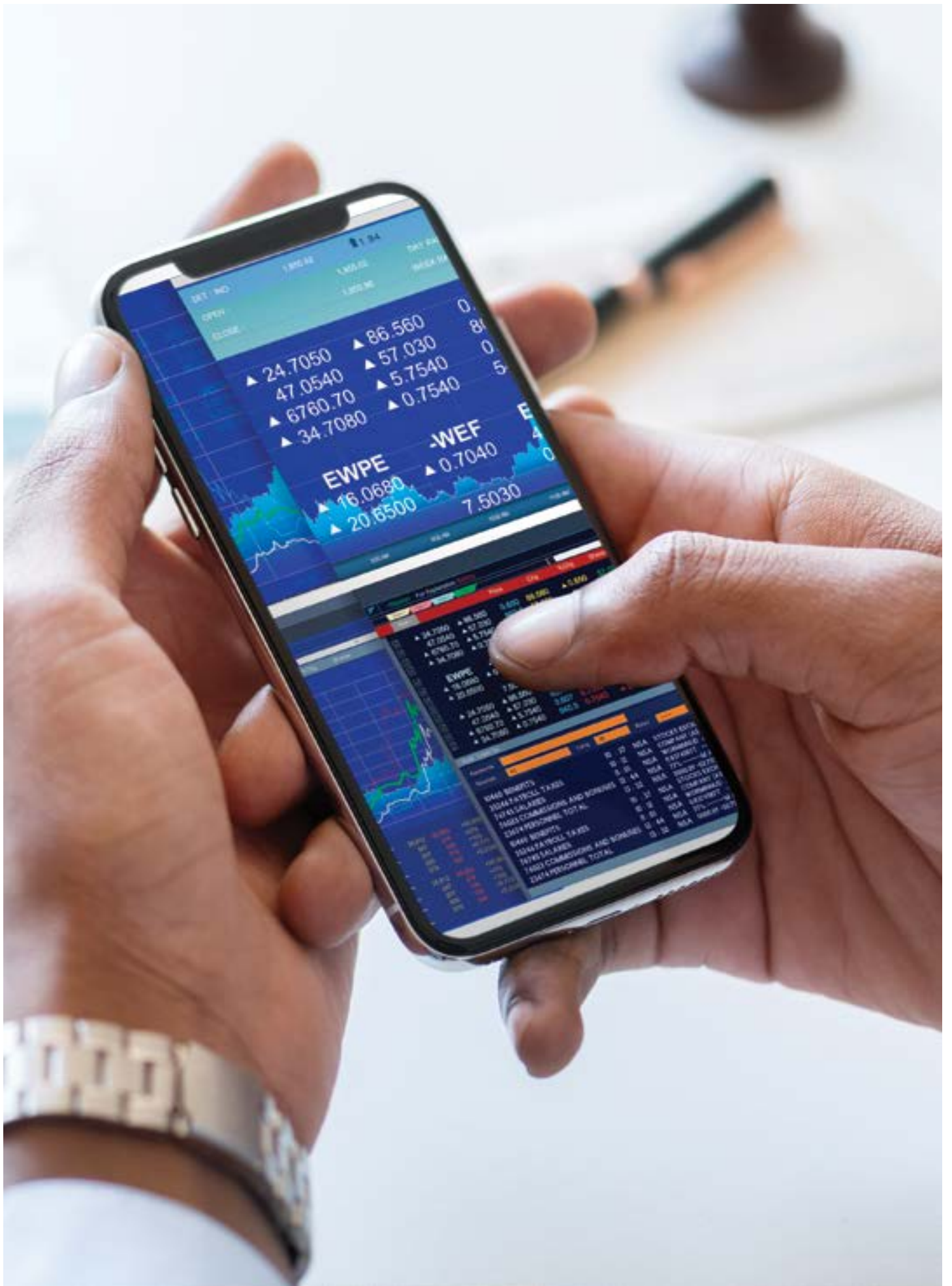
Tenor : 3 years from the date of issue of warrants (The date of issue of warrants is on May 24, 2017 and the last exercise date is on May 23, 2020, where the warrants shall be terminated on the next day)

Offering price of warrant : 0 baht per unit (zero baht)

Exercise period : Warrant holders can exercise the right on the last business day of April and October of each year until the end of tenor of warrants. The first exercise date is on October 31, 2017 and the last exercise date is on May 23, 2020.

Dividend Payment Policy

The Company and its subsidiaries will pay a dividend not less than 50 percent of net profit after tax and legal reserve. However, the Board of Directors may consider and decide not to follow this policy, or adjust it in order to maximize the benefit to the shareholders.

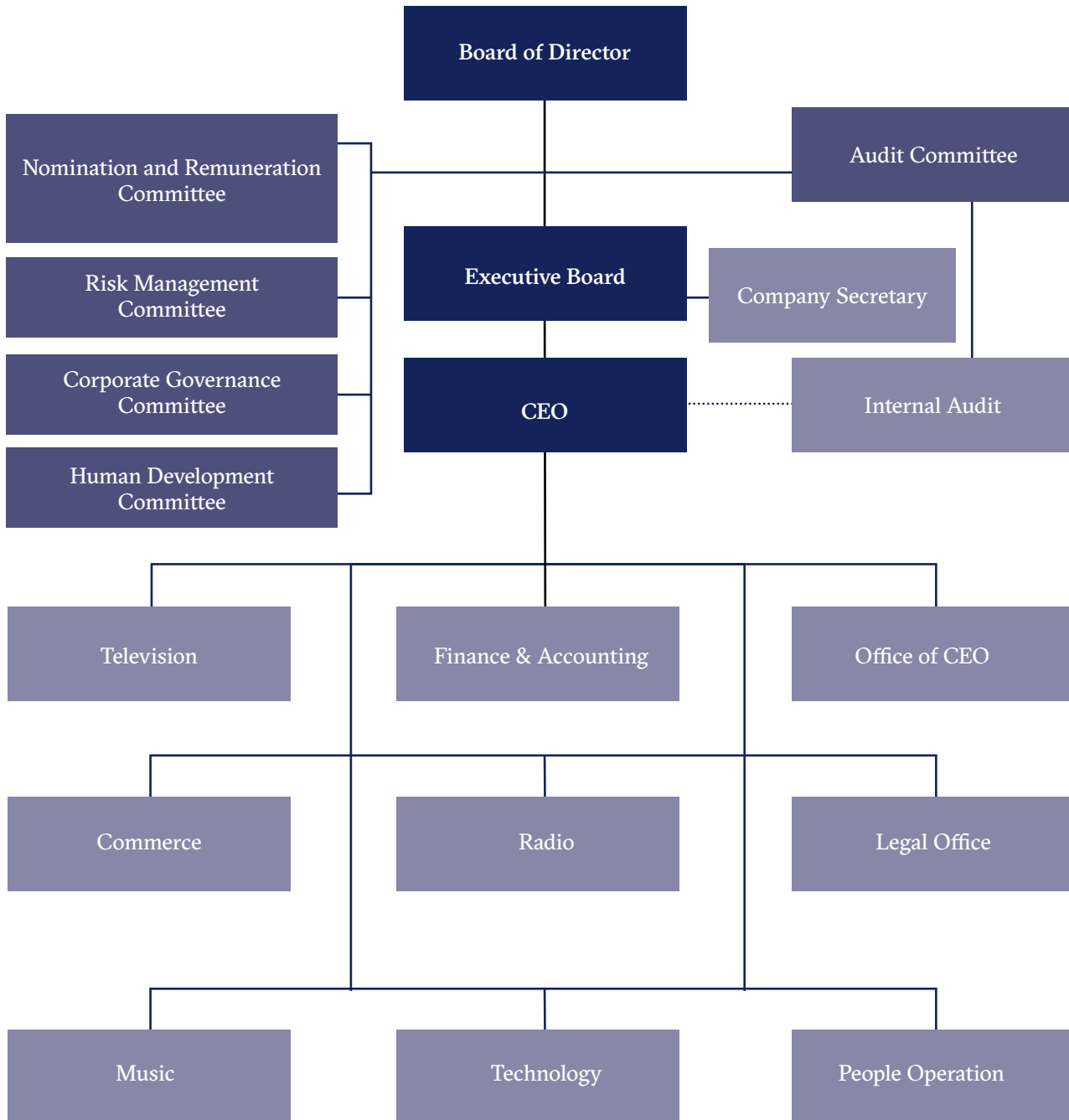


Management Structure





Management Structure





Management Structure

Management structure of the Company consists of seven set of committees and subcommittees including: Board of Directors, Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance Committee and Human Development Committee. Details are as follows:

The Board of Directors

As at December 31, 2019, the Board of Directors consists of eight following qualified persons:

1. Mr. Surachai Chetchotisak

Chairman and Chairman of the Executive Committee

2. Mrs. Pornpan Techarungchaikul

Director, Executive Committee, Risk Management Committee Chairman, Corporate Governance Committee Chairman, Human Development Committee Chairman and Company Secretary

3. Mr. Darm Nana

Director and Executive Committee

4. Mr. Danaisidh Peslapunt

Director, Risk Management Committee and Corporate Governance Committee

5. Mr. Sorat Vanichvarakij

Director

6. Mr. Phisit Dachanabhirom

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

7. Mrs. Wansuda Thanasaranart

Independent Director, Audit Committee and Nomination and Remuneration Committee

8. Mr. Chakkrit Parapuntakul

Independent Director, Audit Committee and Nomination and Remuneration Committee

Remarks

1. General Pairoj Panichsamai resigned from being an Independent Director of the Company, effective from May 2, 2019.
2. Mr. Chakkrit Parapuntakul was appointed from the meeting of the Board of Directors No. 3/2562 (2019) as a Director to replace General Pairoj Panichsamai, effective from July 9, 2019.
3. Mr. Ong-Art Singlumpong resigned from being a Director of the Company, effective from October 1, 2019.

Definition of Independent Directors

Independent Directors are defined as external Director, not involving in Executives, company staff, Executive Director or authorized signatory Director, and be independent from major shareholders, Executives and related parties. In addition, Independent Directors are able to consider equitable treatment to shareholders and to preempt any possible conflict of interest between the Company and related parties. Independent Directors shall possess the qualifications as follows:

1. Not hold shares exceeding 0.5% of the total number of shares entitled to voting rights in the Company, the parent company, the subsidiary companies, the associated companies or any corporations that may cause a conflict of interest, which shall be inclusive of the shares held his/her related parties*.

2. Not be Executive Directors** nor have been an employee/staff member/advisor getting salary paid, both in present time and two years before the appointment, of/by the Company, the parent company, the subsidiary companies, the associated companies, the affiliated companies*** or any corporations that may cause a conflict of interest.

3. No relationship by blood or legal registration as parent, spouse, sibling, son/daughter and/or son/daughter in-law of an Executive or a major shareholder, a person with controlling power, or a candidate who will be nominated as an Executive or a person in charge of the operations of the Company or the subsidiary companies.

4. Business relations can be divided as follows:

(a) Relationship types

• Relationship between professional service providers and users

« Features : Auditors, other professional service providers such as legal consultants, financial advisors, property appraisers, etc

« Significant levels that are categorized non-independence

- Auditors : Be prohibited in all cases

- Other professional service providers : Transaction value exceeds 2 million baht a year.

• Trade/Business Relations (apply the similar guidelines to the Stock Exchange's requirements regarding related party transactions)

« Features : Business transactions in all types including normal transactions, real property leases/out-leases, asset/service-related transactions, and financial assistance grants or receipts.

« Significant levels that are categorized non-independence : Transaction value is ≥ 20 million baht or $\geq 3\%$ of the Company's NTA (net tangible assets), whichever is lower. While considering a value in each time of transaction, the

total value of previous transactions over the past 6 months shall be inclusive.

(b) The same relationship as Type (a) with corporations that are categorized non-independence such as major shareholders, Directors (except independent/audit Directors) and Executives or partners of those corporations.

(c) Prohibited period for no relationship in both types (a) and (b) : In present time and 2 years before the appointment.

(d) Exemptions: In a necessary and reasonable case which does not happen frequently or constantly, an independent/audit Director may bear a relationship beyond the significant levels, as set out above, during his or her term in office, provided that a prior and unanimous approval from the board of the Company is obtained. Furthermore, the board of the Company must provide the disclosure of information regarding the aforesaid relationship in a registration statement for a public offering or securities placement (filing form), an annual information disclosure (Form 56-1) and an annual report (Form 56-2). If that independent/audit Director is nominated for another term, the board of the Company shall provide a description of the said relationship in the notice of the shareholders' meeting on an agenda for the election of Director.

5. Not be appointed as a representative of any board members or major shareholders of the Company, as well as being not appointed as a representative of other shareholders who bear relationship with major shareholders of the Company.

6. No restrictions that make him/her unable to freely express his/her opinions.

7. An independent Director, with the complete qualifications, as stated in clauses 1-6, may be designated and authorized by the board of the Company to make a decision regarding the operations of the Company, the parent company, the subsidiary companies, the associated companies, the affiliated companies and/or other corporations that may cause a conflict of interest, which such decision can be collectively made (collective decision).

If an independent Director of the Company also holds office as an independent Director for the parent company, the subsidiary companies and the affiliated companies, the board of the Company shall provide the disclosure of such information as well as the disclosure of overall remuneration that certain independent Director gets paid, in the filing form, Form 56-1 and Form 56-2 respectively.

Remarks

* Related parties mean persons under Section 258 of Securities and Exchange Act.

** Executive Directors mean persons who involve in the management of the Company, hold office and are in charge of the Company as an Executive, and are authorized signatories to execute a binding document on behalf of the Company, except a specified person in any transaction already been approved by the Board to sign a binding document jointly with other Director(s).

*** Affiliated companies mean subsidiaries of two and up having the same parent company.





Directors Who are Authorized to Sign on Behalf of the Company

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

Roles and Duties of the Board of Directors

The Extraordinary General Meeting of Shareholders No. 1/2546 (2003) held on January 13, 2003 had the resolution to determine the scope of the Board of Directors' authority in that Board of Directors is authorized to commit any acts necessary for or related to the normal business operation of the Company. The Board of Directors is in charged with overseeing the Company's operations to be in compliance with the country's laws and regulations as well as the policies and resolutions of shareholders' meetings. The Board of Directors can appoint the Executive Director or assign any other persons to take any or several actions under the control of the Board of Directors except for the actions stated below. Those actions can be performed after receiving the approval from the shareholders' meeting. In cases where the Committee or any person has a conflict of interest with the Company or its subsidiaries, the Committee involved in that conflict may not vote on that case:

1. Any case that the laws mention must be approved by the shareholders' meeting.
2. Performing cases where the Committee gains the interest or where the laws and regulations the Stock Exchange of Thailand are mentioned must be approved by the shareholders' meeting.
The following cases must be approved by the Board of Directors meeting and the shareholders' meeting with a voting score of three-fourths of the number of shareholders attending the meeting and voting:
 1. Selling or transferring the whole Company's businesses or an important part of the business.
 2. Acquiring or receiving transferred business from other companies or private entities to the Company.
 3. Entering into, rectifying or terminating the renting contracts for the entire business of the Company or an important section of it. Appointing any person to run the Company's business or form a merger with any person for the purpose of profit and loss sharing.
 4. Amending the Company's Articles of Association or Memorandum of Association.
 5. Increasing or reducing capital, issuing debentures, forming mergers or closing the Company.
 6. Any actions mentioned in the Securities Act or announcements by the Stock Exchange of Thailand requiring the approval of the shareholders' meeting, such as the acquisition or disposal of assets of the listed

company or any related items.

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

1. Overseeing the objectives and main goals of the business to be sustainable. The goals and objectives are consistent to create value for the Company, its customers, its stakeholders, and society as a whole.
2. Ensuring that the objectives and goals, including strategies, in the medium term and/or annually are in accordance with the objectives and goals of the Company by using innovation and technology appropriately and safely.
3. Using care in creating a corporate culture that adheres to ethics. Respect the rights and responsibilities of shareholders and stakeholders. Benefit society, develop or reduce negative impacts on the environment, and act as a model.
4. Monitoring the administrative structure and practices of the Board to be appropriate towards efficiently achieving the objectives and main goals of the business.
5. Ensuring that all Directors carry out their responsibilities with a duty of care and a duty of loyalty to the organization. Also ensure adherence to laws, regulations, and resolutions of the shareholders' meetings.
6. Overseeing the performance evaluation of the Chief Executive Officer.
7. Overseeing the determination of the remuneration structure, ensuring that it enables employees to work in line with the objectives and main goals of the organization, formulation of guidelines, and evaluation factors for the Company.
8. Considering and approving the setting and revision of the vision and mission, strategies, business direction, plans for the year, and annual budget. Also, supervise the management to be in line with policy and plans efficiently and effectively.
9. Considering the appropriate risk management systems and internal controls.
10. Determining the appropriate authorization levels that are suitable for the management and their responsibilities.
11. Assessing the framework for the allocation and management of resources to be effective and efficient. Take into account the impact and development of resources throughout the entire value chain in order to achieve the objectives and main goals in a sustainable manner. This includes development and budgeting such as making a management plan for employees as well as policies concerning information technology, which provide a framework for the governance and management of information technology for the organization that is consistent with the Company's needs. Also ensure that information technology is used to increase business

opportunities as well as in the development of operations and risk management so that the Company can achieve its objectives and goals.

12. Assessing the monitoring and evaluation of the operations.

13. Overseeing that the disclosure of financial and non-financial information is reliable and appropriate.

14. Monitoring the adequacy of liquidity and ability to pay debts.

15. Ensuring that, in the case where the business is experiencing financial difficulties, or is likely to encounter trouble, the Company has a plan to fix the problem. Or, ensure that other mechanisms are available that can resolve the financial issues, subject to consideration of the rights of stakeholders.

16. Ensuring that various actions adhere to the good corporate governance policy and the Company's ethics guidelines.

17. Considering and approving significant issues, as defined in the law, regulations, policies, and related standards, or under authority of the Company.

The Company's Board of Directors is responsible for consideration the list of new Directors who have been screened and presented by the Nomination and Remuneration Committee. The listed Directors must be ready to dedicate their time, knowledge, and capabilities for the Company, and also understand the duties and responsibilities of Director. The Company has in place the procedure to keep new Directors informed about its business and operation for them to possess profound knowledge and understanding in the Company's business.

In addition, the Board of Directors conduct the annual assessment of their performance in line with the self-assessment form to inspect, as well as enhance the efficiency of their performance.

Roles and Duties of the Chairman

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

1. Monitoring and supervising to ensure that the duty of the Committee is carried out effectively and to achieve the objectives and goals of the organization.

2. Ensuring that every Director has been involved in promoting a culture of ethical behavior and good corporate governance.

3. Setting the agenda for the meeting of the Board of Directors and discussing with the Chief Executive Officer and taking measures to ensure that the important issues are on the agenda.

4. Allocating sufficient time for the management to propose issues and gather enough members to discuss key issues carefully, and encouraging each Director to use their discretion judiciously and to express themselves freely.

5. Strengthening the relationship between the Executive and non-Executive Directors as well as between the Board and the management.

Board of Directors Meeting Attendance for year 2019

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

Remarks

* The Board member was unable to attend the meeting due to personal commitments.

** Mr. Ong-Art Singlumpong resigned from being a Director of the Company, effective from October 1, 2019.

*** General Pairoj Panichsamai resigned from being an Independent Director of the Company, effective from May 2, 2019.

**** Mr. Chakkrit Parapuntakul was appointed from the meeting of the Board of Directors No. 3/2562 (2019) as a Director to replace General Pairoj Panichsamai, effective from July 9, 2019.

Audit Committee

As at December 31, 2019, the members of the Audit Committee consist of three following qualified persons:

Mr. Phisit Dachanabhirom

Audit Committee Chairman

Mrs. Wansuda Thanasarnart

Audit Committee

Mr. Chakkrit Parapuntakul

Audit Committee

Remarks

1. Mr. Phisit Dachanabhirom is the Audit Committee Member who has knowledges and experiences in reviewing the Company's financial statements. He is the certified auditor CPA License No. 966. He renders his audit services for non-listed company.
2. General Pairoj Panichsamai resigned from being an Audit Committee of the Company, effective from May 2, 2019.
3. Mr. Chakkrit Parapuntakul was appointed from the meeting of the Board of Directors No. 3/2562 (2019) as a Director to replace General Pairoj Panichsamai, effective from July 9, 2019.





Roles and Duties of the Audit Committee

1. Attending the Board of Directors meetings as to participate in policy determination, business decision making and corporate governance issues.
2. Considering and recommend the appointment and withdrawn of the auditor and the proposed audit fee including the following issues:
 - (a) To ensure the independence of the external auditor, the Audit Committee shall consider any non-audit service that may conflict with the auditor's efficient and professional operations eg. accounting system design etc.
 - (b) To freely discuss significant matters, the Audit Committee shall meet privately with the external auditor once a year, without the management team being present.
3. Considering the policy and code of conduct of the internal audit department as to ensure their continual appropriateness and effectiveness.
4. Reviewing the annual audit plans of the internal audit department.
5. Reviewing the internal control and internal audit system as to ensure their appropriateness and effectiveness by coordinating with the internal and external auditors. The Audit Committee shall consider the following issues:
 - (a) To strengthen the independence of the internal audit department, the Audit Committee shall approve any selection, promotion, rotation or termination of the department head.
 - (b) To ensure the independence of the internal audit department, the Audit Committee shall consider other factors, including reporting and supervision processes, as well as reporting line of the department.
6. Considering the quarterly audit report and recommendations of the internal and external auditors as well as follow up the action taken according to such recommendations.
7. Reviewing the quarterly financial reports of the Company and subsidiaries as to ensure that they are accurate, credible and have adequate information disclosures according to the good corporate governance procedure.
8. Ensuring that the Company is in compliance with the rules or regulations prescribed by the Stock Exchange of Thailand and any other laws related to its business.
9. Reviewing the related transactions of the Company and any transactions that may cause the conflict of interest to be in compliance with the rules or regulations prescribed by the Stock Exchange of Thailand, and to ensure that the related transactions are in appropriate conditions and for the maximum benefit of the Company.
10. Coordinating with the external auditor to consider any problems or restrictions encountered in performing financial statements audit.

11. Preparing the Audit Committee report. The report must be signed by the Chairman of the Audit Committee and disclosed in the Company's Annual Report. Its report should include the following information:

(a) The number of Committee meetings and attendance of each member.

(b) The Audit Committee's comments on:

« Accurateness, completeness and creditability of the Company's financial report.

« Adequacy of the Company's internal control system.

« Compliance with SEC's and SET's laws and regulation and other laws relevant to the Company's business.

« Suitability of the external auditor.

« Transactions that may cause conflicts of interest.

« Other concerns that have arisen as the audit Committee performed its duties as defined in the Committee's charter.

(c) Anything else which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.

12. The Audit Committee is authorized to invite the Executive Directors, management or related persons to either provide necessary information or attend the meeting.

13. Considering any other matters as assigned by the Board of Directors with the consent of the Audit Committee.

Nomination and Remuneration Committee

As at December 31, 2019, the Nomination and Remuneration Committee consists of three qualified persons:

Mr. Phisit Dachanabhirom

Nomination and Remuneration Committee Chairman

Mrs. Wansuda Thanasaranart

Nomination and Remuneration Committee

Mr. Chakkrit Parapuntakul

Nomination and Remuneration Committee

Remarks

1. General Pairoj Panichsamai resigned from being a Nomination and Remuneration Committee of the Company, effective from May 2, 2019.
2. Mr. Chakkrit Parapuntakul was appointed from the meeting of the Board of Directors No. 3/2562 (2019) as a Director to replace General Pairoj Panichsamai, effective from July 9, 2019.

Roles and Duties of the Nomination and Remuneration Committee

1. Considering criteria and procedures for selecting a person who is qualified to hold office as a Director, select best candidate in adherence to the procedures set out, and make the recommendation to the Board of Director who shall subsequently propose the nominee to the shareholders' meeting. The duties and responsibilities can be outlined as follows:

(a) Determine qualifications of a Director in accordance with the structure, size and composition set forth by the Board, by taking the following steps:

« Consider a combined suitability of knowledge, experience and expertise to determine desired qualifications.

« Assess the independence of each candidate to see whether he/she is completely or incompletely qualified as an independent Director, and to consider whether it is necessary to seek a new independent Director in the case that the numbers of independent Directors do not reach the numbers as stated in the Board's policy.

« Consider each candidate's promising dedication of time.

(b) Select and nominate a suitable candidate for the Board to consider and propose that nominee for final consideration and appointment by the shareholders' meeting of the Company.

« Determine a method of Director selection that suits the Company's characteristics.

« Consider the list of candidates, and select the best one who meets the qualification requirements set out.

« Conduct a careful check to make sure that the best candidate who will be nominated for the appointment being duly qualified in accordance with the rules and regulations established by the authorities.

« Approach that qualified candidate to make sure that he/she agrees to accept the position as a Director when he/she is appointed by the shareholders of the Company.

« Propose his/her name for consideration and approval by the board. Upon the board's approval, a notice of the meeting of the shareholders of the Company in this regard will be made for approval.

2. Establishing a model and guidelines on the payment of Directors' remuneration which will be proposed to the board who will further propose to the shareholders' meeting of the Company for approval.

3. Establishing guidelines for evaluating Chief Executive Officer's performance.

4. Determining the annual remuneration of Directors.

5. Considering new ESOP (or warrants) to Directors and employees under diverse conditions that will induce Directors and staff members to perform duties with their best effort, add long-term value to the shareholders, and truly enable to retain efficient and competent personnel; however, there is not too high such incentive scheme and should be fair to the shareholders of the Company.

The Board of Directors' Meeting No. 3/2550 (2007) on February 26, 2007 had approved the appointment and the scope of authority of the Board Nomination and Remuneration Committee.

Executive Committee

As at December 31, 2019, the three qualified members of Executive Committee consist of:

Mr. Surachai Chetchotisak
Chairman of the Executive Committee

Mrs. Pornpan Techarungchaikul
Executive Committee

Mr. Darm Nana
Executive Committee

Roles and Duties of the Executive Committee

The Board of Directors Meeting No. 1/2546 (2003) held on January 28, 2003, the Board of Directors Meeting No. 2/2556 (2013) held on May 14, 2013 the Board of Directors Meeting No. 6/2562 (2019) held on December 18, 2019 had the resolution to determine the scope of Executive Committee's authority as follows:

1. Approving loans, lendings or applying for credit from financial institutions as well as acting as surety or making payments for general activities of the Company. The credit limit of each item must be less than 300 million baht or equivalent.

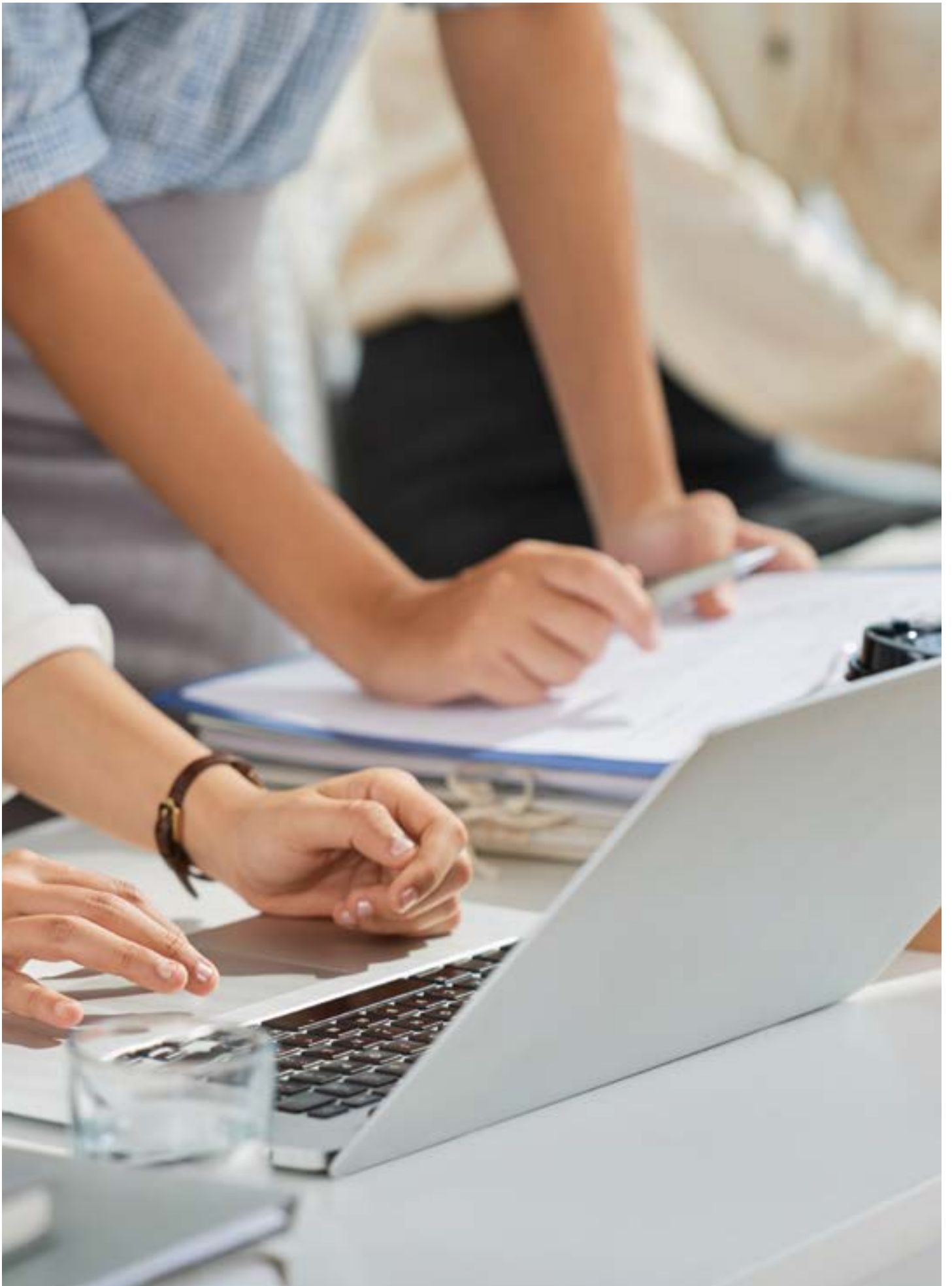
2. Appointing and withdrawing the company employees who are ranked below Chief Executive Officer (previously called Managing Director).

3. Initiating, suggesting and formulating policy for the business direction and business strategy of the Company and present to the Board of Directors.

4. Setting up corporate and management structures and Executive Committee. To oversee all aspects of the recruiting, training, employment and layoff of the Company's employees.

5. Formulating business plans and management powers, approve the annual budget for business operations and expenses, manage business plan and strategy of the Company according to the policy and business direction which presented to the Board of Directors.





6. Being responsible for other duties assigned by the Board of Directors in each period.

Approval for carrying out the activities mentioned above would not be granted in cases where the Executive Committee, or parties authorized by the Executive Committee, is authorized to approve activities that may conflict with the Company and its subsidiaries' interests (under the Company's Articles of Association and the announcements of the Securities and Exchange Commission (SEC)). Exceptions would be made for those activities carried out under policies and regulations approved by the Board of Directors, whereby the Board of Directors has the authority to amend or change the responsibilities of the Executive Committee whenever necessary.

Risk Management Committee

As at December 31, 2019, the Risk Management Committee consists of two qualified persons:

Mrs. Pornpan Techarungchaikul
Risk Management Committee Chairman

Mr. Danaisidh Peslapunt
Risk Management Committee

Roles and Duties of the Risk Management Committee

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

1. Considering the policy, framework and procedure on the risk management, and including giving advice to the Company's Board of Directors and management team on risk management.
2. Supervising and supporting the risk management so that it is according to plan, and results in achievements for the organization as well as in the project level.
3. Considering the Company's important risks on the organizational level, and evaluate the risk management procedures to be in accordance with the Company's strategy and business plan.
4. Reporting performance to the Audit Committee and the Company's Board of Directors.

Corporate Governance Committee

As at December 31, 2019, the Corporate Governance Committee consists of two qualified persons:

Mrs. Pornpan Techarungchaikul
Corporate Governance Committee Chairman

Mr. Danaisidh Peslapunt
Corporate Governance Committee

Roles and Duties of the Corporate Governance Committee

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

1. Proposing guideline or policy on the good corporate governance to the Audit Committee and the Company's Board of Directors.
2. Reviewing or improving guideline or policy on the Company's good corporate governance.
3. Giving suggestions on good corporate governance to the Audit Committee and the Company's Board of Directors.
4. Supervising Directors and the management to comply with the good corporate governance's policy.

Human Development Committee

As at December 31, 2019, the Human Development Committee consists of two qualified persons:

Mrs. Pornpan Techarungchaikul
Human Development Committee Chairman

Mr. Chakrit Pichyangkul
Human Development Committee

Remark

Ms. Praornsri Udompol resigned from being a Human Development Committee of the Company, effective from December 1, 2019.

Roles and Duties of the Human Development Committee

1. Presenting human resource policy and management direction
2. Drawing techniques and strategies for human resource development
3. Overseeing and supervising human resource operation
4. Considering and making decisions on human resource development issues based on the direction approved by the Company's Executive Committee

Executive Team

As at December 31, 2019, the members of Executive Team consist of seven qualified persons as follows:

Mr. Surachai Chetchotisak
Chief Executive Officer

Mrs. Pornpan Techarungchaikul
Chief Commercial Officer

Mr. Darm Nana
Chief Financial Officer

Mr. Danaisidh Peslapunt
Chief Legal Officer

Ms. Kunchanya Karuhadej
Chief People Officer

Ms. Nongluk Ngamroj
Senior Executive Vice President

Mr. Ong-Art Singlumpomg
Senior Executive Vice President

Remarks

1. Executive refers to executive as per definition from Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 (2008) Re Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities.
2. Ms. Kunchanya Karuhadej was appointed as Chief People Officer on December 11, 2019.

Roles and Duties of the Chief Executive Officer

The Board of Directors Meeting No. 1/2546 (2003) held on January 28, 2003, the Board of Directors Meeting No. 2/2556 (2013) held on May 14, 2013 and the Board of Directors Meeting No. 6/2562 (2019) held on December 18, 2019 had the resolution to determine the scope of Chief Executive Officer's authority in that Chief Executive Officer (previously called "Managing Director") is authorized to approve any acts necessary for or related to the normal business operation of the Company with the credit limit of each item less than 50 million baht or equivalent. However, the Chief Executive Officer has no authority to deal with any Related Party Transaction (RPT) or Acquisition and Disposition of major Assets of the Company and/or matters concerning persons who may be in conflict with, or have conflict of interest with the activities of the Company or affiliated companies. In such instances, they will be approved by the Audit Committee and/or the Board of Directors, depending on the case.

Nomination of Directors and Executives

The Board of Directors Meeting No. 3/2550 (2007) held on February 26, 2007 had its resolution to appoint the Nomination and Remuneration Committee and also approved the duties of the Nomination and Remuneration Committee. Hence, personnel selection for the Company's Director must proceed through the Nomination and Remuneration Committee. The Director's selection procedures must be done by the

Nomination and Remuneration Committee whose consideration will be based as per qualification in section 68 of the Public Company Limited Act B.E. 2535 (1992) and the related announcements of the Securities and Exchange Commission. Moreover, considerations will be based on ability, experience, knowledge and specific skill for the benefit and development of the Company's business, and dedicating their time and efforts in conducting their duties. Then, the list will be submitted to the Board of Directors and shareholders' meeting for approval.

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

1. One shareholder has one vote per one share.
2. Shareholders can vote for each directorial appointment.
3. Persons who receive the highest sequential votes will be appointed as Directors equal to the required number of that particular election. In the case of any persons receiving equal sequential votes which are more than the required number, the Chairman will make the final decision.

Company Secretary

The Board of Directors has appointed the Chief Commercial Officer to be the Company Secretary. The current Company Secretary is Mrs. Pornpan Techarungchaikul. The Company Secretary duty is to ensure that the operation of the Company in compliance with the Good Corporate Governance of the Stock Exchange of Thailand.

Mrs. Pornpan Techarungchaikul

Position : Director, Executive Committee
Corporate Governance Committee Chairman,
Risk Management Committee Chairman,
Human Development Committee Chairman,
Company Secretary and Chief Commercial Officer

Age : 49

Education :

Master of Business Administration (MBA),
Sasin Graduate Institute of Chulalongkorn University
Bachelor of Statistics, Chulalongkorn University
Executive Development Program 4 (EDP 4) Year 2009,
Thai Listed Companies Association
Capital Market Academy Leader Program (Batch 23),
Capital Market Academy

Shareholding : None

Relationship between Management : None

Experience :

- October 15, 2019 - Present : Chief Commercial Officer
RS Public Company Limited
- 2008 - Present : Company Secretary
RS Public Company Limited
- 2004 - Present : Director and Executive Committee
RS Public Company Limited

• 2007 - October 14, 2019 : Chief Operating Officer
RS Public Company Limited

The Person Supervising Accounting

Mrs. Nuansong Limpanaruk

Position : Accounting Supervisor,
Senior Vice President of Accounting

Age : 48

Education :

Bachelor of Accounting, Bangkok University

Shareholding : None

Relationship between Management : None

Experience :

December 1, 2006 - Present : Senior Vice President of
Accounting

RS Public Company Limited

Remarks

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

2. Mr. Ong-Art Singlumpong resigned from being a Director of the Company, effective from October 1, 2019.

3. General Pairoj Panichsamai resigned from being a Director of the Company, effective from May 2, 2019.

4. Mr. Chakkrit Parapuntakul was appointed from the meeting of the Board of Directors No. 3/2562 (2019) as a Director to replace General Pairoj Panichsamai, effective from July 9, 2019.

1.2 Executive Directors and Management

List	Year 2019		
	No. of member	Amount (million baht)	Detail of Remuneration
Executive Director	3	-	-
Management	7	111.12	Salary, bonus and other allowance

Director and Executive Remuneration

1. Cash Remuneration

1.1 Directors

List	Year 2019		
	No. of member	Amount (baht)	Detail of Remuneration
Board of Directors	10	2,010,000	Annual remuneration and meeting allowance
Audit Committee	3	1,883,387	Fixed remuneration and meeting allowance

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

No.	Board of Director	Year 2019		
		Fixed remuneration (baht)	Annual remuneration (baht)	Meeting allowance (baht)
1	Mr. Surachai Chetchotisak	-	-	150,000
2	Mrs. Pornpan Techarungchaikul	-	-	100,000
3	Mr. Darm Nana	-	-	120,000
4	Mr. Danaisidh Peslapunt	-	-	120,000
5	Mr. Ong-Art Singlumpong	-	-	80,000
6	Mr. Sorat Vanichvarakij	-	-	120,000
7	Mr. Phisit Dachanabhirom	-	400,000	120,000
8	General Pairoj Panichsamai	-	300,000	20,000
9	Mrs. Wansuda Thanasarnart	-	300,000	120,000
10	Mr. Chakkrit Parapuntakul	-	-	60,000
Total		-	1,000,000	1,010,000

2. Other Remuneration

2.1 Directors

-Nil-

2.2 Executive Directors and Management

In 2019, the Company has paid provident fund to 5 Executives approximately 3.10 million baht.

Personnel

The number of employees in the Company Group as of December 31, 2019 is 1,301 persons of which categorized into RS Public Company Limited's employees of 335 persons and subsidiaries' employees of 966 persons. The total rewards of company staff amounted to 833.53 million baht, paid in the form of salaries, bonus, other personnel expenses and provident fund totaling approximately 18.63 million baht.

Details of the number of employees by business groups of the Company as at December 31, 2019

Business Group	Number of Employees
Commerce business	520
Television Media business	428
Radio Media business	54
Music business	36
Others	263
Total	1,301

Human Resources Development Policy

1. The Company realizes the importance of employees as human capital, the most valuable factor that is instrumental in steering the organization towards growth on a sustainable basis. Hence, annual operational plan and budget have been clearly specified and arranged accordingly. Human resources development is divided into 3 levels i.e. Organization Development, Career Development and Training Development. In 2019, there are altogether 86 training courses of 23 classes, which can be separated; in-house training of 90 hours and external training of 349 hours and details are as follows:

1.1 Organization development has promoted the creation of corporate culture within companies under the RS Public Company Limited and since the orientation of new employees through Welcome Day Activity and Lotus Notes Program Training, totaling 9 classes of 84 attendees.

1.2 Employees' Career Development that defines progressive career path and stipulates the promotion path.

1.3 Training Development guidelines have been developed using the framework of competency base training, along with survey results concerning training needs. In-house Training covers Knowledge Development, Attitude Development and Skill Development, including: 1) Viewing E-Pay Slip with the program ESSPACE for employees, with 1 class with 31 attendees 2) Workshop on "How to Motivate a Telesales Team", with 2 classes of 25 attendees and 3) OKR Workshop, with 6 classes of 100 attendees.

The Company also holds training programs as required by law: 1) General Safety for Employees and New Employees with 4 classes of 93 attendees . 2) Safety, Health, and Environment in the Working Place with 1 class of 45 attendees.

2. The Company has continuously focused on creating employee engagement by providing various activities, such as:

The "Drops for Mom" activity that encouraged employees to donate blood at the Thai Red Cross, along with many artists and performers.

"Doing Good Deeds without Hesitation" for Telesales staff who are the top sales people of each team; each person received 2 concert tickets for Raptor 25, with a total of 50 prizes given.

Activities to create closeness and participation between employees themselves, employees and artists, and employees and executives include Meet & Greet with artists that are currently launching works, inviting employees to join a dance competition in the new single of Lulu-Lala, or inviting employees to take a photo with Jah RSiam on the day of the artist's new single promotion.

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

3. The Company has announced policy on safety, health, and environment in the working place by arranging all levels of employees to join in many levels of safety levels.

This is to move its safety policy to be more substantially viable and correspondence with related laws and safety standards.

In 2019, the Company has expanded and monitored the safety performance by applying to all level of employees in order to make continuous improvement such as 1) Monitor, report and follow up on unsafe spots in the working place; 2) Make improvement in the working area at points where accident might occur, and setting up of various safety signs; 3) Improve the fire escape route system, fire exit signs, and the emergency light according to the established standard; 4) Regularly check fire extinguishers in each building; and 5) Collect record of accident and sickness of employees who use service of the Company's nursing facility in order to analyze the cause, solution, and supply with information concerning knowledge in health, and safety in the work place so that employees can adjust their working behavior for a better health and safety, etc.

In 2019, the unemployment rate of employees using the Company's medical room was at 8.5% per month.





Corporate Governance



Corporate Governance

The Company has stipulated its policy on corporate governance by emphasizing on the control and internal audit system and corporate governance of Management to efficiently following its policy. This is for long term benefits of shareholders, including transparency on business operations, information disclosure and with proper risk management as well as social and environment responsibility for sustaining development.

In 2019, the Company has been continuously granted the Excellent CG Scoring by Market Capitalization from Thai Listed Companies Good Corporate Governance Survey Year 2019.

The summary of corporate governance practices in 2019 is as follows:

Corporate Governance Policy

The Company's Board of Directors stipulates policy on good corporate governance in a written format and considers reviewing a good corporate governance policy and code of conduct manual for the Company Group. Following up on evaluation of policy compliance is set to at least once a year. The Company publishes manuals to Directors and employees for references and practices and posts on the Company's intranet.

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

At the Board of Directors Meeting No. 2/2563 (2020) held on February 20, 2020, there was the consideration, review, revisal and approval of the good corporate governance policy and code of conduct manual for the Company Group as well as monitoring and evaluating the implementation of such policies. The Board of Directors recognizes its role as the governing body of the organization and more than half of its Directors have studied the CG Code and understood the benefits and best practices in creating value for the business in a sustainable manner. They are also equipped to assess compliance with CG Code practices to ensure that each of the CG Code principles can be put to use, or have plans to develop such practices for the business.

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

- Shareholder Rights
- Equal Right to Shareholders
- Roles of Stakeholders

- Information Disclosure and Transparency
- Responsibilities of the Board of Directors and Sub-Committees

Shareholder Rights

The Company stresses the importance of respecting the shareholders' right by following regulations as stipulated by law. In 2019, the Company had Annual General Meeting of Shareholders on April 9, 2019 and all Directors attended the meetings (The details of the Company's Board of Directors attendances are listed in the minutes of the shareholders' meeting).

The Company encourages and facilitates shareholders and investors to participate in shareholders' meeting by seeking the meeting place where is accessible and sufficient public transports are provided.

The Company has policy on equal treatment of shareholders by realizing on the importance of shareholders' right on sufficient and timely information disclosure. Concerning shareholders' meeting, the Company will distribute an invitation letter for meeting which includes details on different meeting's agendas to shareholders at least 7 days prior to the meeting date as stipulated by law.

In 2019, Thailand Securities Depository Co., Ltd., which is the Company's registrar, distributes the invitation letter for the meeting to shareholders at least 7 days or 14 days prior to the meeting date as stipulated by law.

In 2019, the Company had distributed the invitation letter for the meeting which included details on different meeting's agendas prior to the meeting date as stipulated by law, and each agenda contained principles and reasons, and suggestions of the Board of Directors. Moreover, the Company also published the invitation letter for shareholders' meeting and supporting documents in Thai and English language on the Company's website on www.rs.co.th/investor.html at least 30 days before the meeting date and the Annual Report was posted on the Company's website at least 7 days before the meeting date, as to facilitate rapid access for shareholders. Prior to the start of shareholders' meeting, the Chairman of the meeting had authorized the Company Secretary to explain voting procedure to the meeting, and during the meeting, the Chairman gave equal opportunity to shareholders in asking additional questions and making suggestions prior to vote casting in each agenda. Using voting paper in case of important agenda was given for transparency and accountability. In addition, the minute of the meeting was written correctly and completely within the specific timeframe as stipulated by law, submitted to the Stock Exchange of Thailand and posted on the website within 14 days after the meeting. The Company had good filing system for shareholders' checking.

In 2019, the Company has provided the shareholders more than what is stipulated by law such as publishing important and updated information through its websites, and not curtailing the shareholders' right on the Company's information that had to be

disclosed by regulations. Concerning the meeting, no additional meeting agenda, or changing of important information would be conducted without prior notification to shareholders, including additional important information would not be distributed abruptly in the meeting, and not limiting shareholders' right to come in late for the meeting etc. During the meeting, the Chairman gave equal treatments to shareholders to ask questions, giving ideas, and making suggestions on operating results of the Company. Moreover, shareholders were given rights to send their questions before the meeting date through the Company's websites, or by mail to the Board of Directors. Thus, rights given to shareholders and supporting shareholders to exercise their rights were in accordance with good corporate governance policy.

Equal Right to Shareholders

For shareholders who cannot attend the meeting, the Company proposes proxies to be given to the Independent Director, who is the Chairman of Audit Committee, to vote on their behalf in the meeting. In the 2019 shareholders' meeting, there were 190 shareholders who gave proxy to the Chairman of the Audit Committee.

On November 29, 2019, the Company published information through its websites for minority shareholders to propose agenda for the general meeting of shareholders. This included clear regulations in advance for consideration on additional agenda for minority shareholders to make proposal. The Company also regulated procedures for minority shareholders to propose candidate for consideration as a Director and including supporting information on qualifications and consent of the proposed candidate. However, there was no agenda and candidate for a Director proposed to the general meeting of shareholders.

The Company has conducted the measure in a written statement to prevent Directors, Executives, staff members and employees from abusing insider information in the interests of their own or their related parties. By this measure, the Company's Directors, Executives, staff members and employees are required to report a transaction that may cause a conflict of interest between themselves and their related parties via the designated law office to screen and forward such report to the Board and the Board is fully authorized to make a decision on any transaction, which may cause a conflict of interest, for the Company's overall benefit. The Company's Directors and Executives with their interests in any transactions shall be banned from participating in a decision making process on those transactions, as disclosed in Monitoring Internal Use of Internal Information; moreover, related party transactions shall be made in accordance with relevant requirements established by the Stock Exchange of Thailand, as detailed in the topic of Measures or Steps of Approval in Related Party Transactions. The certain policy has been implemented since the year 2008 for banning Directors and top Executives* from trading the Company's shares

within 3 weeks before the publication of financial statements and 2 days after the disclosure.

Remark

* means Executive as per definition of the Securities and Exchange Commission (SEC) who is responsible for changes in shareholding as stipulated by law.

The Company regulates in prohibiting the use of opportunity or information given by Director, Executive or employee for their own benefits, or conducting business competition with the Company, or with related business. This includes using inside information for the Company's stock trading. All regulations have been listed in the code of conduct manual, and discloses in the topic of Use of Inside Information.

Roles of Stakeholders

The Company recognizes the importance of rights for all groups of stakeholders both internal stakeholders such as employees, the Company's and its subsidiaries' Executives, or external stakeholders such as competitors, creditors, government agencies and other related parties. The Company realizes the importance of encouragements from stakeholders especially from communities and society (Example is listed in the topic of Role and Social Responsibility and Human Resources Development Policy). Regulations and procedures are in written format, including rules on disciplinary punishment, so that there will be guideline procedures for related persons e.g. Directors, Executives and employees of RS Group to follow when performing duties for the Company with honesty and ethics towards the Company and groups of stakeholders. The details of the Company Group's code of conduct manual which covers business operation's and employee's code of conduct are as follows:

Responsibilities toward social and environment

The Company has a policy to conduct business in a way that is beneficial to the economy, society and environment, taking into account the duties and responsibilities that one should have for the nation, society and environment. The businesses shall be operated and controlled completely under the laws and regulations. The Company shall adopt the business knowledge and experiences to improve the projects which are beneficial to communities. For environment aspect, the Company is committed to refrain from operating the business with the negative impacts to the environment covering e.g. energy control in the office, the water usage, renewable resources uses and greenhouse gas emission, including determinations to press on developing trends for social quality and environment by cooperating with government agencies and communities. Responsibilities toward social and environment must be whole-heartedly and consistently promoted to all levels of employees and staff on becoming good citizens who make beneficial contributions toward communities and societies. Employees shall be supported to jointly participate in activities for communities and

societies in order to create good corporate culture in the future. By reviewing, evaluating, and following up consistently on the Company's long term progress are to ensure that policies on social and environment shall be executed as planned. Also, the Company has promoted the campaign of efficient use of resources e.g. paperless campaign, encouraging the use of both sides of a piece of paper, surfing Internet and using e-mail; and energy saving by turning off air-conditioner and electricity during break time. The Company also provides information and promotes campaigns that recognize efficient use of resources (example is listed in the topic of Role and Social Responsibility and Human Resources Development Policy).

Customers

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

Shareholders

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

Staff and Employees

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

to develop skills in other areas and adhering to labor laws are also key factors. In addition, the Company organized health checkup for employees as well as arranged for life insurance, health insurance and regular safety inspections of the workplace.

The Company's Board of Directors also considers and approves the policy concerning safety, occupational health and environment in the workplace.

The Company supports knowledge training for its employees, Directors and Executives (example is listed in the topic of Social Role and Responsibilities, and Human Resources Development Policy).

Partners and Creditors

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

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

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

Competitors

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

Virtue

The Company is engrossed in doing the rightful





things and performing its duties with honesty and straightforwardness in accordance with legislations and regulations. This conduct is applied to any activities and decision-making. The company operates its business with honesty and takes into account the influencing risks.

Equality and Human Rights for All Parties Concerned

The Company neither hinders or withholds the privileges from, nor discriminates against any persons who are different in races, nationalities, religious, genders, age, or education, including non-involvement on any human rights infringement.

Copyright

The Company has the policy on non-violation of any copyright.

The Company's Board of Directors reviews and makes improvement on code of conduct manual of RS Group at least once a year. In 2020, the Company's Board of Directors meeting No. 2/2563 (2020), has reviewed, improved and approved RS Group's code of conduct manual and published on the Company's intranet. It includes information on new employee's training for all employees' acknowledgement, and controlling process for strict compliance on the code of conduct.

The Company has had the policy that Directors, Executives and staff members at all levels are required to strictly observe and follow the best practices described in the Group's code of conduct manual. In the past year, the Company and the subsidiaries had no legal dispute that significantly affected the Company's business or posed negative effects on the Group's assets of which the overall value, as at December 31, 2019, was higher than 5% of shareholders' equity. The Company and the subsidiaries had no legal dispute arisen from an out-of-the-ordinary course of business of the Group.

The Company has anticipated in sharing the development mechanism with stakeholders in strengthening operating results of the Company. This is to build business security with information transparency, listening to comments, complaints, or suggestions (except the appeals regarding fraud or misbehaved employee in the organization and the additional information is listed on Policies on Anti-Corruption) either from employee and stakeholder via Executives, Internal Audit unit, Investor Relations unit, Company Secretary or Audit Committee as to pass to the Board of Directors through website at www.rs.co.th/investor.html or through telephone numbers at +66 2938 4307 and +66 2511 0555 ext 1496 or direct to the stated units above. All information will be collected and checked through the Company's stipulated process and will be reported to the Board of Directors.

Complaint of financial and accounting reports, internal control, risk management, compliance with law and code of conduct can be done through the Company Secretary who receives and summarizes all topics, and quarterly submits to the Audit Committee and Board of Directors. The Company gives importance to the secrecy of information received in order to build confidence to sender, and complaint will only be known to assigned and related persons.

Information Disclosure and Transparency

The Company places an importance to efficient internal control system on the management and operational levels, by clearly stipulated the employee and Executive's operational authorizations. Assets' usages are controlled, and responsibilities of operator, controller, and evaluator are separated from each other to create suitable check and balance system. Moreover, there is internal control on the financial system with systematic reporting direct to the designated management unit.

The Company's internal control unit reports directly to the Audit Committee to be certain that the main operations and important financial activities proceed efficiently within the directed guidelines. The Company has its policy on Compliance Control in correspondence with the concerned law and related regulations.

Responsibilities of the Board of Directors and Sub-Committees

Sub-Committees

The Company's Board of Directors appoints the Sub - Committees to make details screening by regulating their responsibilities and scope of duties within each committee.

Most members of the Sub-Committees are Independent Directors except the Executive Committee, Risk Management Committee, Corporate Governance Committee and Human Development Committee. The Chairman of the Board will not hold any positions as member in all committees. Moreover, it also regulates Independent Directors as Chairman of each committee with exception in the Executive Committee, Risk Management Committee, Corporate Governance Committee and Human Development Committee. At present, the Company has 6 Sub-Committees of the Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance Committee and Human Development Committee.

The details concerning the member's names, duties and responsibilities are listed in topic of Management Structure. The Company's Board of Directors appoints sub-committees in order to operate and oversee the Company, detailed as follows:

• Audit Committee

It has duration of 3 years, and consists of 3 Independent Directors. Names and duties of the Audit Committee are listed in Management Structure.

The Company's Board of Directors appoints Mr. Phisit Dachanabhirom, the Independent Director, who has vast knowledge and experiences in financial and accounting field, and to become Chairman of the Audit Committee.

In 2019, the Audit Committee had 5 meetings in which all members attended all meetings and consistently reported their operating results to the Company's Board

of Directors. There were 5 meetings that the Audit Committee met privately with the external auditor without the Executive team being present.

Audit Committee Meeting Attendance for year 2019

Mr. Phisit Dachanabhirom Chairman	No. of Attendance 5/5
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General Pairoj Panichsamai* Committee	No. of Attendance 1/5
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Mrs. Wansuda Thanasaranart Committee	No. of Attendance 5/5
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Mr. Chakkrit Parapuntakul** Committee	No. of Attendance 3/5
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Remarks

* General Pairoj Panichsamai resigned from being a Director, Independent Director and Audit Committee of the Company, effective from May 2, 2019.

** Mr. Chakkrit Parapuntakul was appointed from the meeting of the Board of Directors No. 3/2562 (2019) as a Director, Independent Director and Audit Committee to replace General Pairoj Panichsamai, effective from July 9, 2019.

• Nomination and Remuneration Committee

The Company's Board of Directors meeting No. 3/2550 (2007), on February 26, 2007, has appointed the Nomination and Remuneration Committee, its scope of authority, and remuneration. The committee consists of 3 qualified persons which has 3 Independent Directors in which one of them is the Chairman of the Nomination and Remuneration Committee, the committee has 3 years duration. Details are listed in the topic of Management Structure.

In 2019, the committee had 3 meetings in which all members attended all meetings. The committee consistently reported their operating results to the Company's Board of Directors.

Nomination and Remuneration Committee Meeting Attendance for year 2019

Mr. Phisit Dachanabhirom Chairman	No. of Attendance 3/3
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General Pairoj Panichsamai* Committee	No. of Attendance 1/3
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Mrs. Wansuda Thanasaranart Committee	No. of Attendance 3/3
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Mr. Chakkrit Parapuntakul** Committee	No. of Attendance 1/3
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Remarks

* General Pairoj Panichsamai resigned from being a Director, Independent Director and Audit Committee of the Company, effective from May 2, 2019.

** Mr. Chakkrit Parapuntakul was appointed from the meeting of the Board of Directors No. 3/2562 (2019) as a Director, Independent Director and Audit Committee to replace General Pairoj Panichsamai, effective from July 9, 2019.

The details of important performances in 2019 were summarized as follows:

1. Considered the nomination and selection of qualified and suitable person as replacement for the Board of Directors retired member.
2. Considered, reviewed and approved the charter of the Nomination and Remuneration Committee.
3. Considered and reviewed the appropriateness of the pattern and criteria of the remuneration.
4. Reviewed the annual Directors' remuneration.
5. Considered the Chief Executive Officer's evaluation criteria.
6. Evaluated the performance of the Nomination and Remuneration Committee in 2019.
7. Reported their duties to the Board of Directors on regular basis.

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

• The Executive Committee

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

In 2019, the Executive Committee had in total of 36 meetings.

The details of important performances in 2019 were summarized as follows:

1. Prepared, suggested and stipulated guideline on business policy of the Company to the Board of Directors.
2. Stipulated business plans and administration, and approved the budget for the annual business plan and annual spending budget, including proceed as per business plan and business strategy in accordance with the stated business policy and guideline as stated to the Board of Directors.
3. Oversaw, controlled and supervised on the management in accordance with the laid down strategies and plans.
4. Other assigned duties given in specific periods by the Board of Directors.

The Executive Committee had performed its duties with caution to its full capability and in relation with good corporate governance policy and code of conduct of the Company's group for the benefit of the Company, shareholders and stakeholders in the long term.

• Risk Management Committee

The Company's Board of Directors meeting No. 5/2553 (2010) on August 16, 2010 had the resolution to appoint, authorize the scope of responsibilities and consider remuneration of the Risk Management Committee. The Committee consisted of 2 qualified persons. The details are listed in the topic of Management Structure.

In 2019, the Company's Risk Management Committee had 1 meeting to plan, review the system, or evaluate efficiency of the risk management.

The details of important performances in 2019 were summarized as follows:

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

The Risk Management Committee had performed its duties with caution to its full capability and in relation with good corporate governance policy and code of conduct of the Company's group for the benefit of the

Company, shareholders and stakeholders in the long term.

• Corporate Governance Committee

The Company's Board of Directors meeting No. 1/2554 (2011) on February 23, 2011 had the resolution to appoint, authorize the scope of responsibilities and consider remuneration of the Corporate Governance Committee. The Committee consisted of 2 qualified persons. The details are listed in the topic of Management Structure.

In 2019, the Corporate Governance Committee had a meeting to review and improve the good corporate governance policy, code of conduct manual and other relevant policy as well as follow up the assessment of such policies.

The details of important performances in 2019 were summarized as follows:

1. Reviewed the good corporate governance policy and code of conduct manual of RS Group and other relevant policy.
2. Promoted the administration works to be in accordance with the good corporate governance policy and code of conduct manual of RS Group and other relevant policy.
3. Gave advises on the good corporate governance to the Company's Board of Directors.
4. Set up guidelines and reviewed report on good corporate governance to publish in the annual report.

The Corporate Governance Committee had the opinion that the stated items were appropriate and for the benefits of Company, shareholders and stakeholders in the long term.

• The Human Development Committee

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

In 2019, the Human Development Committee had 4 meetings.

The details of important performances in 2019 were summarized as follows:

1. Reviewed and developed the policy, and given guidelines on human development.
2. Developed the strategies and techniques on the human development.
3. Supervised and supported operations on human development.
4. Considered and made decisions on issues concerning the human development as per approved guidelines by the Board of Directors.

The Human Development Committee had performed its duties with caution to its full capability and in relation with good corporate governance policy and code of conduct of the Company's group for the benefit of the Company, shareholders, and stakeholders in the long term.

Company Secretary

The Board of Directors has appointed the Chief Operating Officer to be the Company Secretary, Mrs. Pornpan Techarungchaikul. The Company Secretary duty is to ensure that the Company complies with the Good Corporate Governance of the Stock Exchange of Thailand. The major role and duty of the Company Secretary are as follows:

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

The Company Secretary has both accounting and legal knowledge. Additionally, the Company also promotes people who support the work of the Company Secretary and the Company's Board of Directors to attend the "Company Secretary Program" (CSP) of the Thai Institute of Directors (IOD). Moreover, the legal office has been assigned by the Company to work for the Board of Directors to be in accordance with rules, regulations, or law as a compliance unit.

Director Meeting

The Director meetings are arranged at least quarterly and extraordinary meetings in between as deemed necessary. All meetings have apparently set out agenda and planned meeting date and are intended to consistently monitor company's performance. Invitation, agenda and information handouts are duly distributed 7 days prior to the meeting so Directors have a chance to

familiarize themselves to the issues. The Chairman of the Board of Directors, the Chief Executive Officer and one Independent Director make decision on agendas for the Board of Directors' meeting with emphasizing that important subjects have to be in the meeting agendas. The Directors can freely submit agenda and the Board of Directors can access necessary information from the Chief Executive Officer. The Independent Director/Audit Committee (the definition and qualification is shown in Management Structure) shall attend all meetings. In 2019, there were 6 meetings at the Company's head office. Every Director attended all meetings except Mrs. Pornpan Techarungchaikul who was unable to attend 1 meeting due to personal commitment.

If any Director has significant conflict of interest in any agenda, such Director shall not attend the meeting during the consideration of that agenda.

In addition, the Board of Directors' minimum quorum for meeting resolution must not be less than two third of total number of Directors.

The Company's Board of Directors has its policy in allowing the non-Executive Directors to conduct their own meeting as deemed necessary. This is to debate all issues concerning management without the Executives' presence, and the Chief Executive Officer will be informed of the result of the meeting.

Self-evaluation on the Performance of the Board of Directors

The Company's Board of Directors arranges for its self-evaluation annually by using the Company's self-evaluation form. The Board of Directors will individually and jointly consider their performances for their joint consideration in order to improve for more efficient operations.

Self-evaluation elements consist of the structure and qualification, roles, duties, responsibilities, meeting and duties of the Board of Directors, relationship with management, self-development of the Board, and development of Executives.

In addition, the Nomination and Remuneration Committee shall provide suggestions on regulations for the evaluation on performance of Chief Executive Officer and propose for the approval of the Board of Directors. Results of the performance will be evaluated by the evaluation form specified by the Nomination and Remuneration Committee and to be evaluated by the Company's Board of Directors which only consists of Independent Directors for further consideration and improvement.

The Company's Board of Directors arranged for its self-evaluation on yearly basis. On February 20, 2020, the Company's Board of Directors' meeting No. 2/2563 (2020), had made annual consideration on self-evaluation of the Company's Board of Directors of 2019, so that the Company's Board of Directors could jointly consider the performances, and problems for further improvement. Results on performance of the Chief Executive Officer for the year 2019 had been evaluated by the Company's Board of Directors which consisted of only Independent Directors for further consideration and improvement.

Moreover, the Board of Directors has assessed performance evaluations of all other committees and individual person including Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee, Executive Committee and Human Development Committee.

Remuneration

The Company has clearly and transparently stipulated policy on remuneration for the Chief Executive Officer and high level Executives. The Company has both short-term and long-term policies to provide appropriate benefits that are fair and aligned with knowledge, abilities, expertise, duties, responsibilities and individual performance as well as the expected benefit from each Executive that is in line with the Company's strategy, long term objective and performances in both short-term and long-term, including to be within the similar level of the same industry. The Executives' remuneration policy has been approved by the shareholders. During the Company's Board of Directors' meeting No. 1/2561 (2018) and the Annual General Meeting of Shareholders 2018, remuneration for Directors was approved to be within the similar level of the same industry which was high enough to attract the qualified Directors and align with the Company's operating results. For Chief Executive Officer's performance evaluation, the Nomination and Remuneration Committee regulated the performance evaluation of Chief Executive Officer and proposed for the approval of the Board of Directors. Also, the Chief Executive Officer's performance was evaluated by the Company's Board of Directors which only consisted of Independent Directors (the details of remuneration for the Directors and Executives were listed in the topic of Management Structure).

Directors and Executives' Development

The Company's Board of Directors has the policy on assigning the present Director to introduce the new Director to the Company, and lecturing on the summarization of the Company's business plan, operating results, strategy, competitive situations, vision, corporate culture, corporate governance, business ethics and other details concerning the Company's operation etc.

The Company's Board of Directors has the policy to create and develop new knowledge for Directors and Executives by encouraging them to attend seminars and meetings which provide useful topics that have been arranged by the Thai Institute of Directors and other related organizations in order to support efficient operations, with all costs to be financially supported by the Company. In 2019, the Company has supported for the training detailed as follows:

Mr. Darm Nana

Position : Director, Executive Committee and Chief Financial Officer

2019 Training Courses : Completed a continuing development course in accounting knowledge for 6 hours with "Beyond Treasury Management" by Federation of

Succession Plan for the Chief Executive Officer and High Level Executives

The Company's Board of Directors supports the arrangement of succession plan that will assist in smooth operation of the Company. Moreover, the Board of Directors also makes preparation for the executive development program for the succession plan of the Chief Executive Officer and high level Executives in case that they cannot perform their duties. This is to reduce risks from dis-continuation in corporate management with the following procedures:

- 1.The Executive Committee and Human Development Committee shall consider and select high potential Executives for further development and preparation.
- 2.The Human Development Committee shall develop the assigned group by preparing for the high level development plan for high level Executives.
3. The Executive Committee and Human Development Committee shall together make the appropriate selection on candidates for the positions of the Chief Executive Officer and high level Executives. For the selected position of the Chief Executive Officer, the selection shall proceed to the Nomination and Remuneration Committee, and the Company's Board of Directors for consideration.
4. The Nomination and Remuneration Committee shall make consideration on the proposed person concerning the suitability, knowledge and competency that will benefit the Company with other necessary related information for proposal in the Company's Board of Directors meeting for further appointment.

Investor Relations

The Company's Board of Directors realizes that financial and non-financial information result in decision making impact of investors and stakeholders. Hence, disclosure of information shall be importantly correct, complete, transparent and adequate through various media channels of the Stock Exchange of Thailand, and the Company's website. Moreover, meetings have been arranged between the Company's Executive team and equity analysts, institutional fund and general investors in order to have question and answer sessions equally. The Company assigns the "Investor Relations Unit" to communicate and provide services on information, corporate news, and the Company's various activities to institutional investors, shareholders, analysts, related government agencies, and the general investors. The Investor Relations Department can be reached at

Telephone : +66 938 4307 and +66 2511 0555 ext 1496


Website : www.rs.co.th/investor.html

Facebook: www.facebook.com/RSInvestorRelations/

Twitter : https://twitter.com/rs_ir

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





And latest Investor Relations channel through LINE Account: ir_rs

In 2019, the Company disclosed information about the Company through the following activities:

- Analyst meetings were held, to discuss the Company's operating results on a quarterly basis. Analysts got to meet the management who answered questions on various issues. Meeting documents were made available through the company's website.

- Attendance at events held by The Stock Exchange of Thailand (SET) and the securities companies to meet institutional investors and foreign investors, including Roadshow in Hong Kong by CLSA Securities (Thailand) Limited, Local Fund Conference by CLSA Securities (Thailand) Limited, Corporate Day by Bualuang Securities PCL, Thailand Investment Conference 2019 by Phatra Securities PCL and Bank of America Merrill Lynch, Local Fund Conference by KGI Securities (Thailand) PCL and Corporate Day by UOBKayHian Securities (Thailand) PCL. Also, the Company provided opportunities for local and international investors as well as shareholders to meet with senior management of the Company who answered questions concerning various issues and to learn the direction of future operations, new strategies and partnership deals during the year.

- The management and investor relations team met with analysts, investors, local and foreign funds. Topics discussed were included the overall industry and the performance overview of the Company and the growth of new business.

- Also, the Company prepared an annual information statement (Form 56-1) and Annual Report (Form 56-2), published on the SETPortal of the Stock Exchange of Thailand as well as on the Company's website. The Company's Annual Report has been distributed to shareholders annually; copies and CDs were also provided for the shareholders at the Annual General Meeting of Shareholders.

Nomination of Directors and High Level Executives

The Board of Directors Meeting No. 3/2550 (2007) held on February 26, 2007 had its resolution to appoint the Nomination and Remuneration Committee and also approved the responsibilities of the Nomination and Remuneration Committee. Hence, personnel selection for the Company's Director must proceed through the Nomination and Remuneration Committee. The Director's selection procedures must be done by the Nomination and Remuneration Committee whose consideration will be based as per qualification in section 68 of the Public Company Limited Act B.E. 2535 (1992) and the related announcements of the Securities and Exchange Commission. Moreover, considerations will be based on ability, experiences, knowledge and specific skill for the benefit and development of Company's business, and dedicating their times and efforts in conducting their duties. Then, the list will be submitted to the Board of Directors and shareholders' meeting for approval.

To appoint the Board of Directors, the shareholders' meeting appoints the Director based on

majority scores with the following regulations and guidelines :

1. One shareholder has one vote per one share.
2. Shareholders can vote for each directorial appointment.
3. Persons who receive the highest sequential votes will be appointed as Directors equal to the required number of that particular election. In the case of any persons receiving equal sequential votes which are more than the required number, the Chairman will make the final decision.

Diversity policy in the Board of Directors' structure

The Company Board of Directors has stipulated the qualification for director selection so that it will correspond with the business operations' strategy of the Company, and contains diversity for those who perform their duties as Directors. Consideration will be made for the shortage skill presented in the Board of Directors including profession, specialized skill, and gender, etc. Hence, in 2015, the Board of Directors consists of one female Independence Director to add to the diversity of the Board of Directors' structure. Moreover, the Board of Directors also uses the information in the director pool to search for the new director but the qualification is still not suitable to the Company at the time. For the Director selection, the Board of Directors prepares the Board Skill Matrix to specify qualification of the required director with consideration from business operations' strategy of the Company.

The Board of Directors Independence from Management

The Company's Board of Directors consists of four non-Executive Directors (three Independent Directors), and four Executive Directors. The details of each Director are listed in the topic of Board of Directors.

The Chairman of the Board of Directors is the same person as the Chief Executive Officer, and represents major shareholder. However, as structure of the Company's Board of Directors consists of three eighth of Independent Directors, which shall have check and balance in business operations.

The Company's Board of Directors acknowledges that the three Independent Directors have qualified as per regulations stipulated by the Company as detailed in the topic of the Company's Management Structure. The Company's Board of Directors is in agreement and appoints Mr. Phisit Dachanabhirom, the Independent Director, who has vast knowledge and experiences in financial and accounting field, to become Chairman of the Audit Committee.

Suitability of the Board of Directors

The Company's Board of Directors has stipulated suitable qualifications for persons to hold this position as person with knowledge, experiences, and specific capability for Company's benefit. This includes dedicating time, knowledge, capability and effort in performing duty for the Company. There is also regulations for all

Directors and high level Executives* to report their securities holding consistently to the Company's Board of Directors.

The Director, in the Company's Board of Directors, is not allowed to hold position as Director in the public companies of more than 3 companies, and Executive Director is not allowed to hold position as Director in other public companies of more than 2 companies. This includes holding position as Director of the Company's Chairman of Executive Committee and high level Executive* in other public companies must be approved by the Company's Board of Directors beforehand.

The Director or the high level Executive of the Company must not be employed as employee or partner of the Company's external auditor company during the past 2 years.

Remark

*means Executive under definition of the SEC.

The Board of Directors' Efficiency in Performing its Duties

· Policy Stipulation

The Company's Board of Directors participates in regulating core purpose, motto, culture, core values, strategy, objective, business plan and budget of the Company. This also includes supervision on the Executive team to proceed as business plan, and agreed budget efficiently and effectively, arrangement on good corporate governance policy, internal control system, internal auditing and suitable risk management and policy, including consistent follow-up on operating performances in the Board of Directors' meeting. Moreover, the Board of Directors has to make consideration on regulations and separation of duties, and responsibilities clearly among the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, Executive Committee, Human Development Committee and the Chief Executive Officer.

The Board of Directors Meeting No. 2/2563 (2020) on February 20, 2020, the Board of Directors reviewed and approved the Company's core purpose, motto, culture, and core values at least once a year.

· Management Supervision

The Company's Board of Directors evaluated the adequacy of internal control and result on risk management and compliance with the good corporate governance policy at least once a year and these considerations were made on February 20, 2020, the Company's Board of Directors meeting No. 2/2563 (2020).

Overseeing the Operations of Subsidiaries and Associated Companies

Nominations and voting for appointment as a Director, Executive or for controlling interest in subsidiaries and associated companies must be approved by the Board of Directors in writing. The exception is when such company is small and considered to be operating arms of the Company. The Board of Directors delegates the Chief Executive Officer as the appointee.

The person appointed to the Board of Directors, as the Executive, or as the controlling interest in subsidiaries or associated companies has a responsibility to ensure the best interests of its subsidiaries or associates in accordance with the policies of the parent company. The Company has also determined that the person who has been appointed must be approved by the Board prior to the vote or when voting on important matters. Similarly, Board approval must be sought if this measure is carried out by the Company itself.

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

In 2019, the Company has conformed to the Good Corporate Governance except for the following instant:

1. The Executive Directors' remunerations that have been received as the Directors of other companies were not disclosed as it is not information of the Company.
2. The Chairman of the Board of Directors is the same person as the Chief Executive Officer, and represents major shareholder. However, as structure of the Company's Board of Directors consists of three eighth of Independent Directors, which shall have check and balance in business operations.
3. The Director did not set out the term of the position for Independent Director not more than 9 years as the Director commented that Independent Director has knowledge, ability and long-term experiences. To serve as a long-term Independent Director will be able to more in-depth understand the Company's operation.
4. The Company did not require the Director and high level Executives to report at least 1 day before trading date to the Board of Director or those who are assigned about stock trading. As the Company sets out rules and regulations as well as policy of the use of the company's internal information.

Monitoring the Use of Inside Information

The Company has announced to the department head to understand their responsibilities in reporting the number of the Company's shares held by them, their spouses and their children who are considered as minors, and any changes made to the holdings, to the Securities and Exchange Commission, in accordance with Article 59, where the penalty is indicated in Article 275 of the Securities and Exchange Act B.E. 2535 (1992). Apart from the legislative measures, the Company has the policy covering the internal information usage written in the Code of Conduct for the group, approved by the Board of Directors on March 1, 2006, to serve as a guideline to all Directors, Executives and employees. The code of conduct was annually reviewed, improved and approved by the Board of Directors Meeting No. 2/2563 (2020) held on February 20, 2020. In addition, the Company has laid

out rules and regulations on the use of the company's internal information as follows:

- 1.The Directors, Executives, staff members and the employees of the Company are obliged to treat the internal information of the Company with confidentiality.
- 2.The Directors, Executives, staff members and the employees of the Company shall not directly or indirectly disclose confidential or internal information of the Company for the personal benefit of any individual.
3. The Directors, Executives, the staff members and the employees of the Company shall not buy, sell, transfer or receive the Company's assets by using the confidential or internal information that may cause direct or indirect damage to the Company.

The above mentioned regulations include the spouses or a person who cohabits as husband and wife, parents, descendant, adopter or adopted, brothers and sisters or half-brothers and half-sisters of the Board of Directors, Executives, the staff members and employees of the Company. Any violation of the Company's regulations shall be considered a serious breach of those regulations which could lead to a penalty ranging from a verbal warning to being asked to leave the Company.

Since 2008, the Company's Board of Directors has specified the policy forbidding Directors, and high level Executives to trade the Company's stock during the periods of 3 weeks before publishing of the financial statements, and 2 days after disclosing of the financial statements.

Auditor Remuneration

· Remuneration from auditing service

The Company and its subsidiaries have paid the audit fees to PricewaterhouseCoopers ABAS Co., Ltd., the Company's auditing company for the year 2019, that includes person or business related to the auditors and auditing office under the auditing company during the past year, to the amount of 5.10 million baht which separates into 1.39 million baht from the Company and 3.71 million baht from its subsidiaries.

· Other fee

The Company and its subsidiaries have paid the fees to PricewaterhouseCoopers ABAS Co., Ltd. to review the form of summarized annual license fee (Nor Sor 1) and the form of revenue by category (Nor Sor 2), announced by the NBTC on License Fees for Operating Radio or Television Broadcasting Business B.E. 2555 (2012), amounting to 0.35 million baht which separates into 0.15 million baht from the Company and 0.20 million baht from its subsidiaries.

Responsibilities toward Society, Environment and Stakeholders





Responsibilities toward Society, Environment and Stakeholders





The Company encourages sustainable development with responsibilities toward society, environment and all stakeholders which is divided into group activities as shown below.

Equitable Business Practices

The Company strives for legitimacy practice, and performs its duties with honesty and straight forwardness under the Company's rules and regulations and performs the business ethics in all its activities and decision-makings of the Company.

Anti-Corruption

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

Complying with Human Rights

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

Fair Treatment towards Employees

- Treat employees with respect for individuality and human dignity, with equality in terms of race, religion, gender and disability
- Respect the right for privacy; personal information of employees must be protected from abuse, disclosure or transfer of data
- Provide fair compensation to employees; the organization pays higher wages than the minimum wage rate
- Organize benefits for employees, including health insurance, life insurance, various types of financial assistance
- Maintain a working environment that is safe for the life and property of employees at all times
- Appoint, transfer, reward and punish employees in good faith, based on knowledge, ability and suitability of the staff

- Thoroughly impart importance to knowledge development and the capability of employees
- Prioritize the staff and involve them in giving feedback and asking questions to jointly develop the organization

Responsibility to Customers and Consumers

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

Environmental Stewardship

The Company maintains an awareness about conducting its business with social and community responsibility, taking into account the effects that its activities may have on natural resources and the environment. As such, there is a campaign to reduce paper usage, switching to electronic data storage instead.

Also, the Company helps support various activities where employees have the opportunity to do good and foster a spirit of volunteerism, enhance society and communities, and maintain and restore natural resources. This includes continuous community development, with a focus on sustainable development.

Development of a Community or Society

The Company has promoted the development of a better society through its own efforts as well as working with the state and community, and encouraging employees and staff to regularly participate in various activities for the community and society. There are tracking means to measure progress and long-term success in order to ensure that the Company has complied with its social and environmental policy. In 2019, the Group demonstrated its role and responsibility towards society through the following activities:



RS believes in helping society, guided by morality and respect for human rights.

The Company spotlighted two stars from the drama "Thepthida Khon Nok" from Channel 8, Iang Sittha Sapphanuchat and Pleang Kalapas Konjam, and news anchors from the morning talk show, LeeShare Wiyada Peerarattakun and U Sathaporn Riyapa, as model citizens who radiate kindness, create benefit and engage in charity. They were part of the fundraising campaign "Ananda Mahidol Day Pin", raising money to support the Ananda Mahidol Foundation, the Thai Red Cross Children's Home and assistance for poor monks and other impoverished patients of Chulalongkorn Hospital and the Thai Red Cross. The Company also received the Ananda Mahidol Day pin from HRH Princess Maha Chakri Sirindhorn at the Faculty of Medicine Building of Chulalongkorn University.



RS maintains a sense of social responsibility and participates in community development by supporting the reduction of new smokers and reducing cigarette smoke.

The Company sent Goong Suthirat, an actor from the drama "Thepthida Khon Nok" on Channel 8 and a non-smoker with good behavior, to this campaign, both as a presenter and to receive a plaque on World No Tobacco Day 2019 from the Ministry of Public Health and the World Health Organization. Honored professor Dr. Piyasakol Sakolsatayatorn, Minister of Public Health, presided over the award at the terrace on the 1st floor of Central Eastville shopping mall.



RS and Channel 8 were recognized for their social responsibility, and responsibility to communities, customers and consumers.

They present the news with fairness, openness, awareness, honesty and integrity, in line with shared values. The evening news program announcers on Channel 8, Lukgaed Romklao Amatayakun and Naz Teekamporn Youkamnerd received the 3rd Nakhraj Award in the category of Best News Anchor Team of the Year for the Channel 8 evening news. In addition, Aof Akkarapon and Lukgaed Romklao also received the Male-Female Newscaster of the Year Award, an award that judges the news quality of Channel 8 both in front of the camera and behind the scenes. It was organized by Dara Inside Magazine and the Association of Journalists of Thailand, to offer encouragement to those who do good for society.



RS and Channel 8 both encouraged development of the community by bringing content, news and knowledge that are beneficial to people from all walks of life.

The news anchor team from Channel 8 Morning News, including U Sathaporn, LeeShare Wiyada and Koi Boonyitha were honored with the Thep Panjasingkhorn Nakaraj Isaan Award 2019 as the Isaan people's favorite news program. The awards were held to encourage people to do good through good governance.



RS participates in social responsibility and responsibility to its consumers. The Company joined a campaign for upholding mother's grace and being a good example.

Artists and celebrities Suthiwan Thaweasin and Chanon Thipkanok from the story "Lae Ranjuan" on Channel 8 received a plaque for their filial piety from HRH Princess Bajrakitiyabha Narentira Thepwadi Kromluang Ratchasinee Siripatchara Maha Watcharachida at the Council of Social Work of Thailand under royal patronage on National Mother's Day.



RS joined in the effort for community development and responsibility to consumers.

In regard to the critical PM 2.5 situation, with dust sized less than 2.5 microns or PM 2.5, in Bangkok and the suburb areas, Channel 8 television collaborated with the PM 2.5 teams of the Department of Health, Ministry of Public Health, led by news anchors and actors from Channel 8 from the drama "Thepthida Khon Nok", Iang Sittha Saphanuchat, Lukgaed Romklao Amatayakun, Naz Teekamporn Youkamnerd and Aof Akkarapon Thongtharadol were part of a campaign to distribute N95 masks filtering the small PM 2.5 particles to the people in Soi Lalaisap, which houses communities that are most affected by the toxic dust in Bangkok. They also invited the public to take care of their health, wear a mask and live by the principle of "protection first".



RS helps society with moral principles, and adheres to respecting human rights.

Two actors from the Channel 8 drama "Manee Naka", Mungkorn Paphawin Hongkajorn and Mean Aujjima Kosuma attended a Mahidol Day press conference as presenters. "Mahidol Day" falls on the 24th of September every year, a day of remembrance of Ananda Mahidol or the "Father of Modern Thai Medicine". Mungkorn and Min also served as the leaders of the public relations campaign with students from the Faculty of Medicine, Siriraj Hospital and Mahidol University. They invited people to purchase the Mahidol flag, raising funds to help disadvantaged patients at Siriraj Hospital, and to foster the spirit of charity, following in his Majesty's footsteps, at the Wang Lang Market area of Siriraj Piya Mahakarun Hospital.



RS considers helping society with morality and adhering to respecting human rights, including co-developing communities to live together harmoniously in the same society.

Led by RSiam's Lada Suksawatchon, along with artists and actors from the Channel 8 drama "Sang Nang Prai", the group acted as presenters for the awareness of World AIDS Day. They invited the Thai people to come together to prevent AIDS, under the concept of "Community makes a difference - unite the community to stop AIDS" with Professor Kittikhun; Dr. Praphan Phanupak, Director of the Thai Red Cross Aids Research Center; Dr. Suwanachai Wattanayingcharoenchai, Director-General of the Department of Disease Control; and Professor Narin Hiran Sutthikul, Vice Chancellor of Chulalongkorn University as the president. They held a press conference on World AIDS Day, which falls on the 1st of December every year.



RS participates in social responsibility and responsibility to its consumers. The Company joined a campaign for upholding mother's grace and being a good example

The Council of Social Work of Thailand under royal patronage chose two actors from Channel 8, Ohm Thitiwat Ritprasert from the "Lae Ranjuan" drama and Pleang Thanyaporn Khongcham from "Thepthida Khon Nok" drama as volunteer presenters on "Jasmine for Mother's Day" in 2019 on "National Mother's Day" (12th of August of every year). In addition to jointly publicizing the campaign, they invited the event participants to buy jasmine products on Mother's Day.



RS joins the community development efforts and supports the policy to reduce the rate of alcohol drinkers in Thailand.

Two Channel 8 stars, Mungkorn Paphawin Hongkajorn from the drama "Manee Naka" and Pleang Kalapas Konjam from "Thepthida Khon Nok" drama, served as presenters of the National Alcohol Abstinence Day from the Office of the Permanent Secretary, Ministry of Public Health. They campaigned for Thais to abstain from drinking alcohol for three months during Buddhist Lent; this will help reduce expenses by over 11 billion baht, serving as a starting point to reduce and stop drinking alcohol, and strengthen the family institution under the slogan "Love life, don't be addicted to alcohol" to build a healthy life, as well as safe and inviting communities free from accidents and serious illness caused by alcohol consumption.



Due to the flooding in 40 provinces in the northeastern region and northern Thailand, Channel 8 television opened an account to receive donations from people all over the country.

Under the "Channel 8 Sharing Kindness to Fight Flood" project, in collaboration with the county Army and provincial Army, they donated more than 2 million baht that was collected to help with homes and schools damaged by the floods. In addition, sports equipment and survival bags were provided to six schools and activities were done to paint the libraries, clean up the area and distribute ice cream to the students.



RS joined community development efforts and supports the policy to reduce the number of accidents during the New Year holidays.

Artists of RSiam, part of RS Public Company Limited, Bao Wee RSiam, Ton Khao RSiam and Pleang RSiam joined in the campaign to reduce accidents during the New Year Festival at the "Safe New Year, No Drunk Driving, Reduce Accidents During the 7 Dangerous Days". They gave away stickers to tour bus drivers and passengers using the transportation service at Mo Chit as well as joined a tour to see and learn how to use alcohol detectors for bus drivers in order to get serious on the measures for drunk driving and to warn the public to respect traffic rules, use caution when travelling on the road and live life consciously during the long New Year holidays from December 27, 2018 to January 2, 2019 (the 7 days of danger).



RS joined the community and supports the policy to reduce the accident rate during the Songkran festival.

Artists Ton Khao RSiam and Pleang RSiam from Channel 8's "Thepthida Khon Nok" drama joined in the campaign to reduce accidents during Songkran's 7 deadly days by giving out helmets and spreading awareness to the public from April 11 to 17, 2019. They also expressed their intention to see the readiness of Thai society help prevent and reduce casualties and destruction of public property. To further raise awareness on road safely and the prevention of accidents through the reduction and abstinence of alcohol drinking during the Songkran festival, they gave away stickers and helmets for drivers and people who use cars.



RS honors the royal benevolence and maintains responsibility to the society and the community.

The coronation of His Majesty the King Rama X is considered a very auspicious ceremony, and Channel 8's leading actors and artists from RSiam were present for the occasion. They wore yellow shirts adorned with the royal insignia to honor His Majesty, first official appearance and the royal land procession.



RS honors the royal benevolence and maintains responsibility to the society and the community.

The Company brought volunteer celebrities and artists to invite people to dress in Thai costumes to take pictures for charity in the "Oun Ai Rak Klai Kuam Nao" event of "Sai Nam Haeng Rattanakosin". Participants enjoyed a photoshoot with volunteer celebrities and artists from RS in the area of the Aisawan Throne Hall. Interested people could participate in this charity photography event, and all the income earned, without deduction of any expenses, will be used to help those in need throughout the region.



RS maintains responsibility to society and communities in honor of His Majesty the King Rama X.

On the auspicious occasion of the King's birthday, actors and actresses from the drama "Manee Naka", "Thepthida Khon Nok", and "Lae Ranjuan" from Channel 8 joined the "10 Streams of Goodness" Project, to do good from the heart and come together to donate blood. This was in honor of His Majesty the King. It also

helped to build a better understanding of blood donation and encouraged people to keep this issue close at heart. The event was organized by the Faculty of Medicine, Chulalongkorn University, in collaboration with the Thai Red Cross Blood Service Center. Many celebrities and artists wore yellow shirts to donate blood and they invited the Thai people to donate blood as well.



RS honors the royal benevolence and maintains responsibility to society and the community. On the auspicious occasion of HRH Queen Sirikit The Queen Mother, RS organized a "This Drop for Mom" activity to donate blood on Mother's Day, to mark gratitude for mothers all over the country. The effort was led by artists of RSiam, Channel 8 news presenters and company staff who all donated blood at the Thai Red Cross's blood bank to use in emergency cases.



RS honors the royal benevolence and maintains responsibility to society and the community. On the occasion of His Majesty the King Rama X's 67th birthday,

Prime Minister General Prayut Chan-o-cha, along with Mr. Anutin Charnverakul, Deputy Prime Minister, led RS actors



from "Thepthida Khon Nok"; drama and artists from RSiam of RS to do good in the project, "Plant Yellow Star Trees in Honor of HM the King", which was organized by the government sector of the Council of Social Work Thailand under royal patronage, along with the Miracle of Life Foundation, Royal Thai Armed Forces,

Ministry of Agriculture and Cooperatives and Army. They planted 110 Yellow Star trees and encouraged the Thai people to express their goodwill to the monarchy and mark his birthday by wearing yellow shirts and planting additional Yellow Star trees.



Innovation and Spreading Innovation, Operating with Social, Environmental, and Stakeholder Responsibility

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

Internal Control and Risk Management

A photograph of a modern glass skyscraper with a curved canopy over the entrance and a pool in the foreground. The text 'Internal Control and Risk Management' is overlaid on the left side of the image.



Internal Control and Risk Management





The Company emphasizes the importance of promoting the internal control to be sufficient and suitable for its business operations in order to protect against damage or improper beneficial usage. The audit department is responsible for auditing important operations and financial activities, and submitting the audit report directly to the Audit Committee. This is to give the audit department enough independence in its operations.

At present, the chief of the internal control is Ms. Korapin Naksuprangi, Assistant Vice President of the Audit Department.

Education/Training:

Master degree in Business Administration, Thammasat University

Bachelor degree in Accounting, Chulalongkorn University

Participated in various training and seminar courses from the Federation of Accounting Professions, Institute of Internal Auditors of Thailand, Thai Institute of Directors (IOD), and The Stock Exchange of Thailand.

Experiences:

• Dec 2001 - Present : Assistant Vice President of the Audit Department

RS Public Company Limited

• 1993 - 2001 : Assistant Manager

KPMG Phoomchai Audit Company Limited

During the Board of Directors Meeting No. 1/2563 (2020) on February 20, 2020 in which three members of the Audit Committee were presented, the Audit Committee had evaluated the sufficiency of internal control system by checking information from the Executives, and reply from questionnaires on sufficiency of the Company's internal control system by themselves. The evaluation on the Company's internal control system was summarized into 5 parts as follows:

1. Corporation and Environment: The Company recognizes good environment in the work place by stipulating on good corporate governance policy and using code of conduct manual of the Company Group. These are publicized as references and guidelines for operations, and to be followed up and evaluated on the result of the policy. Moreover, the Company's Board of Directors has to clearly stipulate the business operations'

target, review the business plan, and give suggestion to the management for consideration and operation.

2. Risk Management: The Company emphasizes the importance of risk management by appointing the Risk Management Committee to stipulate the policy, oversee, and support the risk management to ensure that it is in accordance with the policy, or plan and with successful implementation.

3. Operational control of the Management: The Company has the policy, regulation, operational guideline, authorization, approving power in order to have strict control.

4. Information Systems and Data Communications: The Company has provided the information systems that systematically relate to the accounting, systematic financial reporting, and in accordance with the controlling policy and regulations.

5. Monitoring System: The Company's Board of Directors acknowledges the operating results comparing to targets for every quarter, and having the internal control department that evaluates the sufficiency and efficiency of the existing control system, and monitoring the internal control system of various work-units to be in accordance with the approved controlling plan from the Audit Committee.

Hence, the Board of Directors had the opinion that, at present, the Company has sufficient internal control system concerning transactions with major shareholders, Directors, Executives, or persons related to the stated persons. The Board of Directors also had the opinion that the Company already has sufficient internal control.



A close-up photograph of a person's hand holding a pen over a document. The lighting is dramatic, creating long, dark shadows across the page. The text "Policies on Anti-Corruption" is overlaid in white serif font.

Policies on Anti-Corruption



Policies on Anti-Corruption





The Company realizes the importance of countering corruption. The Board of Directors Meeting no. 1/2560 (2017) on February 22, 2017 deliberated anti-corruption policies to set clear guidelines and the Board of Directors Meeting No. 2/2563 (2020) on February 20, 2020 has reviewed, improved and approved the Policies on Anti-Corruption, and followed up the evaluation on the concerning policy.



Policies and Guidance

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

The guidance is summarized as follow:

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

Fraud Risks Assessment

The Risk Management Committee considers plans, reviews systems, and assesses risk management annually, which includes risks from corruption.


Awareness and Prevention of Risks due to Corruption and Overseeing the Implementation of Anti-Corruption Policies

1. Hold training workshops, communicate, and ensure for staff members acknowledge anti-corruption policy and guidance.
2. Create opportunity for staff members at all levels to give opinions and suggestions to improve internal systems and prevent corruption appropriately and concisely.
3. Directors, Executives and managers at all levels are responsible for monitoring their subordinates to act in a transparent and honest manner, as well as to communicate with and acknowledge anyone who is involved.
4. The Internal Audit department shall carryout the Company's annual assessment. If any risks or related effects of corruption is found, that information shall be brought to the attention of the Audit Committee and the Board of Directors.
5. The channel to report clues and complaints of

corruption, from staff members or the stakeholders, is via email at IA_Anti_Corruption@rs.co.th. Whistleblowers shall cooperate for every evidence investigation.

Protection and Confidentiality Measures of the Complainant

The Company realizes the importance of keeping complaints confidential to ensure the confidence of whistleblowers. The complaint will only be known to those who investigate and are involved. This group of individuals must ensure the confidentiality of the complainant and their information, and will not reveal it to anyone unless it is necessary to the investigation or is requested by law. If an individual purposely reveals the information, they will receive disciplinary punishment and/or legal punishment depending on each case.



Related Party Transactions



Related Party Transactions





The details and information of related party transactions of the Company, subsidiary companies and related companies are listed in the note of the financial statements as of December 31, 2019. The Company's Audit Committee had examined the related party transactions and made a remark that those related party transactions are in accordance with the general commercial conditions, and rules and regulations of the Stock Exchange of Thailand with complete evidence of all transactions as well as adequate disclosure of the financial statements. In addition, the Company disclosed the details of the past 3 years related party transactions on the Company's website.

In 2019, the Company and its subsidiaries underwent related party transactions with individuals who may possess a conflict of interest from January 1, 2019 as follows:

Person who may Encounter Conflicts	Relationship
Mr. Surachai Chetchotisak	He is a director and major shareholder who holds 20.70% of the Company's shares.
Chetchotisak Company Limited	<p>Mr. Surachai Chetchotisak is a director and shareholder who holds 18.70% of the shares of Chetchotisak Co., Ltd.</p> <p>Mrs. Sujeera Chetchotisak is a shareholder who holds 6.30% of the shares of Chetchotisak Co., Ltd. and she is the wife of Mr. Surachai Chetchotisak, a director and major shareholder who holds 20.70% of the Company's shares.</p> <p>Mr. Suwat Chetchotisak is a director and shareholder who holds 14.35% of the shares of Chetchotisak Co., Ltd. and he is Mr. Surachai Chetchotisak's younger brother.</p> <p>Ms. Malee Chetchotisak is a director and shareholder who holds 14.50% of the shares of Chetchotisak Co., Ltd. and she is the older sister of Mr. Surachai Chetchotisak.</p>
Membership Company Limited	<p>Mr. Surachai Chetchotisak is a director and shareholder who holds 50.00% of the shares of Membership Co., Ltd. This percentage includes shareholding by his wife on Chetchot Co., Ltd. which is the major shareholder holding 60% shares of Membership Co., Ltd.</p> <p>Mrs. Sujeera Chetchotisak is a director of Membership Co., Ltd. and she is the wife of Mr. Surachai Chetchotisak.</p> <p>Mr. Chet Chetchotisak is a director and shareholder who holds 30.00% of the shares of Membership Co., Ltd. and holds 0.0000066% of the Company's shares and he is a son of Mr. Surachai Chetchotisak.</p> <p>Mr. Chot Chetchotisak is a director and shareholder who holds 10.00% of the shares of Membership Co., Ltd. and holds 0.036% of the Company's shares and he is a son of Mr. Surachai Chetchotisak.</p>
Chetchot Company Limited	<p>Mr. Surachai Chetchotisak is a director and shareholder who holds 25.00% of the shares of Chetchot Co., Ltd.</p> <p>Mrs. Sujeera Chetchotisak is a director and shareholder who holds 25.00% of the shares of Chetchot Co., Ltd. and she is the wife of Mr. Surachai Chetchotisak.</p> <p>Mr. Chet Chetchotisak is a director and shareholder who holds 25.00% of the shares of Membership Co., Ltd. and holds 0.0000066% of the Company's shares and he is a son of Mr. Surachai Chetchotisak.</p> <p>Mr. Chot Chetchotisak is a director and shareholder who holds 25.00% of the shares of Membership Co., Ltd. and holds 0.036% of the Company's shares and he is a son of Mr. Surachai Chetchotisak.</p>

Remark
The shareholding proportion of persons who may encounter conflicts was dated on December 31, 2019.

Nature of Related Party Transactions and Pricing Conditions and Policy

Setting the price of related party transactions was principally concentrated on the assets rental and appropriate determined based on the market price and other conditions insignificantly different from those in the market. The related party transactions are comprised of:

Office Rental

In the financial statements for the year ended December 31, 2019, the Company and its subsidiaries made payment of the office rental, common service fee, and public utilities expense to Chetchotisak Company Limited and Membership Company Limited in the amount of 90.58 million baht and 13.62 million baht respectively.

The Company also rented the Chetchotisak building 1-3 from Chetchotisak Company Limited with the purpose of using them as office buildings by paying rental and common service fee at the rate of 425 baht per square meter which is reasonable when comparing to nearby buildings which charged the rental and common service fee at 410 - 750 baht per square meter.

For other building rental fee, in the vicinity of Chetchotisak Company Limited and Membership

Company Limited (as per details in the table, items 4, 5 and 6), the rental and common service fee were on a lump sum payment (lump sum payment means the rental and common service fee will be charged for the whole building rather than the number of square meters based on the conditions of each building), with the purpose of using them as offices, studios and car park buildings.

However, the Company's office rented from Chetchotisak Company Limited (as per details in the table, items 5 and 6, and next to Chetchotisak building 2) was the office that Chetchotisak Company Limited renovated from the townhouse to the office building with public utilities provided. The rental/service fees were charged on a lump sum rate, with average rates of 333 - 600 baht per square meter (calculated from rental/service charge as total package cost divided by average usage area of the building) which was at lower average rate than the Chetchotisak building 1- 3. This was reasonable rate as explained the comparison in previous section. Additionally, the reason of sublease from the Chetchotisak Company Limited was due to the expertise in office management. The rental agreement with the party with whom the conflict of interest may arise, the details are as follows:

Building/Location	Renter	Rented by	Rental Space (sq.m.)	Rental and Service Fee/Month (million baht)	Contract Term		Approved by (*)
					Start	End	
1. Chetchotisak Building 1 419/1 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL	3,745	1.59	Jun'19	Jan'20	Board of Directors
2. Chetchotisak Building 2 419/2 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL Lifestar Co., Ltd.	5,995 50	2.55 0.02	Jun'19 Jun'19	Jan'20 Jan'20	Board of Directors Board of Directors
3. Chetchotisak Building 3 419/3 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL	2,242	0.95	Jun'19	Jan'20	Board of Directors
4. Building no. 419/4 Soi Ladphrao 15, Chatuchak, Bangkok	Membership Co., Ltd.	RS PCL R.S. Television Co., Ltd.	Lump sum 850	0.25 (Lump sum) 0.51 (Lump sum)	Aug'18 Jun'19	May'19 Jan'20	Board of Directors Board of Directors
5. Building no. 203/18-20 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	Lifestar Co., Ltd.	600	0.25 (Lump sum)	Jun'19	Jan'20	Board of Directors
6. Building no. 203/34-36 Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	Lifestar Co., Ltd.	600	0.20 (Lump sum)	Jun'19	Jan'20	Board of Directors

Remark

* The related party transactions were approved and disclosed as per the regulations of the Capital Market Supervisory Board.

During 2020, the Company moves to new office head quarter to support growth of business in the future. The Company rents space and common service from Chetchotisak Company Limited totaling 23,814 square meters for 3 years. The rental and common service fee were calculated from the average cost made by 3 independent asset appraisers, approved by the Office of the Securities and Exchange Commission. The details are as follows:

	Office Space	High Ceiling Space	Satellite Space
Rental Space	21,180 sq.m.	2,634 sq.m.	10 spots
Price per sq.m.	450 baht	735 baht	-
Rental and Service Fee/Month (million baht)	9.53	1.94	0.08

Land Rental

In the financial statements for the year ended December 31, 2019, the Company made payment of land rental to Chetchotisak Company Limited in the amount of 0.09 million baht per year.

The Company rented the land from Chetchotisak Company Limited for using as equipment storage

building and store by charging the land rental at the rate of 137 baht per square wah, which was considered reasonable when compared to the rental of nearby land. The rental details are as follows:

Location	Renter	Rented by	Rental Space (sq.m.)	Rental Fee/Month (baht)	Contract Term		Approved by (*)
					Start	End (*)	
Land Soi Ladphrao 15, Chatuchak, Bangkok	Chetchotisak Co., Ltd.	RS PCL	52	7,150	Jun'19	Jan'20	Done by Management

Remark

* This agreement was done by Management team due to the size of the transaction lower than the requirement which shall be approved by the Board of Directors as per the regulations of the Capital Market Supervisory Board.

Purchase of Fixed Assets

-Nil-

Guarantee

-Nil-

The Necessity and Rationale of the Related Party Transactions

All related party transactions are done under the necessity and rationale of the transactions to optimize the Company's benefit. Throughout 2019, the related party transactions between the Company and the subsidiary companies, as well as the Company and related parties, the core transaction of which are land rental, office rental and guarantee, were under normal course of business, no special condition and no transfer of interest. Pricing, fee rate and/or interest rate was able to compare with other entities' transactions and has been disclosed in the notes to financial statements of 2019.

The Audit Committee has reviewed the related party transactions between the Company, subsidiaries and individuals who may possess a conflict of interest, including land rental, office rental, sales and purchase of

goods or assets, copyright, production service, organizing concerts and marketing activities, sales of advertising, services, loan interest, and etc., disclosed in the notes to financial statements of 2019. The Committee has the comments that the mentioned transactions occurred under normal course of business, necessity and rationale of the connected transactions to optimize the Company's benefit.

Measures or Steps of Approval in Related Party Transactions

The Company has set a policy for the approval of related party transactions. The related party transactions has rooted in necessity, rationale and optimum of the firm benefit and conditions are indifferent to the transaction with external parties. In case of the significant related party transactions, conducted in accordance with the rule governing listed securities, all approval must be consented by the Audit Committee, the Board of Directors and Shareholders' Meeting excluding votes of the related persons. In addition, all operations shall be in line with concerned regulations of the Capital Market Supervisory Board.



Policy and Future Potential of Related Party Transactions, including Acquisition and Disposal of Assets

The Company shall maintain the policy or the future potential of related party transactions with related parties such as office rental, land rental and guarantee of loan by the Company for the Company Group. However, the Company shall not do related party transactions with individuals who may possess a conflict of interest, except for the case that will optimize the Company's benefit, as well as pricing and conditions are indifferent or better than the transaction with external parties. The Company will ensure that all related party transactions according to concerned regulations of the Capital Market Supervisory Board, will be consented by the Board of Directors and Shareholders' meeting.



Financial Highlight



Financial Highlight

Statement of Financial Position as at December 31, 2017, 2018 and 2019

	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
Current assets :						
Cash and cash equivalents	230,824	5.5%	339,640	8.3%	328,409	9.6%
Trade and others accounts receivable (net)	622,302	14.8%	553,168	13.6%	544,835	16.0%
Inventories (net)	315,635	7.5%	284,788	7.0%	258,795	7.6%
Value added tax	24,836	0.5%	3,816	0.1%	8,610	0.3%
Other current assets (net)	2,276	0.1%	4,934	0.1%	4,594	0.1%
Total current assets	1,195,873	28.4%	1,186,344	29.1%	1,145,243	33.6%
Non-current assets :						
Investments in an associated company (net)	3,989	0.1%	3,991	0.1%	3,993	0.1%
Plant and equipment (net)	402,468	9.6%	331,535	8.1%	503,783	14.8%
License for operation right in spectrum of digital television (net)	1,531,065	36.4%	1,395,738	34.3%	670,749	19.7%
Intangible assets (net)	587,247	14.0%	720,150	17.7%	702,790	20.6%
Prepaid expense - non-current	27,083	0.6%	9,030	0.2%	697	0.0%
Withholding tax (net)	153,555	3.6%	180,090	4.4%	165,615	4.9%
Deferred tax assets (net)	273,924	6.5%	231,609	5.7%	200,796	5.9%
Other non-current assets (net)	33,906	0.8%	14,840	0.4%	13,096	0.4%
Total non-current assets	3,013,257	71.6%	2,886,983	70.9%	2,261,519	66.4%
Total assets	4,209,130	100.0%	4,073,327	100.0%	3,406,762	100.0%

	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities and equity						
Current liabilities :						
Trade and other accounts payable	815,419	19.4%	733,204	18.0%	651,167	19.1%
Current portion of liability under finance lease agreements (net)	11,662	0.3%	11,071	0.3%	6,730	0.2%
Current portion of payable for cost of license for operation right in spectrum of digital television (net)	176,864	4.2%	4,072	0.1%	-	-
Short-term loans from financial institutions	213,000	5.0%	240,000	5.9%	450,000	13.2%
Current portion of payable for long-term loans from financial institutions	40,000	1.0%	80,000	2.0%	80,000	2.4%
Value added tax	29,758	0.7%	39,369	0.9%	34,996	1.0%
Accrued income tax	41,610	1.0%	28,983	0.7%	30,660	0.9%
Withholding tax payable	10,091	0.2%	9,242	0.2%	12,095	0.4%
Total current liabilities	1,336,424	31.8%	1,145,941	28.1%	1,265,648	37.2%
Non-current liabilities :						
Liabilities under finance lease agreements (net)	17,689	0.4%	6,617	0.2%	2,581	0.1%
Long-term loans from financial institution	626,085	14.9%	316,085	7.8%	236,085	6.9%
Payable for cost of license for operation right in spectrum of digital television (net)	717,672	17.0%	826,556	20.3%	-	-
Employee benefit obligations	96,135	2.3%	99,545	2.4%	163,965	4.8%
Other non-current liabilities	11,067	0.3%	6,249	0.1%	11,460	0.3%
Total non-current liabilities	1,468,648	34.9%	1,255,052	30.8%	414,091	12.1%
Total liabilities	2,807,072	66.7%	2,400,993	58.9%	1,679,739	49.3%

	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities and equity (Cont'd)						
Equity :						
Share capital						
Authorised share capital						
1,161,997,216 ordinary shares of par Baht 1 each					1,161,997	34.1%
1,203,270,516 ordinary shares of par Baht 1 each	1,203,271	28.6%	1,203,271	29.5%		
Issued and fully paid-up share capital						
972,495,202 ordinary shares of par Baht 1 each	-	-	-	-	972,495	28.5%
1,010,149,192 ordinary shares of par Baht 1 each	-	-	1,010,149	24.8%	-	-
1,010,147,392 ordinary shares of par Baht 1 each	1,010,147	24.0%	-	-	-	-
Premium on share capital	258,237	6.1%	258,258	6.3%	322,068	9.5%
Treasury shares	(465,275)	(11.1%)	(465,275)	(11.4%)	-	-
Retained earnings						
Appropriated - legal reserve	112,972	2.7%	120,327	3.0%	120,327	3.5%
Appropriated - treasury share reserve	465,275	11.1%	465,275	11.4%	-	-
Unappropriated	15,518	0.4%	282,483	7.0%	309,960	9.1%
Equity attributable to owners of the parent	1,396,874	33.2%	1,671,217	41.1%	1,724,890	50.6%
Non-controlling interests	5,184	0.1%	1,117	0.0%	2,133	0.1%
Total equity	1,402,058	33.3%	1,672,334	41.1%	1,727,023	50.7%
Total liabilities and equity	4,209,130	100.0%	4,073,327	100.0%	3,406,762	100.0%

Statement of Comprehensive Income

For the Year Ended December 31, 2017, 2018 and 2019

	Consolidated financial statements					
	2017		2018		2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue						
Revenue from sales	1,413,407	40.0%	2,129,659	55.1%	2,012,441	55.6%
Revenue from services	2,088,275	59.2%	1,697,022	44.0%	1,598,699	44.1%
Total revenue and services income	3,501,682	99.2%	3,826,681	99.1%	3,611,140	99.7%
Other income	26,644	0.8%	33,750	0.9%	10,720	0.3%
Total revenues	3,528,326	100.0%	3,860,431	100.0%	3,621,860	100.0%
Cost of sales and services						
Cost of sales	(475,530)	(13.5%)	(712,254)	(18.5%)	(980,003)	(18.8%)
Cost of services	(1,653,680)	(46.8%)	(1,493,023)	(38.6%)	(1,339,959)	(37.0%)
Total cost of sales and services	(2,129,210)	(60.3%)	(2,205,277)	(57.1%)	(2,019,962)	(55.8%)
Expenses						
Selling expenses	(398,268)	(11.3%)	(452,641)	(11.7%)	(512,364)	(14.1%)
Administrative expenses	(533,853)	(15.1%)	(601,744)	(15.6%)	(587,306)	(16.2%)
Other expenses	(1,847)	(0.1%)	(3,174)	(0.1%)	(5,600)	(0.2%)
Total expenses	(933,968)	(26.5%)	(1,057,559)	(27.4%)	(1,105,420)	(30.5%)
Profit before finance costs and income tax	465,148	13.2%	597,595	15.5%	496,478	13.7%
Finance costs	(90,471)	(2.5%)	(68,340)	(1.8%)	(34,631)	(1.0%)
Gain from modification of payment term of license for operation right in spectrum of digital television	45,539	1.3%	94,615	2.5%	-	-
Profit (loss) before income tax	420,216	12.0%	623,870	16.2%	461,847	12.7%
Income tax	(87,193)	(2.5%)	(107,832)	(2.8%)	(97,452)	(2.7%)
Profit (loss) for the year	333,023	9.5%	516,038	13.4%	364,395	10.0%
Other comprehensive income :						
Item that will not be reclassified to profit or loss						
- Remeasurements of post-employment benefit obligations	15,086	0.4%	-	-	(22,124)	(0.6%)
- Income tax on items that will not be reclassified	(3,017)	(0.1%)	-	-	4,425	0.1%
Other comprehensive income for the year, net of tax	12,069	0.3%	-	-	(17,699)	(0.5%)
Total comprehensive income for the year	345,092	9.8%	516,038	13.4%	346,696	9.5%

	Consolidated financial statements					
	2017		2018		2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Profit (loss) attributable to						
Owners of the parent	332,862	9.4%	516,040	13.4%	383,344	10.0%
Non - controlling interests	161	0.0%	(2)	(0.0%)	1,051	0.0%
	<u>333,023</u>	<u>9.4%</u>	<u>516,038</u>	<u>13.4%</u>	<u>384,395</u>	<u>10.0%</u>
Total comprehensive income attributable to						
Owners of the parent	344,931	9.8%	516,040	13.4%	345,645	9.5%
Non - controlling interests	161	0.0%	(2)	(0.0%)	1,051	0.0%
	<u>345,092</u>	<u>9.8%</u>	<u>516,038</u>	<u>13.4%</u>	<u>346,696</u>	<u>9.5%</u>
Earning per share for profit attributable to						
the equity holders of the parent						
Basic earning per share (Baht)	<u>0.3443</u>		<u>0.5337</u>		<u>0.3744</u>	
Weighted average number of Ordinary shares						
in issue during the year (shares)	<u>966,696</u>		<u>966,875</u>		<u>970,509</u>	
Diluted earning per share (Baht)	<u>0.3328</u>		<u>0.4924</u>		<u>0.3583</u>	
Weighted average number of common shares for						
calculation of diluted earnings per share (shares)	<u>1,000,276</u>		<u>1,047,925</u>		<u>1,014,016</u>	

Statement of Cash Flows

For the Year Ended December 31, 2017, 2018 and 2019

	Consolidated financial statements					
	2017		2018		2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash flows from operating activities						
Profit/(loss) before income tax	420,216	182.1%	623,870	193.7%	461,846	140.6%
Adjustments:						
Depreciation and amortisation	558,173	241.8%	591,460	174.1%	568,584	173.1%
Amortisation for prepaid expense	-	-	18,053	5.3%	8,333	2.5%
(Reversed) allowance for doubtful accounts	(2,697)	(1.2%)	(15,333)	(4.5%)	(5,276)	(1.6%)
(Reversed) allowance for obsolete inventories	(47,116)	(20.4%)	16,624	4.9%	5,997	1.8%
Loss from inventories destruction	314	0.1%	-	-	-	-
Reversal of provision for goods returned	(1,892)	(0.8%)	-	-	-	-
Allowance for impairment - intangible assets	13,502	5.8%	11,027	3.2%	8,096	2.5%
(Reversal of) allowance for impairment						
- other current assets and other non-current assets	80	0.0%	(74)	0.0%	(386)	(0.1%)
(Reversal of) allowance for impairment						
- investment in an associated company	115	0.1%	(2)	0.0%	(1)	(0.0%)
Loss from liquidation of subsidiaries **, **	-	-	2	0.0%	-	-
Loss on write-off plant and equipment and intangible assets	-	-	-	-	821	0.3%
(Gain) loss on disposal of plant and equipment and intangible assets	53	0.0%	818	0.2%	8	0.0%
Employee benefit obligations	13,262	5.7%	3,604	1.1%	42,550	13.0%
Interest income	(1,143)	(0.5%)	(1,071)	(0.3%)	(1,195)	(0.4%)
Finance costs - interest expense	90,471	39.2%	68,340	20.1%	34,632	10.6%
Gain from modification of payment term of license for operation right in spectrum of digital television	(45,539)	(19.7%)	(94,815)	(27.8%)	-	-
	997,799	432.3%	1,222,703	360.0%	1,124,007	342.3%
Changes in working capital						
Trade and other accounts receivable **, **	54,020	23.4%	58,346	17.2%	22,242	6.8%
Inventories	(139,154)	(60.3%)	14,225	4.2%	19,993	6.1%
Value added tax	28,590	12.4%	30,631	9.0%	(9,167)	(2.8%)
Other current assets	(872)	(0.4%)	(2,583)	(0.8%)	380	0.1%
Prepaid expense - non current	8,333	3.6%	-	-	-	-
Other non-current assets	(3,046)	(1.3%)	19,066	5.6%	2,093	0.6%
Trade and other accounts payable	201,334	87.2%	(70,873)	(20.9%)	(81,753)	(24.9%)
Withholding tax payable	(5,058)	(2.2%)	(848)	(0.2%)	2,853	0.9%
Other non-current liabilities	(5,364)	(2.3%)	(4,818)	(1.4%)	5,211	1.6%
Payment for retirement for employee	-	-	(193)	(0.1%)	(254)	(0.1%)
Cash generated from operating activities before income tax paid	1,136,582	492.4%	1,265,655	372.6%	1,085,605	330.6%
Withholding tax refunded	36,250	15.7%	31,802	9.4%	56,591	17.2%
Income tax paid	(107,536)	(46.6%)	(136,483)	(40.2%)	(109,116)	(33.2%)
Net cash generated from operating activities	1,065,296	461.5%	1,160,974	341.8%	1,033,080	314.6%

	Consolidated financial statements					
	2017		2018		2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash flows from investing activities						
Interest income received	1,150	0.0%	1,071	0.3%	1,195	0.4%
Receipts (receivable) from subsidiaries liquidation **,††	(25,000)	(11.3%)	22,056	6.5%	-	-
Purchases of property, plant and equipment	(69,184)	(30.0%)	(44,768)	(13.1%)	(230,463)	(70.2%)
Proceeds from disposals of property, plant and equipment and intangible asset	1,580	0.7%	4,641	1.3%	177	0.1%
Purchases of intangible assets	(301,415)	(130.6%)	(501,377)	(147.6%)	(386,135)	(117.6%)
Net cash payments from investing activities	(393,934)	(170.7%)	(518,378)	(152.6%)	(615,226)	(187.3%)
Cash flows from financing activities						
Interest expense paid	(40,947)	(20.3%)	(29,862)	(8.8%)	(21,927)	(6.7%)
Proceeds from short-term loans from financial institutions	2,125,000	920.6%	930,000	273.6%	1,150,000	350.2%
Payments on short-term loans from financial institutions	(2,616,000)	(1,134.2%)	(903,000)	(265.9%)	(940,000)	(286.2%)
Proceeds from long-term loans from financial institutions	222,025	96.2%	-	-	-	-
Payments from long-term loans from financial institutions	-	-	(270,000)	(79.5%)	(80,000)	(24.4%)
Payments on liability under finance lease agreements	(16,320)	(7.1%)	(12,874)	(3.8%)	(11,800)	(3.6%)
Payment of license for operation right in spectrum of digital television	(207,500)	(89.9%)	(6,225)	(1.8%)	(207,500)	(63.2%)
Dividend paid	-	-	(241,718)	(71.2%)	(387,673)	(118.1%)
Decrease in non-controlling interests from dividend payment	(490)	(0.2%)	(3)	(0.0%)	(34)	(0.0%)
Decrease in non-controlling interests from decrease capital	(4,687)	(2.0%)	-	-	-	-
Proceeds from capital increase	2,622	1.1%	23	0.0%	70,049	21.3%
Net cash payments from financing activities	(544,300)	(235.8%)	(533,790)	(157.2%)	(429,085)	(130.7%)
Net increase (decrease) in cash and cash equivalents	127,062	55.0%	108,516	32.0%	(11,231)	(3.4%)
Cash and cash equivalents, opening balance	103,762	45.0%	230,824	68.0%	339,640	103.4%
Cash and cash equivalents, closing balance	230,824	100.0%	339,640	100.0%	328,409	100.0%

	Consolidated financial statements					
	2017		2018		2019	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Non-cash transactions and additional information:						
Write-off trade and other accounts receivable and allowance for doubtful accounts - trade and other accounts receivable	53,100	-	-	-	35,791	-
Write-off cost of movie and impairment for cost of movie	7,693	-	-	-	-	-
Write-off other non-current assets and allowance of other non-current assets	-	-	5,400	-	3,737	-
Outstanding payables as at 31 December arising from purchases of property, plant and equipment during the year	2,082	-	7,440	-	47,916	-
Outstanding payables as at 31 December arising from purchases of intangible assets during the year	80,386	-	63,452	-	46,909	-
Payable as at 31 December arising from purchase of property, plant and equipment under finance lease agreement during the year	7,634	-	-	-	2,670	-
Accrued dividend	-	-	-	-	25	-
Write-off withholding tax and allowance for doubtful in recoverable of withholding tax	7,805	-	928	-	189	-
The effect of change in accounting policy of accrued income	-	-	-	-	8,632	-
The effect of change in accounting policy of unearned revenue	-	-	-	-	23,682	-
Reversal from waived the instalments license for operating right in spectrum of digital television	-	-	-	-	635,616	-
Reverse treasury shares reverse from decrease in share capital	-	-	-	-	43,873	-

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

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

Key Financial Ratios

	Consolidated financial statements		
	2017	2018	2019
Liquidity Ratios			
Current Ratio (time)	0.89	1.04	0.90
Quick Ratio (time)	0.55	0.70	0.58
Cash Flows from Operating Ratio (time)	0.89	0.93	0.86
Receivable Turnover Ratio (time)	6.25	7.18	7.84
Collection Days (day)	58	51	47
Inventory Turnover Ratio (time)	9.56	7.35	7.43
Average Number of Days Sales (day)	38	50	49
Account Payable Turnover Ratio (time)	9.92	7.63	7.62
Payment Days (day)	37	48	48
Cash Cycle (day)	59	53	48
Profitability Ratios			
Gross Profit Margin (%)	39.19%	42.37%	44.06%
Operating Profit Margin (%)	12.58%	14.82%	13.61%
Operating Cash Flows to Operating Profit Ratio (%)	241.92%	204.75%	210.22%
Net Profit Margin (%)	9.43%	13.37%	10.03%
Return on Equity (%)	27.21%	33.64%	21.40%
Efficiency Ratios			
Return on Asset (%)	11.14%	14.43%	13.27%
Return on Fixed Asset (%)	103.24%	172.11%	111.22%
Assets Turnover (time)	0.85	0.93	0.97
Leverage Ratios			
Debt to Equity Ratio (time)	2.01	1.44	0.97
Interest Coverage Ratio (time)	5.14	8.74	14.34
Debt Service Coverage Ratio (Cash basis) (time)	1.30	1.96	1.11
Dividend Payout Ratio (%)	-	84.31%	79.90%*
Per Share			
Book Value per Share (baht)	1,4501	1,7296	1,7759
Earnings (loss) per Share (baht)	0,3443	0,5337	0,3744

* Dividend payout year 2019: The dividend payment calculation was in accordance with the resolution of the Board of Directors' meeting on 13 August 2019, which approved an interim dividend payment at the rate of 0.20 baht per share. Also, according to the Board of Directors' meeting on 20 February 2020, a resolution was passed to approve the proposal to pay dividends from retained earnings as of 31 December 2019 at the rate of 0.10 baht per share, which was presented for consideration and approval at the Annual General Meeting of Shareholders 2020. The total dividend payment is at the rate of 0.30 baht per share.

A modern conference room with a long white table, black chairs, and large windows. The room is brightly lit, and a projector is visible on the ceiling. The text "Management Discussion and Analysis" is overlaid on the image.

Management Discussion and Analysis



Management Discussion and Analysis

The analysis in this section has been prepared from the overall turnover of RS Public Company Limited and its subsidiaries (the "Company") in accordance with data based on audited financial statements. In order to demonstrate the overall performance of the Company, the analysis has been divided into three main business segments, including Commerce business, Media business, and Music & Other businesses, as shown in below table.

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

Summary of 2019 Performance

The overall Thai economy throughout 2019 remained under pressure from various factors both from inside and outside the country. Issues such as trade war problems and the appreciation of the Thai baht affected the economic growth, which impacted exports and slowed private consumption. Declining household income and employment, especially in terms of production of goods for export, coupled with the high level of household debt dampened both private consumption and spending as a whole.

The consolidated financial statements of the Company for the year ended December 31, 2019 show net profit attributable to the parent company in the amount of 363.3 million baht, compared to 516.0 million baht in 2018, which decreased by 152.7 million baht or 29.6 percent.

However, excluding an extraordinary gain from the adjustment of the digital television operating license ("license") payment before tax in the amount of 94.6 million baht (or after tax in the amount of 75.7 million baht) for 2018, there would be net profit from operating activities in 2018 of 440.3 million baht; compared to net profit of 363.3 million baht in 2019, this is a decrease of only 77.0 million baht or 17.5 percent.

Revenue from commerce business slightly decreased y-o-y due to the slow economy. This impacted

consumers, delaying their decision to purchase products, but the revenue from outbound customers on database continued to grow. Revenue from the media business also decreased due to the situation of the overall industry, which did not see any growth. However, the music and concert business increased its revenue in the 3rd and 4th quarters. The Company's gross profit margin improved to 44.1 percent, compared to 42.4 percent in 2018, thanks to the performance of the music and other businesses that have a higher profitability rate. In addition, Channel 8 benefitted from the reduction of the total cost of the license, per the order of the Chief of the National Council for Peace and Order No. 4/2562 dated April 11, 2019 that waived the last 2 installments of the license fee.

Unit: million baht	Year 2018		Year 2019		Change	
	amount	%	amount	%	amount	(y-y)
Revenue from sales and services	3,826.7	100.0%	3,611.1	100.0%	-215.5	-5.6%
- Commerce business	2,126.8	55.6%	2,012.4	55.7%	-114.4	-5.4%
- Media business	1,344.7	35.1%	1,069.2	29.6%	-275.4	-20.5%
- Music & Other	355.2	9.3%	529.5	14.7%	174.3	49.1%
Cost of sales and services	2,205.3	57.6%	2,020.0	55.9%	-185.3	-8.4%
Gross margin	1,621.4	42.4%	1,591.2	44.1%	-30.2	-1.9%
Selling and administrative expenses	1,054.4	27.6%	1,099.8	30.5%	45.4	4.3%
Operating profit	567.0	14.8%	491.4	13.6%	-75.6	-13.3%
Finance costs	68.3	1.8%	34.6	1.0%	-33.7	-49.3%
Net profit/(loss)	516.0	13.5%	363.3	10.1%	-152.7	-29.6%

Note:

There was the extra item booked in Q2/2018 (before tax) equals 94.6 million baht.

Revenue

Revenue from sales and services in 2019 recorded 3,611.0 million baht on a net basis which decreased from the previous year by 215.5 million baht or 5.6 percent. This can be explained according to the following business segments.

Revenue from Commerce Business

Revenue from commerce business consists of revenue from the selling of products under the company's own brand as well as products from partners. The items are sold through the Company's various channels, including digital TV, satellite TV, radio media, online and through retail stores throughout the country. In 2019, the Company collaborated with two leading digital TV channel partners to expand product distribution channels and another channel will start operations in February 2020.

Revenue from the commerce business in 2019 was 2,012.4 million baht, a decrease of 5.4 percent from 2018. This was the result of Thai economic slowdown, stemming from both inside and outside factors throughout 2019 which caused consumers to delay their purchasing decisions and thus affected the total revenue of the commerce business. However, based on the Company's continuously growing customer database that currently has more than 1.3 million customers, the Company has analyzed and developed methods of presenting products to meet the needs of each customer. This includes organizing marketing campaigns throughout the year, such as "Mid Year Super Sales" and "RS Mall New Year Celebration 2020", in order to encourage customers to buy more products.

Revenue from Media Business

Revenue from the media business of the Company was 1,069.2 million baht, falling 20.5 percent from 2018, which stood at 1,344.7 million baht. This was the result of a decline in business revenue of media sector, primarily due to intense competition.

Revenue from Television Media Business

Overall television industry in 2019, the advertising spending (ADEX) through digital TV, from a survey by AGB Nielsen Media Research (Thailand), was stable from the previous year, at the level of 68 billion baht. Also, the number of television viewers remained at the same level, at 8.9 percent as of December 2019, compared to 9.3 percent in December 2018 (out of a population of 65 million). However, the result reflected the growing intensity in price competition in the industry. The limited ad spending caused "Channel 8", the digital TV business of the Company, to experience a decline in performance.

The ratings of Channel 8 continuously improved throughout the second half of 2019, with the average rating of December 2019 for the viewers aged 15+ in 18 hours' period at 3.8 percent, compared to 3.2 percent as of June 2019, given the overall increase in popularity of the main programs, including 10 Thai dramas, 4-part Thai series under the name "The Series Lak Loung Lorn", and boxing programs including "8 Muay Thai Super Champ", and the additional "Muay Hardcore" boxing show on Saturday.

From effective management of the entire group of companies, it has successfully managed all the media with 100% utilization by advertising and selling a wide variety of commerce business products of the entire group, continuously increasing the growth rate.

Revenue from Radio Media Business

Although the radio media industry is likely to shrink, however, with effective cost controls, the monetization of packages on all platforms to meet the needs of customers, and "COOLfahrenheit" remains popular at number 1 in the Easy Listening category, together with continuously organizing activities for listeners such as "COOL Outing", "Ink Eat All Around" and "COOL Music Fest". The Company's radio media business is still an effective tool for generating good profits.

Revenue from Music and Other Businesses

Most of revenue of the music business continues to come from an increase of online streaming, the bulk sales with large partners such as Facebook, Joox and AIS. Also, there was an adjustment of the music marketing strategy, resulting in effective cost management and the ability to generate more revenue thanks to the fact that artists are now able to plan the creation of their own content.

There were additional revenues and earnings from marketing events and concerts. In the 3rd and 4th quarters, the Company earned revenue of 89.6 million baht by organizing concerts, "Raptor Evolution 25 Years Mai Mee Krongjai" and "D2B Infinity Concert 2019". It helps to bolster the revenue for the music and other

businesses resulting in the revenue from these businesses of 529.5 million baht, increased by 49.1 percent from 355.2 million baht in 2018.

Cost of Sales and Services

Cost of sales and services in the amount of 2,020.0 million baht decreased by 185.3 million baht or 8.4 percent from the previous year which stood at 2,205.3 million baht. It declined in proportion to a decrease in commerce business revenue, effective cost management of media business and the reduction in the cost of Channel 8 from waiving the last two installments of the license fee.

Gross Margin

The Company's gross profit in 2019 was 1,591.2 million baht, declining 1.9 percent from 2018's figure, which was 1,621.4 million baht. However, the gross profit margin increased by 44.1 percent compared to 42.4 percent in the previous year thanks to higher profitability in the music and other businesses.

Selling and Administrative Expenses, and Finance Costs

Selling and administrative expenses of 1,099.8 million baht rose from the previous year by 45.4 million baht or 4.3 percent. This was mainly due to an increase in external media spending in accordance with distribution channel expansion of commerce business, higher outbound staff expenses and the increase of compensation for employee benefits totaling 20.1 million baht.

Finance costs of 34.6 million baht, decreased by 33.7 million baht or 49.3 percent. This was derived mainly from a decrease in interest expenses for long-term bank loans and a reduction of total future finance charge for license.

Net Profit

Net profit attributable to the parent company was 363.3 million baht, compared to 516.0 million baht in 2018, which decreased by 152.7 million baht or 29.6 percent. However, excluding an extraordinary gain from the adjustment of the license payment before tax in the amount of 94.6 million baht (or after tax in the amount of 75.7 million baht) for 2018, there would be net profit from operating activities in 2018 of 440.3 million baht; compared to net profit of 363.3 million baht in 2019, this is a decrease of only 77.0 million baht or 17.5 percent.

Asset

Asset Components

As of December 31, 2019, the Company had total assets of 3,406.8 million baht, comprised of 33.6% current assets and 66.4% non-current assets.

Unit: million baht	Year 2018		Year 2019		Change	
	amount	%	amount	%	amount	(y-y)
Current assets :						
Cash and cash equivalents	339.6	8.3%	328.4	9.6%	-11.2	-3.3%
Trade and others accounts receivable (net)	553.2	13.6%	544.8	16.0%	-8.4	-1.5%
Inventories (net)	284.8	7.0%	258.8	7.6%	-26.0	-9.1%
Other current assets (net)	8.7	0.2%		0.4%	4.6	52.9%
Total current assets	1,186.3	29.1%	1,145.3	33.6%	-41.0	-3.5%
Non-current assets :						
Plant and equipment (net)	331.5	8.1%	503.8	14.8%	172.3	52.0%
License for operation right in spectrum of digital television (net)	1,395.7	34.3%	670.7	19.7%	-725.0	-51.9%
Intangible assets	720.1	17.7%	702.8	20.6%	-17.3	-2.4%
Other non-current assets (net)	439.7	10.8%	384.2	11.3%	-55.5	-12.6%
Total non-current assets	2,887.0	70.9%	2,261.5	66.4%	-625.5	-21.7%
Total assets	4,073.3	100.0%	3,406.8	100.0%	-666.5	-16.4%

As of December 31, 2019, the main assets consist of: 20.6 percent intangible assets (net); 19.7 percent license for operation right in spectrum of digital television (net); 16.0 percent trade and other account receivables (net); 14.8 percent Plant and equipment (net); 9.6% cash and cash equivalents; and 7.6% inventories (net).

Total assets as of December 31, 2019 amounted to 3,406.8 million baht, representing a decrease of 666.5 million baht or 16.4% from the previous year. The main reason for this is the decrease in digital TV licenses by 725.0 million baht or 51.9 percent, per the NCPO Chief's order No. 4/2562 on 11 April 2019 that waived the license fees for the last two installment periods. Meanwhile, Plant and equipment (net) increased by 172.3 million baht or 52.0 percent from investment in the expansion of call centers, goods warehouses, broadcasting equipment for the television stations, and the Company's new premises.

Quality of the Assets

Trade Accounts Receivable – Others (net)

Trade accounts receivable classified by aging are as follows :

Unit: million baht	Year 2018		Year 2019		Change	
	amount	%	amount	%	amount	(y-y)
Current	324.3	64.2%	250.0	60.1%	-74.3	-22.9%
Less than 3 months	132.0	26.1%	151.5	36.4%	19.5	14.8%
3 – 6 months	3.1	0.6%	7.1	7.1%	4.0	129.0%
6 – 12 months	0.7	0.2%	-	-	-0.7	-100.0%
Over 12 months	44.9	8.9%	7.3	1.8%	-37.6	-83.7%
Total	505.0	100.0%	415.9	100.0%	-89.1	-17.6%
Less: Allowance for doubtful accounts	-42.4	-8.4%	-7.2	-1.7%	-35.2	-83.0%
Trade accounts receivable – others (net)	462.6	91.6%	408.7	98.3%	-53.9	-11.7%

Key Financial Ratios :

	Year 2018	Year 2019
Receivable turnover ratio (time)	7.18	7.84
Collection days (day)	51	47

As of December 31, 2019, the Company had trade accounts receivable - others (net) of 408.7 million baht, which decreased from last year by 53.9 million baht or 11.7 percent, due to the decrease of receivables from the media business group, which fluctuated with the decrease in income during the year. The Company has written-off the debtors that were sued, with judgements of bad debts from a tax standpoint. Said debtors have already been recorded in the allowance for doubtful accounts in accordance with the Company's policy. As such, this past year, the allowance for doubtful accounts decreased from the previous year by 35.2 million baht or 83.0%. The Company has a policy to assess and review the allowance for doubtful accounts regularly, to ensure that the remaining debt in the financial statements reflects the real or realizable value.

In addition, considering the age of the debtors, more than 90% of the debtors are not over 3 months overdue with their commitments, which is in accordance with the credit policy of an average of 2-3 months credit for customers of the media and other businesses and others. The commerce business is an exception; most customers have cash or credit of not exceeding 1 month, making the overall average debt collection period of the Company at 47 days in 2019, which is close to 2018's figure of 51 days.

Inventories (net)

Unit: million baht	Year 2018		Year 2019		Change	
	amount	%	amount	%	amount	(y-y)
Cost	312.3	100.0%	292.3	100.0%	-20.0	-6.4%
Less: Allowance for obsolete inventories	-27.5	-8.8%	-33.5	-11.5%	6.0	21.8%
Inventories (net)	284.8	91.2%	258.8	88.5%	-26.0	-9.1%

Key Financial Ratios :

	Year 2018	Year 2019
Inventory turnover ratio (time)	7.35	7.43
Average number of days sales (day)	50	49

As of December 31, 2019, inventories consisted of finished goods: 96.7 percent consumer products; and 3.3 percent works in process related to television programs, concerts and marketing activities and others. The total net value was 258.8 million baht, decreasing by 26.0 million baht or 9.1 percent from the previous year. This year, the Company recorded an increase in the allowance for obsolete products from the previous year for unsold products and stock that has been stored for a long time; this is according to the policy that requires the review of inventory value regularly in every accounting period, so that the value of inventories, as shown in the financial statements, is not lower than the net value to be realized. As a result, this year, the proportion of allowance for obsolete products is 11.5 percent, increasing from 8.8 percent in the previous year. At any rate, there are still plans for engaging in various marketing promotions so that all the products can be released from the stock.

License for operation right in spectrum of digital television (net)

Unit: million baht	Year 2018		Year 2019		Change	
	amount	%	amount	%	amount	(y-y)
Cash equivalent value (present value)	2,030.3	100.0%	1,394.7	100.0%	-635.6	-31.3%
Less: Accumulated amortisation	-634.6	-31.3%	-724.0	-51.9%	89.4	14.1%
Net book amount	1,395.7	68.7%	670.7	48.1%	-725.0	-51.9%

According to the order of the Head of the National Council for Peace and Order No. 4/2562 on Measures to Solve Television and Telecommunications Business Operations on 11 April 2019, the Office of the National Broadcasting and Telecommunications Commission must consider payment to or compensation for the license holder by waiving the final two license fee installments. As a result, the license, before deducting accumulated amortization as of December 31, 2019, has a net value of 1,394.7 million baht, a decrease of 635.6 million baht or 31.3 percent from the previous year. The amortization for 2019 was 89.4 million baht, a decrease of 45.9 million baht from the previous year (in 2018, it was 135.3 million baht). The net balance of the license value is thus 670.7 million baht, a decrease of 725.0 million baht or 51.9 percent from the previous year.

In addition, the Company has made future cash flow projections every year in order to assess the impairment of the use of the license. As of December 31, 2019, the Company has tested the impairment and found that the recoverable value is higher than the net book value; therefore, there is no impairment of the said license.

Intangible Assets (net)

Unit: million baht	Year 2018		Year 2019		Change	
	amount	%	amount	%	amount	(y-y)
Cost	2,747.1	100.0%	2,983.7	100.0%	236.6	8.6%
Less: Accumulated amortisation	-1,666.4	-60.7%	-1,912.2	-64.1%	245.8	14.8%
Allowance for impairment	-360.6	-13.1%	-368.7	-12.3%	8.1	2.2%
Net book amount	720.1	26.2%	702.8	-23.6%	-17.3	-2.4%

As of December 31, 2019, intangible assets (net) comprise of: 78.7 percent drama copyrights; and 21.3 percent of music copyrights, computer programs and others. The total net worth was 702.8 million baht, a decrease of 17.3 million baht or 2.4 percent from the previous year due to the decrease of music copyrights, computer programs and others.

As of December 31, 2019, the Company has an allowance for impairment of 368.7 million baht, an increase of 8.1 million baht or 2.2 percent from the previous year. This was due to the recording of the allowance for impairment for music copyrights whose useful life is not known. The Company thus has no amortization of the benefits, but instead uses an impairment test. However, the Company has a policy to regularly review impairment for all types of intangible assets in every accounting period, to ensure that the intangible asset value shown in the financial statements are not less than the amount expected to be realized.

Capital Structure

Liabilities, Equity and Debt to Equity Ratio

Unit: million baht	Year 2018	Year 2019	Change	
			amount	(y-y)
Interest-bearing liabilities	653.7	775.4	121.7	18.6%
Payable for cost of license for operation right in spectrum of digital television (net)	830.6	-	-830.6	-100.0%
Other liabilities	916.7	904.3	-12.4	-1.4%
Total liabilities	2,401.0	1,679.7	-721.3	-30.0%
Equity attributable to owners of the parent	1,671.2	1,724.9	53.7	3.2%
Debt to equity ratio (time)	1.44	0.97		

As of December 31, 2019, the Company had total liabilities of 1,679.7 million baht, a decrease of 721.3 million baht or 30.0 percent. This was from the reduction in the cost of the television operating license in the total amount of 830.6 million baht from the NCPO Chief's order No. 4/2562 that waived the last two license fee installments. Interest-bearing liabilities increased by 121.7 million baht, mainly from short-term loans.

The Company has equity in the Parent Company as of December 31, 2019 in the amount of 1,724.9 million baht, an increase of 53.7 million baht from the previous year or 3.2 percent. This increase reflected the increase in profits during the year of 345.6 million baht as well as the receipt of additional capital from the exercise of the RS-W3 option in the the amount of 70.0 million baht, meanwhile, the dividend payment during the year was 387.9 million baht.

In 2019, the ratio of debt to shareholders' equity is 0.97 times, down from 2018, which had a ratio of 1.44 times – mostly reflecting the reduction of the total debt from the television operating license.

Liquidity

Cash Flow

Unit : million baht	Year 2018	Year 2019
Cash flow from operating activities	1,161.0	1,033.1
Cash flow from investing activities	-518.4	-615.2
Cash flow from financing activities	-533.8	-429.1
Net increase (decrease) in cash and cash equivalents	108.8	-11.2
Cash and cash equivalents, closing balance	339.6	328.4

As of December 31, 2019, the Company had cash and cash equivalents of 328.4 million baht. During the year, 11.2 million baht of net cash was used. There was also 615.2 million baht for investing activities: investment in drama content and series for television media, as well as investment in call center equipment and systems, warehouses, broadcasting equipment for the television stations, and the Company's new office. In addition, the net cash used in financing activities was 429.1 million baht from dividends, the payment of the television operating license fees for the television business, and the repayment of long-term loans, as scheduled. Meanwhile, during the year, the Company's net cash flow from operating activities increased by 1,033.1 million baht, mainly from cash received from the sales of products from the commerce business.

Key Liquidity Ratios

	Year 2018	Year 2019
Current ratio (time)	1.04	0.90
Quick ratio (time)	0.70	0.58
Collection days (day)	51	47
Average number of days sales (day)	50	49
Payment days (day)	48	48
Cash cycle (day)	53	48

As for the overview of 2019, the Company slightly decreased in liquidity from the previous year, as the Company increased short-term loans for investment in various equipment during the year. However, the Company's working capital management is more efficient. This year, the cash cycle of the company was at 48 days, decreasing from the previous year, which stood at 53 days.

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

RS is determined to use its "Entertainmerce" model to fully thrive and dominate the commerce business. This involves an element of entertainment combined with the presentation of diverse products to customers through all platforms, including television, radio, online and on-ground media; the latter refers to the organization of events and concerts to reach customers nationwide. In addition to launching the brand "RS Mall" on all channels, along with negotiating for new advertising and distribution partners, 2020 will be the year that focuses on creating online channels under the brand "COOL Shop" to align with the current behavior of consumers. This would start with the development of the "Coolism" Application, with over 2 million listeners per month, as well as the use of software to analyze existing customer data from the commerce business, which currently includes more than 1.3 million customers. Also, there would be the development of a telemarketing system to enable repeat customers and to develop a variety of products. By 2020, in addition to offering products to the consumer market, the Company will also expand to offer services such as travel.

"Channel 8" with the slogan "Everyone Can Watch Channel 8, Press Number 27", will enjoy the benefits from the cost reduction of the license, while the Company will receive full support for the digital television network service fee (Multiplexer or MUX) from June onwards. As for Channel 8's programs, both Thai dramas and Thai series have been well received and enjoy a continuously growing viewer base from 2019. A "Thai Fight" boxing program will also be launched to bolster the programming, helping to meet the goals of the No. 1 boxing channel. Channel 8 will offer diverse programs, including news and variety shows, and further serve as an important channel for the commerce business of the Company. From the great success of 2019, the Company plans to organize 5 main concerts in 2020 - they are expected to be an important part of generating both revenue and profit for the Company throughout the year.





A photograph of a modern office hallway. The hallway is lined with glass-walled rooms on the left and large windows on the right. The ceiling is white with recessed lighting. The floor is light-colored. The text "Financial Statement" is overlaid in white on the left side of the image.

Financial Statement







Independent Auditor's Report

To the shareholders of RS Public Company Limited

My opinion

In my opinion, the consolidated financial statements of RS Public Company Limited (“the Company”) and its subsidiaries (“the Group”) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, 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 2019;
- 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

Valuation of the 'licence for operation right in spectrum of digital television'

Refer to note 2.9 and 13 'Licence for operation right in spectrum of digital television (net)' of the consolidated and separate financial statements

As at 31 December 2019, the Group had the Licence for operation right in spectrum of digital television which was valued at Baht 671 million, net of accumulated amortisation. As there are many digital TV channels, audiences have many choices for accessing content, meaning the digital television market is highly competitive.

These factors indicate that the recoverable value of this licence might be less than the net book value. Management annually evaluated the impairment loss on this licence. This year the impairment test indicated that there was no impairment loss.

I focussed on the impairment test of this licence because it relates to a significant amount. Also, assumptions were made by management to determine the recoverable value, estimating the overall revenue growth rates and discount rates in the future cash flow forecast. Small changes to these assumptions could result in a significant change to the cash flow forecast and licence impairment consideration.

I gain understand the method of assessing the impairment of the licence for operation right in spectrum of digital television and test the assumptions used by management in calculating the recoverable value of the licence. I performed the following:

- evaluating the appropriateness of the method used in the Group's cash flow forecast and the process by which it was drawn up, and testing the underlying values used in the forecast.
- comparing the Group's cash flow forecast of the current year to the previous year and evaluating significant amendments. Also, comparing the Group's cash flow forecast to the actual performance of the current year.
- challenging management on their key assumptions, including the revenue growth rates and the discount rate by:
 - understanding management's plans for future growth. Also, assessing the Group's potential to achieve their plans over the relevant period by comparing the revenue growth rates to economic and industry forecasts, including comparing past income growth rates to consider the possibility of future growth plans.
 - testing the appropriateness of the discount rate applied to the cost of capital for the Group by comparison with the actual interest rate.
- performing a sensitivity analysis of the revenue growth and discount rate assumptions to determine how a change in those assumptions would affect the impairment of the licence.

As a result of the above procedures, I found that management's assumptions applied in the licence valuation were reasonable based on the available evidence.

Recognition of production cost amortisation of a drama series

Refer to note 2.10 and 14 'Intangible assets (net)' of the consolidated and company financial statements

As at 31 December 2019, the Group presented a Baht 498 million production cost balance of a drama series as an intangible asset. This represents 71% of the total intangible assets. The production costs were carried at cost with a deduction for accumulated amortisation. It was amortised based on the expected pattern of consumption of the future economic benefits embodied in the assets.

Management divided the production costs into two components. The first component was amortised based on the number of episodes forecast to be aired under the channel's on-air schedule. The residual component was amortised using the straight-line method.

I focussed on the amortisation method for the production costs based on the number of episodes forecast to be aired under the channel's on-air schedule because this is based on management's judgment of the number of episodes to be aired in the future. In addition, the production costs were a significant amount to the financial statements.

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

- assessing the appropriateness of the management's judgements about the dividing of cost of drama production. The cost of drama production is divided based on the revenue generated from the number of episodes of each drama and the revenue generated from the sales of drama rights.
- assessing the appropriateness of the management's judgments about the forecast and estimated number of aired episodes of each series by comparing the forecast to the channel's on-air schedule.
- evaluating the actual number of aired episodes of drama series by comparing them to the channel's on-air schedule used in the amortisation calculation.
- testing the arithmetical accuracy of the calculation.

I evaluate the drama and series production cost amortization method and the forecast to be aired is reasonable and within an acceptable range based on available evidence. As a result of the tests, I found no difference between the drama and series production cost amortization and the number of actual episodes of the series and the drama broadcasting plans.

Deferred tax assets recognised from cumulative tax losses carried forward

Refer to note 2.14 and 16 'Deferred tax assets (net)' to the consolidated and company financial statements

As at 31 December 2019, the Group had deferred tax assets of Baht 201 million, of which Baht 43 million related to those recognised from cumulative tax losses carried forward by the Company and the subsidiaries. During the year, a subsidiary utilised benefits from the tax losses accumulating to 13 Baht.

The Group has recognised their deferred tax assets from cumulative tax losses carried forward to the extent that it's probable that future taxable profits would allow use of the cumulative tax losses. Management prepared financial projections which included future taxable profit using the deferred tax assets from the cumulative tax losses carried forward. In this instance, key assumptions about the revenue growth rate and future taxable profit significantly impact these projections.

I focussed on this area because the amounts of deferred tax assets are significant to the Group's financial statement. The estimation of future taxable profits is complex, and the key assumptions involve significant judgment by management in assessing the future taxable profit.

To gain an understanding of the transactions underlying the significant deferred tax assets and assess management's assumptions that were used in the calculation of future taxable profit to determine the recoverability of the deferred tax assets, I performed the following:

- assessing the available cumulative tax losses carried forward by testing their expiry periods according to any applicable provisions of the Revenue Code regarding the recovery of deferred tax assets. This also includes the evaluation of the arithmetical accuracy in the tax computation and projection.
- evaluating and challenging management's judgement and assumptions applied in the Group's profit forecasts in the five-year business plan. During the five-year period, the Group can use accumulated tax loss by considering the probability of future profit growth resulting from revenue growth. This also includes comparing revenue growth in the business plan to economic and industry forecast.
- testing the reasonableness of the Group's past profit estimates and whether using the tax loss benefits is in line with the Group's actual profit.

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.

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.

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 Chatchawalwong
 Certified Public Accountant (Thailand) No. 5016
 Bangkok
 20 February 2020

RS Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	6	328,409,093	339,639,957	104,285,400	168,511,981
Trade and others accounts receivable (net)	7	544,834,568	553,168,390	590,093,380	611,655,348
Short-term loans to related companies (net)	32 d)	-	-	1,006,700,000	881,700,000
Inventories (net)	8	258,795,418	284,785,668	4,147,152	11,956,542
Value added tax	21	8,610,259	3,816,152	-	-
Other current assets (net)	9	4,593,844	4,933,691	1,817,844	528,592
Total current assets		1,145,243,182	1,186,343,658	1,707,043,776	1,674,352,463
Non-current assets					
Investments in subsidiaries (net)	10	-	-	532,444,152	534,507,003
Investments in an associated company (net)	11	3,992,546	3,991,133	-	-
Plant and equipment (net)	12	503,783,449	331,535,298	409,046,698	292,850,997
License for operation right in spectrum of digital television (net)	13	670,748,615	1,395,738,282	-	-
Intangible assets (net)	14	702,789,651	720,149,700	111,070,961	117,423,678
Prepaid expense - non-current		696,666	9,030,000	-	-
Withholding tax (net)	15	165,615,539	180,089,907	59,836,570	115,677,411
Deferred tax assets (net)	16	200,796,413	231,609,431	92,623,154	118,755,960
Other non-current assets (net)	17	13,095,597	14,839,736	11,274,899	14,629,038
Total non-current assets		2,261,518,476	2,886,983,487	1,216,296,434	1,193,844,087
Total assets		3,406,761,658	4,073,327,145	2,923,340,210	2,868,196,550

Director _____ Director _____

The accompanying note on pages 167 to 216 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other accounts payable	18	651,166,696	733,203,437	242,054,856	256,246,002
Current portion of liability under finance lease agreements (net)	19	6,729,866	11,070,866	6,729,866	11,070,866
Current portion of payable for cost of license for operation right in spectrum of digital television (net)	13	-	4,072,392	-	-
Short-term loans from financial institutions	20	450,000,000	240,000,000	320,000,000	240,000,000
Short-term loans from related companies	32 e)	-	-	97,027,125	208,027,125
Current portion of payable for long-term loans from financial institutions	22	80,000,000	80,000,000	-	-
Value added tax	21	34,996,464	39,369,040	32,968,814	39,289,571
Accrued income tax		30,680,198	28,982,918	26,712,960	-
Withholding tax payable		12,095,248	9,242,313	3,831,171	5,080,334
Total current liabilities		1,265,648,472	1,145,940,966	729,324,792	759,693,898
Non-current liabilities					
Liabilities under finance lease agreements (net)	18	2,580,565	6,617,037	2,580,565	6,617,037
Long-term loans from financial institution	22	236,085,000	316,085,000	-	-
Payable for cost of license for operation right in spectrum of digital television (net)	13	-	826,556,413	-	-
Employee benefit obligations	23	163,964,704	99,545,179	105,976,538	78,422,968
Other non-current liabilities		11,460,459	6,249,237	6,413,098	777,874
Total non-current liabilities		414,090,728	1,255,052,866	114,970,201	85,817,879
Total liabilities		1,679,739,200	2,400,993,832	844,294,993	845,511,777

The accompanying note on pages 167 to 216 are an integral part of these consolidated and separate financial statements.

RS Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital	24.1				
1,161,997,216 ordinary shares of par Baht 1 each		1,161,997,216		1,161,997,216	
Authorised share capital					
1,203,270,516 ordinary shares of par Baht 1 each			1,203,270,516		1,203,270,516
Issued and fully paid-up share capital					
972,495,202 ordinary shares of par Baht 1 each		972,495,202		972,495,202	
1,010,149,192 ordinary shares of par Baht 1 each			1,010,149,192		1,010,149,192
Premium on share capital	24.1	322,087,270	258,257,595	322,087,270	258,257,595
Treasury shares	24.5	-	(465,274,840)	-	(465,274,840)
Retained earnings					
Appropriated - legal reserve		120,327,052	120,327,052	120,327,052	120,327,052
Appropriated - treasury share reserve		-	465,274,840	-	465,274,840
Unappropriated		309,980,034	282,483,158	664,135,693	633,950,934
Equity attributable to owners of the parent		1,724,889,558	1,671,216,997	2,079,045,217	2,022,684,773
Non-controlling interests		2,132,900	1,116,516	-	-
Total equity		1,727,022,458	1,672,333,513	2,079,045,217	2,022,684,773
Total liabilities and equity		3,406,761,658	4,073,327,345	2,923,340,210	2,868,196,550

The accompanying note on pages 167 to 216 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue					
Revenue from sales		2,012,441,388	2,129,659,415	27,670,300	8,072,557
Revenue from services		1,508,699,374	1,697,021,678	889,175,624	851,574,716
Total revenue and services income		3,521,140,762	3,826,681,091	916,845,924	859,647,273
Cost of sales		(660,003,091)	(712,253,960)	(17,604,101)	(5,366,136)
Cost of services		(1,339,959,121)	(1,493,023,063)	(403,173,680)	(549,061,928)
Total cost of sales and services		(2,019,962,212)	(2,205,277,043)	(420,777,781)	(554,428,064)
Gross profit		1,591,178,550	1,621,404,048	496,067,943	305,219,209
Other income	26	10,719,894	33,749,627	463,545,026	680,208,582
Profit before expenses		1,601,898,444	1,655,153,675	959,612,971	985,427,791
Selling expenses		(512,363,644)	(452,640,570)	(48,234,749)	(110,399,228)
Administrative expenses		(567,396,191)	(601,744,463)	(472,055,864)	(497,512,380)
Reversal of allowance for impairment on investments in subsidiaries and accrued interest income from subsidiaries		-	-	20,592,275	10,460,697
Other expenses	27	(5,660,463)	(3,173,862)	(4,779,773)	(10,977,857)
Finance costs	29	(34,631,659)	(68,339,595)	(7,984,452)	(11,231,273)
Gain from modification of payment term of license for operation right in spectrum of digital television	13	-	94,614,823	-	-
Profit (loss) before income tax		461,846,487	623,870,008	447,150,406	365,767,750
Income tax	30	(97,451,696)	(107,832,327)	(81,931,484)	(702,134)
Profit (loss) for the year		364,394,791	516,037,681	365,218,924	365,065,616
Other comprehensive income:					
Item that will not be reclassified to profit or loss					
Remeasurements of post employment benefit obligations	23	(22,123,651)	-	(11,042,823)	-
Income tax on items that will not be reclassified		4,424,730	-	2,208,565	-
Other comprehensive income for the year, net of tax		(17,698,921)	-	(8,834,258)	-
Total comprehensive income for the year		346,695,870	516,037,681	356,384,666	365,065,616

The accompanying note on pages 167 to 216 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit (loss) attributable to:					
Owners of the parent		363,343,967	516,039,530	365,218,924	365,065,616
Non - controlling interests		1,050,824	(1,849)	-	-
		<u>364,394,791</u>	<u>516,037,681</u>	<u>365,218,924</u>	<u>365,065,616</u>
Total comprehensive income attributable to:					
Owners of the parent		345,645,046	516,039,530	356,384,666	365,065,616
Non - controlling interests		1,050,824	(1,849)	-	-
		<u>346,695,870</u>	<u>516,037,681</u>	<u>356,384,666</u>	<u>365,065,616</u>
Earning (loss) per share for profit attributable to the equity holders of the parent					
Basic earning (loss) per share (Baht)	31.1	<u>0.3744</u>	<u>0.5337</u>	<u>0.3763</u>	<u>0.3776</u>
Diluted earning (loss) per share (Baht)	31.2	<u>0.3583</u>	<u>0.4924</u>	<u>0.3602</u>	<u>0.3484</u>

The accompanying note on pages 167 to 216 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 2019

Consolidated financial statements (Bahr)									
For the year ended 31 December 2018									
Attributable to owners of the parent									
	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings			Total owners of the parent	Non- controlling interests	Total
				Legal reserve	Treasury shares reserve	Unappropriated			
Opening balance as at 1 January 2018	1,010,147,392	268,230,695	(465,274,840)	112,971,541	465,274,640	15,517,712	1,396,873,940	5,163,849	1,402,037,789
Changes in equity for the year									
Increase in share capital	24.2	1,600	-	-	-	-	22,500	-	22,500
Difference between the purchase price of investments in subsidiaries under common control and their net book value	-	-	-	-	-	-	-	(4,062,333)	(4,062,333)
Legal reserve	-	-	-	7,365,111	-	(7,365,111)	-	-	-
Dividends payment	25	-	-	-	-	(241,718,973)	(241,718,973)	(3,151)	(241,722,124)
Other comprehensive income - remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	516,039,530	516,039,530	(1,049)	516,037,681
Closing balance as at 31 December 2018	1,010,149,162	268,257,595	(465,274,840)	120,337,652	465,274,840	262,483,158	1,871,216,997	1,116,516	1,872,333,513

The accompanying note on pages 167 to 216 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 2019

Consolidated financial statements (Baht)										
For the year ended 31 December 2019										
	Notes	Attributable to owners of the parent		Retained earnings				Total owners of the parent	Non-controlling interests	Total
		Authorized, issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated		Unappropriated			
					Legal reserve	Treasury shares reserve				
Opening balance as at 1 January 2019		1,510,149,192	258,257,565	(495,274,846)	120,327,952	465,274,840	262,483,159	1,671,216,997	1,116,516	1,672,333,513
The effect of change in accounting policy	2.2.1	-	-	-	-	-	25,850,004	25,850,004	-	25,850,004
Closing in equity for the period		1,510,149,192	258,257,565	(495,274,846)	120,327,952	465,274,840	308,334,062	1,697,067,901	1,116,516	1,698,184,417
Changes in equity for the year										
Increase in share capital	24.2	5,619,310	64,429,859	-	-	-	-	70,049,169	-	70,049,169
Decrease in share capital from decreasing in treasury share		(43,273,300)	(600,194)	495,274,840	-	(421,401,356)	-	-	-	-
Treasury shares reserve	24.5	-	-	-	-	(43,873,454)	43,873,454	-	-	-
Dividends payment	25	-	-	-	-	-	(367,872,558)	(367,872,558)	(34,440)	(367,906,998)
Other comprehensive income - remeasurement of post employment benefits obligations, net of tax		-	-	-	-	-	(17,008,021)	(17,008,021)	-	(17,008,021)
Net profit for the year		-	-	-	-	-	363,343,967	363,343,967	1,050,824	364,394,791
Closing balance as at 31 December 2019		672,406,202	322,087,270	-	120,327,952	-	300,060,034	1,724,889,558	2,132,900	1,727,022,458

The accompanying note on pages 167 to 216 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 2019

	Separate financial statements (Baht)						
	For the year ended 31 December 2018						
	Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated		Total
Legal reserve					Treasury shares reserve		
Opening balance as at 1 January 2018		1,010,147,292	258,236,895	(465,274,840)	112,971,941	465,274,840	1,896,315,030
Changes in equity for the period							
Increase in share capital	24.2	1,800	20,700	-	-	-	22,500
Legal reserve		-	-	-	7,355,111	-	(7,355,111)
Dividend paid	25	-	-	-	-	(241,718,973)	(241,718,973)
Other comprehensive income - remeasurement of post employment benefits obligations, net of tax		-	-	-	-	-	-
Net profit for the year		-	-	-	-	365,065,616	365,065,616
Closing balance as at 31 December 2018		1,010,149,192	258,257,595	(465,274,840)	120,327,052	465,274,840	2,022,884,773

The accompanying note on pages 167 to 216 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 2019

	Separate financial statements (Baht)							Total
	For the year ended 31 December 2019							
	Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings			
Legal reserve					Treasury shares reserve	Unappropriated		
Opening balance as at 1 January 2019								
The effect of change in accounting policy	2.2.1	1,010,149,192	258,257,596	(465,274,840)	120,327,052	465,274,840	633,950,034	2,022,684,773
Closing in equity for the period		1,010,149,192	258,257,596	(465,274,840)	120,327,052	465,274,840	17,799,167	17,799,167
Changes in equity for the period								
Increase in share capital	24.2	5,619,310	64,429,859	-	-	-	-	70,049,169
Decrease in share capital from decreasing in treasury shares	24.5	(43,273,300)	(600,184)	465,274,840	-	(421,401,356)	-	-
Treasury shares reserve	24.5	-	-	-	-	(43,873,484)	43,873,484	-
Dividend paid	25	-	-	-	-	-	(387,872,558)	(387,872,558)
Other comprehensive income - rereasurement of post employment benefits obligations, net of tax		-	-	-	-	-	(8,834,258)	(8,834,258)
Net profit for the year		-	-	-	-	-	365,218,924	365,218,924
Closing balance as at 31 December 2019		972,465,202	322,687,270	-	120,327,052	-	664,135,093	2,079,045,217

The accompanying note on pages 167 to 216 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from operating activities					
Profit (loss) before income tax		461,846,467	623,670,008	447,160,408	365,767,750
Adjustments:					
Depreciation and amortisation	12, 13, 14, 20	566,504,108	591,459,708	105,035,628	147,051,541
Amortisation for prepaid expense		8,333,334	18,053,333	-	-
(Reversed) allowance for doubtful accounts	7	(5,278,265)	(15,332,766)	(3,321,929)	(746,734)
(Reversed) allowance for obsolete inventories	8	5,998,985	16,624,104	-	-
Allowance for impairment - intangible assets	14	8,095,733	11,026,990	8,095,733	11,026,990
(Reversal of) allowance for impairment - other current assets and other non-current assets		(388,600)	(74,468)	(388,600)	(74,468)
(Reversal of) allowance for impairment - investment in an associated company	11	(1,413)	(2,138)	-	-
(Reversal of) allowance for impairments - investments in subsidiaries	10	-	-	(1,837,149)	(11,105,842)
Loss from liquidation of subsidiaries *, **	10	-	2,453	-	10,452,343
Gain from decrease in share capital of subsidiary		-	-	(14,850,000)	-
Loss on write-off plant and equipment and intangible assets		821,188	2	146	2
(Gain) loss on disposal of plant and equipment and intangible assets	26	8,377	818,508	(329,429)	732,070
Employee benefit obligations	23	42,580,274	3,603,773	27,595,243	5,621,430
Dividend income	26	-	-	(45,419,936)	(268,171,848)
Interest income		(1,195,205)	(1,071,311)	(30,058,081)	(35,230,160)
Finance costs - interest expense	29	34,671,659	68,339,565	7,984,452	11,231,273
Gain from modification of payment term of license for operation right in spectrum of digital television		-	(94,614,823)	-	-
		1,124,006,672	1,222,702,946	499,656,486	236,554,527
Changes in working capital:					
Trade and other accounts receivable *, **		22,242,405	58,346,414	31,289,595	(149,441,631)
Inventories		19,963,265	14,225,639	7,809,390	(9,310,161)
Value added tax		(9,166,683)	30,630,863	(6,300,757)	18,655,006
Other current assets		379,847	(2,563,327)	(1,249,252)	66,251
Other non-current assets		2,002,739	19,066,002	3,702,739	15,920,002
Trade and other accounts payable		(81,752,683)	(70,673,456)	(39,998,650)	14,903,577
Withholding tax payable		2,852,935	(848,776)	(1,249,163)	(465,715)
Other non-current liabilities		5,211,222	(4,618,350)	5,635,224	(102,000)
Payment for retirement for employee		(254,400)	(193,250)	(254,400)	-
Cash generated from operating activities before income tax paid		1,085,605,310	1,265,654,645	499,041,212	126,870,856
Withholding tax refunded	15	56,590,674	31,802,191	55,788,282	-
Income tax paid		(106,115,700)	(136,482,723)	(31,274,388)	(25,684,376)
Net cash generated from operating activities		1,033,080,284	1,160,974,113	523,555,106	101,215,480

The accompanying note on pages 167 to 216 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from investing activities					
Interest income received		1,194,856	1,071,311	32,284,352	34,791,355
Increase in short-term loans to related companies	32 d)	-	-	(335,000,000)	(553,500,000)
Receipts from short-term loans to related companies	32 d)	-	-	210,000,000	513,500,000
Receipts from decrease in share capital of subsidiary		-	-	18,750,000	-
Receipts (receivable) from subsidiaries liquidation *, **		-	22,055,550	-	22,055,550
Receipts from dividend income		-	-	45,419,938	268,171,848
Purchases of property, plant and equipment		(230,463,268)	(44,768,802)	(166,908,821)	(26,579,470)
Proceeds from disposals of property, plant and equipment and intangible asset		177,570	4,643,934	1,902,441	4,997,292
Purchases of intangible assets		(388,135,426)	(501,378,770)	(25,242,911)	(74,925,256)
Net cash receipts (payments) from investing activities		(615,226,308)	(518,377,777)	(218,794,803)	188,511,319
Cash flows from financing activities					
Interest expense paid		(21,927,333)	(29,981,873)	(8,383,810)	(9,113,101)
Payments on liability under finance lease agreements		(11,799,687)	(12,873,713)	(11,799,687)	(12,873,713)
Proceeds from short-term loans from financial institutions		1,150,000,000	930,000,000	920,000,000	930,000,000
Payments on short-term loans from financial institutions		(940,000,000)	(903,000,000)	(940,000,000)	(903,000,000)
Payments from long-term loans from financial institutions		(80,000,000)	(270,000,000)	-	-
Payment of license for operation right in spectrum of digital television		(207,500,000)	(6,225,000)	-	-
Proceeds from short-term loans from related companies	32 e)	-	-	154,027,125	385,500,000
Payments on short-term loans from related companies	32 e)	-	-	(265,027,125)	(299,300,000)
Dividend paid	25	(387,872,558)	(241,718,973)	(387,872,558)	(241,718,973)
Decrease in non-controlling interests from dividend payment		(34,440)	(3,151)	-	-
Proceeds from capital increase		70,049,169	22,500	70,049,169	22,500
Net cash payments from financing activities		(429,084,849)	(533,780,210)	(368,996,886)	(150,483,287)
Net increase in cash and cash equivalents		(11,230,964)	108,816,126	(64,226,561)	139,243,512
Cash and cash equivalents, opening balance		339,639,957	230,823,831	568,511,981	29,268,469
Cash and cash equivalents, closing balance		328,409,063	339,639,957	504,285,400	168,511,981

The accompanying note on pages 167 to 216 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Non-cash transactions and additional information:					
Write-off trade and other accounts receivable and allowance for doubtful accounts - trade and other accounts receivable		35,791,043	-	34,431,502	-
Write-off accrued interest income and allowance for doubtful accounts - accrued interest income		-	-	1,097,234	-
Write-off short-term loans to related companies and allowance for doubtful short-term loans to related companies		-	-	2,340,000	-
Write-off other non-current assets and allowance of other non-current assets		3,737,277	5,400,000	3,737,277	-
Outstanding payables as at 31 December arising from purchases of property, plant and equipment during the year		47,915,677	7,439,913	39,265,320	6,682,995
Outstanding payables as at 31 December arising from purchases of intangible assets during the year		46,909,204	63,451,817	727,600	3,583,858
Payable as at 31 December arising from purchase of property, plant and equipment under finance lease agreement during the year		2,669,904	-	2,669,904	-
Accrued dividend		24,525	-	-	-
Write-off withholding tax and allowance for doubtful in recoverable of withholding tax		188,810	927,856	-	1,094
The effect of change in accounting policy of accrued income		8,631,969	-	8,631,969	-
The effect of change in accounting policy of unearned revenue		23,681,661	-	13,616,900	-
Reversal from waived the instalments license for operating right in spectrum of digital television		635,616,368	-	-	-
Employee benefit transfer between the Group		-	-	10,830,096	-
Reverse treasury shares reverse from decrease in share capital		43,673,484	-	43,673,484	-

* This transaction included the change from dissolution of RS In-Store Media Co., Ltd. which removed this company as subsidiary since 19 September 2018 (Note 10).

** This transaction included the change from dissolution of Blutary Co., Ltd., Very Well Co., Ltd. and Aladdin House Co., Ltd. which removed this company as subsidiaries since 28 September 2018 (Note 10).

The accompanying note on pages 167 to 216 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 Multi-platform Commerce, media, music distribution and showbiz.

These consolidated and separate financial statements were authorised for issue by the board of directors on 20 February 2020.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions 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.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 18, Revenue and TAS 11, Construction contracts.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 (initial application date) by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

Accounting for music copyright in the year 2018, the Group sells music copyright to the customer in which the customer has the right to use the music under the agreement time in the contract. The group will recognise revenue from selling music copyright by using a straight-line method based on the agreement period with the customer. Under Thai Financial Reporting Standards (TFRS) no. 15, the Group has no commitment after selling music copyright to the customer which is right of use of the assets. Therefore, the revenue is fully recognised when the customer is authorised to use music copyright.

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The following tables show the amounts of affected line items in the current year from the adoption of TFRS 15 compared to the previous revenue recognition standards.

	Consolidated financial statements		
	As at		As at
	31 December	Adjustments	1 January
	2018	2019	2019
	Baht	Baht	Baht
Statement of financial position			
Trade and other receivables	553,168,390	12,184,289	565,352,679
Deferred tax assets	231,609,431	(6,462,726)	225,146,705
Trade and other accounts payable	(733,203,437)	20,129,341	(713,074,096)
Retained earnings - unappropriated	(282,483,158)	(25,850,904)	(308,334,062)
	Separate financial statements		
	As at		As at
	31 December	Adjustments	1 January
	2018	2019	2019
	Baht	Baht	Baht
Statement of financial position			
Trade and other receivables	611,655,348	12,184,289	623,839,637
Deferred tax assets	118,755,960	(4,449,792)	114,306,168
Trade and other accounts payable	(256,246,002)	10,064,670	(246,181,332)
Retained earnings - unappropriated	(633,950,934)	(17,799,167)	(651,750,101)

The following tables show the amounts by each financial statements line item in the current year from the adoption of the new revenue standard compared to the previous revenue standards.

	Consolidated financial statements		
	As at 31 December 2019		
	Amount	Impacts from	Amounts under
as reported	TFRS 15	the previous	
	Baht	Baht	revenue
			standards
			Baht
Statement of financial position as at 31 December 2019			
Trade and other accounts receivable (net)	544,834,568	(22,623,120)	522,211,448
Deferred tax asset (net)	200,796,413	8,369,602	209,166,015
Trade and other accounts payable	(651,166,696)	(19,224,891)	(670,391,587)
Retained earnings - unappropriated	(309,980,034)	33,478,409	(276,501,625)
Statement of comprehensive income for the year ended 31 December 2019			
Revenue from services	1,598,699,374	(9,534,381)	1,589,164,993
Income tax credit (expense)	(97,451,696)	1,906,876	(95,544,820)
	Separate financial statements		
	As at 31 December 2019		
	Amount	Impacts from	Amounts under
as reported	TFRS 15	the previous	
	Baht	Baht	revenue
			standards
			Baht
Statement of financial position as at 31 December 2019			
Trade and other accounts receivable (net)	590,093,380	(22,623,120)	567,470,260
Deferred tax asset (net)	92,623,154	6,447,113	99,070,267
Trade and other accounts payable	(242,054,856)	(9,612,448)	(251,667,302)
Retained earnings - unappropriated	(664,135,693)	25,788,453	(638,347,240)
Statement of comprehensive income for the year ended 31 December 2019			
Revenue from services	889,175,624	(9,986,607)	879,189,017
Income tax credit (expense)	(81,931,484)	1,997,321	(79,934,163)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

The Group is in the process of assessing the effect of new and amended financial reporting standards that have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- That the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- That the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for cost less impairment.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

e) **Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Foreign currency translation

(a) **Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.7 Inventories

Inventories are presented in the statement of financial position at the lower of cost or net realisable value. Cost is determined on the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts. The cost of finished goods and work in process : drama and others comprise direct production cost, making a film and other production cost. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expense. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

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.

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

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

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

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

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

2.9 License for operation right in spectrum of digital television

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

2.10 Intangible assets

Production cost of drama and showbiz

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

Production cost of drama was amortised based on actual on-air times.

Copyright of others

Copyright of others are carried at cost less accumulated amortisation and impairment losses (if any). The Group amortised copyright base on straight line method over the term of relevant agreements.

Copyright of musical master tape

Copyright of musical master tape have indefinite useful lives. The Group does not amortised them but tests for any impairment.

Computer software

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

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

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

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

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

2.11 Impairment of assets

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

2.12 Leases - where a Group company is the lessee

Finance leases

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

Operating leases

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

2.13 Borrowings

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

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

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

2.14 Current and deferred income taxes

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

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

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

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

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

2.15 Employee benefit obligations

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

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

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

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

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

Past-service costs are recognised immediately in profit or loss.

2.16 Financial assets and financial liabilities

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

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

2.17 Provisions - general

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Share capital

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

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

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

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 is recognized when the service has been provided on TV and radio.
- b) Revenue from event is recognised when the service has been provided.
- c) Revenue from production activity is 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 when the customers receive the right to use the license.
- b) Revenue from film copyright is recognised when the customers receive the right to use the license.

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

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 2019 and 2018, there are no outstanding foreign exchange forward contract.

3.1.2 Interest rate risk

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

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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

3.2 Fair value estimation

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

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

The fair value of long-term borrowings from financial institutions are presented in Note 22.

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 23.

(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 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 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	2,421,369	3,555,202	727,466	1,095,110
Cash at banks				
- savings accounts	329,017,052	337,275,597	104,805,509	167,876,740
- current accounts	(3,042,487)	(1,203,840)	(1,247,575)	(459,889)
- 3-month fixed deposits accounts	13,159	12,998	-	-
	328,409,093	339,639,957	104,285,400	168,511,981

As at 31 December 2019, savings accounts carry interest at the rates of 0.10% - 0.50% per annum (2018 : 0.10% - 0.50% per annum)

As at 31 December 2019, fixed deposits accounts (3-month) carry interest at the rates of 0.75% per annum (2018 : 1.00% per annum).

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7 Trade and other accounts receivable (net)

	Note	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable					
- others		415,863,868	504,972,145	152,662,088	163,707,932
- related companies	32 b)	-	-	343,405,207	431,165,260
Other accounts receivable					
- others		881,082	1,729,306	774,902	526,836
Contract assets		22,263,120	12,184,289	22,623,120	12,184,289
Accrued income					
- others		71,964,583	35,014,868	55,989,051	5,244,233
- related companies	32 b)	-	-	1,061,772	4,642,970
Advance payments					
- employees		10,120,619	2,738,945	373,838	732,013
- related companies	32 b)	-	-	-	302,974
Accrued interest income					
- others		349	-	-	-
- related companies	32 b)	2,489,884	2,489,884	6,957,047	10,280,552
Prepaid expenses - others		31,628,222	45,843,420	11,106,291	26,580,710
		555,571,727	604,972,857	594,955,136	655,367,769
<u>Less</u> Allowance for doubtful accounts					
- Trade accounts receivable					
- others		(7,168,543)	(42,383,287)	(1,293,140)	(35,363,437)
- related companies		-	-	-	(526,767)
- Other accounts receivables					
- others		-	(1,469,898)	-	(414,500)
- Accrued income - others		(1,078,732)	(5,461,398)	(1,078,732)	(3,879,474)
- Accrued interest income					
- related companies	32 b)	(2,489,884)	(2,489,884)	(2,489,884)	(3,528,243)
		(10,737,159)	(51,804,467)	(4,861,756)	(43,712,421)
		544,834,568	553,168,390	590,093,380	611,655,348

Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Others				
Current	249,961,575	324,274,299	84,714,654	71,445,195
Overdue				
Less than 3 months	151,522,542	131,994,710	66,615,341	52,528,032
3 - 6 months	7,117,968	3,108,366	1,250	2,011,600
6 - 12 months	-	680,399	-	7,500
Over 12 months	7,261,783	44,934,371	1,330,843	37,715,605
	415,863,868	504,972,145	152,662,088	163,707,932
<u>Less</u> Allowance for doubtful accounts	(7,168,543)	(42,483,287)	(1,293,140)	(35,363,437)
	408,695,325	462,588,858	151,368,948	128,344,495

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Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Related companies				
Current	-	-	121,615,568	163,094,566
Overdue				
Less than 3 months	-	-	66,564,603	75,014,947
3 - 6 months	-	-	59,323,224	126,369,777
6 - 12 months	-	-	95,901,632	66,685,970
Over 12 months	-	-	-	-
			343,405,027	431,165,260
<u>Less</u> Allowance for doubtful accounts	-	-	-	(526,767)
	-	-	343,405,027	430,638,493

The Group's credit term for trade accounts receivable-not yet due is 7 to 90 days.

8 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Finished goods: Music and CDs, VCDs, DVDs and others	599,592	599,592	599,592	599,592
Consumer products	282,640,829	275,724,439	-	2,846,773
Souvenirs	330,106	330,106	330,106	300,106
Total finished goods	283,570,527	276,654,137	929,698	3,776,471
Work in process:				
TV Program	2,687,300	127,384	-	91,666
Concert and others	4,307,849	-	4,011,872	-
Music and support	19,500	5,657,218	19,500	103,336
Total work in process	7,014,649	5,784,602	4,031,372	195,002
Satellite television receivers	119,597	119,697	-	-
Advance payment for inventories	-	27,428,542	-	8,798,987
Others	1,639,715	2,350,775	-	-
Total	292,344,488	312,337,753	4,961,070	12,770,460
<u>Less</u> Allowance for obsolete inventories	<u>(33,549,070)</u>	<u>(27,552,065)</u>	<u>(813,918)</u>	<u>(813,918)</u>
Inventories (net)	258,795,418	284,785,668	4,147,152	11,956,542

The cost of inventories recognised as expense and included in cost of sales in the consolidated and company financial statements amounted to Baht 704,494,668 and Baht 18,440,300 (2018 : Baht 713,479,826 and Baht 5,484,626) respectively.

The Company reversed allowance for obsolete inventory which was recognised in the consolidated financial statements of Baht 15,702,011 and recorded allowance for obsolete inventory in the company financial statements of Baht 21,698,996 (2018 : Baht 8,042,978 and recorded allowance for obsolete inventory in the company financial statements of Baht 24,667,062). The amount recorded and reversed has been included in cost of sales in the statement of comprehensive income.

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9 Other current assets (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Refundable deposits	4,188,200	1,245,200	1,485,200	15,200
Guarantees	-	2,926,572	-	9,345
Others	407,644	801,919	352,644	544,047
	4,593,844	4,973,691	1,817,844	568,592
<u>Less</u> Allowance for impairment	-	(40,000)	-	(40,000)
Other current assets (net)	4,593,844	4,933,691	1,817,844	528,592

10 Investments in subsidiaries (net)

Investments in subsidiaries which recorded by the cost method as at 31 December 2019 and 2018, consisted of:

Company name	Nature of business	Registered in	Percentage of shareholding	
			2019 %	2018 %
Operating subsidiaries				
R.S. Television Co., Ltd.	Digital TV business	Thailand	100	100
Lifestar Co., Ltd.	Multi-platform Commerce	Thailand	100	100
Thai Copyright Collection Co., Ltd.	Copyrights collection	Thailand	100	100
RS Mail Co., Ltd. (Formerly: Burtoeng Variety Co., Ltd.)	Satellite TV business, Media and TV program	Thailand	100	100
Coolsm Co., Ltd.	Radio business	Thailand	100	100
Yaak Co., Ltd.	TV program	Thailand	100	100
R Alliance Co., Ltd.	Event organizer	Thailand	100	100
Non-operating subsidiaries				
Goodlife Group Co., Ltd.	Event organizer	Thailand	100	100
R.S. Sportmaster Co., Ltd.	Production TV Program and event	Thailand	-	76
RS International Broadcasting and Sports Management Co., Ltd.	Event and sport activity organizer	Thailand	83	83
S-One Sport Co., Ltd.	Rental football stadium	Thailand	100	100

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	Separate financial statements												
	Paid up capital		Cost Method		Allowance for impairment		Carrying value		Dividend income (Note 26)				
	2018	2018	2018	2018	2019	2018	2019	2018	2018	2019	2018	2018	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Operating subsidiaries													
R.S. Television Co., Ltd.	300,000,000	300,000,000	300,209,300	300,209,300	-	-	300,209,300	300,209,300	-	-	-	-	-
Linar Co., Ltd.	200,000,000	200,000,000	199,999,300	199,999,300	-	-	199,999,300	199,999,300	-	-	42,999,850	228,599,207	-
The Copyright Collection Co., Ltd.	5,000,000	5,000,000	4,999,400	4,999,400	-	-	4,999,400	4,999,400	-	-	1,749,790	13,823,340	-
RS Mail Co., Ltd. (Formerly: Bumbong Variety Co., Ltd.)	1,000,000	1,000,000	852,193	852,193	-	(852,193)	852,193	-	-	-	-	9,874,807	-
Coolim Co., Ltd.	6,250,000	25,000,000	1,299,993	5,199,993	-	-	1,299,993	5,199,993	-	-	499,986	18,074,494	-
Yaak Co., Ltd.	2,500,000	2,500,000	2,499,300	2,499,300	-	-	2,499,300	2,499,300	-	-	-	-	-
R Alliance Co., Ltd.	80,000,000	80,000,000	80,000,000	80,000,000	(76,199,819)	(76,139,839)	3,800,181	3,860,181	-	-	-	-	-
Total	594,750,000	613,500,000	589,859,486	593,759,486	(76,199,819)	(76,982,032)	513,659,667	516,767,454	45,249,626	268,171,848	-	-	-
Non-operating subsidiaries													
Goodlife Group Co., Ltd.	37,000,000	37,000,000	32,775,000	32,775,000	(24,888,855)	(26,038,483)	7,887,145	6,736,517	-	-	-	-	-
R.S. Sportmaster Co., Ltd.*	4,500,000	4,500,000	2,687,595	2,687,595	(2,687,595)	(2,687,595)	-	-	-	-	-	-	-
RS International Broadcasting and Sports Management Co., Ltd.	9,375,000	9,375,000	187,812,500	187,812,500	(156,964,160)	(156,809,468)	10,980,340	11,000,032	170,310	-	-	-	-
S-One Sport Co., Ltd. **	15,000,000	15,000,000	33,800,530	33,800,530	(33,800,530)	(33,800,530)	-	-	-	-	-	-	-
Total	65,875,000	65,875,000	237,055,625	237,055,625	(218,271,140)	(219,316,076)	18,784,485	17,739,549	170,310	-	-	-	-
Grand Total	660,625,000	679,375,000	826,915,111	830,815,111	(294,470,959)	(296,308,108)	532,444,152	534,507,003	45,419,936	268,171,848	-	-	-

* Dissolute

** Under the bankruptcy process and the absolute receivership.

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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 are subsidiaries company and not material, so the Company therefore did not disclose the financial information of these subsidiaries.

S-One Sport Co., Ltd. is subsidiary which was under the bankruptcy process and the absolute receivership. Therefore, the financial information of it was excluded from the consolidated financial information.

Movement of investment in subsidiaries for the year ended 31 December 2019 and 2018 are as follows:

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

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

	Carrying value 31 December 2018 Baht	Reverse of allowance for impairments in subsidiary Baht	Carrying value at dissolution date Baht	Fair value (Cash received from subsidiaries liquidation) Baht	Gain (loss) from liquidated subsidiary Baht
RS In-Store Media Co., Ltd.	7,502,526	11,996,774	19,499,300	7,544,082	(11,955,238)
Blufairy Co., Ltd.	4,009,993	-	4,009,993	4,975,590	965,597
Very Well Co., Ltd.	3,999,300	-	3,999,300	4,265,414	266,114
Aladdin House Co., Ltd.	4,999,300	-	4,999,300	5,270,484	271,184
	20,511,119	11,996,774	32,507,893	22,055,550	(10,452,343)

- At the extraordinary Meeting of Coolism company limited, a subsidiary, on 27 June 2019, the shareholders approved to decrease share capital in the amount of Baht 18,750,000 from Baht 25,000,000 to Baht 6,250,000 by reduce 187,500 ordinary shares amount of Baht 100 per shares. The subsidiary company registered the reduce of capital with the Ministry of commerce on 30 August 2019, which caused the investment in the subsidiary to reduce by Baht 3,900,000.
- At the extraordinary Meeting of RS Sport master company Limited 12 September 2019, the shareholders approved to dissolution since 16 September 2019. The company request for the dissolution with the Ministry of Commers on 16 September 2019.

11 Investment in an associated company (net)

Name	Nature of business	Consolidated financial statements			
		Baht		Percentage	
		Issued and paid-up share capital 2019 Baht	2018 Baht	Percentage of shareholding 2019 Baht	2018 Baht
Idea Power Co., Ltd.	Organizer	20,000,000	20,000,000	25.00	25.00
		Consolidated financial statements			
		Investments at equity method 2019 Baht	2018 Baht	Investments at cost method 2019 Baht	2018 Baht
Investment in Idea Power Co., Ltd.		3,992,546	3,991,133	6,303,621	6,303,621
Less: Allowance for impairment		-	-	(2,311,075)	(2,312,488)
Total investment in an associated company (net)		3,992,546	3,991,133	3,992,546	3,991,133

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The net movement of investment in associated company for the years ended 31 December 2019 and 2018 comprise:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Opening net book amount	3,991,133	3,988,995
Share of loss for the year	3,213	3,939
Over (under) share of loss for the prior year	(1,800)	(1,801)
Closing net book amount	3,992,546	3,991,133

Proportionate net worth for the year ended 31 December 2019 and 2018, is calculated on financial statements which was prepared by management of subsidiary and had not been audited by auditor. However, the Company's management believes that the value of proportionate net worth would not significantly differ if the financial statement is audited or reviewed by auditors.

Summary of financial information of associated company

Financial information of Idea Power Co., Ltd. which are accounted for using the equity method.

Summary statement of financial position

	Idea Power Co., Ltd. As at 31 December	
	2019 Baht	2018 Baht
Current assets	15,819,800	15,795,903
Non-current assets	162,595	172,566
	15,982,395	15,968,469
Current liabilities	12,213	3,939
Non-current liabilities	-	-
	12,213	3,939
Net assets	15,970,182	15,964,530

Summary statement of comprehensive income

	Idea Power Co., Ltd. For the years ended 31 December	
	2019 Baht	2018 Baht
Revenue	36,269	36,271
Expense	(20,203)	(16,578)
Profit before income tax	16,066	19,693
Income tax expense	(3,213)	(3,939)
Net profit	12,853	15,754
Equity method based on percentage of shareholding	3,213	3,939

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12 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
As at 1 January 2018						
Cost	2,639,106	408,047,891	492,153,873	72,515,762	-	975,356,432
Less: Accumulated depreciation	(2,501,063)	(198,658,824)	(352,902,213)	(20,826,513)	-	(572,888,613)
Net book amount	138,043	211,388,867	139,251,660	51,689,249	-	402,467,819
For the year ended 31 December 2018						
Opening net book amount	138,043	211,388,867	139,251,660	51,689,249	-	402,467,819
Additions	-	1,105,966	24,896,181	650,000	23,888,600	50,520,747
Transfer from construction in progress and equipment under installation	-	3,130,220	9,107,880	-	(12,238,100)	-
Disposals - cost	(393,900)	(4,863,593)	(37,601,281)	(6,978,000)	-	(49,836,774)
- accumulated depreciation	255,859	4,863,551	37,342,312	1,544,886	-	44,006,608
Write-off - cost	-	-	-	(36,000)	-	(36,000)
- accumulated depreciation	-	-	-	35,998	-	35,998
Depreciation charge (Note 28)	-	(40,116,156)	(66,559,894)	(8,947,250)	-	(115,623,100)
Closing net book amount	2	175,508,855	106,437,058	37,958,883	11,630,500	331,535,298
As at 31 December 2018						
Cost	2,245,206	407,420,284	488,556,653	66,151,762	11,630,500	976,004,405
Less: Accumulated depreciation	(2,245,204)	(231,911,429)	(382,119,595)	(28,192,879)	-	(644,469,107)
Net book amount	2	175,508,855	106,437,058	37,958,883	11,630,500	331,535,298

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		Consolidated financial statements (Baht)					
		Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
As at 1 January 2019							
Cost		2,245,206	407,420,284	488,556,653	66,151,762	11,630,500	976,004,405
Less: Accumulated depreciation		(2,245,204)	(231,911,428)	(382,119,595)	(28,182,878)	-	(844,469,107)
Net book amount		2	175,508,855	106,437,058	37,968,883	11,630,500	331,535,298
For the year ended 31 December 2019							
Opening net book amount		2	175,508,855	106,437,058	37,968,883	11,630,500	331,535,298
Additions		-	4,719,407	6,430,264	1,790,748	260,668,547	273,608,966
Transfer from construction in progress and equipment under installation		-	1,399,900	45,849,400	-	(47,249,300)	-
Disposals - cost		-	(5,300)	(4,949,856)	-	-	(4,955,156)
- accumulated depreciation		-	5,299	4,763,910	-	-	4,769,209
Depreciation charge (Note 28)		-	(35,873,520)	(56,565,207)	(8,736,141)	-	(101,174,868)
Closing net book amount		2	145,754,641	101,965,569	31,013,490	225,049,747	503,783,449
As at 31 December 2019							
Cost		2,245,206	413,534,291	535,886,461	67,942,510	225,049,747	1,244,658,215
Less: Accumulated depreciation		(2,245,204)	(267,779,650)	(433,920,892)	(36,929,020)	-	(740,874,766)
Net book amount		2	145,754,641	101,965,569	31,013,490	225,049,747	503,783,449

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		Separate financial statements (Baht)					Total
		Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	
As at 1 January 2018							
Cost	2,245,206	347,404,578	432,256,133	67,475,421	-	849,381,338	
Less: Accumulated depreciation	(2,245,204)	(137,744,408)	(321,405,226)	(17,495,148)	-	(478,889,986)	
Net book amount	2	209,660,170	110,850,907	49,980,273	-	370,491,352	
For the year ended 31 December 2018							
Opening net book amount	2	209,660,170	110,850,907	49,980,273	-	370,491,352	
Additions	-	2,218,167	5,638,352	-	23,868,600	31,725,119	
Transfer from construction in progress and equipment under installation	-	4,460,120	7,777,980	-	(12,238,100)	-	
Disposals - cost	-	(4,863,593)	(38,784,178)	(6,978,000)	-	(50,625,771)	
- accumulated depreciation	-	4,863,551	38,487,972	1,544,886	-	44,896,409	
Write-off - cost	-	-	-	(36,000)	-	(36,000)	
- accumulated depreciation	-	-	-	35,998	-	35,998	
Depreciation charge (Note 28)	-	(39,957,960)	(55,841,852)	(7,836,298)	-	(103,636,110)	
Closing net book amount	2	176,380,455	68,129,181	36,710,859	11,630,500	292,850,997	
As at 31 December 2018							
Cost	2,245,206	349,219,272	406,886,287	60,461,421	11,630,500	830,444,686	
Less: Accumulated depreciation	(2,245,204)	(172,838,817)	(338,759,106)	(23,750,562)	-	(537,593,689)	
Net book amount	2	176,380,455	68,129,181	36,710,859	11,630,500	292,850,997	

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		Separate financial statements (Baht)					Total
		Buildings and building improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	
As at 1 January 2019							
Cost		2,245,206	349,219,272	406,888,287	60,461,421	11,630,500	830,444,686
Less: Accumulated depreciation		(2,245,204)	(172,838,816)	(338,759,106)	(23,750,562)	-	(537,593,689)
Net book amount		2	176,380,455	68,129,181	36,710,859	11,630,500	292,850,997
For the year ended 31 December 2019							
Opening net book amount		2	176,380,455	68,129,181	36,710,859	11,630,500	292,850,997
Additions		-	4,642,406	2,707,723	80,000	194,730,721	202,160,850
Transfer from construction in progress and equipment under installation		-	324,000	18,692,000	-	(19,016,000)	-
Disposals - cost		-	(5,300)	(10,368,025)	-	-	(10,373,325)
- accumulated depreciation		-	5,299	8,804,384	-	-	8,809,683
Depreciation charge (Note 28)		-	(35,723,696)	(40,845,520)	(7,832,291)	-	(84,401,507)
Closing net book amount		2	145,623,164	47,119,743	28,958,568	187,345,221	409,046,698
As at 31 December 2019							
Cost		2,245,206	354,180,378	417,919,985	60,541,421	187,345,221	1,022,232,211
Less: Accumulated depreciation		(2,245,204)	(208,557,214)	(370,800,242)	(31,582,853)	-	(613,185,513)
Net book amount		2	145,623,164	47,119,743	28,958,568	187,345,221	409,046,698

As at 31 December 2019, 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 310,017,371 and Baht 301,560,119 (2018 : Baht 246,543,377 and Baht 245,052,564), respectively.

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Leased assets included above, where the Company and the subsidiaries are the lessee under the financial lease agreement comprise vehicles as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of the assets under the financial lease agreements	57,117,010	53,181,399	57,117,010	53,181,399
<u>Less</u> Accumulated depreciation	(27,753,052)	(19,230,314)	(27,753,052)	(19,230,314)
Net book amount	29,363,958	33,951,085	29,363,958	33,951,085

13 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 2019 and 2018 are summarised below.

	Consolidated financial statements	
	2019 Baht	2018 Baht
Cash equivalent value (present value)	1,394,710,008	2,030,326,376
<u>Less</u> Accumulated amortisation	(723,961,393)	(634,588,094)
	670,748,615	1,395,738,282

On 11 April 2019, the NCPO Order no. 4/2019 on the Solution for Television and Telecommunication Industries was announced in the Royal Thai Government Gazette. The Order will come into effect on the date it's announced. According to the Order, Office of the NBTC must forego the 700MHz in the range of 694MHz - 790MHz license for digital terrestrial television licensees, and reallocate the spectrum for telecommunications purposes. Also, the NBTC needs to provide a compensation scheme or remuneration for those cancelled licensees which involves the following actions:

- (1) Waive the last instalment of the spectrum license fee the last two instalments for an amount exceeding the minimum bid price or the starting bid price. The cancelled licensees also need to pay for the spectrum license fee before the last exception payment by 8 August 2019.
- (2) The NBTC will provide compensation to digital terrestrial television network licensees to cover their expenses for leasing the terrestrial television spectrum (MUX) over their remaining license terms and will come into effect after the term of the NCPO Order No. 9/2018 regarding the compensation scheme for digital terrestrial television network licensees expires. The compensation is based on the actual amounts incurred, and is agreed by both parties. The compensation amount must not exceed the rate set by Office of the NBTC.

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Movement of obligation for the license for operation right in spectrum of digital television as follows:

	Consolidated Financial statements					
	31 December 2019 (Baht)			31 December 2018 (Baht)		
	Obligation to pay	Future finance charges	Net book amount	Obligation to pay	Future finance charges	Net book amount
Opening amount	1,005,048,750	(174,419,945)	830,628,805	987,232,500	(92,696,545)	894,535,955
Addition (Decrease) from extend the payment term of license	-	-	-	24,041,250	(118,656,073)	(94,614,823)
Addition (Decrease) Waive the last two instalments of license	(797,548,750)	161,932,382	(635,616,368)	-	-	-
(Repayments)Amortisation	(207,500,000)	12,487,563	(195,012,437)	(6,225,000)	36,932,673	30,707,673
Closing amount	-	-	-	1,005,048,750	(174,419,945)	830,628,805

During the year 2018, the result of modification of payment term of license for operation right in spectrum of digital television according to NCPO No. 9/2561 is recognised as gain amounting to Baht 94.61 million in statement of comprehensive income.

According to NCOP No. 4/2562, the result of waive instalments of licence liabilities in April 2019, the subsidiary adjusted the book value of license by decreasing the carrying value of license assets against the carrying value of the license liabilities by Baht 635.62 million.

As at 31 December 2019 and 2018, the subsidiary has obligation to pay the license for operation right in spectrum of digital television as follows:

	Consolidated Financial statements	
	2019 Baht	2018 Baht
License of operation right in spectrum of digital television	-	1,005,048,750
Less Future finance charges	-	(174,419,945)
	-	830,628,805
Less Current portion	-	(4,072,392)
	-	826,556,413

As at 31 December 2019 and 2018, the payments to be made in subsequent years are as follows:

	Consolidated Financial statements	
	2019 Baht	2018 Baht
Due within		
1 year	-	6,941,516
2 - 5 years	-	998,107,234
	-	1,005,048,750

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14 Intangible assets (net)

	Consolidated financial statements (Baht)					Separate Financial Statements (Baht)						
	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Advance payment for copyright of drama series	Total	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Advance payment for copyright of drama series	Total
As at 1 January 2018												
Cost	302,980,790	1,663,787,298	183,175,104	113,228,704	17,107,500	2,277,259,396	302,980,830	870,898,723	144,091,462	2,608,000	-	1,120,249,015
Less Accumulated amortisation	(82,763,674)	(1,181,087,388)	(78,637,966)	-	-	(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)	(181,755,625)	(166,242,356)	-	-	-	(347,998,181)
Net book amount	38,441,315	316,477,542	101,990,330	113,228,704	17,107,500	587,247,391	38,441,331	30,004,283	74,885,311	2,608,000	-	145,938,925
For the year ended 31 December 2018												
Opening net book amount	38,441,315	316,477,542	101,990,330	113,228,704	17,107,500	587,247,391	38,441,331	30,004,283	74,885,311	2,608,000	-	145,938,925
Addition	1,708,000	177,569,020	45,593,879	215,791,642	43,757,000	484,419,341	1,708,000	11,410,000	12,809,174	-	-	25,927,174
Transferred in (out)	-	219,388,412	2,119,900	(184,158,812)	(37,329,500)	-	-	-	1,798,000	(1,798,000)	-	-
Write-off - cost	-	(14,530,000)	-	-	-	(14,530,000)	-	(14,530,000)	-	-	-	(14,530,000)
- accumulated amortisation	-	14,530,000	-	-	-	14,530,000	-	14,530,000	-	-	-	14,530,000
Amortisation charge (Note 28)	-	(324,606,086)	(15,883,956)	-	-	(340,490,042)	-	(32,085,766)	(11,329,665)	-	-	(43,415,431)
Impairment	(11,026,990)	-	-	-	-	(11,026,990)	(11,026,990)	-	-	-	-	(11,026,990)
Closing net book amount	29,122,325	388,808,888	133,821,953	144,861,534	23,535,000	720,149,700	29,122,341	9,328,517	78,162,820	810,000	-	117,423,678
As at 31 December 2019												
Cost	304,688,790	2,046,194,730	227,888,683	144,861,534	23,535,000	2,747,148,737	304,688,830	687,478,723	158,688,636	810,000	-	1,131,646,189
Less Accumulated amortisation	(82,763,674)	(1,491,143,474)	(92,521,922)	-	-	(1,666,429,070)	(82,763,674)	(481,907,850)	(80,525,816)	-	-	(665,197,340)
Allowance for impairment	(192,782,791)	(166,242,368)	(1,544,808)	-	-	(360,569,967)	(192,782,815)	(166,242,356)	-	-	-	(359,025,171)
Net book amount	29,122,325	388,808,888	133,821,953	144,861,534	23,535,000	720,149,700	29,122,341	9,328,517	78,162,820	810,000	-	117,423,678

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	Consolidated financial statements (Baht)					Separate Financial Statements (Baht)						
	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Advance payment for copyright of drama series	Total	Copyright of music	Production cost of drama series	Computer softwares and others	Production cost of music and drama series in progress	Advance payment for copyright of drama series	Total
As at 1 January 2019												
Cost	304,668,790	2,046,194,730	227,888,683	144,861,534	23,535,000	2,747,148,737	304,668,830	667,478,723	158,688,636	810,000	-	1,131,646,189
Less Accumulated amortisation	(82,763,674)	(1,491,143,474)	(92,521,922)	-	-	(1,066,429,070)	(82,763,674)	(491,907,850)	(80,523,816)	-	-	(855,197,340)
Allowance for impairment	(192,782,701)	(166,242,368)	(1,544,809)	-	-	(360,569,667)	(192,782,815)	(166,242,356)	-	-	-	(359,025,171)
Net book amount	29,122,325	388,808,888	133,821,953	144,861,534	23,535,000	720,149,700	29,122,341	9,328,517	78,162,820	810,000	-	117,423,678
For the year ended 31 December 2019												
Opening net book amount	29,122,325	388,808,888	133,821,953	144,861,534	23,535,000	720,149,700	29,122,341	9,328,517	78,162,820	810,000	-	117,423,678
Addition	1,575,000	180,891,415	4,210,052	182,916,356	-	369,592,823	1,575,000	13,892,500	4,210,053	2,709,100	-	22,386,653
Transferred in (out)	-	287,230,971	8,477,788	(272,173,758)	(23,535,000)	-	-	-	2,423,200	(2,423,200)	-	-
Disposal - cost	-	-	-	-	-	-	-	-	(19,775)	-	-	(19,775)
- accumulated amortisation	(500,400)	(130,961,623)	(742,715)	(821,052)	-	(133,025,790)	(500,400)	(45,532,500)	(742,715)	-	-	(10,405)
Write-off - cost	500,400	130,961,484	742,708	-	-	132,204,592	500,400	45,532,361	742,708	-	-	(46,775,615)
- accumulated amortisation	-	(358,498,806)	(19,537,135)	-	-	(378,035,941)	-	(9,088,878)	(11,545,243)	-	-	(46,775,469)
Amortisation charge (Note 25)	-	-	-	-	-	-	-	-	-	-	-	(20,634,121)
Impairment	(8,095,733)	-	-	-	-	(8,095,733)	(8,095,733)	-	-	-	-	(8,095,733)
Closing net book amount	22,601,592	498,432,329	126,972,651	54,783,079	-	702,789,651	22,601,608	14,132,000	73,241,453	1,095,900	-	111,070,961
As at 31 December 2019												
Cost	306,743,590	2,383,355,493	229,833,808	54,783,079	-	2,983,716,770	306,743,430	635,838,723	164,569,399	1,095,900	-	1,107,237,452
Less Accumulated amortisation	(82,263,274)	(1,719,680,795)	(111,316,349)	-	-	(1,913,260,419)	(82,263,274)	(455,464,367)	(91,317,946)	-	-	(829,045,567)
Allowance for impairment	(200,878,524)	(166,242,368)	(1,544,809)	-	-	(368,665,700)	(200,878,548)	(166,242,356)	-	-	-	(367,120,907)
Net book amount	22,601,592	498,432,329	126,972,651	54,783,079	-	702,789,651	22,601,608	14,132,000	73,241,453	1,095,900	-	111,070,961

As at 31 December 2019, 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 238,158,179 and Baht 139,289,929 (2018 : Baht 147,655,485 and Baht 127,394,435), respectively.

The amortization expense in the consolidated and company financial statement amount to Baht 378,035,941 and Baht 20,634,121 (2018 : Baht 340,490,042 and Baht 43,415,431) has been charged in cost of goods and services of Baht 359,198,731 and Baht 9,786,202 (2018 : Baht 325,270,474 and Baht 32,749,699) and in administrative expenses of Baht 18,837,210 and Baht 10,847,919 (2018 : Baht 15,219,568 and Baht 10,665,732).

15 Withholding tax (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Prepaid corporate income tax	11,492,366	-	-	-
Withholding tax	154,130,349	180,320,232	59,836,570	115,677,411
<u>Less</u> Allowance for doubtful in recoverable of withholding tax	(7,176)	(230,325)	-	-
	165,615,539	180,089,907	59,836,570	115,677,411

During the year, the Group receive withholding tax in the consolidated financial statements of Baht 56,590,674 and in separate financial statements of Baht 55,788,282 (2018 : receive withholding tax in consolidated financial statement Baht 31,802,191). The Group recorded allowance for doubtful in recoverable of withholding tax which was recognised in the consolidated financial statements of Baht 5,780 and write off withholding tax for the year 2012 to 2016 in the consolidated financial statements of Baht 500,107 and in separate financial statements of Baht 311,297. (2018 : The Group recorded allowance for doubtful in recoverable of withholding tax which was recognised in the consolidated financial statements of Baht 281,362 and write off withholding tax for the year 2007 to 2016 in the consolidated financial statements of Baht 927,856 and in separate financial statements of Baht 1,094, respectively). And reversed of allowance for doubtful in recoverable of withholding tax in the consolidate financial statement of Baht 228,929 (2018 : reversed of allowance for doubtful in recoverable of withholding tax in the consolidate financial statement of Baht 873,052).

16 Deferred tax (net)

The analysis of deferred tax assets and liabilities (net) as at 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	72,343,978	95,264,972	5,077,337	30,855,919
Deferred tax assets to be recovered after more than 12 months	130,606,481	137,867,262	89,699,863	89,422,844
	202,950,459	233,132,234	94,777,200	120,278,763
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(973,988)	(71,365)	(973,988)	(71,365)
Deferred tax liabilities to be settled after more than 12 months	(1,180,058)	(1,451,438)	(1,180,058)	(1,451,438)
	(2,154,046)	(1,522,803)	(2,154,046)	(1,522,803)
Deferred tax assets (net)	200,796,413	231,609,431	92,623,154	118,755,960

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The movement of deferred taxes for the years ended 31 December 2019 and 2018 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance for the year	231,609,431	273,923,902	118,755,960	119,457,000
The effect of change in accounting policy	(6,462,726)	-	(4,449,792)	-
Increase in the statement of income (Note 30)	(28,775,022)	(42,314,471)	(23,891,579)	(701,040)
Increase (decrease) to the statement of comprehensive income	4,424,730	-	2,208,585	-
Closing balance for the year	200,796,413	231,609,431	92,623,154	118,755,960

Deferred tax assets and deferred tax liabilities presented by considering net position of each taxable unit as at 31 December 2019 and 2018 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets (net)	200,796,413	231,609,431	92,623,154	118,755,960
Deferred tax liabilities (net)	-	-	-	-
	200,796,413	231,609,431	92,623,154	118,755,960

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	Consolidated financial statements				Separate Financial Statements			
	Retrospective adjustment from change in accounting policy	Increase (decrease) to the statement of income	Increase (decrease) to the statement of comprehensive income	1 January 2019	Retrospective adjustment from change in accounting policy	Increase (decrease) to the statement of income	Increase (decrease) to the statement of comprehensive income	31 December 2019
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Deferred tax assets:								
Allowance for doubtful accounts	15,438,763	(9,608,702)	-	5,830,061	-	(9,063,429)	-	5,043,231
Intangible assets	39,281,977	(1,752,586)	-	37,529,391	-	(57,397)	-	(272)
Temporary differences arising between the carrying amounts of inventories reported in the consolidated balance sheet and their tax base	277,312	2,455,921	-	2,733,233	-	-	-	-
Allowance for slow moving	5,510,417	1,199,397	-	6,709,814	-	-	-	162,784
License for operation right in spectrum of digital television	6,485,322	140,728,288	-	147,213,610	-	-	-	-
Employee benefit obligations	19,222,480	8,459,175	4,424,730	32,106,385	14,998,038	5,468,169	2,208,565	22,674,772
Cumulative tax loss carry forward	81,252,608	(38,420,455)	-	42,832,153	25,483,244	(25,483,244)	-	-
Allowance for impairment of investments	59,281,621	(387,429)	-	58,894,192	59,281,621	(387,430)	-	58,894,191
Depreciation expense from building and equipment	8,401,734	2,593,666	-	8,995,400	6,209,291	1,793,203	-	8,002,494
Total deferred tax assets	233,132,234	105,287,505	4,424,730	342,844,239	120,278,763	(27,710,128)	2,208,565	94,777,200
Deferred tax liabilities:								
Assets under finance lease agreement	(1,522,803)	90,979	-	(1,431,824)	(1,522,803)	90,979	-	(1,431,824)
Contract asset	-	5,740,504	-	(722,222)	-	3,727,570	-	(722,222)
Decrease wire the instalment of license	-	(139,893,780)	-	(139,893,780)	-	-	-	-
Total deferred tax liabilities	(1,522,803)	(6,462,726)	-	(142,047,826)	(1,522,803)	(4,449,792)	-	(2,154,046)
Deferred tax assets (net)	231,609,431	(6,462,726)	4,424,730	200,796,413	118,755,960	(4,449,792)	2,208,565	92,623,154

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	Consolidated financial statements				Separate Financial Statements			
	Retrospective adjustment from change in accounting policy	Increase (decrease) to the statement of income	Increase (decrease) to the statement of comprehensive income	1 January 2018	Retrospective adjustment from change in accounting policy	Increase (decrease) to the statement of income	Increase (decrease) to the statement of comprehensive income	31 December 2018
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Deferred tax assets:								
Allowance for doubtful accounts	18,360,907	(2,952,144)	-	14,270,803	-	(164,243)	-	14,106,660
Intangible assets	40,760,367	(1,478,390)	-	1,366,609	-	(1,309,484)	-	57,125
Temporary differences arising between the carrying amounts of inventories reported in the consolidated balance sheet and their tax base	-	277,312	-	-	-	-	-	-
Allowance for slow moving	3,265,596	2,244,821	-	162,784	-	-	-	162,784
License for operation right in spectrum of digital television	21,776,644	(15,291,322)	-	-	-	-	-	-
Employee benefit obligations	19,226,931	(4,451)	-	14,560,308	-	437,730	-	14,998,038
Cumulative tax loss carry forward	127,529,993	(46,277,385)	-	46,122,832	-	(20,639,688)	-	25,483,244
Allowance for impairment of investments	41,067,831	18,193,790	-	41,067,831	-	18,193,790	-	59,261,621
Depreciation expense from building and equipment	3,909,778	2,491,956	-	3,909,778	-	(2,299,513)	-	6,209,291
Total deferred tax assets	(275,928,047)	(42,795,813)	-	233,132,234	121,461,145	(1,182,362)	-	120,278,763
Deferred tax liabilities:								
Assets under finance lease agreement	(2,004,145)	481,342	-	(2,004,145)	-	481,342	-	(1,522,803)
Contract asset	-	-	-	-	-	-	-	-
Total deferred tax liabilities	(2,004,145)	481,342	-	(2,004,145)	-	481,342	-	(1,522,803)
Deferred tax assets (net)	273,923,902	(42,314,471)	-	231,609,431	119,457,000	(701,040)	-	116,755,960

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17 Other non-current assets (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Refundable deposits	507,700	553,000	507,700	553,000
Guarantees	12,587,897	18,372,613	10,767,199	18,161,915
	13,095,597	18,925,613	11,274,899	18,714,915
<u>Less</u> Allowance for impairment of guarantees	-	(4,085,877)	-	(4,085,877)
Other non-current asset (net)	13,095,597	14,839,736	11,274,899	14,629,038

18 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts payable					
- other companies		251,134,319	279,232,192	23,984,430	24,559,283
- related companies	32 c)	-	-	23,744,267	19,371,035
Other accounts payable					
- other companies		60,630,567	29,025,840	45,511,833	13,330,953
- related companies	32 c)	2,502,866	2,511,086	14,646,822	1,675,380
Contract liabilities		127,568,567	135,652,027	37,346,219	35,800,493
Unearned revenue					
- other companies		44,826,672	65,036,936	25,150,830	17,168,585
- related companies	32 c)	-	-	472,500	9,584,949
Accrued expenses					
- Accrued commission and promotion expenses					
- other companies		22,331,146	27,233,657	5,404,406	24,228,803
- related companies	32 c)	-	-	26,218,379	2,266,473
- Accrued project expenses					
- other companies		73,508,613	50,493,700	12,745,420	12,560,062
- related companies	32 c)	-	-	4,527,498	7,615,346
- Accrued interest expenses					
- other companies		241,590	777,138	28,493	454,302
- related companies	32 c)	-	-	270,429	976,289
- Other accrued expenses					
- other companies		68,397,831	143,240,861	22,023,330	86,654,049
- Dividend payable					
- other companies		24,525	-	-	-
		651,166,696	733,203,437	242,054,856	256,246,002

19 Liabilities under financial lease agreements (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Liabilities under financial lease agreements	9,697,513	18,692,908	9,697,513	18,692,908
<u>Less</u> Future finance charges on finance lease	(387,082)	(1,005,005)	(387,082)	(1,005,005)
	9,310,431	17,687,903	9,310,431	17,687,903
<u>Less</u> Current portion	(6,729,866)	(11,070,866)	(6,729,866)	(11,070,866)
	2,580,565	6,617,037	2,580,565	6,617,037

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As at 31 December 2019 and 2018, payments to be made for financial lease agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	7,019,521	11,708,728	7,019,521	11,708,728
More than 1 year but no longer than 5 years	2,677,992	6,984,180	2,677,992	6,984,180
	9,697,513	18,692,908	9,697,513	18,692,908

20 Short-term loans from financial institutions

Type of short-term loans	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Promissory notes	450,000,000	240,000,000	320,000,000	240,000,000

As at 31 December 2019, outstanding short-term loans from a financial institutions represents roll able-over promissory notes denominated in Thai Baht bear interest rate approximately of 2.50% - 2.70% per annum (2018 : 3.08% - 3.50% per annum). The outstanding principal and interest are due for payable during January to February 2020 (2018 : due for payable during February to March 2019).

The movement of short-term loans from financial institutions for the years ended 31 December 2019 and 2018 is as follows:

Promissory notes	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening net book amount	240,000,000	213,000,000	240,000,000	213,000,000
Additions	1,150,000,000	930,000,000	920,000,000	930,000,000
Repayments	(940,000,000)	(903,000,000)	(840,000,000)	(903,000,000)
Closing net book amount	450,000,000	240,000,000	320,000,000	240,000,000

21 Value added tax

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Undue output tax	(58,816,704)	(63,079,097)	(32,282,597)	(38,609,222)
Undue input tax	36,935,397	38,078,673	5,356,580	2,156,201
Value added tax receivable	3,127,206	910,318	47,736	-
Value added tax payable	(7,832,104)	(11,462,782)	(6,090,533)	(2,816,550)
	(26,386,205)	(35,552,888)	(32,968,814)	(39,269,571)

Value added tax present by net position of each taxable unit as at 31 December 2019 and 2018 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Value added tax (assets)	8,610,259	3,816,152	-	-
Value added tax (liabilities)	(34,996,464)	(39,389,040)	(32,968,814)	(39,269,571)
	(26,386,205)	(35,552,888)	(32,968,814)	(39,269,571)

22 Long-term loans from a financial institution

The movements of long-term loans from a financial institution for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Balance as at 1 January	396,085,000	666,085,000
Additions during the year	-	-
Repayments during the year	(80,000,000)	(270,000,000)
Balance as at 31 December	316,085,000	396,085,000

During the year 2018, the Group repaid a portion of long-term loan amount of Baht 230 million before the maturity date.

On 31 December 2019, the Group has credit facilities for long-term loans from a financial institution amounted to Baht 1.60 billion (2018 : 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 132 months starting from the loan drawn down date.

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

	Consolidated financial statements	
	2019 % per annum	2018 % per annum
Long-term loans from a financial institution	4.00	4.25

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

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Long-term loans from a financial institution	316,085,000	396,085,000	316,085,000	396,085,000
	316,085,000	396,085,000	316,085,000	396,085,000

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.00% per annum (2018 : 4.25% per annum) and are within level 2 of the fair value hierarchy.

As at 31 December 2019 and 2018, repayment periods of the long-term loans from a financial institution are summarised below:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Due within the years ending		
Between 1 year	80,000,000	80,000,000
Between 2 years and 5 years	236,085,000	316,085,000
	316,085,000	396,085,000

23 Employee benefit obligations

Employee benefit obligations as at 31 December 2019 and 2018 comprise the following

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statement of financial position Employee benefit obligation	163,964,704	99,545,179	105,976,538	78,422,968

The movement of employee benefit obligations during the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance	99,545,179	96,134,656	78,422,968	72,801,534
Effect from change in the Labour Protection Law	26,473,733	-	18,219,573	-
Current service cost	12,972,199	1,676,695	7,297,616	521,813
Interest cost	3,104,342	1,927,078	2,078,054	1,386,989
Gain from remeasurements of post employment benefit obligations	22,123,651	-	11,042,823	-
Transfer between the Group	-	-	(10,830,096)	3,712,632
Payment for retirement employee	(254,400)	(193,250)	(254,400)	-
Closing balance	163,964,704	99,545,179	105,976,538	78,422,968

Effect from change in the Labour Protection Law for the year ended 31 December 2019 comprise the following:

	Consolidated financial information	Separate financial information
	2019 Baht	2019 Baht
The effect is presented within		
Cost of services	6,427,097	2,954,226
Selling expenses	4,141,868	475,996
Administrative expenses	15,904,768	14,789,351
	26,473,733	18,219,573
	Consolidated and separate financial statements	
	2019	2018
Discount rate	1.36% - 2.50%	1.42% - 4.17%
Salary increase rate	7.00% - 7.50%	7.00% - 7.50%
Turnover rate	0.00% - 25.00%	0.00% - 30.00%
Mortality rate	1.00%	1.00%
Inflation rate	2.50%	2.50%

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Sensitivity analysis from each significant assumption are as follows:

	Change in assumption	Impact on defined benefit obligation increase (Decrease)			
		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Discount rate	Increase by 1%	(16,961,393)	(10,656,521)	(9,378,696)	(7,627,191)
Discount rate	Decrease by 1%	19,861,448	12,381,507	10,841,701	8,800,828
Salary growth rate	Increase by 1%	20,299,726	12,777,159	11,238,395	9,129,935
Salary growth rate	Decrease by 1%	(17,687,313)	(11,186,320)	(9,920,779)	(8,048,025)
Turnover rate	Increase by 20%	(20,753,855)	(12,879,515)	(10,663,656)	(8,838,771)
Turnover rate	Decrease by 20%	26,227,062	16,094,243	13,071,883	10,863,124
Mortality rate	Increase by 1%	560,534	321,933	300,550	212,746
Mortality rate	Decrease by 1%	(625,509)	(355,873)	(332,465)	(234,261)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions use the projected unit credit method.

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law was effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The Group recognised the impact in the consolidated and separate statement of comprehensive income for the year ended 31 December 2019.

24 Share capital

24.1 Ordinary shares and provision on share capital

	Consolidated and Separate financial statements		
	Ordinary shares Shares	Ordinary shares Baht	Share Premium Baht
Opening balance as at 1 January 2018	1,010,147,392	1,010,147,392	258,236,895
Issue of shares	1,800	1,800	20,700
Closing balance as at 31 December 2018	1,010,149,192	1,010,149,192	258,257,595
Issue of shares	5,619,310	5,619,310	64,429,859
Decrease in capital	(43,273,300)	(43,273,300)	(600,184)
Closing balance as at 31 December 2019	972,495,202	972,495,202	322,087,270

24.2 Increase in share capital of company

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

The Company's Annual General Shareholders' meeting on 9 April 2019 passed a resolution to increase authorised share capital amount of Baht 2,000,000 by issuing of 2,000,000 new ordinary shares at the par value of Baht 1 each in order to support the adjustment of exercise price and exercise ratio of warrants. The Company has registered to increase authorised share capital with the Ministry of Commerce on 25 April 2019.

On 30 April 2019, the warrants holder exercised their warrant of 5,602,622 units to purchase 5,618,306 ordinary shares of Baht 12.4658 per each in total amount of Baht 70,036,679. The Company has already received full amount of payment. The Company has registered to increase in share capital with the Ministry of Commerce on 10 May 2019.

On 31 October 2019, the warrants holder exercised their warrant of 1,000 units to purchase 1,004 ordinary shares of Baht 12.4419 per each in total amount of Baht 12,492. The Company has already received full amount of payment. The Company has registered to increase in share capital with the Ministry of Commerce on 7 November 2019.

24.3 Decrease in share capital of company

On 22 August 2019, the company registered the reduction of paid-up capital for unsold treasury shares within resale period, in the amount of 43,273,300 shares to the Department of Business Development, Ministry of Commerce. (Note 24.5)

24.4 Warrants

The exercise of warrants to purchase ordinary share of RS Public Company Limited, have movement for the years ended 31 December 2019 and 2018 as follows:

<u>Warrants No. (RS-W3)</u>	<u>Consolidated and separate financial statements Unit</u>
Warrants had not been exercised as at 1 January 2018	193,123,014
Warrants had been exercised	(1,800)
Outstanding as at 31 December 2018	193,121,214
Warrants had been exercised	(5,603,622)
Outstanding warrants as at 31 December 2019	187,517,592

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

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

On 15 February 2019, the Company's board of directors' meeting no.1/2019 approved to propose on Annual General Meeting of shareholders of 2019 to approve the payment of dividend, meaning the Company needed to adjust the exercise price and exercise ratio of warrants. On 27 February 2019, the Company announced the details of the adjusted exercise price from Baht 12.483 per 1 ordinary share to Baht 12.4658 per 1 ordinary share, and exercise ratio from 1 stock warrant per 1.0014 ordinary share to 1 stock warrant per 1.0028 ordinary share. The effective date of the exercise was 28 February 2019.

On 30 April 2019, the warrants holder exercised their warrant of 5,602,622 units to purchase 5,618,306 ordinary shares of Baht 12.4658 per each in amount of Baht 70,036,679. The Company has already received all amount of payment. The Company has registered to increase in share capital with the Ministry of Commerce on 10 May 2019.

On 31 October 2019, the warrants holder exercised their warrant of 1,000 units to purchase 1,004 ordinary shares of Baht 12.4419 per each in total amount of Baht 12,492. The Company has already received full amount of payment. The Company has registered to increase in share capital with the Ministry of Commerce on 7 November 2019.

24.5 Treasury shares/treasury shares reserve

The movement of treasury shares and premium on share capital for the years ended 31 December 2019 and 2018 are as follows:

	<u>Consolidated and Separate financial statements</u>		
	<u>Shares</u>	<u>Amount of treasury shares Baht</u>	<u>Premium on treasury shares Baht</u>
Opening balance as at 1 January 2018	43,273,300	465,274,840	(600,184)
Reissuance	-	-	-
Closing balance as at 31 December 2018	43,273,300	465,274,840	(600,184)
Decrease in share capital	(43,273,300)	(465,274,840)	600,184
Closing balance as at 31 December 2019	-	-	-

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

As at 13 August 2019, the meeting of the Board of Directors No. 4/2019 passed a resolution to decrease share capital for outstanding unsold treasury shares within resale period of 43,273,300 shares to the Department of Business Development, Ministry of Commerce. On 22 August 2019, the Company registered the reduction of paid-up capital for unsold treasury shares within resale period, in the amount of 43,273,300 shares to the Department of Business Development, Ministry of Commerce. (Note 24.3)

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On 18 December 2019, the Company's Board of Director No. 6/2019 passed a resolution to repurchase the Company's paid up capital detail as follows:

- The maximum amount for the share repurchases are not exceeding Baht 200 million.
- Number of repurchased shares will be not exceeding 15 million shares at par value of Baht 1 per share, which is equivalent to 1.54% of the total issued shares.
- Repurchasing of shares on the Stock Exchange of Thailand.
- The repurchase period will be within 6 months since 2 January 2020 to 1 July 2020.
- 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 exceeded 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 4 November 2019 to 17 December 2019 was Baht 13.67 per share.

25 Dividend payment

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

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

At the Company's Annual General Shareholders' meeting at 9 April 2019 passed a resolution approve the dividends from the operation results for the year 2018 at the rate of Baht 0.20 per share total Baht 193,374,458 which the Company paid the dividend on 25 April 2019.

At the Company's Board of Director meeting No.4/2019 at 13 August 2019 the director passed a resolution approve the interim dividends for the six-month period ended 30 June 2019 at the rate of Baht 0.20 per share total Baht 194,498,100 which the Company paid the interim dividend on 12 September 2019.

26 Other income

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Net gain (loss) from exchange rate	178,378	(211,816)	7,255	(483,486)
Gain (loss) from disposal building and equipment and intangible assets	-	(818,508)	329,429	(732,070)
Interest income	1,195,205	1,071,311	30,058,081	35,230,160
Dividend income (Note 10)	-	-	45,419,938	268,171,848
Rental income	-	167,700	3,044,391	2,379,250
Management fee (Note 32 a))	-	-	372,712,370	344,624,130
Pirate of copyright income	292,168	432,682	-	-
Other income	9,054,145	33,108,258	11,973,566	31,018,750
	10,719,894	33,749,627	463,545,028	680,208,582

27 Other expenses

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Loss from disposal building and equipment and intangible assets	(8,377)	-	-	-
Loss from write off plant and equipment and intangible assets	(821,198)	(2)	(146)	(2)
Reverse (loss from) impairment of assets	231,250	74,488	231,250	74,488
Reverse on impairment of investment in subsidiary	1,413	2,138	-	-
Loss from liquidation in subsidiaries	-	-	-	(10,452,343)
Compensation	(5,063,551)	(3,250,486)	(5,010,877)	(600,000)
	(5,660,463)	(3,173,862)	(4,779,773)	(10,977,857)

28 Expense by nature

The following significant expenditure items, classified by nature for the years ended 31 December 2019 and 2018, have been charged in the profit before finance costs and income tax:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Change in inventories of finished goods and work in process	12,679,546	11,826,636	(989,597)	(9,310,161)
Raw material and consumables used	1,359,989,933	1,535,861,300	344,999,984	371,728,436
Staff costs	722,559,402	760,927,998	318,029,104	426,764,508
Depreciation charge (Note 12)	101,174,868	115,623,100	84,401,507	103,636,110
Amortisation charge (Note 13 and 14)	467,409,240	475,836,608	20,634,118	43,415,431
Rental expenses and utilities expenses	134,270,410	120,825,361	94,875,000	89,697,220
Promotion and advertising expenses	221,194,184	140,056,272	39,130,845	55,380,912
Loss from impairment of assets	7,864,005	10,950,364	7,865,417	10,952,503
Loss from inventory destruction and obsolescence of inventories	5,996,985	16,624,103	-	-
Freight	92,684,174	111,838,802	-	-

29 Finance costs

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest expense from short-term borrowings from financial institutions	(21,391,785)	(30,216,105)	(4,079,739)	(5,568,167)
Interest expense from short-term borrowings from related companies (Note 32 a))	-	-	(3,152,402)	(4,472,289)
Interest expense for liability under finance lease agreements	(752,311)	(1,190,817)	(752,311)	(1,190,817)
Interest expense from license for operation right in section of digital television	(12,487,563)	(36,932,673)	-	-
	(34,631,659)	(68,339,595)	(7,984,452)	(11,231,273)

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30 Income tax

Reconciliation of income tax expense for the years ended 31 December 2019 and 2018 comprises:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current income tax on taxable profit for the year	(68,318,821)	(66,249,022)	(57,728,608)	-
Over recorded prior year income tax	-	1,080,000	-	-
Under recorded prior year income tax	(80,895)	(12,668)	-	-
Write - off allowance for doubtful in recoverable of withholding tax	(500,107)	(927,856)	(311,297)	(1,094)
Reversal of allowance for doubtful in recoverable of withholding tax	223,149	591,690	-	-
Origination of temporary differences (Note 16)	(28,775,022)	(42,314,471)	(23,891,579)	(701,040)
Total income tax credit (expense)	(97,451,696)	(107,832,327)	(81,931,484)	(702,134)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit before tax accounting base	461,846,487	623,870,008	447,150,408	365,767,750
Tax calculated at the rate of 20%	(92,369,297)	(124,774,002)	(89,430,082)	(73,153,550)
Tax effect of:				
Non-deductible expenses	(5,769,141)	(7,611,954)	(2,410,159)	(3,156,261)
Additional deductible expenses	2,284,577	3,695,690	2,093,130	2,555,107
Temporary deferred of previously unrecognised deferred tax	46,729	(1,150,396)	(434,797)	(995,625)
Allowance for impairment in associate company and subsidiaries	283	20,415,347	-	20,414,919
Tax exemption - dividend received	-	-	9,083,988	53,634,370
Decrease of share capital in subsidiary	(522,267)	-	(522,267)	-
Temporary differences arising between the carrying amounts of inventories reported in accounting base and their tax base	(764,727)	861,822	-	-
Write - off allowance for doubtful in recoverable of withholding tax	(500,107)	(927,856)	(311,297)	(1,094)
Reversal of allowance for doubtful in recoverable of withholding tax	223,149	591,690	-	-
Over recorded prior year income tax	-	1,080,000	-	-
Under recorded prior year income tax	(80,895)	(12,668)	-	-
Tax charge	(97,451,696)	(107,832,327)	(81,931,484)	(702,134)

31 Earnings (loss) per share

31.1 Basic earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019	2018	2019	2018
Profit (loss) attributable to ordinary shareholders (Baht)	363,343,967	516,039,530	365,218,924	365,065,616
Weighted average number of Ordinary shares in issue during the year (shares)	970,508,702	966,875,251	970,508,702	966,875,251
Basic earnings (loss) per share (Baht)	0.3744	0.5337	0.3763	0.3776

31.2 Diluted earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019	2018	2019	2018
Net profit (loss) attributable to ordinary shareholders (Baht)	363,343,967	516,039,530	365,218,924	365,065,616
Weighted average number of common shares (basic) (shares)	970,508,702	966,875,251	970,508,702	966,875,251
Adjustment for:				
Assume conversion of warrants	43,507,317	81,049,943	43,507,317	81,049,943
Weighted average number of common shares for calculation of diluted earnings per share (shares)	1,014,016,019	1,047,925,194	1,014,016,019	1,047,925,194
Diluted earnings (loss) per shares (Baht)	0.3583	0.4924	0.3602	0.3484

32 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 10 and 11.

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

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

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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 2019 and 2018:

	Separate Financial Statements						
	For the year ended 31 December 2019 (Baht)						
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from other service income	Revenue from management service	Interest income	Other income
Subsidiaries							
R.S. Television Co., Ltd.	17,614,632	10,743,405	-	-	176,968,370	29,568,467	1,874,018
Lifestar Co., Ltd.	107,667,930	238,667	27,670,300	-	189,996,000	-	10,617,721
Coolism Co., Ltd.	776,720	-	-	-	-	-	-
Thai Copyright Collection Co., Ltd.	-	30,992,275	-	-	4,788,000	-	1,656,348
RS Mail Co., Ltd. (Formerly : Buntoeng Variety Co., Ltd.)	5,984,000	-	-	-	960,000	-	-
R.S. Sportmaster Co., Ltd.*	-	-	-	-	-	61,886	-
Total	132,043,282	41,974,347	27,670,300	-	372,712,370	29,630,353	14,148,087
	Separate Financial Statements						
	For the year ended 31 December 2018 (Baht)						
	Revenue from media	Revenue from music	Revenue from showbiz	Revenue from other service income	Revenue from management service	Interest income	Other income
Subsidiaries							
R.S. Television Co., Ltd.	20,580,002	4,722,200	-	-	206,755,830	34,893,753	85,184
Lifestar Co., Ltd.	106,084,167	246,900	-	7,429,800	129,013,164	-	8,966,775
Coolism Co., Ltd.	12,337,534	-	-	-	-	-	-
Thai Copyright Collection Co., Ltd.	-	33,465,430	-	-	4,222,920	-	1,628,321
RS Mail Co., Ltd. (Formerly : Buntoeng Variety Co., Ltd.)	15,200,000	-	-	-	4,632,216	6,904	-
R.S. Sportmaster Co., Ltd.*	-	-	-	-	-	93,600	-
Total	154,201,703	38,434,530	-	7,429,800	344,624,130	34,994,257	10,680,280

* Dissolute

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	Consolidated Financial Statements			
	For the year ended 31 December 2019 (Baht)	Selling and administrative expenses	Cost of sales and service	For the year ended 31 December 2018 (Baht) Selling and administrative expenses
Chetchotsak Co., Ltd.	21,509,710	69,153,277	20,564,486	60,311,728
Membership Co., Ltd.	10,317,440	3,306,000	10,107,880	3,306,000
Chetchot Co., Ltd.	-	54,492	-	45,535
Group of person Chetchotsak	-	-	-	110,000
Total	31,827,150	72,513,769	30,672,366	63,773,263
	Separate Financial Statements			
For the year ended 31 December 2019 (Baht)	Selling and administrative expenses	Cost of sales and service	For the year ended 31 December 2018 (Baht) Selling and administrative expenses	Finance cost - interest expense
Chetchotsak Co., Ltd.	60,565,815	20,415,986	51,446,476	-
Membership Co., Ltd.	3,306,000	-	3,306,000	-
Chetchot Co., Ltd.	54,492	-	45,535	-
Group of person Chetchotsak	-	-	110,000	-
Total	63,926,307	20,415,986	54,908,011	-
	Separate Financial Statements			
For the year ended 31 December 2019 (Baht)	Selling and administrative expenses	Cost of sales and service	For the year ended 31 December 2018 (Baht) Selling and administrative expenses	Finance cost - interest expense
R.S. Television Co., Ltd.	24,504,635	40,090,560	471,450	-
Lifestar Co., Ltd.	-	413,235	176,907	3,469,733
Coolism Co., Ltd.	108,900	374,786	2,908,477	512,464
Thai Copyright Collection Co., Ltd.	-	-	-	283,451
RS International Broadcasting and Sports Management Co., Ltd.	-	-	-	147,244
RS Mall Co., Ltd. (Formerly : Buntoeng Variety Co., Ltd.)	-	-	-	1,942
Goodlife Group Co., Ltd.	-	-	-	66,164
R.S. Sportmaster Co.,Ltd.*	1,101,580	-	-	-
Total	25,715,115	40,878,581	3,556,834	4,480,998

* Dissolute

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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b) Outstanding balance arising from trade and other accounts receivable as at 31 December 2019 and 2018 are as follows:

	Consolidation Financial Statements									
	As at 31 December 2019 (Baht)			As at 31 December 2018 (Baht)						
	Trade accounts receivable	Accrued income	Accrued interest income	Allowance for doubtful accounts - accrued interest income	Advance payments	Trade accounts receivable	Accrued interest income	Accrued interest income	Allowance for doubtful accounts - accrued interest income	Advance payments
Subsidiaries										
S-One Sport Co., Ltd. **	-	-	2,489,884	(2,489,884)	-	-	-	2,489,884	(2,489,884)	-
Total	-	-	2,489,884	(2,489,884)	-	-	-	2,489,884	(2,489,884)	-
	Separate Financial Statements									
	As at 31 December 2019 (Baht)			As at 31 December 2018 (Baht)						
	Trade accounts receivable	Accrued income	Accrued interest income	Allowance for doubtful accounts - accrued interest income	Advance payments	Trade accounts receivable	Accrued interest income	Accrued interest income	Allowance for doubtful accounts - accrued interest income	Advance payments
Subsidiaries										
R.S. Television Co., Ltd.	304,884,155	1,061,172	4,467,163	-	-	379,270,126	4,642,970	5,969,446	-	-
Lifeslar Co., Ltd.	34,618,502	-	-	-	-	38,732,441	-	-	-	-
Cooliam Co., Ltd.	-	-	-	-	-	2,606,580	-	-	-	-
Thai Copyright Collection Co., Ltd.	3,902,370	-	-	-	-	1,067,315	-	-	-	-
RS Mail Co., Ltd. (Formerly: Bunnong Variety Co., Ltd.)	-	-	-	-	-	9,488,818	-	-	-	-
R.S. Sportmaster Co., Ltd.*	-	-	-	-	-	-	-	1,801,222	(1,038,359)	302,904
S-One Sport Co., Ltd.	-	-	2,489,884	(2,489,884)	-	-	-	2,489,884	(2,489,884)	-
Total	343,405,027	1,061,172	6,957,047	(2,489,884)	-	431,165,260	4,642,970	10,260,552	(3,528,243)	302,904

* Dissolute

** Under the bankruptcy process and the absolute receivership.

RS Public Company Limited
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c) Outstanding balance of trade and others accounts payable as at 31 December 2019 and 2018 are as follows:

	Consolidated financial statements							
	As at 31 December 2019 (Baht)				As at 31 December 2018 (Baht)			
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense
Chetchotsak Co., Ltd.	-	1,942,748	-	-	-	2,073,397	-	-
Membership Co., Ltd.	-	555,753	-	-	-	429,049	-	-
Chetchot Co., Ltd.	-	4,365	-	-	-	8,640	-	-
Total	-	2,502,866	-	-	-	2,511,086	-	-

	Separate financial statements							
	As at 31 December 2019 (Baht)				As at 31 December 2018 (Baht)			
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense
Chetchotsak Co., Ltd.	-	1,545,077	-	-	-	1,606,820	-	-
Membership Co., Ltd.	-	59,921	-	-	-	59,920	-	-
Chetchot Co., Ltd.	-	4,365	-	-	-	8,640	-	-
Total	-	1,610,263	-	-	-	1,675,380	-	-

RS Public Company Limited
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	Separate financial statements											
	As at 31 December 2019 (Baht)					As at 31 December 2018 (Baht)						
	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Agent and accrued promotion expense	Accrued expenses	Trade accounts payable	Other accounts payable	Unearned revenue	Accrued interest expense	Agent and accrued promotion expense	Accrued expenses
Subsidiaries												
R.S. Television Co., Ltd.	23,719,267	12,550,561	-	-	26,218,379	4,527,498	19,213,825	-	-	-	2,266,473	7,615,346
Lifestar Co., Ltd.	-	477,998	472,500	160,065	-	-	141,160	-	107,500	755,647	-	-
Coolism Co., Ltd.	-	-	-	-	-	-	-	-	120,000	92,356	-	-
Thai Copyright Collection Co., Ltd.	25,000	-	-	64,112	-	-	16,050	-	9,357,449	84,467	-	-
RS Mail Co., Ltd. (Formerly: Bunteng Variety Co., Ltd.)	-	-	-	9,192	-	-	-	-	-	-	-	-
Goodlife Group Co., Ltd.	-	-	-	11,490	-	-	-	-	-	13,579	-	-
RS International Broadcasting and Sports Management Co., Ltd.	-	-	-	25,570	-	-	-	-	-	30,216	-	-
Total	23,744,267	13,036,559	472,500	270,429	26,218,279	4,527,498	19,371,035	-	9,584,949	976,269	2,266,473	7,615,346
Grand total	23,744,267	14,646,822	472,500	270,429	26,218,379	4,527,498	19,371,035	1,675,380	9,584,949	976,269	2,266,473	7,615,346

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

	Consolidate financial statements														
	Short-term loans					Allowance for impairment of short-term loans					Short-term loans (net)				
	Opening balance	Increase during the year	Decrease during the year	Write off during the year	Ending balance	Opening balance	Increase during the year	Decrease during the year	Write off during the year	Ending balance	Opening balance	Increase during the year	Decrease during the year	Write off during the year	Ending balance
Subsidiary S-one Sport Co., Ltd.**	20,355,000	-	-	-	20,355,000	(20,355,000)	-	-	-	(20,355,000)	-	-	-	-	-

	Separate financial information														
	Short-term loans					Allowance for impairment of short-term loans					Net short-term loans				
	Opening balance	Increase during the period	Decrease during the period	Write off during the period	Ending balance	Opening balance	Increase during the period	Decrease during the period	Write off during the period	Ending balance	Opening balance	Increase during the period	Decrease during the period	Write off during the period	Ending balance
Subsidiaries	2,340,000	-	-	(2,340,000)	-	(2,340,000)	-	-	-	-	-	-	-	-	-
R.S. Sportmaster Co., Ltd.*	881,700,000	335,000,000	(210,000,000)	-	1,006,700,000	-	-	-	-	881,700,000	335,000,000	(210,000,000)	-	-	1,006,700,000
S-one Sport Co., Ltd.**	20,355,000	-	-	-	20,355,000	(20,355,000)	-	-	-	(20,355,000)	-	-	-	-	-
	604,395,000	335,000,000	(121,000,000)	(2,340,000)	1,027,055,000	(22,695,000)	-	-	-	2,340,000	335,000,000	(210,000,000)	-	-	1,066,700,000

* Disclose

** Under the bankruptcy process and the absolute receivership

RS Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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	Consolidate financial statements									
	For the year ended 31 December 2018 (Baht)									
	Short-term loans					Allowance for impairment of short-term loans				
Opening balance	Increase during the year	Received during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year
20,355,000	-	-	20,355,000	(20,355,000)	-	-	(20,355,000)	-	-	-
Subsidiary										
S-one sport Co., Ltd. **										
Separate financial statements										
For the year ended 31 December 2018 (Baht)										
Short-term loans					Allowance for impairment of short-term loans					
Opening balance	Increase during the year	Received during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year	Closing balance	Opening balance	Increase during the year	Decrease during the year
2,340,000	-	-	2,340,000	(2,340,000)	-	-	(2,340,000)	-	-	-
841,700,000	550,000,000	(510,000,000)	881,700,000	-	-	-	-	841,700,000	550,000,000	(510,000,000)
-	3,500,000	(3,500,000)	-	-	-	-	-	-	3,500,000	(3,500,000)
20,355,000	-	-	20,355,000	(20,355,000)	-	-	(20,355,000)	-	-	-
864,385,000	553,500,000	(513,500,000)	904,385,000	(22,695,000)	-	-	(20,695,000)	841,700,000	553,500,000	(513,500,000)
Total										
* Dissolute										
** Under the bankruptcy process and the absolute receivership										

As at 31 December 2019, the outstanding balance of short-term loan for related parties are unsecured loan in Thai Baht currency Interest rate is 2.65% per annum (2018 : 4.00% per annum).

RS Public Company Limited
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e) Short-term loans from related companies

	Separate financial statements							
	For the year ended 31 December 2019 (Baht)			For the year ended 31 December 2018 (Baht)				
	Short-term loans			Short-term loans				
	Opening balance	Increase during the year	Payments during the year	Closing balance	Opening balance	Increase during the year	Payments during the year	Closing balance
Subsidiaries								
Coolism Co., Ltd.	27,000,000	-	(27,000,000)	-	-	75,000,000	(48,000,000)	27,000,000
RS International Broadcasting and Sports Management Co., Ltd.	11,127,125	11,127,125	(11,127,125)	11,127,125	11,127,125	-	-	11,127,125
Goodlife Group Co., Ltd.	5,000,000	5,000,000	(5,000,000)	5,000,000	5,000,000	-	-	5,000,000
RS Mall Co., Ltd. (Formerly : Buntong Variety Co., Ltd.)	-	4,000,000	-	4,000,000	700,000	-	(700,000)	-
Lifestar Co., Ltd.	143,000,000	100,000,000	(194,000,000)	49,000,000	105,000,000	278,000,000	(240,000,000)	143,000,000
Thai Copyright Co., Ltd.	21,900,000	33,900,000	(27,900,000)	27,900,000	-	32,500,000	(10,600,000)	21,900,000
Total	208,027,125	154,027,125	(265,027,125)	97,027,125	121,827,125	385,500,000	(299,300,000)	208,027,125

As at 31 December 2019, the outstanding balance of short-term loan for related parties are unsecured loan in Thai Baht currency interest rate is 1.375% per annum (2018 : 1.625% per annum).

RS Public Company Limited
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f) Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salaries and other short-term employee benefits	114,250,288	128,444,302	89,872,987	106,516,402
Post-employment benefits	5,945,251	4,937,407	5,244,997	4,191,957
	120,195,539	133,381,709	95,117,984	110,708,359

33 Segment information

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

	Consolidated financial statements							
	For the year ended 31 December 2019							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues								
external	2,012,441,108	1,089,232,219	289,379,034	240,089,410	-	3,611,140,762	-	3,611,140,762
internal	28,182,188	671,891,891	41,974,347	-	-	742,038,136	(742,038,136)	-
Total revenues	2,040,623,296	1,741,113,811	331,353,381	240,089,410	-	4,353,178,898	(742,038,136)	3,611,140,762
Cost of sales and services	700,816,599	1,275,349,523	103,731,907	132,824,800	-	2,212,824,629	(192,862,417)	2,019,962,212
Gross profit	1,339,806,697	465,764,288	227,621,474	107,264,610	-	2,140,354,269	(549,175,719)	1,591,178,550
Timing of revenue recognition:								
Point in time	2,040,623,296	108,906,897	324,631,813	63,278,505	-	2,535,440,311	(106,776,671)	2,428,663,640
Over time	-	1,634,207,114	6,720,569	176,810,605	-	1,817,738,687	(635,261,465)	1,182,477,222
Total revenue	2,040,623,296	1,741,113,811	331,353,381	240,089,410	-	4,353,178,898	(742,038,136)	3,611,140,762

	Consolidated financial statements							
	As at 31 December 2019							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Fixed assets	63,577,901	185,022,455	317,038	118,671	254,749,384	503,783,449	-	503,738,449
Intangible assets	56,792,769	1,219,780,038	22,828,110	-	74,337,351	1,373,538,268	-	1,373,538,268

	Consolidated financial statements							
	For the year ended 31 December 2018							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Revenues								
external	2,126,820,996	1,344,661,865	236,947,131	119,331,329	-	3,826,661,091	-	3,826,661,091
internal	7,561,725	651,731,056	38,434,530	1,040,550	-	698,767,861	(698,767,861)	-
Total revenues	2,134,382,991	1,996,412,721	275,281,661	119,371,879	-	4,525,448,952	(698,767,861)	3,826,661,091
Cost of sales and services	717,607,797	1,508,379,963	110,337,837	71,733,102	-	2,406,055,699	(209,778,656)	2,205,277,043
Gross profit	1,416,774,894	490,032,758	164,943,824	47,638,777	-	2,119,393,253	(497,989,205)	1,621,404,048

	Consolidated financial statements							
	As at 31 December 2018							
	Multi-platform Commerce Baht	Media business Baht	Music business Baht	Showbiz business Baht	Other services Baht	Total Baht	Eliminated Baht	Total Baht
Fixed assets	37,738,719	196,430,357	628,684	267,394	96,270,144	331,535,298	-	331,535,298
Intangible assets	55,561,875	1,952,150,231	29,174,058	-	78,972,818	2,115,867,962	-	2,115,867,962

RS Public Company Limited
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34 Credit facilities

As at 31 December 2019 and 2018, undrawn borrowing facilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Various credit facilities - Unused	2,247	2,457	587	867

35 Commitments, contingent liabilities and significant agreements

35.1 Commitments

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Capital Commitments				
Purchase assets	118,661,621	10,957,460	37,691,683	10,229,560
Operating lease Commitments				
Within 1 year	9,738,856	17,594,562	2,530,621	14,171,196
Later than 1 year but not later than 3 years	17,802,000	-	-	-
Later than 3 years	2,952,000	-	-	-
Total	30,492,856	17,594,562	2,530,621	14,171,196

35.2 Significant agreements with related parties and other entities

- The Company and subsidiary have entered 8 agreements whereby those companies are to provide satellite transmission services during 20 December 2019 to 10 September 2021. 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 agreement to buy airtime of Radio Broadcast Station with the government agency for the period of 2 years starting from 1 January 2020 to 31 December 2021 as stipulated in the agreements.
- The National Broadcasting and Telecommunications Commission (NBTC) granted licenses to the Company and a subsidiary 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.

35.3 Contingent liabilities

As at 31 December 2019 and 2018, the Group had contingent liabilities with the local banks as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Guarantee to the Company, its subsidiary and other companies	47.16	46.59	5.81	5.48

36 Significant claims and legal litigations

36.1 As at 31 December 2019 and 2018, 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 32.27 million and Baht 41.96 million, respectively. Then, the management has not recorded related provision. This issue is still being adjudicated.

36.2 Sponsor fee for broadcasting FIFA world cup.

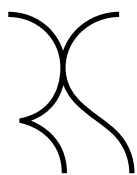
In June 2014 the subsidiary company and National Broadcasting and Telecommunications Commission (NBTC) have agreed to whereby the subsidiary company shall broadcast all matches of FIFA World Cup 2014 to Free TV and NBTC shall sponsor to the subsidiary company.

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.

37 Subsequent events

37.1 On 6 January 2020, the Company has purchased treasury shares 1,400,000 shares at Baht 11.70 to Baht 11.90 per share totalling Baht 16,525,000.

37.2 At the Company's Board of Director meeting No.2/2020 at 20 February 2020 approved to propose on Annual General Meeting of shareholders of 2020 to approve to pay dividend from the operation results for the year 2019 at the rate of Baht 0.10 per share which will be paid to shareholders within April 2020.



RSGROUP