



Enclosure No. 2

**Financial Statements in Brief and  
Management Discussion and Analysis of  
Form 56-1 One Report  
for the year 2020**

# Disclaimer

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The Financial Statements in brief and Management Discussion and Analysis of Form 56-1 One Report for the year 2020 was prepared for the convenience of shareholders, to facilitate the study of basic financial data only. This is comprised of portions of the Financial Statements (Independent Auditor's Report, Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows). The Management Discussion and Analysis, based on the operating results of the Company for the year ending December 31, 2020, include key factors and influences that may affect the performance and financial position of the Company in the future. On the whole, the contents of this document are based on events that have occurred in the past concerning the Company; however, there may be some forward-looking information in regards to plans for operations in the future, in accordance with assumptions made by the management team under the current circumstances. Such information is subject to change or may deviate from the actual results in the future. As such, the information in this document has not been prepared for the purpose of encouraging the purchase or sale of the shares of RS Public Company Limited in any way.

The full version of the Financial Statements, Management Discussion and Analysis for the year 2020 can be accessed at [www.rs.co.th/investor.html](http://www.rs.co.th/investor.html) or in the form of QR code of Form 56-1 One Report, which is included here.

# Financial Statements in Brief

## **Independent Auditor's Report**

To the shareholders of RS Public Company Limited

### **My opinion**

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of RS Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial position of the Company as at 31 December 2020, 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 (TFRS).

### **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 2020;
- 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 significant accounting policies and other explanatory information.

### **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 the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate 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 judgement, 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, and I do not provide a separate opinion on these matters.

Key audit matters	Audit procedure
<p><b>Amortised production costs for the television drama series</b></p> <p>Refer to Note 5.9 a) on 'Television drama series production costs' and 20 on 'Net intangible assets' of the consolidated and separate financial statements.</p> <p>As at 31 December 2020, the Group had a production cost balance of Baht 597 million for a television drama series and movies that are an intangible asset. This represents 13.22% of total assets in the consolidated financial statements. The production costs were carried over at cost with a deduction for accumulated amortisation. It was amortised based on the expected pattern of consumption of the future economic benefit embodied in the asset.</p> <p>Management divided the production costs into two components. The first component was amortised based on the number of episodes forecasted to be on-aired according to the channel's on-air schedule. The remaining component was amortised using the straight-line method based on the expected ageing of the drama series and the drama rights that will be sold after television broadcasting.</p> <p>I focused on the amortisation method for the production costs using the number of episodes forecasted to be on-aired, and the straight-line method based on the expected ageing of the drama series and the drama rights that will be sold after television broadcasting, as this was done using management's judgement.</p>	<p>I gained an understanding of, and tested the amortisation method used by performing these procedures:</p> <ul style="list-style-type: none"><li>• Assessed the appropriateness of management's judgement on dividing the drama production costs. The drama production costs are divided based on revenue-generating uses of episodes from each drama, and uses that generate revenue from the sale of drama rights.</li><li>• Assessed the appropriateness of management's forecasts for the number of episodes to be aired for each drama series by comparing them to the channel's on-air schedule.</li><li>• Evaluated the accuracy of the channel's on-air schedule that was used in the amortisation calculation by comparing with the actual number of aired episodes for each drama series.</li><li>• Assessed the appropriateness of management's estimate aging of drama series for usage that make the revenue generated from the sale of drama rights.</li><li>• Tested the arithmetical accuracy of the calculation for the amortised production costs.</li></ul> <p>I determined that the assumptions and information management used to estimate the amortisation costs for the television drama series were reasonable based on the available evidence obtained from the procedures that were performed.</p>

Key audit matters	Audit procedure
<p><b>Valuation of inventories</b></p> <p>Refer to Note 9 d) Inventory provision and 13 'Inventories (net)' of the consolidated and separate financial statements</p> <p>As at 31 December 2020, the Group has inventories (net) balance Baht 228.73 million, after net the allowance for obsolete and slow-moving inventories was Baht 8.30 million. Inventories, (net), represent 5.06% of total assets in the consolidated financial statements.</p> <p>Management prioritised the allowance assessment for obsolete and slow-moving. Management estimated the allowance amount for obsolete and slow-moving inventories by using a percentage of each product's life expectancy - this was estimated based on management's experience and historical data on the movement of goods, including products' past deterioration and shelf life.</p> <p>I focussed on the allowance assessment for obsolete and slow-moving inventories because inventories have a material impact on total assets and were based on management's judgement and experience. The appropriateness of the inventory balance is based on the reliability of information used to assess the allowance for obsolete and slow-moving inventories, which is subject to management's judgement.</p>	<p>I gained an understanding of, and tested the estimate of allowance for obsolete and slow-moving inventories by performing these procedures:</p> <ul style="list-style-type: none"> <li>• Evaluated management's assumptions that were used to estimate the allowance for obsolete and slow-moving inventories and determined that the accounting policies were consistent with those applied in previous years.</li> <li>• Assessed and challenged the reasonableness of management's assumptions when estimating the allowance for obsolete and slow-moving inventories by considering historical data, the ageing of inventory and the inventory turnover ratio analysis.</li> <li>• Tested the reliability of the inventory ageing report by tracing the last movement date of inventories using supporting documents.</li> <li>• Tested the mathematical accuracy of the allowance for obsolete and slow-moving inventories based on management's assumptions, and compared the results with management's estimation.</li> </ul> <p>I determined that the assumptions and information management used to estimate the allowance for obsolete and slow-moving inventories were reasonable based on the available evidence obtained from the work performed.</p>

**Emphasis of matter**

I draw attention to note 4.1, 5.6(d), 5.6(e), 5.15 to the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter.

## 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 TFRS, 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's and the 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 the 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's and the 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 judgement 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's and the 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's and the 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 the 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.

**Sa-nga Chokenitisawat**  
Certified Public Accountant (Thailand) No. 11251  
Bangkok  
24 February 2021

**RS Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	200,100,593	328,409,093	42,996,478	104,285,400
Trade and others accounts receivable (net)	11	711,408,947	516,373,744	548,961,895	561,632,556
Short-term loans to related companies (net)	37 d)	-	-	1,034,700,000	1,006,700,000
Inventories (net)	13	228,725,881	258,795,418	115,780	4,147,152
Value added tax	26	24,610,076	8,610,259	-	-
Other current assets (net)	14	8,684,428	4,593,844	677,049	1,817,844
<b>Total current assets</b>		<b>1,173,529,925</b>	<b>1,116,782,358</b>	<b>1,627,451,202</b>	<b>1,678,582,952</b>
<b>Non-current assets</b>					
Contract assets - non-current	11	10,000,000	28,460,824	10,000,000	28,460,824
Investments in subsidiaries (net)	15	-	-	532,485,044	532,444,152
Investments in an associated company (net)	16	3,992,546	3,992,546	-	-
Plant and equipment (net)	17	641,880,556	503,783,449	487,484,726	409,046,698
Right of use assets (net)	18	471,486,947	-	237,829,068	-
License for operation right in spectrum of digital television (net)	19	598,720,594	670,748,615	-	-
Intangible assets (net)	20	1,314,037,630	702,789,651	110,316,228	111,070,961
Prepaid expense - non-current		-	696,666	-	-
Withholding tax (net)	21	156,404,476	165,615,539	25,522,031	59,836,570
Deferred tax assets (net)	22	123,568,442	200,796,413	85,872,673	92,623,154
Other non-current assets (net)		22,868,498	13,095,597	9,796,516	11,274,899
<b>Total non-current assets</b>		<b>3,342,959,689</b>	<b>2,289,979,300</b>	<b>1,499,306,286</b>	<b>1,244,757,258</b>
<b>Total assets</b>		<b>4,516,489,614</b>	<b>3,406,761,658</b>	<b>3,126,757,488</b>	<b>2,923,340,210</b>

**RS Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other accounts payable	23	1,016,085,502	651,166,696	114,177,323	242,054,856
Retention payable		23,429,564	-	10,702,736	-
Current portion of lease liability agreement (net)	24	83,311,020	-	42,197,064	-
Current portion of liability under finance lease agreements (net)	24	-	6,729,866	-	6,729,866
Short-term loans from financial institutions	25	540,000,000	450,000,000	350,000,000	320,000,000
Short-term loans from related companies	37 e)	-	-	255,327,125	97,027,125
Current portion of long-term loans from financial institutions	27	80,000,000	80,000,000	-	-
Value added tax	26	36,883,597	34,996,464	33,307,694	32,968,814
Accrued income tax		21,563,289	30,660,198	13,009,535	26,712,960
Withholding tax payable		11,545,413	12,095,248	2,800,596	3,831,171
Other current liabilities		977,571	-	977,571	-
<b>Total current liabilities</b>		<b>1,813,795,956</b>	<b>1,265,648,472</b>	<b>822,499,644</b>	<b>729,324,792</b>
<b>Non-current liabilities</b>					
Lease liability agreement (net)	24	366,745,952	-	185,698,983	-
Liabilities under finance lease agreements (net)	24	-	2,580,565	-	2,580,565
Long-term loans from financial institutions	27	156,085,000	236,085,000	-	-
Deferred tax liabilities (net)	22	9,897	-	-	-
Employee benefit obligations	28	170,653,648	163,964,704	100,858,435	105,976,538
Provision for decommissioning costs		5,088,170	-	2,296,877	-
Retention payable - non current		-	11,423,096	-	6,398,098
Other non-current liabilities		42,363	37,363	20,000	15,000
<b>Total non-current liabilities</b>		<b>698,625,030</b>	<b>414,090,728</b>	<b>288,874,295</b>	<b>114,970,201</b>
<b>Total liabilities</b>		<b>2,512,420,986</b>	<b>1,679,739,200</b>	<b>1,111,373,939</b>	<b>844,294,993</b>

**RS Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	29.1				
Authorised share capital					
1,161,997,216 ordinary shares of par Baht 1 each		1,161,997,216	1,161,997,216	1,161,997,216	1,161,997,216
Issued and fully paid-up share capital					
972,496,946 ordinary shares of par Baht 1 each		972,496,946	-	972,496,946	-
972,495,202 ordinary shares of par Baht 1 each		-	972,495,202	-	972,495,202
Premium on share capital	29.1	322,107,225	322,087,270	322,107,225	322,087,270
Treasury shares	29.5	(160,158,220)	-	(160,158,220)	-
Retained earnings					
Appropriated - legal reserve	31	120,327,052	120,327,052	120,327,052	120,327,052
Appropriated - treasury share reserve	29.5	160,158,220	-	160,158,220	-
Unappropriated		587,007,031	309,980,034	600,452,326	664,135,693
<b>Equity attributable to owners of the parent</b>		<b>2,001,938,254</b>	<b>1,724,889,558</b>	<b>2,015,383,549</b>	<b>2,079,045,217</b>
Non-controlling interests		2,130,374	2,132,900	-	-
<b>Total equity</b>		<b>2,004,068,628</b>	<b>1,727,022,458</b>	<b>2,015,383,549</b>	<b>2,079,045,217</b>
<b>Total liabilities and equity</b>		<b>4,516,489,614</b>	<b>3,406,761,658</b>	<b>3,126,757,488</b>	<b>2,923,340,210</b>

**RS Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Revenue</b>					
Revenue from sales		2,381,378,687	2,012,441,388	-	27,670,300
Revenue from services		1,392,785,020	1,598,699,374	844,008,448	889,175,624
<b>Total revenue and services income</b>		<b>3,774,163,707</b>	<b>3,611,140,762</b>	<b>844,008,448</b>	<b>916,845,924</b>
Cost of sales		(801,666,768)	(680,003,091)	-	(17,604,101)
Cost of services		(966,995,535)	(1,339,959,121)	(542,137,541)	(403,173,880)
<b>Total cost of sales and services</b>		<b>(1,768,662,303)</b>	<b>(2,019,962,212)</b>	<b>(542,137,541)</b>	<b>(420,777,981)</b>
<b>Gross profit</b>		<b>2,005,501,404</b>	<b>1,591,178,550</b>	<b>301,870,907</b>	<b>496,067,943</b>
Other income	32	16,903,778	10,719,894	44,985,735	463,545,028
<b>Profit before expenses</b>		<b>2,022,405,182</b>	<b>1,601,898,444</b>	<b>346,856,642</b>	<b>959,612,971</b>
Selling expenses		(585,774,737)	(512,363,644)	(6,305,844)	(48,234,749)
Administrative expenses		(730,845,510)	(587,396,191)	(90,326,166)	(472,055,864)
Reversal of allowance for impairment on investments in subsidiaries (net)		-	-	40,892	20,592,275
Other expenses		(4,126,899)	(5,660,463)	(1,849,596)	(4,779,773)
Finance costs	34	(36,111,312)	(34,631,659)	(18,699,597)	(7,984,452)
<b>Profit before income tax</b>		<b>665,546,724</b>	<b>461,846,487</b>	<b>229,716,331</b>	<b>447,150,408</b>
Income tax	35	(137,269,081)	(97,451,696)	(42,496,624)	(81,931,484)
<b>Profit for the year</b>		<b>528,277,643</b>	<b>364,394,791</b>	<b>187,219,707</b>	<b>365,218,924</b>
<b>Other comprehensive income:</b>					
Item that will not be reclassified to profit or loss					
Remeasurements of post employment benefit obligations	28	5,914,159	(22,123,651)	6,349,270	(11,042,823)
Income tax on items that will not be reclassified		(1,182,832)	4,424,730	(1,269,854)	2,208,565
<b>Other comprehensive income for the year, net of tax</b>		<b>4,731,327</b>	<b>(17,698,921)</b>	<b>5,079,416</b>	<b>(8,834,258)</b>
<b>Total comprehensive income for the year</b>		<b>533,008,970</b>	<b>346,695,870</b>	<b>192,299,123</b>	<b>356,384,666</b>

RS Public Company Limited  
Statement of Comprehensive Income  
For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Profit (loss) attributable to:</b>					
Owners of the parent		528,278,160	363,343,967	187,219,707	365,218,924
Non - controlling interests		(517)	1,050,824	-	-
		<u>528,277,643</u>	<u>364,394,791</u>	<u>187,219,707</u>	<u>365,218,924</u>
<b>Total comprehensive</b>					
<b>income attributable to:</b>					
Owners of the parent		533,009,487	345,645,046	192,299,123	356,384,666
Non - controlling interests		(517)	1,050,824	-	-
		<u>533,008,970</u>	<u>346,695,870</u>	<u>192,299,123</u>	<u>356,384,666</u>
<b>Earning per share for profit</b>					
<b>attributable to the</b>					
<b>equity holders of the parent</b>					
Basic earning per share	36.1	<u>0.5505</u>	<u>0.3744</u>	<u>0.1951</u>	<u>0.3763</u>
Diluted earning per share	36.2	<u>0.5505</u>	<u>0.3583</u>	<u>0.1951</u>	<u>0.3602</u>

**RS Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

**Consolidated financial statements (Baht)**

**For the year ended 31 December 2019**

**Attributable to owners of the parent**

	Notes	Authorised, issued and fully paid-up		Treasury shares	Retained earnings			Total owners of the parent	Non- controlling interests	Total	
		share capital	Share premium		Legal reserve	Appropriated					Unappropriated
						Treasury shares	Treasury reserve				
<b>Opening balance as at 1 January 2019</b>		1,010,149,192	258,257,595	(465,274,840)	120,327,052	465,274,840	282,483,158	1,671,216,997	1,116,516	1,672,333,513	
The effect of change in accounting policy		-	-	-	-	-	25,850,904	25,850,904	-	25,850,904	
<b>Opening balance after adjust</b>		1,010,149,192	258,257,595	(465,274,840)	120,327,052	465,274,840	308,334,062	1,697,067,901	1,116,516	1,698,184,417	
<b>Changes in equity for the year</b>											
Increase in share capital	29.1	5,619,310	64,429,859	-	-	-	-	70,049,169	-	70,049,169	
Decrease in share capital from decreasing in treasury share	29.5	(43,273,300)	(600,184)	465,274,840	-	(421,401,356)	-	-	-	-	
Treasury shares reserve	29.5	-	-	-	-	(43,873,484)	43,873,484	-	-	-	
Dividends payment	30	-	-	-	-	-	(387,872,558)	(387,872,558)	(34,440)	(387,906,998)	
Total comprehensive income for the year		-	-	-	-	-	363,343,967	363,343,967	1,050,824	364,394,791	
Other comprehensive income - remeasurement of post employment benefit obligations, net of tax		-	-	-	-	-	(17,698,921)	(17,698,921)	-	(17,698,921)	
<b>Closing balance as at 31 December 2019</b>		972,495,202	322,087,270	-	120,327,052	-	309,980,034	1,724,889,558	2,132,900	1,727,022,458	

**RS Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2020**

**Consolidated financial statements (Baht)**

**For the year ended 31 December 2020**

**Attributable to owners of the parent**

	Notes	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				
<b>Opening balance as at 1 January 2020</b>		972,495,202	322,087,270	-	120,327,052	-	309,980,034	1,724,889,558	2,132,900	1,727,022,458
<b>Changes in equity for the year</b>										
Increase in share capital	29.1	1,744	19,955	-	-	-	-	21,699	-	21,699
Purchase Treasury shares	29.5	-	-	(160,158,220)	-	-	-	(160,158,220)	-	(160,158,220)
Treasury shares reserve	29.5	-	-	-	-	160,158,220	(160,158,220)	-	-	-
Dividends payment	30	-	-	-	-	-	(95,824,270)	(95,824,270)	(2,009)	(95,826,279)
Total comprehensive income for the year		-	-	-	-	-	528,278,160	528,278,160	(517)	528,277,643
Other comprehensive income - remeasurement of post employment benefit obligations, net of tax		-	-	-	-	-	4,731,327	4,731,327	-	4,731,327
<b>Closing balance as at 31 December 2020</b>		<b>972,496,946</b>	<b>322,107,225</b>	<b>(160,158,220)</b>	<b>120,327,052</b>	<b>160,158,220</b>	<b>587,007,031</b>	<b>2,001,938,254</b>	<b>2,130,374</b>	<b>2,004,068,628</b>

**RS Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2020**

Separate financial statements (Baht)							
For the year ended 31 December 2019							
Notes	Authorised, issued and fully paid-up share capital	Share premium	Treasury shares	Retained earnings			Total
				Appropriated		Unappropriated	
				Legal reserve	Treasury shares reserve		
<b>Opening balance as at 1 January 2019</b>	1,010,149,192	258,257,595	(465,274,840)	120,327,052	465,274,840	633,950,934	2,022,684,773
The effect of change in accounting policy	-	-	-	-	-	17,799,167	17,799,167
<b>Closing in equity for the period</b>	1,010,149,192	258,257,595	(465,274,840)	120,327,052	465,274,840	651,750,101	2,040,483,940
<b>Changes in equity for the period</b>							
Increase in share capital	29.1 5,619,310	64,429,859	-	-	-	-	70,049,169
Decrease in share capital from decreasing in treasury shares	29.5 (43,273,300)	(600,184)	465,274,840	-	(421,401,356)	-	-
Treasury shares reserve	29.5 -	-	-	-	(43,873,484)	43,873,484	-
Dividend paid	30 -	-	-	-	-	(387,872,558)	(387,872,558)
Total comprehensive income for the year	-	-	-	-	-	365,218,924	365,218,924
Other comprehensive income - remeasurement of post employment benefit obligations, net of tax	-	-	-	-	-	(8,834,258)	(8,834,258)
<b>Closing balance as at 31 December 2019</b>	<u>972,495,202</u>	<u>322,087,270</u>	<u>-</u>	<u>120,327,052</u>	<u>-</u>	<u>664,135,693</u>	<u>2,079,045,217</u>

**RS Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2020**

Separate financial statements (Baht)									
For the year ended 31 December 2020									
	Notes	Authorised, issued and fully paid-up		Treasury shares	Retained earnings			Total	
		share capital	Share premium		Legal reserve	Appropriated			Unappropriated
						shares reserve	Treasury reserve		
<b>Opening balance as at 1 January 2020</b>		972,495,202	322,087,270	-	120,327,052	-	664,135,693	2,079,045,217	
<b>Changes in equity for the period</b>									
Increase in share capital	29.1	1,744	19,955	-	-	-	-	21,699	
Purchase Treasury shares	29.5	-	-	(160,158,220)	-	-	-	(160,158,220)	
Treasury shares reserve	29.5	-	-	-	-	160,158,220	(160,158,220)	-	
Dividend paid	30	-	-	-	-	-	(95,824,270)	(95,824,270)	
Total comprehensive income for the year		-	-	-	-	-	187,219,707	187,219,707	
Other comprehensive income - remeasurement of post employment benefit obligations, net of tax		-	-	-	-	-	5,079,416	5,079,416	
<b>Closing balance as at 31 December 2020</b>		<u>972,496,946</u>	<u>322,107,225</u>	<u>(160,158,220)</u>	<u>120,327,052</u>	<u>160,158,220</u>	<u>600,452,326</u>	<u>2,015,383,549</u>	

**RS Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		665,546,724	461,846,487	229,716,331	447,150,408
Adjustments:					
Depreciation and amortisation	17, 18, 19, 20	534,112,273	576,679,841	133,369,736	113,131,361
(Reversal of) allowance for doubtful accounts		(272,140)	(5,276,265)	33,730	(3,321,929)
Allowance for obsolete inventories	13	2,127,781	5,996,985	-	-
Write-off TV Program work-in-process		183,234	-	-	-
(Reversal of) allowance for impairment					
- other current assets and other non-current assets		-	(388,600)	-	(388,600)
(Reversal of) allowance for impairment - investment in an associated company		-	(1,413)	-	-
(Reversal of) allowance for impairments - investments in subsidiaries	15	-	-	(40,892)	(1,837,149)
(Gain) from decrease in share capital of a subsidiary		-	-	-	(14,850,000)
Loss on write-off plant and equipment and intangible assets		2,473,832	821,198	1,339,622	146
(Gain) loss on disposal of plant and equipment and intangible assets	32	(845,520)	8,377	(893,449)	(329,429)
Employee benefit obligations	28	12,808,703	42,550,274	6,665,211	27,595,243
Provision for decommissioning costs		179,968	-	81,240	-
Dividend income	32	-	-	(16,747,990)	(45,419,936)
Interest income	32	(486,454)	(1,195,205)	(20,955,242)	(30,058,081)
Finance costs - interest expense	34	36,111,312	34,631,659	18,699,597	7,984,452
		1,251,939,713	1,115,673,338	351,267,894	499,656,486
Changes in working capital					
Trade and other accounts receivable *, **		(175,945,027)	30,575,739	30,028,137	31,289,595
Inventories		27,758,522	19,993,265	4,031,372	7,809,390
Value added tax		(14,112,684)	(9,166,683)	338,880	(6,300,757)
Other current assets		(4,090,584)	379,847	1,140,795	(1,249,252)
Other non-current assets		(9,772,901)	2,092,739	1,478,383	3,702,739
Trade and other accounts payable		23,216,832	(81,752,683)	(111,260,186)	(39,998,650)
Withholding tax payable		(549,835)	2,852,935	(1,030,575)	(1,249,163)
Other current liabilities		12,984,039	-	11,680,307	-
Payment for retirement for employee	28	(205,600)	(254,400)	-	(254,400)
Other non-current liabilities		5,000	5,211,222	(6,393,098)	5,635,224
Cash generated from operating activities					
before income tax paid		1,111,227,475	1,085,605,319	281,281,909	499,041,212
Withholding tax refunded		35,180,508	56,590,674	34,170,433	55,788,282
Income tax paid		(96,280,399)	(109,115,700)	(50,575,316)	(31,274,386)
Net cash generated from operating activities		1,050,127,584	1,033,080,293	264,877,026	523,555,108

**RS Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Cash flows from investing activities</b>					
Interest income received		486,508	1,194,856	22,024,860	32,284,352
Payments for short-term loans to related companies	37 d)	-	-	(471,000,000)	(335,000,000)
Proceeds from short-term loans to related companies	37 d)	-	-	443,000,000	210,000,000
Proceeds from decrease in share capital of a subsidiary		-	-	-	18,750,000
Cash received from dividend income		-	-	16,747,990	45,419,936
Payment to purchases of property, plant and equipment		(242,549,432)	(230,463,298)	(180,823,613)	(166,908,621)
Purchases of intangible assets		(561,035,614)	(386,135,436)	(25,622,012)	(25,242,911)
Proceeds from disposals of property, plant and equipment and intangible asset		6,095,701	177,570	7,100,316	1,902,441
Net cash used in investing activities		(797,002,837)	(615,226,308)	(188,572,459)	(218,794,803)
<b>Cash flows from financing activities</b>					
Interest expense paid		(19,433,420)	(21,927,333)	(9,698,349)	(8,363,810)
Payments on lease liability agreements		(116,037,027)	(11,799,687)	(60,234,349)	(11,799,687)
Payment of license for operation right in spectrum of digital television		-	(207,500,000)	-	-
Proceeds from short-term loans from financial institutions		4,310,000,000	1,150,000,000	2,930,000,000	920,000,000
Payments on short-term loans from financial institutions		(4,220,000,000)	(940,000,000)	(2,900,000,000)	(840,000,000)
Payments from long-term loans from financial institutions		(80,000,000)	(80,000,000)	-	-
Proceeds from short-term loans from related companies	37 e)	-	-	182,000,000	154,027,125
Payments on short-term loans from related companies	37 e)	-	-	(23,700,000)	(265,027,125)
Dividend paid	30	(95,824,270)	(387,872,558)	(95,824,270)	(387,872,558)
Purchase of treasury shares		(160,158,220)	-	(160,158,220)	-
Dividend paid to non-controlling		(2,009)	(34,440)	-	-
Proceeds from capital increase		21,699	70,049,169	21,699	70,049,169
Net cash used in financing activities		(381,433,247)	(429,084,849)	(137,593,489)	(368,986,886)
<b>Net (decrease) in cash and cash equivalents</b>		(128,308,500)	(11,230,864)	(61,288,922)	(64,226,581)
Cash and cash equivalents, opening balance		328,409,093	339,639,957	104,285,400	168,511,981
Cash and cash equivalents, closing balance		200,100,593	328,409,093	42,996,478	104,285,400

**RS Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2020**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Non-cash transactions and additional information:</b>				
Outstanding payables as at 31 December arising from purchases of property, plant and equipment during the year	51,739,198	47,915,677	17,401,442	39,265,320
Outstanding payables as at 31 December arising from purchases of intangible assets during the year	384,862,263	46,909,204	-	727,600
Outstanding payables as at 31 December arising from purchases of right-of-use assets during the period	450,056,972	-	225,315,482	-
Payable as at 31 December arising from purchase of equipment under finance lease agreement during the year	-	2,669,904	-	2,669,904
Dividend payable	-	24,525	-	-
Reversal from waived the installments license for operating right in spectrum of digital television	-	635,616,368	-	-
Reverse treasury shares reverse from decrease in share capital	-	43,873,484	-	43,873,484
Adjusting item from adoption of new financial reporting TFRS 16	8,666,299	-	-	-
Transfer fixed assets and intangible assets to right-of-use assets from adoption of new financial reporting TFRS 16	20,551,798	-	20,551,798	-

# 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 Company has been divided into three main business segments, including Commerce business, Media business, and Music & Other businesses, per the schedule.

<b>Business groups</b>	<b>Type</b>	
<b>1) Commerce Business</b>	<ul style="list-style-type: none"> <li>• Health &amp; Beauty Products               <ul style="list-style-type: none"> <li>- The Skin Care Products (“Magique”)</li> <li>- Hair Care Products (“Revive”)</li> <li>- The Food Supplements Products (“S.O.M.”), “Vitanature+”</li> <li>- Bird’s nest Products (“REJU”)</li> </ul> </li> <li>• Home &amp; Lifestyle Products</li> <li>• Accessories &amp; Others</li> </ul>	
<b>2) Media Business</b>	Television Media Business	“Channel 8” “Channel RS Mall”
	Radio Media Business	“COOLfahrenheit” “COOLIVE” “COOLanything”
<b>3) Music &amp; Other Businesses</b>	Digital Business , Copyright Collection, Artist Management, Concerts and Marketing Organization	

### 1. Summary of 2020 Performance

The overall Thai economy in 2020 was affected by Covid-19 outbreak. In particular, export and tourism sectors have been continuously affected by disease control measures, including the lockdown of the country as well as international travel restrictions. The export sector continues to weaken in line with subdued demand from trading partner countries and a stronger baht currency. Meanwhile, spending and public investment continue to expand and play an important role in supporting economic recovery. Also, private consumption recovered in the 4<sup>th</sup> quarter of 2020 due to the government’s stimulus measures. Consequently, the Thai economy contracted in 2020 by 6.1 percent, compared to the growth it experienced in 2019 by 2.3 percent.

However, from rapid and continuous business agility, efficient customer’s database management and all types of content utilization to reap the maximum benefit, the Company’s consolidated financial statements for 2020 showed that show net profit attributable to the parent company in the amount of 528.3 million baht, compared to 363.3 million baht in 2019, which increased by 164.9 million baht or 45.4 percent. It was a result of the growth from the commerce and television media businesses by 18.4 and 7.4 percent respectively. As for music and other businesses, the organization of events and concerts still need to be tightened, in line with lockdown measures. In addition, the Company’s gross profit margin was at the high level of 53.1 percent, which was better than 44.1 percent in the previous year, as a result of the increased commerce business revenue with high gross profit margin and higher contribution to the Company at 63.1 percent of total revenue. A cost management has been more effective. However, a higher selling and administrative expenses from commerce business was due to purchasing external media and increased staff expenses in proportion to its business growth.

Unit: million baht	Year 2020		Year 2019		Change	
	amount	%	amount	%	amount	(y-y)
<b>Revenue from sales and services</b>	<b>3,774.2</b>	<b>100%</b>	<b>3,611.1</b>	<b>100%</b>	<b>163.0</b>	<b>4.5%</b>
<i>Commerce business</i>	2,381.8	63.1%	2,012.4	55.7%	369.3	18.4%
<i>Media business</i>	1,148.2	30.4%	1,069.2	29.6%	78.9	7.4%
<i>Music &amp; other businesses</i>	244.2	6.5%	529.5	14.7%	-285.2	-53.9%
Cost of sales and services	1,768.7	46.9%	2,020.0	55.9%	-251.3	-12.4%
<b>Gross margin</b>	<b>2,005.5</b>	<b>53.1%</b>	<b>1,591.2</b>	<b>44.1%</b>	<b>414.3</b>	<b>26.0%</b>
Selling and administrative expenses	1,316.6	34.9%	1,099.8	30.5%	216.9	19.7%
Operating profit	688.9	18.3%	491.4	13.6%	197.5	40.2%
Finance costs	36.1	1.0%	34.6	1.0%	1.5	4.3%
<b>Net profit/(loss)</b>	<b>528.3</b>	<b>14.0%</b>	<b>363.3</b>	<b>10.1%</b>	<b>164.9</b>	<b>45.4%</b>

- **Revenue**

Revenue from sales and services in 2020 posted 3.77 billion baht which increased from the previous year by 163 million baht or rose by 4.5 percent. This can be explained according to the following business segments.

#### Revenue from Commerce Business

Revenue from commerce business consists of revenue from selling of products under the Company's own brand under Lifestar Company Limited as well as products from partners. The items are sold through RS Mall and COOLanything' various channels, including digital TV Channel 8, radio media, online and through retail stores throughout the country. The Company also collaborates with other leading digital TV and satellite TV channels to continuously expand sales and distribution channels.

Revenue from the commerce business in 2020 was 2.38 billion baht, the highest it has ever been, an increase of 18.4 percent from 2019 at 2.01 billion baht. Although the Thai economy remaining adversely affected by Covid-19 situation, the success of expanding both offline and online sales channels, the ability to offer a variety of advertisements and products that are tailored for each type of content and time period, and also continuous improvement of the telesales system and capabilities, the number of customers in the database has increased to 1.6 million customers at the end of 2020 and continues to grow. In addition, the Company focuses on customer database management as the higher precision of the PDS system enables telesales staff to contact more customers, analyze customer database to deliver health-conscious products and classify customers into groups. The latter helps in delivering specific campaigns and promotions that are analyzed according to customer behavior in each group. The Company has the organization of sales and marketing activities on a monthly basis and there will be a large campaign once a quarter to stimulate customer spending through a selection of products that meet specific needs during Covid-19 situation where customers pay more attention to their health. These factors have caused the revenue from all channels to grow, including inbound, outbound, online and retail channels.

## **Revenue from Media Business**

Revenue from media business in 2020 was 1.15 billion baht, increased by 7.4 percent from 2019, which stood at 1.07 billion baht. This came from the additional revenue from content management in order to expand in international markets and on other online platforms (OTT). However, the media industry has been impacted by price competition and ad spending (ADEX) contractions following the impact of Covid-19.

### Revenue from Television Media Business

Overall television industry in 2020, the ad spending for the entire television media industry, from a survey by AGB Nielsen Media Research (Thailand), continuously fell by 10.1 percent compared to the previous year. It was due to the impact of Covid-19 situation. The average number of TV viewers in December standing at 8.1 percent, fell from the average number of the previous year at 8.9 percent (out of a population of 64.6 million), mainly due to a decrease of number of viewers from news channels and satellite television channels.

In addition to managing content to leverage both offline and online channels, Channel 8 also focuses on cost management of its content production. The ratings of Channel 8 improved, with an average rating for the viewers aged 15+ in 18 hours' period at 0.43 percent in 2020, compared to 0.42 percent in 2019, even with the re-running of drama series during Covid-19 in order to manage production costs. These efforts for continuous growth also includes the management of advertising minutes at 100% efficiency by advertising and selling the Group's commerce business products, resulting in a higher growth rate of commerce business in every quarter throughout 2020.

### Revenue from Radio Media Business

The radio industry in 2020 contracted by 24.0 percent compared to the previous year. However, "COOLfahrenheit" remains popular at No. 1 in the Easy Listening category, including "COOL Outing", "Ink Eat All Around" and "COOL Music Fest", fewer consistently popular events for listeners were organized than in 2019 due to Covid-19 situation, as activities were suspended and social distancing enforced. There were also delays in the use of as spending in all channels except online channel. As a result, revenue from radio media business has declined in line with the overall industry, but it retains its efficiency for profitability.

## **Revenue from Music and Other Businesses**

Most of revenue of music business continues to come from online streaming. An adjustment of operating strategies with artists was resulting in better cost management. There were also more music copyright management through various platforms and 9 new artists introduction at the end of 2020; this is expected to increase the number of productions and expand into the Music Star Commerce model. Revenue from music and other businesses in line with other media situation, decreased by 53.9 percent compared to the previous year as a result of stopped activities and concerts in accordance with Covid-19 preventive measures since end of 1<sup>st</sup> quarter.

- **Cost of Sales and Services**

The cost of sales and services in 2020 recorded 1.77 billion baht, decreased by 251.3 million baht or 12.4 percent from the previous year. Although, there was a higher cost in accordance with an increase in revenue from commerce business, there were the reduced cost from other businesses compared to the previous year. These were thanks to content cost management during ad spending contractions in the market, the reduction in the cost of the license for operating Channel 8's digital television business from the waiver of the last two fee installments, the reduced rate of the annual contribution to the Broadcasting and Telecommunications Research and Development Fund for the Public Interest, and the decrease of total fee amount for digital television terrestrial network services or MUX.

- **Gross Profit**

The Company had a gross profit in 2020 of 2.01 billion baht, increased from the previous year by 414.3 million baht or rose by 26.0 percent, which saw a record-breaking boost in commerce business every quarter, additional revenue from television media business earned at the same cost and effective cost management in every business.

- **Selling and Administrative Expenses, and Finance Costs**

Selling and administrative expenses of 1.32 billion baht increased from the previous year by 216.9 million baht or rose by 19.7 percent. This was mainly due to higher commerce business expenses from purchasing external media, staff cost in line with a higher growth of commerce business and depreciation of the new office space that accommodates the larger telesales staff and new studios.

Finance costs of 36.1 million baht, slightly increased by 4.3 percent from the previous year due to higher interest expense as an adoption of Thai Financial Reporting Standards relating to leases standard (TFRS 16) for year 2020.

- **Net Profit**

Net profit attributable to the parent company for 2020 was 528.3 million baht, increased by 164.9 million baht or rose by 45.4 percent as compared to the previous year at 363.3 million baht. This was thanks to a record-breaking boost in commerce business revenue, a better performance of media business during Covid-19 and effective cost and expenses management in every business.

## 2. **Assets**

- **Asset Components**

As of December 31, 2020, the Company had total assets of 4,516.5 million baht, comprised of 26.0% current assets and 74.0% non-current assets.

Unit: million baht	Year 2019		Year 2020		Change	
	amount	%	amount	%	amount	(y-y)
<b>Current assets :</b>						
Cash and cash equivalents	328.4	9.6%	200.1	4.4%	-128.3	-39.1%
Trade and others accounts receivable (net)	516.4	15.2%	711.4	15.8%	195.0	37.8%
Inventories (net)	258.8	7.6%	228.7	5.1%	-30.1	-11.6%
Other current assets (net)	13.3	0.4%	33.3	0.7%	20.1	152.3%
<b>Total current assets</b>	<b>1,116.8</b>	<b>32.8%</b>	<b>1,173.5</b>	<b>26.0%</b>	<b>56.7</b>	<b>5.1%</b>
<b>Non-current assets :</b>						
Plant and equipment (net)	503.8	14.8%	641.9	14.2%	138.1	27.4%
Right of use assets (net)	-	-	471.5	10.4%	471.5	100.0%
License for operation right in spectrum of digital television (net)	670.7	19.7%	598.7	13.3%	-72.0	-10.7%
Intangible assets (net)	702.8	20.6%	1,314.1	29.1%	611.3	87.0%
Other non-current assets (net)	412.7	12.1%	316.8	7.0%	-95.9	-23.2%
<b>Total non-current assets</b>	<b>2,290.0</b>	<b>67.2%</b>	<b>3,343.0</b>	<b>74.0%</b>	<b>1,053.0</b>	<b>46.0%</b>
<b>Total assets</b>	<b>3,406.8</b>	<b>100.0%</b>	<b>4,516.5</b>	<b>100.0%</b>	<b>1,109.7</b>	<b>32.6%</b>

As of December 31, 2020, the main assets consist of: 29.1 percent intangible assets (net); 15.8 percent trade and others accounts receivable (net); 14.2 percent plant and equipment (net); 13.3 percent license for operation right in spectrum of digital television (net); 10.4% right of use assets (net) ; 5.1% inventories (net) and 4.4% cash and cash equivalents.

Total assets, as of December 31, 2020, amounted to 4,516.5 million baht, an increase of 1,109.7 million baht or 32.6 percent from the previous year. This was mainly due to intangible assets having a net increase of 611.3 million baht or 87.0 percent from investments in copyrights of Thai drama and foreign series. Right of use assets (net) having a net increase of 471.5 million baht or 100.0 percent from the recording of building, vehicle and equipment rentals under long-term leases as assets, in accordance with the Financial Reporting Standard No. 16 on Lease Agreements, Trade and others accounts receivable, there was a net increase of 195.0 million baht or 37.8 percent due to increased content sales. Plant and equipment saw a net increase of 138.1 million baht or 27.4 percent from investments in operating equipment and office furniture and fixtures when the Company moved to a new office.

- **Quality of the Assets**

Trade Accounts Receivable – Others (net)

Trade accounts receivable classified by aging are as follows :

Unit : million baht	Year 2019		Year 2020		Change	
	amount	%	amount	%	amount	(y-y)
Current	250.0	60.1%	230.0	58.0%	-20.0	-8.0%
Less than 3 months	151.5	36.4%	148.8	37.5%	-2.7	-1.8%
3 – 6 months	7.1	1.7%	10.6	2.7%	3.5	49.3%
6 – 12 months	-	-	1.6	0.4%	1.6	100.0%
Over 12 months	7.3	1.8%	5.7	1.4%	-1.6	-21.9%
<b>Total</b>	<b>415.9</b>	<b>100.0%</b>	<b>396.7</b>	<b>100.0%</b>	<b>-19.2</b>	<b>-4.6%</b>
Less: Allowance for doubtful accounts	-7.2	-1.7%	-5.7	-1.4%	-1.5	-20.8%
<b>Trade accounts receivable – others (net)</b>	<b>408.7</b>	<b>98.3%</b>	<b>391.0</b>	<b>98.6%</b>	<b>-17.7</b>	<b>-4.3%</b>

Key Financial Ratios:

	Year 2019	Year 2020
Receivable turnover ratio (time)	7.84	9.29
Collection days (day)	47	39

As of December 31, 2020, the Company possessed trade accounts receivable - other parties (net) of 391.0 million baht, a decrease of 17.7 million baht from the previous year, or 4.3 percent. This was due to

the decrease in variable receivables in accordance with advertising income, music business income, and income from concerts and contract production activities lowered incomes.

In 2020, the Company had the policy of extending credit term to customers for an average of about 2-3 months. In the case where the debtor has been in arrears for more than 1 year or has problems in making the payment, the Company maintains a regular policy to consider and review the allowance for doubtful accounts. This is considered in conjunction with the criteria set out by the Financial Reporting Standards No. 9 on Financial Instruments. As such, the outstanding debt documented in the financial statements reflects the actual expected amount. In 2020, the Company had an average debt collection period of 39 days, which is faster than the 47 days of the previous year, due to the increase in the sales of goods from the multi-channel commerce business. On the whole, most of the payments have been in the form of cash receipts or credit of not more than 1 month, resulting in the improvement of the average debt collection period of the Company, compared to the prior year. However, when considering the age of most trade accounts receivable, more than 90 percent are not outstanding beyond 3 months, which is in accordance with the policy of extending credit term to customers and the Company had an allowance for doubtful accounts of 1.4 percent, a decrease from the 1.7 percent of the previous year.

#### Inventories (net)

Unit : million baht	Year 2019		Year 2020		Change	
	amount	%	amount	%	amount	(y-y)
Cost	292.3	100.0%	237.0	100.0%	-55.3	-18.9%
Less: Allowance for obsolete inventories	-33.5	-11.5%	-8.3	-13.5%	-25.2	75.2%
<b>Inventories (net)</b>	<b>258.8</b>	<b>88.5%</b>	<b>228.7</b>	<b>96.5%</b>	<b>-30.1</b>	<b>-11.6%</b>

#### Key Financial Ratios :

	Year 2019	Year 2020
Inventory turnover ratio (time)	7.43	7.26
Average number of days sales (day)	49	50

As of December 31, 2020, inventories consisted of: 98.7% finished goods that are consumer products; and 1.3 percent works in progress such as television programs, concerts and marketing and other activities. The total net value was 228.7 million baht, decreasing from the previous year by 30.1 million baht or 11.6 percent. This year, the Company reversed the allowance for obsolete goods due to expired product destruction in the amount of 25.2 million baht net; the allowance for obsolete goods increased by 2.1 million baht. The Company has a policy to regularly review the value of its inventories during every accounting period so that the inventory value shown in the financial statements is not lower than the net realizable value. As a result, this year, the allowance for obsolete products accounted for 3.5 percent, a decrease from the 11.5 percent of the previous year. There are still plans for various marketing promotions to manage inventories at an appropriate level and move all long-remaining products out from the warehouses.

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

Unit : million baht	Year 2019		Year 2020		Change	
	amount	%	amount	%	amount	(y-y)
Cash equivalent value (present value)	1,394.7	100.0%	1,394.7	100.0%	0.0	0.0%
Less: Accumulated amortization	-724.0	-51.9%	-796.0	-57.1%	72.0	9.9%
<b>Net book amount</b>	<b>670.7</b>	<b>48.1%</b>	<b>598.7</b>	<b>42.9%</b>	<b>-72.0</b>	<b>-10.7%</b>

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 2 license fee installments. As a result, the license, before deducting accumulated amortization as of December 31, 2020, has a net value of 1,394.7 million baht. The amortization for 2020 was 72.0 million baht, a decrease of 17.4 million baht from the previous year (in 2019, it was 89.4 million baht). The net balance of the license value is thus 598.7 million baht, a decrease of 72.0 million baht or 10.7 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, 2020, 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 2019		Year 2020		Change	
	amount	%	amount	%	amount	(y-y)
Cost	2,983.7	100.0%	3,806.6	100.0%	822.9	27.6%
Less: Accumulated amortization	-2,280.9	-76.4%	-2,492.6	-65.5%	211.7	9.3%
<b>Net book amount</b>	<b>702.8</b>	<b>-23.6%</b>	<b>1,314.0</b>	<b>-34.5%</b>	<b>611.2</b>	<b>87.0%</b>

As of December 31, 2020, intangible assets (net) comprise of: 87.1 percent drama copyrights; and 12.9 percent of music copyrights, computer programs and others. The total net worth was 1,314.0 million baht, an increase of 611.2 million baht or 87.0 percent from the previous year due to the increase of drama copyrights, foreign series, computer programs and others.

### 3. Capital Structure

#### Liabilities, Equity and Debt to Equity Ratio

Unit : million baht	Year 2019	Year 2020	Change	
			amount	(y-y)
Trade and other accounts payable	651.1	1,016.1	365.0	56.1%
Loans from financial institutions	766.1	776.1	10.0	1.3%
Lease liability agreement	9.3	450.0	440.7	4,738.7%
Other current liabilities	77.8	94.4	16.6	21.3%
Other non-current liabilities	175.4	175.8	0.4	0.2%
<b>Total liabilities</b>	<b>1,679.7</b>	<b>2,512.4</b>	<b>832.7</b>	<b>49.6%</b>
<b>Equity attributable to owners of the parent</b>	<b>1,724.9</b>	<b>2,001.9</b>	<b>277.0</b>	<b>16.1%</b>
<b>Debt to equity ratio (time)</b>	<b>0.97</b>	<b>1.26</b>		

As of December 31, 2020, the Company had total liabilities of 2,512.4 million baht, an increase of 832.7 million baht or 49.6 percent from the previous year. This was from the recording of plant, vehicle and equipment rentals of 450 million baht per the lease agreement as a liability under the lease, in accordance with the Financial Reporting Standard No. 16 on Lease Agreements, Trade and other accounts payable, which increased by 365 million baht as the Company was able to extend the repayment period and from investing in intangible assets.

As of December 31, 2020, the Company had ownership in the amount of 2,001.9 million baht of the parent company, an increase from the previous year of 277.0 million baht, or 16.1 percent. This can be attributed to an increase in profit during the year of 533.0 million baht, less the purchase treasury shares which increased by 160.2 million baht, including 95.8 million baht in dividends paid during the period.

In 2020, the debt to equity ratio was 1.26 times, increasing from the 0.97 times of 2019; this was mostly due to an increase in liabilities under the lease agreements and in trade accounts payable.

#### 4. Liquidity

- **Cash Flow**

Unit : million baht	Year 2019	Year 2020
Cash flow from operating activities	1,033.1	1,050.1
Cash flow from investing activities	-615.2	-797.0
Cash flow from financing activities	-429.1	-381.4
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-11.2</b>	<b>-128.3</b>
<b>Cash and cash equivalents, closing balance</b>	<b>328.4</b>	<b>200.1</b>

As of December 31, 2020, the Company had cash and cash equivalents of 200.1 million baht. During the year, 128.3 million baht of net cash was used. There was also 797.0 million baht for investing activities: furniture, fixtures and office equipment at the Company's new office., as well as investment in drama content and foreign series for television media, include investment in broadcasting equipment for the television stations. In addition, the net cash used in financing activities was 381.4 million baht from purchases of treasury shares, dividends, and the repayment of long-term loans, as scheduled. Meanwhile, during the year, the Company's net cash flow from operating activities increased by 1,050.1 million baht, mainly from cash received from the sales of products from the commerce business.

- **Key Liquidity Ratios**

	Year 2019	Year 2020
Current Ratio (time)	0.88	0.65
Quick Ratio (time)	0.58	0.33
Collection days (day)	47	39
Average number of days sales (day)	49	50
Payment days (day)	48	99
Cash cycle (day)	48	-10

Overall, in 2020, the liquidity of the company slightly decreased from the previous year. During the year, the Company invested in television station broadcast equipment and a new office. Also this year, the Company's cash cycle was negative for 10 days, an improvement from the previous year. This reflects greater efficiency in the management of the Company's working capital.

## **5. Key Factors and Influences that may affect the Performance and Financial Position in the Future**

RS is determined to use “Entertainmerce” model for its business operation and investments in various companies to extend the full range of RS’s businesses. In terms of the commercial business, advertising and sales channels would continue to expand to reach all customer groups and focus on the growth of online channels. In 2021, the Company plans to introduce new product lines, including functional drink, pet food and innovative health product to mass markets across the country and through all channels. In addition, the Company maintains an interest in and is in the process of studying and negotiating the use of hemp with partners as an ingredient in a wide range of products. As for database management, the Company will make continuous improvements with the introduction of Voice Analytics, which analyzes customer data in order to respond promptly and increase sales.

Channel 8 with the slogan "Everyone Can Watch Channel 8, Press Number 27", continues to be driven by content management, new content production to generate additional revenue on other online platforms and the return of the main programs that have been popular, including both Thai drama series and various boxing programs.