

GMM Grammy Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014
Continuing operations					
Revenues					
Sales of goods		2,743,006,690	2,677,334,425	737,218,270	787,369,153
Service income		4,606,886,583	5,348,112,419	1,558,960,807	1,554,131,867
Revenues from copyrights		1,248,429,105	831,937,299	1,074,049,645	724,643,940
Interest income		19,822,459	56,595,108	18,853,109	242,135,970
Dividend received		-	12,358,292	52,103,473	352,288,011
Gain on sale of investments in subsidiaries		54,479,814	-	2,362,433	3,021,964
Gain on sale of investments in joint ventures		103,401,208	-	-	-
Gain on sale of other long-term investments		70,256,784	147,048,607	70,256,784	147,048,607
Gain associated with the loss of control in subsidiary	1.2	731,281,009	-	-	-
Other income		126,013,343	190,557,344	84,456,014	78,049,660
Total revenues		9,703,576,995	9,263,943,494	3,598,260,535	3,888,689,172
Expenses					
Cost of sales and services		5,742,911,416	6,223,408,568	1,964,626,483	1,928,034,297
Selling and servicing expenses		638,894,581	815,161,523	29,283,191	27,003,499
Administrative expenses		2,889,155,803	2,979,106,945	1,189,122,287	1,231,756,090
Loss on sale of and returning investment in subsidiaries		-	-	18,683,724	45,702,757
Loss on impairment of investment in subsidiaries	13	-	-	1,159,855,000	4,367,821,521
Loss on impairment of other long-term investments	16	1,030,340,000	-	-	-
Total expenses		10,301,301,800	10,017,677,036	4,361,570,685	7,600,318,164
Loss before share of profit (loss) from investments in associates, and joint ventures, finance cost and income tax expenses					
Share of profit from investments in associates	15	4,512,696	14,351,079	-	-
Share of profit (loss) from investments in joint ventures	14	(337,733,812)	10,152,200	-	-
Loss before finance cost and income tax expenses		(930,945,921)	(729,230,263)	(763,310,150)	(3,711,628,992)
Finance cost		(271,592,502)	(458,531,519)	(113,467,685)	(222,440,488)
Loss before income tax expenses		(1,202,538,423)	(1,187,761,782)	(876,777,835)	(3,934,069,480)
Income tax expenses	29	67,306,733	71,387,451	(53,218,770)	(29,208,574)
Loss for the year from continuing operations		(1,135,231,690)	(1,116,374,331)	(929,996,605)	(3,963,278,054)
Discontinued operations					
Loss for the year from discontinued operations	30	-	(1,228,996,180)	-	-
Loss for the year		(1,135,231,690)	(2,345,370,511)	(929,996,605)	(3,963,278,054)

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited and its subsidiaries

Income statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Profit (loss) attributable to:					
Equity holders of the Company					
Loss for the year from continuing operations		(1,145,483,743)	(1,183,521,034)	(929,996,605)	(3,963,278,054)
Loss for the year from discontinued operations		-	(1,228,996,180)	-	-
Loss for the year attributable to equity holders of the Company		(1,145,483,743)	(2,412,517,214)	(929,996,605)	(3,963,278,054)
Non-controlling interests of the subsidiaries					
Profit for the year from continuing operations		10,252,053	67,146,703		
Profit for the year from discontinued operations		-	-		
Profit for the year attributable to non-controlling interests of the subsidiaries		10,252,053	67,146,703		
		<u>(1,135,231,690)</u>	<u>(2,345,370,511)</u>		
Basic earnings per share					
	31				
Loss attributable to equity holders of the Company		<u>(1.40)</u>	<u>(3.66)</u>	<u>(1.13)</u>	<u>(6.02)</u>
Basic earnings per share for continuing operations					
Loss from continuing operations attributable to equity holders of the Company		<u>(1.40)</u>	<u>(1.80)</u>	<u>(1.13)</u>	<u>(6.02)</u>

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Loss for the year	<u>(1,135,231,690)</u>	<u>(2,345,370,511)</u>	<u>(929,996,605)</u>	<u>(3,963,278,054)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements				
in foreign currency - net of income tax	(1,492,507)	(106,020)	-	-
Gain on change in value of available-for-sale investments				
- net of income tax	32,610	35,124,596	32,610	35,124,596
Reversal of gain on change in value of available-for-sale investments - net of income tax expenses	<u>(20,063,552)</u>	<u>(75,226,226)</u>	<u>(20,063,552)</u>	<u>(75,226,226)</u>
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	(21,523,449)	(40,207,650)	(20,030,942)	(40,101,630)
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Actuarial loss - net of income tax	(45,512,273)	-	(25,300,833)	-
Share of actuarial loss of joint ventures - net of income tax	<u>(8,316,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	<u>(53,828,851)</u>	<u>-</u>	<u>(25,300,833)</u>	<u>-</u>
Other comprehensive income for the year	<u>(75,352,300)</u>	<u>(40,207,650)</u>	<u>(45,331,775)</u>	<u>(40,101,630)</u>
Total comprehensive income for the year	<u>(1,210,583,990)</u>	<u>(2,385,578,161)</u>	<u>(975,328,380)</u>	<u>(4,003,379,684)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(1,219,421,175)	(2,452,724,864)	<u>(975,328,380)</u>	<u>(4,003,379,684)</u>
Non-controlling interests of the subsidiaries	<u>8,837,185</u>	<u>67,146,703</u>		
	<u>(1,210,583,990)</u>	<u>(2,385,578,161)</u>		

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Loss before tax from continuing operations	-1,202,538,423	-1,187,761,782	-876,777,835	-3,934,069,480
Loss before tax from discontinued operations	-	-1,228,996,180	-	-
Loss before tax	(1,202,538,423)	(2,416,757,962)	(876,777,835)	(3,934,069,480)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation	275,524,567	296,050,147	56,522,330	49,876,415
Amortisation	294,973,868	941,936,426	15,352,344	74,907,637
Amortisation of spectrum license	179,148,918	225,120,591	-	-
Reversal of allowance for doubtful accounts	(19,486,975)	(30,416,779)	(9,503,142)	(9,709,173)
Reversal of cost of inventory to net realisable value	(153,495,670)	(33,335,645)	(95,337,489)	(135,837,153)
Provision for sales returns (reversal)	5,389,533	(109,369,949)	3,766,637	(2,393,617)
Allowance for impairment of investments in subsidiaries	-	-	1,159,855,000	4,367,821,521
Allowance for impairment of others long term investment	1,030,340,000	-	-	-
Allowance for impairment of property, plant and equipment	124,707,442	-	-	-
Allowance for impairment of intangible assets	4,496,172	188,500,548	-	190,347,107
Loss (gain) on sale of investments in subsidiaries	(54,479,814)	(3,225,763)	(2,362,433)	42,680,792
Loss on returning investments of subsidiaries	-	-	18,683,724	-
Loss (gain) on sale of investments in joint ventures	(103,401,208)	-	1,313,345	-
Loss (gain) on returning investments of associates	-	(1,593,019)	-	2,985,234
Gain on sale of other long-term investments	(70,256,784)	(147,048,945)	(70,256,784)	(147,048,607)
Loss (gain) on disposal of equipment	(1,453,709)	10,494,869	(3,674,067)	7,536,994
Dividend received	-	(12,358,292)	(52,103,473)	(352,288,011)
Share of profit from investments in associates	(4,512,696)	(14,351,079)	-	-
Share of loss (profit) from investments in joint ventures	337,733,812	(10,152,200)	-	-
Long-term employee benefit expenses (reversal)	(9,361,880)	20,008,699	10,751,882	11,954,131
Gain associated with the loss of control in subsidiary	(731,281,009)	-	-	-
Interest income	(19,822,459)	(56,595,108)	(18,853,109)	(242,135,970)
Interest expenses	271,592,502	458,531,519	113,467,685	222,440,488
Profit (loss) from operating activities before changes in operating assets and liabilities	153,816,187	(694,561,942)	250,844,615	147,068,308
Decrease (increase) in operating assets				
Trade and other receivables	617,045,144	(120,432,979)	77,689,317	705,207,694
Prepaid expenses	(62,376,512)	172,513,949	(1,590,258)	77,558,645
Inventories	329,193,318	(61,914,814)	55,406,098	232,250,433
Advance payments	25,035,225	76,978,081	(11,724,030)	26,107,277
Other current assets	59,638,465	(108,604,706)	41,061,923	30,617,006
Other non-current assets	(351,506,093)	(595,976,061)	(1,447,191)	(118,414,946)

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Increase (decrease) in operating liabilities				
Trade and other payables	20,197,268	(277,854,641)	58,186,118	(124,486,833)
Unearned income	56,831,878	(127,154,294)	115,201,130	11,645,543
Other current liabilities	(87,356,246)	62,280,907	(23,016,827)	(7,170,296)
Provision for long-term employee benefits	<u>(17,397,159)</u>	<u>(8,027,000)</u>	<u>(2,606,374)</u>	<u>(8,027,000)</u>
Cash flows from (used in) operating activities	743,121,475	(1,682,753,500)	558,004,521	972,355,831
Cash paid for interest expenses	(144,997,506)	(191,512,331)	(110,146,572)	(226,009,560)
Cash paid for income tax	<u>(226,977,563)</u>	<u>(246,661,764)</u>	<u>(63,248,554)</u>	<u>(80,796,921)</u>
Net cash flows from (used in) operating activities	<u>371,146,406</u>	<u>(2,120,927,595)</u>	<u>384,609,395</u>	<u>665,549,350</u>
Cash flows from investing activities				
Acquisition of equipment	(273,066,999)	(504,185,001)	(39,040,228)	(125,252,064)
Decrease in accounts payable - purchase of assets	(15,388,091)	-	(22,444,813)	-
Cash received from returning investments of subsidiaries	-	-	2,915,976	-
Cash paid to purchase additional investments in subsidiaries	-	-	(429,002,176)	(6,701,784,544)
Cash received from disposal of investments in subsidiaries	-	-	203,284,177	6,774,543
Cash paid to purchase additional investments in joint ventures	(571,550,100)	(10,298,259)	(571,550,100)	-
Net decrease in cash due to loss of control				
in subsidiaries (Note 32)	(34,083,797)	-	-	-
Net increase (decrease) in cash due to sale of				
investments in subsidiaries	220,805,553	(749,045,407)	-	-
Cash received from returning investments of associates	-	6,966,519	-	14,746
Cash received from sale of investments of joint ventures	438,686,445	-	8,686,655	-
Cash paid to purchase additional investments in associates	(3,599,580)	(5,399,980)	-	-
Cash received from sale of other long-term investments	297,803,072	188,736,513	297,803,072	188,736,175
Cash paid to purchase other long-term investments	-	(5,423,338)	-	(4,823,338)
Cash received from disposal of equipments	111,525,525	48,360,220	6,191,274	10,900,408
Decrease (increase) in loans to related parties	-	404,129,699	(37,640,000)	1,555,517,000
Dividend received from subsidiaries and associates	9,162,762	11,949,040	250,482,348	301,926,667
Dividend received from other long-term investments	-	12,358,292	-	10,759,092
Cash received from non-controlling interests of subsidiaries				
from investments in subsidiaries	2,450,300	-	-	-
Interest income	19,822,459	65,244,147	60,093,183	219,896,210
Decrease in current investments	899,938,881	988,725,950	880,000,000	875,000,000
Cash paid for spectrum license	<u>(305,000,000)</u>	<u>(1,130,000,000)</u>	-	-
Net cash flows from (used in) investing activities	<u>797,506,430</u>	<u>(677,881,605)</u>	<u>609,779,368</u>	<u>(3,662,335,105)</u>

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from banks	(901,056,950)	(3,307,840,889)	(582,000,000)	(1,418,000,000)
Cash received from long-term loans	1,012,350,000	5,409,190,000	-	3,900,000,000
Repayment of long-term loans	(1,022,500,000)	(2,318,000,000)	(1,000,000,000)	(2,300,000,000)
Increase (decrease) in short-term loans from related parties	-	-	715,000,000	(99,500,000)
Repayment of liabilities under finance lease agreements	(15,582,543)	(23,135,538)	(8,967,466)	(13,899,553)
Dividend paid to non-controlling interest of subsidiaries	(46,088,811)	(80,563,748)	-	-
Proceeds from increase in share capital	-	2,450,665,911	-	2,450,665,911
Net cash flows from (used in) financing activities	<u>(972,878,304)</u>	<u>2,130,315,736</u>	<u>(875,967,466)</u>	<u>2,519,266,358</u>
Decrease in translation adjustments	<u>(1,492,507)</u>	<u>(106,020)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	194,282,025	(668,599,484)	118,421,297	(477,519,397)
Cash and cash equivalents at beginning of year	<u>864,525,590</u>	<u>1,533,125,074</u>	<u>385,949,976</u>	<u>863,469,373</u>
Cash and cash equivalents at end of year	<u><u>1,058,807,615</u></u>	<u><u>864,525,590</u></u>	<u><u>504,371,273</u></u>	<u><u>385,949,976</u></u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions:				
Assets purchases which payment has yet to be made	-	11,397,205	-	14,751,911
Increase in assets from finance lease agreements	11,104,461	17,441,676	10,914,824	9,243,653

The accompanying notes are an integral part of the financial statements.