



Financial Summary
from the 2016 Annual Report
GMM Grammy Public Company Limited

GMM Grammy Plc. and Subsidiaries

Financial Highlights

Consolidated (Unit : Million Baht)

	2016	2015	2014 (Restated)
Total revenues	7,430.0	9703.6	9263.9
Revenue from sales and services	7,294.6	8598.3	8857.4
Total costs	4,586.3	5742.9	6223.4
Gross profit	2,708.3	2855.4	2634.0
Earnings/loss before Non-controlling interest of the subsidiaries	(533.4)	(1,135.2)	(2,345.3)
Net earnings/loss for the year	(520.1)	(1,145.5)	(2,412.5)
Dividend paid	-	-	-
Total assets	7,248.6	7589.6	14461.3
Total liabilities	5,780.1	5555.9	10977.0
Non-controlling interest of the subsidiaries	166.3	211.5	441.0
Equity attributable to the Company's shareholders	1,302.2	1822.2	3043.3
Weighted average number of ordinary shares (Million shares)	819.9	819.9	658.3
Net earning/loss per share (Baht)	(0.64)	-1.4	-3.7
Dividend paid per share (Baht)	-	-	-
Book value per share (Baht)	1.59	2.2	4.6
Net profit/loss margins	-7.00%	-11.80%	-26.04%
Return on equity	-33.30%	-47.09%	-79.24%
Return on assets	-7.01%	-10.39%	-17.83%

2014:The omission of dividends payment for the 2014 operational results

According to the 2014 separate financial statement, the Company recorded the net loss of 3,963.28 million baht in 2014, therefore, the Board of Directors' Meeting No.1/2015 held on February 27, 2015, approved the omission of dividend payment for the operational results of 2014 and such resolution was approved by the 2014 Annual General Meeting of Shareholders held on April 29, 2015.

2015: Proposal for the omission of dividends payment for the 2015 operational results

According to the 2015 separate financial statement, the Company recorded the net loss of 930 million baht in 2015, therefore, the Board of Directors' Meeting No.1/2016 held on February 26, 2016, approved the omission of dividend payment for the operational results of 2015 and such resolution was approved by the 2016 Annual General Meeting of Shareholders held on April 29, 2016.

2016: Proposal for the omission of dividends payment for the 2016 operational results

According to the 2016 separate financial statement, the Company recorded the net profit of 408.3 million baht in 2016, but still had a deficit (In the separate financial statements) of 3,581 million baht, therefore, it can not pay dividends. therefore, the Board of Directors' Meeting held on February 27, 2017, resolved to propose the omission of dividend payment for the operational results of 2016. This proposal must be approved by the 2017 Annual General Meeting of Shareholders which will be held on April 28, 2017.

Independent Auditor's Report

To the Shareholders of GMM Grammy Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of GMM Grammy Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of GMM Grammy Public Company Limited (the Company) for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GMM Grammy Public Company Limited and its subsidiaries, and of GMM Grammy Public Company Limited as at 31 December 2016, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 34.5 to the financial statements regarding the uncertainty of the result of the legal case in which the Company was sued by a contract partner. This case is being considered by the court. However, the Company has submitted a plea and filed a countersuit with the court, presenting facts and evidences that will be beneficial in the consideration of the case, and with reference to legal counsel's opinion, the management believes that the Company has evidence and information pursuant to the relevant agreement to defend the case and the case will probably not cause damage to the Company. The Company, hence, has not recorded any provision in its accounts. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Impairment of investments in subsidiaries, joint venture, associates and other investments

As discussed in Note 12 - 15 to the financial statements, the Group has investments in subsidiaries, joint venture, associates and other investments at cost totaling Baht 9,781 million and has impairment losses on investments in subsidiaries, associates and other investments totaling Baht 6,750. In determining the impairment loss, management had to exercise judgement with respect to its projections of future operating performance, plans for each investee, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss recorded on investments in subsidiaries, joint venture, associates and other investments.

I assessed the management's identification of cash generating units and selection of a financial model, by gaining an understanding of management's decision-making process and evaluating

whether the decisions were consistent with its financial history and industry trends. In addition, I gained an understanding of and assessed the following:

- The assumptions applied in preparing plans and cash flow projections for each company, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with external and internal sources of information and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections, and comparison of the long-term growth rate of each company with economic and industry forecasts.
- The discount rate, based on comparison of the average cost of capital and other data with those used by comparable organisations.
- The assumptions and approaches used by the management in calculating the fair value of assets.

I considered the scope and probability of potential changes in the key assumptions (both individually and collectively as a group) and in particular the growth rates applied in preparing the cash flow projections, by comparing them to economic and industry forecasts. In addition, I reviewed the disclosure of information with respect to impairment of investments in subsidiaries, joint ventures, associates and other investments.

Deferred tax

The Group has disclosed its accounting policy and details relating to deferred tax in Note 4.17 and Note 28 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgement with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I gained an understanding of and tested the key related controls over the preparation and approval of the estimates of future taxable profit for the purposes of deferred tax asset recognition by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both internal and external sources, with consideration of information and assumptions that directly affect revenue growth and gross profit margin, such as interest rates, consumer spending and gross domestic product. Furthermore, I performed comparative analysis based on industry information from external sources, and compared the past projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Revenue recognition

The Group's revenue is significant to the financial statements and directly affects its operating results, to which users of financial statements pay attention. The Group has numerous types of revenue and it is derived through various channels, under agreements with a large number of customers that contain a variety of conditions, pertaining to matters such as sales promotions and discounts. In addition, the economic slowdown has directly resulted in competition in media and entertainment industry. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for sales and service transactions occurring during the year and near the end of the accounting period, and with special consideration given to expanding the scope of the examination supporting documentation for transactions occurring near the end of the accounting period.

- Reviewing credit notes that the Group issued after the period-end, with special consideration given to expanding the scope of sampling of documentation.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the 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.

The engagement partner on the audit resulting in this independent auditor's report is
Mr. Termphong Opanaphan.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 27 February 2017

GMM Grammy Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets					
Current assets					
Cash and cash equivalents	7	868,821,210	1,058,807,615	401,324,810	504,371,273
Current investments	8	250,650,590	175,952,062	231,178,214	120,000,000
Trade and other receivables	9	1,397,272,280	1,414,957,447	880,088,032	799,654,477
Prepaid expenses		62,387,315	59,973,202	27,920,709	5,143,050
Inventories	10	370,797,111	300,989,734	115,409,065	114,133,108
Advance payments		27,111,615	45,760,026	8,217,932	23,558,485
Other current assets	11	267,588,585	290,067,756	44,490,218	41,836,190
Total current assets		<u>3,244,628,706</u>	<u>3,346,507,842</u>	<u>1,708,628,980</u>	<u>1,608,696,583</u>
Non-current assets					
Investments in subsidiaries	12	-	-	2,001,868,143	2,075,099,178
Investment in joint venture	13	263,233,090	616,363,268	971,549,700	971,549,700
Investments in associates	14	276,672,051	275,721,127	25,000,000	25,000,000
Other long-term investments	15	3,655,635	3,503,882	1,655,935	1,504,182
Loans to related parties	6	-	-	50,180,000	77,080,000
Property, plant and equipment	16	429,879,043	524,045,763	187,952,041	199,942,157
Goodwill		-	36,659,796	-	-
Other intangible assets	17	684,312,803	348,602,344	566,940,831	287,794,811
Cost of spectrum license	18	1,608,498,811	1,739,140,125	-	-
Deferred tax assets	28	486,471,235	416,019,116	123,266,301	104,997,493
Other non-current assets	19	251,234,404	283,051,853	79,707,486	127,872,660
Total non-current assets		<u>4,003,957,072</u>	<u>4,243,107,274</u>	<u>4,008,120,437</u>	<u>3,870,840,181</u>
Total assets		<u>7,248,585,778</u>	<u>7,589,615,116</u>	<u>5,716,749,417</u>	<u>5,479,536,764</u>

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

GMM Grammy Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	20	322,905,262	3,000,000	-	
Trade and other payables	21	1,210,404,479	1,489,010,164	481,458,039	606,782,196
Unearned income		444,960,726	436,020,742	174,198,567	213,748,792
Short-term loans from related parties and directors	6	3,890,000	-	1,924,500,000	1,978,500,000
Current portion of long-term loans	22	1,497,182,404	-	-	-
Current portion of liabilities under finance lease agreements		14,600,349	11,451,657	8,246,355	8,529,329
Current portion of cost of spectrum license payable	23	409,883,586	409,814,192	-	-
Income tax payable		9,112,817	8,243,305	-	-
Other current liabilities	24	266,332,306	209,129,279	182,908,820	107,790,333
Total current liabilities		4,179,271,929	2,566,669,339	2,771,311,781	2,915,350,650
Non-current liabilities					
Long-term loans - net of current portion	22	597,206,017	1,625,545,102	597,206,017	596,776,174
Liabilities under finance lease agreements - net of current portion		26,593,846	29,145,113	20,046,282	22,562,499
Cost of spectrum license payable - net of current portion	23	679,911,740	1,024,310,995	-	-
Provision for long-term employee benefits	25	297,086,277	310,151,151	161,451,645	186,299,045
Deferred tax liabilities	28	77,536	121,826	-	-
Total non-current liabilities		1,600,875,416	2,989,274,187	778,703,944	805,637,718
Total liabilities		5,780,147,345	5,555,943,526	3,550,015,725	3,720,988,368

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

GMM Grammy Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
819,949,729 ordinary shares of Baht 1 each		819,949,729	819,949,729	819,949,729	819,949,729
Issued and fully paid					
819,949,729 ordinary shares of Baht 1 each		819,949,729	819,949,729	819,949,729	819,949,729
Paid-in capital					
Share premium		4,847,628,795	4,847,628,795	4,847,628,795	4,847,628,795
Transferred of share premium to offset deficit in separate financial statements		271,203,657	271,203,657	-	-
Capital surplus from share premium of subsidiaries		859,297,366	859,297,366	-	-
Retained earnings					
Appropriated - statutory reserve	26	81,994,973	63,631,794	81,994,973	63,631,794
Transfer of statutory reserve to offset deficit in separate financial statements		50,000,000	50,000,000	-	-
Unappropriated (deficit)		(5,160,958,678)	(4,622,446,503)	(3,580,604,317)	(3,970,493,516)
Other components of shareholders' equity		(466,945,865)	(467,048,371)	(2,235,488)	(2,168,406)
Equity attributable to owners of the Company		1,302,169,977	1,822,216,467	2,166,733,692	1,758,548,396
Non-controlling interests of the subsidiaries		166,268,456	211,455,123	-	-
Total shareholders' equity		1,468,438,433	2,033,671,590	2,166,733,692	1,758,548,396
Total liabilities and shareholders' equity		7,248,585,778	7,589,615,116	5,716,749,417	5,479,536,764

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

Directors

GMM Grammy Public Company Limited and its subsidiaries
Income statement
For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Sales of goods		2,407,780,739	2,743,006,690	509,286,779	737,218,270
Service income		3,638,741,445	4,606,886,583	1,463,761,160	1,558,960,807
Revenues from copyrights		1,248,115,585	1,248,429,105	1,096,279,375	1,074,049,645
Interest income		12,922,729	19,822,459	13,455,361	18,853,109
Dividend income		4,500	-	473,689,876	52,103,473
Gain on sale of invesments in subsidiaries		-	54,479,814	-	2,362,433
Gain on sale of invesments in joint ventures		-	103,401,208	-	-
Gain on sale of other long-term investments		-	70,256,784	-	70,256,784
Gain associated with the loss of control in subsidiary		2,557,025	731,281,009	-	-
Other income		119,920,226	126,013,343	68,035,725	84,456,014
Total revenues		7,430,042,249	9,703,576,995	3,624,508,276	3,598,260,535
Expenses					
Cost of sales and services		4,586,306,058	5,742,911,416	1,844,124,121	1,964,626,483
Selling and servicing expenses		526,497,470	638,894,581	34,560,901	29,283,191
Administrative expenses		2,335,081,318	2,889,155,803	1,196,447,996	1,189,122,287
Loss on sale of and returning investment in subsidiaries		-	-	-	18,683,724
Loss on impairment of investment in subsidiaries		-	-	42,471,660	1,159,855,000
Loss on impairment of other long-term investments		-	1,030,340,000	-	-
Total expenses		7,447,884,846	10,301,301,800	3,117,604,678	4,361,570,685
Profit (loss) before share of profit (loss) from investments in joint ventures and associates, finance cost and income tax expenses					
Share of loss from investments in joint ventures	13	(353,130,178)	(337,733,812)	-	-
Share of profit from investments in associates	14	16,615,667	4,512,696	-	-
Profit (loss) before finance cost and income tax expenses		(354,357,108)	(930,945,921)	506,903,598	(763,310,150)
Finance cost		(188,173,719)	(271,592,502)	(94,290,673)	(113,467,685)
Profit (loss) before income tax expenses		(542,530,827)	(1,202,538,423)	412,612,925	(876,777,835)
Income tax income (expenses)	28	9,128,615	67,306,733	(4,360,547)	(53,218,770)
Profit (loss) for the year		(533,402,212)	(1,135,231,690)	408,252,378	(929,996,605)
Profit (loss) attributable to:					
Equity holders of the Company		(520,148,996)	(1,145,483,743)	408,252,378	(929,996,605)
Non-controlling interests of the subsidiaries		(13,253,216)	10,252,053		
		<u>(533,402,212)</u>	<u>(1,135,231,690)</u>		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	30	(0.63)	(1.40)	0.50	(1.13)

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 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit (loss) for the year	<u>(533,402,212)</u>	<u>(1,135,231,690)</u>	<u>408,252,378</u>	<u>(929,996,605)</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	169,588	(1,492,507)	-	-
Gain (loss) on change in value of available-for-sale investments				
- net of income tax	(67,082)	32,610	(67,082)	32,610
Reversal of gain on change in value of available-for-sale investments - net of income tax expenses	-	(20,063,552)	-	(20,063,552)
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	102,506	(21,523,449)	(67,082)	(20,030,942)
<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	-	(8,316,578)	-	-
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	-	(53,828,851)	-	(25,300,833)
Other comprehensive income for the year	<u>102,506</u>	<u>(75,352,300)</u>	<u>(67,082)</u>	<u>(45,331,775)</u>
Total comprehensive income for the year	<u>(533,299,706)</u>	<u>(1,210,583,990)</u>	<u>408,185,296</u>	<u>(975,328,380)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(520,046,490)	(1,219,421,175)	<u>408,185,296</u>	<u>(975,328,380)</u>
Non-controlling interests of the subsidiaries	<u>(13,253,216)</u>	<u>8,837,185</u>		
	<u>(533,299,706)</u>	<u>(1,210,583,990)</u>		

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

GMM Grammy Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
	Issued and paid-up share capital	Share premium	Transfer of share premium to offset deficit in separate financial statements		Retained earnings			Other components of shareholders' equity							
			Capital surplus from share premium of subsidiaries		Appropriated - statutory reserve	Transfer of statutory reserve to offset deficit in separate financial statements	Unappropriated deficit (deficit)	Other comprehensive income				Other changes by the owners			
								Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of available-for-sale investments	Capital deficit from business combination under common control	Difference resulting from share swap between the Company and a subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 31 December 2014 - as previously reported	819,949,729	4,847,628,795	271,203,657	860,964,766	63,631,794	50,000,000	(3,326,046,389)	1,282,105	17,862,536	(274,800,348)	(189,604,191)	(445,259,898)	3,142,072,454	940,701,047	4,082,773,501
Cumulative effect of change in accounting policy	-	-	-	-	-	-	(98,502,388)	(265,024)	-	-	-	(265,024)	(98,767,412)	(499,703,144)	(598,470,556)
Balance as at 31 December 2014 - as restated	819,949,729	4,847,628,795	271,203,657	860,964,766	63,631,794	50,000,000	(3,424,548,777)	1,017,081	17,862,536	(274,800,348)	(189,604,191)	(445,524,922)	3,043,305,042	440,997,903	3,484,302,945
Loss for the year	-	-	-	-	-	-	(1,145,483,743)	-	-	-	-	-	(1,145,483,743)	10,252,053	(1,135,231,690)
Other comprehensive income for the year	-	-	-	-	-	-	(52,413,983)	(1,492,507)	(20,030,942)	-	-	(21,523,449)	(73,937,432)	(1,414,868)	(75,352,300)
Total comprehensive income for the year	-	-	-	-	-	-	(1,197,897,726)	(1,492,507)	(20,030,942)	-	-	(21,523,449)	(1,219,421,175)	8,837,185	(1,210,583,990)
Disposal of investment in subsidiary	-	-	-	(1,667,400)	-	-	-	-	-	-	-	-	(1,667,400)	-	(1,667,400)
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(238,379,965)	(238,379,965)
Balance as at 31 December 2015	819,949,729	4,847,628,795	271,203,657	859,297,366	63,631,794	50,000,000	(4,622,446,503)	(475,426)	(2,168,406)	(274,800,348)	(189,604,191)	(467,048,371)	1,822,216,467	211,455,123	2,033,671,590
Balance as at 31 December 2015	819,949,729	4,847,628,795	271,203,657	859,297,366	63,631,794	50,000,000	(4,622,446,503)	(475,426)	(2,168,406)	(274,800,348)	(189,604,191)	(467,048,371)	1,822,216,467	211,455,123	2,033,671,590
Loss for the year	-	-	-	-	-	-	(520,148,996)	-	-	-	-	-	(520,148,996)	(13,253,216)	(533,402,212)
Other comprehensive income for the year	-	-	-	-	-	-	-	169,588	(67,082)	-	-	102,506	102,506	-	102,506
Total comprehensive income for the year	-	-	-	-	-	-	(520,148,996)	169,588	(67,082)	-	-	102,506	(520,046,490)	(13,253,216)	(533,299,706)
Setting aside to statutory reserve (Note 26)	-	-	-	-	18,363,179	-	(18,363,179)	-	-	-	-	-	-	-	-
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,933,451)	(31,933,451)
Balance as at 31 December 2016	819,949,729	4,847,628,795	271,203,657	859,297,366	81,994,973	50,000,000	(5,160,958,678)	(305,838)	(2,235,488)	(274,800,348)	(189,604,191)	(466,945,865)	1,302,169,977	166,268,456	1,468,438,433

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

GMM Grammy Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

Separate financial statements						
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated (deficit)	Other comprehensive income Surplus (deficit) on changes in value of available-for-sale investments	
					Total other components of shareholders' equity	
Balance as at 31 December 2014	819,949,729	4,847,628,795	63,631,794	(3,015,196,078)	17,862,536	2,733,876,776
Loss for the year	-	-	-	(929,996,605)	-	(929,996,605)
Other comprehensive income for the year	-	-	-	(25,300,833)	(20,030,942)	(45,331,775)
Total comprehensive income for the year	-	-	-	(955,297,438)	(20,030,942)	(975,328,380)
Balance as at 31 December 2015	<u>819,949,729</u>	<u>4,847,628,795</u>	<u>63,631,794</u>	<u>(3,970,493,516)</u>	<u>(2,168,406)</u>	<u>1,758,548,396</u>
						-
Balance as at 31 December 2015	819,949,729	4,847,628,795	63,631,794	(3,970,493,516)	(2,168,406)	1,758,548,396
Profit for the year	-	-	-	408,252,378	-	408,252,378
Other comprehensive income for the year	-	-	-	-	(67,082)	(67,082)
Total comprehensive income for the year	-	-	-	408,252,378	(67,082)	408,185,296
Setting aside to statutory reserve (Note 26)	-	-	18,363,179	(18,363,179)	-	-
Balance as at 31 December 2016	<u>819,949,729</u>	<u>4,847,628,795</u>	<u>81,994,973</u>	<u>(3,580,604,317)</u>	<u>(2,235,488)</u>	<u>2,166,733,692</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 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit (loss) before tax	(542,530,827)	(1,202,538,423)	412,612,925	(876,777,835)
Adjustments to reconcile profit (loss) before tax to				
net cash provided by (paid from) operating activities:				
Depreciation	166,441,203	275,524,567	56,996,843	56,522,330
Amortisation	469,742,419	294,973,868	230,686,161	15,352,344
Amortisation of spectrum license	130,641,314	179,148,918	-	-
Allowance for doubtful accounts (reversal)	18,041,061	(19,486,975)	21,178,833	(9,503,142)
Reduction of cost of inventory to net realisable value (reversal)	(1,344,458)	(153,495,670)	29,511,532	(95,337,489)
Allowance for impairment of investments in subsidiaries	-	-	42,471,660	1,159,855,000
Allowance for impairment of others long term investment	-	1,030,340,000	-	-
Allowance for impairment of property, plant and equipment (reversal)	(21,764,588)	124,707,442	-	-
Allowance for impairment of goodwill	36,659,796	-	-	-
Allowance for impairment of intangible assets (reversal)	(4,441,620)	4,496,172	-	-
Provision for sales returns	85,253,445	5,389,533	86,848,884	3,766,637
Gain on sale of investments in subsidiaries	-	(54,479,814)	-	(2,362,433)
Loss on returning investments of subsidiaries	-	-	-	18,683,724
Loss (gain) on sale of investments in joint ventures	-	(103,401,208)	-	1,313,345
Gain on sale of other long-term investments	-	(70,256,784)	-	(70,256,784)
Loss (gain) on disposal of equipment	19,104,824	(1,453,709)	(2,027,795)	(3,674,067)
Dividend income	(4,500)	-	(473,689,876)	(52,103,473)
Share of loss from investments in joint ventures	353,130,178	337,733,812	-	-
Share of profit from investments in associates	(16,615,667)	(4,512,696)	-	-
Long-term employee benefit expenses (reversal)	80,906,081	(9,361,880)	54,322,627	10,751,882
Gain associated with the loss of control in subsidiary	(2,557,025)	(731,281,009)	-	-
Interest income	(12,922,729)	(19,822,459)	(13,455,361)	(18,853,109)
Interest expenses	188,173,719	271,592,502	94,290,673	113,467,685
Profit from operating activities before changes				
in operating assets and liabilities	945,912,626	153,816,187	539,747,106	250,844,615
Decrease (increase) in operating assets				
Trade and other receivables	(26,986,509)	617,045,144	150,134,689	77,689,317
Prepaid expenses	(2,423,166)	(62,376,512)	(22,777,659)	(1,590,258)
Inventories	(165,553,440)	329,193,318	(34,672,853)	55,406,098
Advance payments	18,532,952	25,035,225	15,340,553	(11,724,030)
Other current assets	105,615,976	59,638,465	36,510,141	41,061,923
Other non-current assets	(727,245,443)	(351,506,093)	(509,851,836)	(1,447,191)

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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Increase (decrease) in operating liabilities				
Trade and other payables	(247,010,666)	20,197,268	(117,795,658)	58,186,118
Unearned income	21,471,959	56,831,878	(39,550,225)	115,201,130
Other current liabilities	(25,631,419)	(87,356,246)	(11,730,397)	(23,016,827)
Provision for long-term employee benefits	<u>(12,752,906)</u>	<u>(17,397,159)</u>	<u>(12,012,907)</u>	<u>(2,606,374)</u>
Cash flows from (used in) operating activities	(116,070,036)	743,121,475	(6,659,046)	558,004,521
Cash paid for interest expenses	(111,640,261)	(144,997,506)	(101,389,329)	(110,146,572)
Cash paid for income tax	(145,861,864)	(226,977,563)	(61,612,579)	(63,248,554)
Cash paid for termination wages	(80,497,723)	-	(67,157,120)	-
Cash received from income tax refund	<u>52,070,193</u>	<u>-</u>	<u>52,070,193</u>	<u>-</u>
Net cash flows from (used in) operating activities	<u>(401,999,691)</u>	<u>371,146,406</u>	<u>(184,747,881)</u>	<u>384,609,395</u>
Cash flows from investing activities				
Acquisition of equipment	(71,338,782)	(273,066,999)	(36,389,951)	(39,040,228)
Decrease in accounts payable - purchase of assets	(4,733,445)	(15,388,091)	-	(22,444,813)
Cash received from returning investments of subsidiaries	-	-	104,709,375	2,915,976
Cash received from disposal of investments in subsidiaries	-	-	-	203,284,177
Net increase in cash due to sale of investments in subsidiaries	-	220,805,553	-	-
Net decrease in cash due to loss of control				
in subsidiaries (Note 31)	(4,798,150)	(34,083,797)	-	-
Cash paid to purchase additional investments in subsidiaries	-	-	(73,950,000)	(429,002,176)
Cash received from sale of investments of joint ventures	-	438,686,445	-	8,686,655
Cash paid to purchase additional investments in joint ventures	-	(571,550,100)	-	(571,550,100)
Cash received from sale of investments of associates	2,499,700	-	-	-
Cash paid to purchase additional investments in associates	-	(3,599,580)	-	-
Cash received from sale of other long-term investments	-	297,803,072	-	297,803,072
Cash paid to purchase other long-term investments	(235,605)	-	(235,605)	-
Cash received from disposal of equipments	17,626,737	111,525,525	3,717,898	6,191,274
Decrease (increase) in loans to related parties	-	-	26,900,000	(37,640,000)
Dividend received from subsidiaries and associates	11,157,448	9,162,762	221,589,874	250,482,348
Dividend received from other long-term investments	4,500	-	4,500	-
Cash received from (paid to) non-controlling interests				
of subsidiaries from investments in subsidiaries	(31,580,400)	2,450,300	-	-
Interest income	12,922,729	19,822,459	13,639,611	60,093,183
Decrease (increase) in current investments	(74,698,528)	899,938,881	(111,178,214)	880,000,000
Cash paid for spectrum license	<u>(420,000,000)</u>	<u>(305,000,000)</u>	<u>-</u>	<u>-</u>
Net cash flows from (used in) investing activities	<u>(563,173,796)</u>	<u>797,506,430</u>	<u>148,807,488</u>	<u>609,779,368</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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and				
short-term loans from banks	319,905,262	(901,056,950)	-	(582,000,000)
Cash received from loans from directors	3,890,000	-	-	-
Cash received from long-term loans	467,980,000	1,012,350,000	-	-
Repayment of long-term loans	-	(1,022,500,000)	-	(1,000,000,000)
Increase (decrease) in short-term loans from related parties	-	-	(54,000,000)	715,000,000
Repayment of liabilities under finance lease agreements	(16,404,717)	(15,582,543)	(13,106,070)	(8,967,466)
Dividend paid to non-controlling interest of subsidiaries	(353,051)	(46,088,811)	-	-
Net cash flows from (used in) financing activities	<u>775,017,494</u>	<u>(972,878,304)</u>	<u>(67,106,070)</u>	<u>(875,967,466)</u>
Increase (decrease) in translation adjustments	<u>169,588</u>	<u>(1,492,507)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(189,986,405)</u>	<u>194,282,025</u>	<u>(103,046,463)</u>	<u>118,421,297</u>
Cash and cash equivalents at beginning of year	<u>1,058,807,615</u>	<u>864,525,590</u>	<u>504,371,273</u>	<u>385,949,976</u>
Cash and cash equivalents at end of year	<u>868,821,210</u>	<u>1,058,807,615</u>	<u>401,324,810</u>	<u>504,371,273</u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions:				
Increase in assets from finance lease agreements	17,002,142	11,104,461	10,306,879	10,914,824

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