



Financial Summary
from the 2018 Annual Report
GMM Grammy Public Company Limited

GMM Grammy Public Company Limited and its subsidiaries
Financial Highlights

	Consolidated (Unit : Million Baht)		
	2018	2017	2016
Total revenues	6,984.4	8,861.3	7,430.0
Revenue from sales and services	6,870.5	7,595.3	7,294.6
Total costs	4,364.7	4,917.1	4,586.3
Gross profit	2,505.8	2,678.2	2,708.3
Earnings/(loss) before Non-controlling interest of the subsidiaries	63.0	(349.7)	(533.4)
Net earnings/(loss) for the year	15.4	(384.3)	(520.1)
Dividend paid	-	0.0	0.0
Total assets	3,673.1	3,766.1	7,248.6
Total liabilities	2,529.3	2,658.8	5,780.1
Non-controlling interest of the subsidiaries	174.4	157.5	166.3
Equity attributable to the Company's shareholders	969.4	949.8	1,302.2
Weighted average number of ordinary shares (Million shares)	819.9	819.9	819.9
Net earning/(loss) per share (Baht)	0.02	(0.47)	(0.63)
Dividend paid per share (Baht)	-	-	-
Book value per share (Baht)	1.18	1.16	1.59
Net profit/(loss) margins	0.22%	-4.34%	-7.00%
Return on equity	1.61%	-34.13%	-33.30%
Return on assets	0.41%	-6.98%	-7.01%

2016: 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 bath, therefore, it can not pay dividends. herefore, the Board of Directors' Meeting No.1/2017 held on February 27, 2017, resolved to propose the omission of dividend payment for the operational results of 2016 and such resolution was approved by the 2017 Annual General Meeting of Shareholders held on April 28, 2017.

2017: The omission of dividends payment for the 2017 operational results

According to the 2017 separate financial statement, the Company recorded the net profit of 515.8 million baht in 2017, but still had a deficit. (In the separate financial statements) of 3,054.06 million bath, therefore, it can not pay dividends. herefore, the Board of Directors' Meeting No.2/2018 held on February 27, 2018, resolved to propose the omission of dividend payment for the operational results of 2017 and such resolution was approved by the 2018 Annual General Meeting of Shareholders held on April 27, 2018.

2018: Proposal for the omission of dividends payment for the 2018 operational results

According to the 2018 separate financial statement, the Company recorded the net profit of 15.11 million baht in 2018, but still had a deficit. (In the separate financial statements) of 3,032.66 million bath, therefore, it can not pay dividends. herefore, the Board of Directors' Meeting No.1/2019 held on February 28, 2019, resolved to propose the omission of dividend payment for the operational results of 2018. This proposal must be approved by the 2019 Annual General Meeting of Shareholders which will be held on April 26, 2019.

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 2018, 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 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 2018, 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 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.

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 to each matter are described below.

Impairment of investments

As discussed in Note 12 - 15 to the financial statements, the Group has investments in subsidiaries, joint ventures, associates and other long-term investments at cost totaling Baht 10,262 million and has impairment losses on investments in subsidiaries, associates and other long-term investments totaling Baht 6,969 million. 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.

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.

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, changes in consumer behavior and industry trends have directly affected the competitive environment 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.

I am responsible for the audit resulting in this independent auditor's report.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 28 February 2019

GMM Grammy Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets					
Current assets					
Cash and cash equivalents	7	538,359,206	744,049,679	302,080,688	313,463,030
Current investments	8	1,450,957	161,394,327	-	150,000,000
Trade and other receivables	9	1,125,374,688	763,214,560	891,444,994	505,403,617
Prepaid expenses		27,405,473	28,561,728	6,801,195	7,844,605
Inventories	10	195,194,189	146,367,884	106,104,096	68,922,327
Advance payments		25,390,288	24,922,395	20,999,726	13,245,305
Other current assets	11	74,494,164	74,294,248	18,139,179	6,350,299
Total current assets		<u>1,987,668,965</u>	<u>1,942,804,821</u>	<u>1,345,569,878</u>	<u>1,065,229,183</u>
Non-current assets					
Investments in subsidiaries	12	-	-	902,253,920	936,404,348
Investments in joint ventures	13	491,564,633	508,434,621	2,191,549,400	1,971,549,400
Investments in associates	14	216,789,925	272,384,258	196,541,357	213,641,357
Other long-term investments	15	2,546,327	1,630,908	2,546,327	1,630,908
Loans to related parties	6	-	-	-	39,245,000
Leasehold improvement and equipment	16	278,709,927	287,149,550	157,038,448	184,270,472
Other intangible assets	17	315,548,287	296,957,547	312,691,602	295,382,239
Deferred tax assets	25	187,382,904	215,239,653	164,631,548	156,629,423
Other non-current assets	18	192,896,100	241,498,463	86,931,052	125,714,013
Total non-current assets		<u>1,685,438,103</u>	<u>1,823,295,000</u>	<u>4,014,183,654</u>	<u>3,924,467,160</u>
Total assets		<u><u>3,673,107,068</u></u>	<u><u>3,766,099,821</u></u>	<u><u>5,359,753,532</u></u>	<u><u>4,989,696,343</u></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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	19	1,245,165,064	1,194,410,297	693,126,676	641,680,934
Unearned income		213,361,573	188,827,065	103,904,906	90,335,547
Short-term loans from related parties	6	-	-	849,000,000	423,500,000
Current portion of long-term loan	20	84,000,000	48,000,000	84,000,000	48,000,000
Current portion of liabilities under finance lease agreements		10,658,318	11,481,341	8,867,100	10,195,788
Income tax payable		11,203,514	173,675,701	-	167,932,133
Other current liabilities	21	312,657,990	241,689,508	282,109,877	150,076,363
Total current liabilities		1,877,046,459	1,858,083,912	2,021,008,559	1,531,720,765
Non-current liabilities					
Long-term loan - net of current portion	20	466,065,704	549,635,861	466,065,704	549,635,861
Liabilities under finance lease agreements - net of current portion		19,987,876	30,330,147	19,987,876	28,538,929
Provision for long-term employee benefits	22	166,183,536	220,717,574	138,096,641	186,537,978
Deferred tax liabilities	25	10,253	24,194	-	-
Total non-current liabilities		652,247,369	800,707,776	624,150,221	764,712,768
Total liabilities		2,529,293,828	2,658,791,688	2,645,158,780	2,296,433,533

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
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	-	-
Retained earnings					
Appropriated - statutory reserve	23	81,994,973	81,994,973	81,994,973	81,994,973
Transferred of statutory reserve to offset deficit in separate financial statements		50,000,000	50,000,000	-	-
Unappropriated (deficit)		(4,831,943,347)	(4,851,260,335)	(3,032,655,571)	(3,054,055,177)
Other components of shareholders' equity		(269,449,433)	(269,674,157)	(2,323,174)	(2,255,510)
Equity attributable to owners of the Company		969,384,374	949,842,662	2,714,594,752	2,693,262,810
Non-controlling interests of the subsidiaries		174,428,866	157,465,471	-	-
Total shareholders' equity		1,143,813,240	1,107,308,133	2,714,594,752	2,693,262,810
Total liabilities and shareholders' equity		3,673,107,068	3,766,099,821	5,359,753,532	4,989,696,343

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Sales of goods		2,754,159,029	2,556,444,265	292,338,455	402,422,909
Service income		2,820,905,262	3,708,441,102	2,344,107,048	1,967,434,613
Revenues from copyrights		1,295,478,871	1,330,449,245	1,154,724,791	1,082,699,473
Interest income		7,210,307	13,018,287	6,690,798	12,551,899
Dividend income		-	4,001,700	76,744,621	304,429,209
Gain on sale of investments in subsidiaries		-	5,103,861	-	944,236,472
Gain associated with the loss of control in subsidiaries	1.2	-	1,004,003,404	-	-
Gain on deemed disposal of investment in joint venture		-	138,721,775	-	-
Other income		106,597,910	101,070,927	85,053,675	59,629,987
Total revenues		6,984,351,379	8,861,254,566	3,959,659,388	4,773,404,562
Expenses					
Cost of sales and services		4,364,707,463	4,917,133,677	2,489,571,779	2,140,129,266
Selling and servicing expenses		589,968,566	533,125,111	101,598,097	80,546,634
Administrative expenses		1,624,287,181	2,503,793,221	1,061,318,783	1,306,323,278
Loss on impairment of investments in subsidiaries		-	-	184,276,978	16,499,800
Loss on impairment of investment in associate		-	-	17,100,000	-
Expenses for legal dispute settlement		-	418,157,768	-	418,157,768
Total expenses		6,578,963,210	8,372,209,777	3,853,865,637	3,961,656,746
Profit before share of profit (loss) from investments in joint ventures and associates, finance cost and income tax expenses					
		405,388,169	489,044,789	105,793,751	811,747,816
Share of loss from investments in joint ventures	13	(150,301,046)	(323,449,977)	-	-
Share of profit (loss) from investments in associates	14	(48,220,118)	8,020,276	-	-
Profit before finance cost and income tax expenses		206,867,005	173,615,088	105,793,751	811,747,816
Finance cost		(33,623,759)	(166,669,072)	(46,408,558)	(77,362,583)
Profit before income tax expenses		173,243,246	6,946,016	59,385,193	734,385,233
Income tax expenses	25	(110,250,906)	(356,687,450)	(44,274,754)	(218,604,383)
Profit (loss) for the year		62,992,340	(349,741,434)	15,110,439	515,780,850
Profit (loss) attributable to:					
Equity holders of the Company		15,434,953	(384,262,166)	15,110,439	515,780,850
Non-controlling interests of the subsidiaries		47,557,387	34,520,732		
		62,992,340	(349,741,434)		
Basic earnings (loss) per share (Baht)					
Profit (loss) attributable to equity holders of the Company	26	0.02	(0.47)	0.02	0.63

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) for the year		<u>62,992,340</u>	<u>(349,741,434)</u>	<u>15,110,439</u>	<u>515,780,850</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		292,388	2,263,655	-	-
Loss on change in value of available-for-sale investments					
- net of income tax		<u>(67,664)</u>	<u>(20,022)</u>	<u>(67,664)</u>	<u>(20,022)</u>
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		<u>224,724</u>	<u>2,243,633</u>	<u>(67,664)</u>	<u>(20,022)</u>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax		8,630,930	14,496,501	6,289,167	10,768,290
Share of actuarial gain (loss) of joint ventures - net of income tax	13	<u>(3,971,193)</u>	<u>16,256,844</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		<u>4,659,737</u>	<u>30,753,345</u>	<u>6,289,167</u>	<u>10,768,290</u>
Other comprehensive income for the year		<u>4,884,461</u>	<u>32,996,978</u>	<u>6,221,503</u>	<u>10,748,268</u>
Total comprehensive income for the year		<u><u>67,876,801</u></u>	<u><u>(316,744,456)</u></u>	<u><u>21,331,942</u></u>	<u><u>526,529,118</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		19,541,712	(352,327,315)	<u>21,331,942</u>	<u>526,529,118</u>
Non-controlling interests of the subsidiaries		<u>48,335,089</u>	<u>35,582,859</u>		
		<u><u>67,876,801</u></u>	<u><u>(316,744,456)</u></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 2018

	Consolidated financial statements														(Unit: Baht)	
	Equity attributable to owners of the Company															
	Issued and paid-up share capital	Share premium	Transferred of share premium to offset deficit in separate financial statements	Capital surplus from share premium of subsidiaries	Appropriated - statutory reserve	Retained earnings Transferred of statutory reserve to offset deficit in separate financial statements	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
							Exchange	Other comprehensive income	Other changes by the owners	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				
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)	(305,638)	(2,235,488)	(274,800,348)	(189,604,191)	(466,945,865)	1,302,169,977	166,268,466	1,468,438,433	
Gain (loss) for the year	-	-	-	-	-	-	(384,262,166)	-	-	-	-	-	(384,262,166)	34,520,732	(349,741,434)	
Other comprehensive income for the year	-	-	-	-	-	-	29,691,218	2,263,655	(20,022)	-	-	2,243,633	31,934,851	1,062,127	32,996,978	
Total comprehensive income for the year	-	-	-	-	-	-	(354,570,948)	2,263,655	(20,022)	-	-	2,243,633	(352,327,315)	35,582,859	(316,744,456)	
Disposal in subsidiaries	-	-	-	(859,297,366)	-	-	664,269,291	-	-	5,423,884	189,604,191	195,028,075	-	-	-	
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(44,385,844)	(44,385,844)	
Balance as at 31 December 2017	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,851,260,335)	1,957,817	(2,255,510)	(269,376,464)	-	(269,674,157)	949,842,662	157,465,471	1,107,308,133	
Balance as at 31 December 2017	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,851,260,335)	1,957,817	(2,255,510)	(269,376,464)	-	(269,674,157)	949,842,662	157,465,471	1,107,308,133	
Gain for the year	-	-	-	-	-	-	15,434,953	-	-	-	-	-	15,434,953	47,557,387	62,992,340	
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	-	-	224,724	4,106,759	777,702	4,884,461	
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	-	-	224,724	19,541,712	48,335,069	67,876,801	
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,371,694)	(31,371,694)	
Balance as at 31 December 2018	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,831,943,347)	2,250,205	(2,323,174)	(269,376,464)	-	(269,449,433)	969,384,374	174,428,866	1,143,813,240	

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 2018

(Unit: Baht)

	Separate financial statements									
	Other components of shareholders' equity									
	Other									
	comprehensive income									
	Surplus (deficit) on changes in value of available-for-sale investments									
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings - Unappropriated (deficit)	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity			
Balance as at 31 December 2016										
Profit for the year	819,949,729	4,847,628,795	81,994,973	(3,580,604,317)	(2,235,488)	(2,235,488)	2,166,733,692			
Other comprehensive income for the year	-	-	-	515,780,850	-	-	515,780,850			
Total comprehensive income for the year	-	-	-	10,768,290	(20,022)	(20,022)	10,748,268			
Balance as at 31 December 2017										
	819,949,729	4,847,628,795	81,994,973	(3,054,055,177)	(20,022)	(20,022)	526,529,118			
Balance as at 31 December 2017										
	819,949,729	4,847,628,795	81,994,973	(3,054,055,177)	(2,255,510)	(2,255,510)	2,693,262,810			
Balance as at 31 December 2017										
Profit for the year	819,949,729	4,847,628,795	81,994,973	(3,054,055,177)	(2,255,510)	(2,255,510)	2,693,262,810			
Other comprehensive income for the year	-	-	-	15,110,439	-	-	15,110,439			
Total comprehensive income for the year	-	-	-	6,289,167	(67,664)	(67,664)	6,221,503			
Balance as at 31 December 2018										
	819,949,729	4,847,628,795	81,994,973	(3,032,655,571)	(67,664)	(67,664)	21,331,942			
Balance as at 31 December 2018										
	819,949,729	4,847,628,795	81,994,973	(3,032,655,571)	(2,323,174)	(2,323,174)	2,714,594,752			

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	173,243,246	6,946,016	59,385,193	734,385,233
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	92,234,551	124,407,178	53,233,269	50,568,189
Amortisation	118,817,624	637,043,266	45,088,021	328,540,060
Amortisation of spectrum license	-	119,545,751	-	-
Allowance for doubtful accounts (reversal)	(1,877,708)	90,867,540	(1,738,858)	94,694,620
Reduction of cost of inventory to net realisable value (reversal)	(28,554,615)	48,500,180	(18,118,621)	59,541,106
Allowance for impairment of leasehold improvement and equipment (reversal)	(2,899,206)	(1,014,904)	-	1,285,000
Provision for sales returns (reversal)	144,197,889	(36,726,112)	144,174,012	(34,203,021)
Allowance for impairment of investments in subsidiaries	-	-	184,276,978	16,499,800
Allowance for impairment of investment in associate	-	-	17,100,000	-
Gain on sale of investments in subsidiaries	-	(5,103,861)	-	(944,236,472)
Allowance for doubtful accounts of loans to related parties	-	-	37,245,000	-
Allowance for impairment of intangible assets	2,880,000	44,400,365	-	44,454,917
Gain on disposal of equipment	(1,631,824)	(1,431,989)	(2,644,526)	(372,528)
Dividend income	-	(4,001,700)	(76,744,621)	(304,429,209)
Share of loss from investments in joint ventures	150,301,046	323,449,977	-	-
Share of loss (profit) from investments in associates	48,220,118	(8,020,276)	-	-
Long-term employee benefit expenses	39,412,107	49,890,512	28,828,802	41,103,709
Interest income	(7,210,307)	(13,018,287)	(6,690,798)	(12,551,899)
Gain associated with the loss of control in subsidiaries	-	(1,004,003,404)	-	-
Gain on deemed disposal of investment in joint ventures	-	(138,721,775)	-	-
Interest expenses	33,623,759	166,669,072	46,408,558	77,362,583
Profit from operating activities before changes in operating assets and liabilities	760,756,680	399,677,549	509,802,409	152,642,088
Decrease (increase) in operating assets				
Trade and other receivables	(360,282,420)	(27,741,016)	(375,477,044)	38,024,460
Prepaid expenses	1,156,255	(7,330,692)	1,043,410	20,076,104
Inventories	(143,553,840)	(461,040,933)	(76,805,427)	(113,256,419)
Advance payments	(467,893)	(6,264,732)	(7,754,421)	(5,027,373)
Other current assets	19,668,061	64,788,496	(234,115)	37,285,035
Other non-current assets	(8,478,057)	(93,887,230)	(3,003,310)	(39,743,833)

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Increase (decrease) in operating liabilities				
Trade and other payables	49,713,818	518,319,836	50,497,141	163,070,517
Unearned income	24,534,508	(23,837,772)	13,569,359	(83,863,020)
Other current liabilities	9,368,341	9,761,989	(12,140,498)	1,370,564
Provision for long-term employee benefits	<u>(53,044,459)</u>	<u>(2,557,014)</u>	<u>(49,020,550)</u>	<u>(2,557,014)</u>
Cash flows from (used in) operating activities	299,370,994	369,888,481	50,476,954	168,021,109
Cash paid for interest expenses	(33,193,916)	(129,444,007)	(46,071,063)	(80,186,052)
Cash paid for termination wages	(30,103,971)	-	(20,388,131)	-
Cash paid for income tax	(266,898,129)	(151,413,000)	(233,405,188)	(86,722,439)
Cash received from income tax refund	<u>40,074,206</u>	<u>64,727,327</u>	<u>37,131,166</u>	<u>34,769,775</u>
Net cash flows from (used in) operating activities	<u>9,249,184</u>	<u>153,758,801</u>	<u>(212,256,262)</u>	<u>35,882,393</u>
Cash flows from investing activities				
Acquisition of equipment	(85,822,614)	(62,835,318)	(27,628,304)	(29,062,140)
Cash received from returning investments of subsidiaries	-	-	-	8,434,125
Cash paid to purchase addition investments in joint venture	(220,000,000)	-	(220,000,000)	-
Cash paid to purchase other long-term investments	(1,000,000)	-	(1,000,000)	-
Cash paid to purchase additional investments in subsidiaries	-	-	(150,126,550)	(526,239,551)
Cash received from disposal of investments in subsidiaries	-	7,841,770	-	1,511,006,193
Net decrease in cash due to loss of control in subsidiaries	-	(282,862,937)	-	-
Cash paid for rights of claim arising from the repayment return of capital as a result of a subsidiary's liquidation	-	(43,551,803)	-	(43,551,803)
Cash received from sale of investments of associates	-	2,605,005	-	-
Cash received from returning investments of associates	-	3,150,000	-	-
Cash paid to purchase additional investments in associates	-	-	-	(188,641,357)
Cash received from disposal of equipments	9,388,665	6,049,963	7,101,534	2,431,538
Decrease in loans to related parties	-	-	2,000,000	10,935,000
Dividend received from subsidiaries and associates	7,374,215	9,658,971	68,445,043	546,523,011
Dividend received from other long-term investments	-	4,001,700	-	2,500
Cash paid (received) to non-controlling interests of subsidiaries				
from investments in subsidiaries	650	(6,329,655)	-	-
Interest income	7,210,307	13,018,287	6,250,938	13,275,816
Decrease in current investments	159,943,370	89,256,263	150,000,000	81,178,214
Cash paid for spectrum license	<u>-</u>	<u>(210,000,000)</u>	<u>-</u>	<u>-</u>
Net cash flows from (used in) investing activities	<u>(122,905,407)</u>	<u>(469,997,754)</u>	<u>(164,957,339)</u>	<u>1,386,291,546</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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from financing activities				
Increase in short-term loans from banks	-	231,179,584	-	-
Increase (decrease) in short-term loans from related parties	-	-	425,500,000	(1,501,000,000)
Repayment of long-term loan	(48,000,000)	-	(48,000,000)	-
Repayment of liabilities under finance lease agreements	(12,954,294)	(11,766,206)	(11,668,741)	(9,035,719)
Dividend paid to non-controlling interest of subsidiaries	(31,372,344)	(30,209,611)	-	-
Net cash flows from (used in) financing activities	<u>(92,326,638)</u>	<u>189,203,767</u>	<u>365,831,259</u>	<u>(1,510,035,719)</u>
Increase in translation adjustments	<u>292,388</u>	<u>2,263,655</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(205,690,473)	(124,771,531)	(11,382,342)	(87,861,780)
Cash and cash equivalents at beginning of year	<u>744,049,679</u>	<u>868,821,210</u>	<u>313,463,030</u>	<u>401,324,810</u>
Cash and cash equivalents at end of year	<u><u>538,359,206</u></u>	<u><u>744,049,679</u></u>	<u><u>302,080,688</u></u>	<u><u>313,463,030</u></u>

Supplemental cash flows information:

Non-cash transactions:

Assets purchases which payment has yet to be made	1,040,949	-	1,040,949	405,691
Increase in assets from finance lease agreements	1,789,000	18,751,592	1,789,000	19,477,799

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