



Financial Summary
from the 2019 Annual Report
GMM Grammy Public Company Limited

GMM Grammy Public Company Limited and its subsidiaries
Financial Highlights

	Consolidated (Unit : Million Baht)		
	2019	2018	2017
Total revenues	6,640.2	6,984.4	8,861.3
Revenue from sales and services	6,602.2	6,870.5	7,595.3
Total costs	4,025.0	4,364.7	4,917.1
Gross profit	2,577.2	2,505.8	2,678.2
Earnings/(loss) before Non-controlling interest of the subsidiaries	374.7	63.0	(349.7)
Net earnings/(loss) for the year	341.9	15.4	(384.3)
Dividend paid	82.0	0.0	0.0
Total assets	3,669.3	3,673.1	3,766.1
Total liabilities	2,338.3	2,529.3	2,658.8
Non-controlling interest of the subsidiaries	161.6	174.4	157.5
Equity attributable to the Company's shareholders	1,169.3	969.4	949.8
Weighted average number of ordinary shares (Million shares)	819.9	819.9	819.9
Net earning/(loss) per share (Baht)	0.42	0.02	(0.47)
Dividend paid per share (Baht)	0.10	-	-
Book value per share (Baht)	1.43	1.18	1.16
Net profit/(loss) margins	5.15%	0.22%	-4.34%
Return on equity	31.97%	1.61%	-34.13%
Return on assets	9.31%	0.41%	-6.98%

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 and such resolution was approved by the 2019 Annual General Meeting of Shareholders held on April 26, 2019

2019: Proposal for the dividends payment for the 2019 operational results

According to the 2019 separate financial statement, the Company recorded the net profit of 274.39 million baht in 2019, The Board of Directors of GMM Grammy Public Company Limited ("Company") at the Meeting No.1/2020 held on February 28, 2020, to propose the AGM 2020 to consider and approve the dividend payment for the 2019 operational results at the rate of 0.30 Baht per share to the shareholders of 819,949,729 shares or totaling 245,984,918.70 Baht. Since, the Company already paid interim dividend at the rate of 0.10 Baht per shares to shareholders on 12 September 2019, thus the remaining dividend of 0.20 Baht per share or totaling 163,989,945.80 Baht. However, this proposal is still uncertainty as it has to be approved by the 2020 Annual General Meeting of Shareholders which will be held on April 28, 2020.

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 2019, 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 2019, 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 Company has investments in subsidiaries, joint ventures, associates and other long-term investments at cost totaling Baht 9,176 million and has impairment losses on investments in subsidiaries, associates and other long-term investments totaling Baht 5,998 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 investments.

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 2020

GMM Grammy Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	451,917,194	538,359,206	186,404,544	302,080,688
Current investments	8	120,149,721	1,450,957	-	-
Trade and other receivables	9	1,165,293,858	1,125,374,688	981,802,551	891,444,994
Prepaid expenses		38,474,581	27,405,473	9,583,271	6,801,195
Inventories	10	183,282,339	195,194,189	78,068,170	106,104,096
Advance payments		29,692,581	25,390,288	24,282,370	20,999,726
Other current assets	11	89,886,041	74,494,164	30,975,242	18,139,179
Total current assets		2,078,696,315	1,987,668,965	1,311,116,148	1,345,569,878
Non-current assets					
Investments in subsidiaries	12	-	-	785,681,939	902,253,920
Investments in joint ventures	13	476,366,582	491,564,633	2,191,549,400	2,191,549,400
Investments in associates	14	190,375,328	216,789,925	194,341,357	196,541,357
Other long-term investments	15	6,554,990	2,546,327	6,554,990	2,546,327
Loans to related parties	6	-	-	-	-
Leasehold improvement and equipment	16	246,695,406	278,709,927	143,238,638	157,038,448
Intangible assets	17	333,873,282	315,548,287	322,384,646	312,691,602
Deferred tax assets	28	176,426,658	187,382,904	146,394,822	164,631,548
Other non-current assets	18	160,292,114	192,896,100	55,085,102	86,931,052
Total non-current assets		1,590,584,360	1,685,438,103	3,845,230,894	4,014,183,654
Total assets		3,669,280,675	3,673,107,068	5,156,347,042	5,359,753,532

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 2019

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	19	1,245,822,453	1,245,165,064	743,210,652	693,126,676
Unearned income		338,969,591	213,361,573	193,540,317	103,904,906
Short-term loans from related parties	6	-	-	648,200,000	849,000,000
Current portion of long-term loan	20	-	84,000,000	-	84,000,000
Current portion of liabilities under finance lease agreements		7,831,633	10,658,318	7,831,633	8,867,100
Income tax payable		13,700,184	11,203,514	-	-
Other current liabilities	21	189,557,092	312,657,990	163,544,247	282,109,877
Total current liabilities		<u>1,795,880,953</u>	<u>1,877,046,459</u>	<u>1,756,326,849</u>	<u>2,021,008,559</u>
Non-current liabilities					
Long-term loan - net of current portion	20	298,495,548	466,065,704	298,495,548	466,065,704
Liabilities under finance lease agreements - net of current portion		10,822,470	19,987,876	10,822,470	19,987,876
Provision for long-term employee benefits	22	232,531,436	166,183,536	192,255,153	138,096,641
Deferred tax liability	28	-	10,253	-	-
Other non-current liabilities		610,350	-	600,350	-
Total non-current liabilities		<u>542,459,804</u>	<u>652,247,369</u>	<u>502,173,521</u>	<u>624,150,221</u>
Total liabilities		<u>2,338,340,757</u>	<u>2,529,293,828</u>	<u>2,258,500,370</u>	<u>2,645,158,780</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 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Shareholders' equity					
Share capital					
Registered					
819,949,729 ordinary shares of Baht 1 each		<u>819,949,729</u>	<u>819,949,729</u>	<u>819,949,729</u>	<u>819,949,729</u>
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	23	1,896,968,197	4,847,628,795	1,896,968,197	4,847,628,795
Retained earnings					
Appropriated - statutory reserve	23, 25	13,719,594	81,994,973	13,719,594	81,994,973
Unappropriated (deficit)	23, 37	(1,250,403,447)	(4,510,739,690)	169,526,097	(3,032,655,571)
Other components of shareholders' equity		<u>(310,913,274)</u>	<u>(269,449,433)</u>	<u>(2,316,945)</u>	<u>(2,323,174)</u>
Equity attributable to owners of the Company		1,169,320,799	969,384,374	2,897,846,672	2,714,594,752
Non-controlling interests of the subsidiaries		<u>161,619,119</u>	<u>174,428,866</u>	-	-
Total shareholders' equity		<u>1,330,939,918</u>	<u>1,143,813,240</u>	<u>2,897,846,672</u>	<u>2,714,594,752</u>
Total liabilities and shareholders' equity		<u>3,669,280,675</u>	<u>3,673,107,068</u>	<u>5,156,347,042</u>	<u>5,359,753,532</u>

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 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Sales of goods	26	2,092,832,751	2,754,159,029	336,176,770	292,338,455
Service income	26	2,908,604,465	2,820,905,262	2,268,555,025	2,344,107,048
Revenues from copyrights	26	1,600,781,191	1,295,478,871	1,472,260,341	1,154,724,791
Interest income		6,197,407	7,210,307	4,480,224	6,690,798
Dividend income	12, 14	-	-	70,176,876	76,744,621
Other income		31,831,069	106,597,910	24,499,059	85,053,675
Total revenues		6,640,246,883	6,984,351,379	4,176,148,295	3,959,659,388
Expenses					
Cost of sales and services		4,025,043,252	4,364,707,463	2,600,777,989	2,489,571,779
Selling, distribution and servicing expenses		480,171,646	589,968,566	82,914,594	101,598,097
Administrative expenses		1,638,093,030	1,624,287,181	1,068,448,172	1,061,318,783
Loss on impairment of investments in subsidiaries	12	-	-	69,059,956	184,276,978
Loss on impairment of investment in associate (reversal)	14	-	-	(10,800,000)	17,100,000
Total expenses		6,143,307,928	6,578,963,210	3,810,400,711	3,853,865,637
Profit before share of loss from investments					
in joint ventures and associates, finance cost and					
income tax expenses		496,938,955	405,388,169	365,747,584	105,793,751
Share of loss from investments in joint ventures	13	(9,554,853)	(150,301,046)	-	-
Share of loss from investments in associates	14	(1,878,955)	(48,220,118)	-	-
Profit before finance cost and income tax expenses		485,505,147	206,867,005	365,747,584	105,793,751
Finance cost		(21,217,586)	(33,623,759)	(29,389,171)	(46,408,558)
Profit before income tax expenses		464,287,561	173,243,246	336,358,413	59,385,193
Income tax expenses	28	(89,592,187)	(110,250,906)	(61,966,526)	(44,274,754)
Profit for the year		374,695,374	62,992,340	274,391,887	15,110,439
Profit attributable to:					
Equity holders of the Company		341,869,572	15,434,953	274,391,887	15,110,439
Non-controlling interests of the subsidiaries		32,825,802	47,557,387		
		374,695,374	62,992,340		
Basic earnings per share					
Profit attributable to equity holders of the Company	29	0.42	0.02	0.33	0.02

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 2019

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit for the year		<u>374,695,374</u>	<u>62,992,340</u>	<u>274,391,887</u>	<u>15,110,439</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		1,476,742	292,388	-	-
Gain (loss) on change in value of available-for-sale investments					
- net of income tax		<u>6,229</u>	<u>(67,664)</u>	<u>6,229</u>	<u>(67,664)</u>
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		<u>1,482,971</u>	<u>224,724</u>	<u>6,229</u>	<u>(67,664)</u>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	22, 28	(12,527,713)	8,630,930	(9,151,283)	6,289,167
Share of actuarial loss of joint ventures - net of income tax	13	(5,643,196)	(3,971,193)	-	-
Share of actuarial loss of associates - net of income tax	14	<u>(535,643)</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>(18,706,552)</u>	<u>4,659,737</u>	<u>(9,151,283)</u>	<u>6,289,167</u>
Other comprehensive income for the year		<u>(17,223,581)</u>	<u>4,884,461</u>	<u>(9,145,054)</u>	<u>6,221,503</u>
Total comprehensive income for the year		<u><u>357,471,793</u></u>	<u><u>67,876,801</u></u>	<u><u>265,246,833</u></u>	<u><u>21,331,942</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		324,878,150	19,541,712	<u>265,246,833</u>	<u>21,331,942</u>
Non-controlling interests of the subsidiaries		<u>32,593,643</u>	<u>48,335,089</u>		
		<u><u>357,471,793</u></u>	<u><u>67,876,801</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 2019

(Unit: Baht)

Consolidated financial statements													
Equity attributable to equity holders of the Company													
Other components of shareholders' equity													
						Other comprehensive income		Other changes by the owners					
						Exchange	Deficit	Capital deficit	Difference between				
						differences on	on changes	from business	investment and				
						translation of	in value of	combination	book value from				
						financial	available-for-sale	under	change in				
						statements in	investments	common control	shareholding				
						foreign currency			in subsidiary				
Issued and	Share	Transfer of	Retained earnings							Total other	Total equity	Equity attributable	Total
paid-up	premium	share premium	Appropriated -	Transfer of	Unappropriated					components of	attributable to	to non-controlling	shareholders'
share capital		in separate	statutory reserve	statutory reserve	(deficits)					shareholders'	equity holders of	interests of	shareholders'
		financial		to offset deficit in						equity	the Company	the subsidiaries	equity
		statements		separate financial									
		statements		statements									
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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 2019

(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 Deficit on changes in value of available-for-sale investments	
					Total other components of shareholders' equity	
Balance as at 31 December 2017	819,949,729	4,847,628,795	81,994,973	(3,054,055,177)	(2,255,510)	2,693,262,810
Profit for the year	-	-	-	15,110,439	-	15,110,439
Other comprehensive income for the year	-	-	-	6,289,167	(67,664)	6,221,503
Total comprehensive income for the year	-	-	-	21,399,606	(67,664)	21,331,942
Balance as at 31 December 2018	<u>819,949,729</u>	<u>4,847,628,795</u>	<u>81,994,973</u>	<u>(3,032,655,571)</u>	<u>(2,323,174)</u>	<u>2,714,594,752</u>
Balance as at 31 December 2018	819,949,729	4,847,628,795	81,994,973	(3,032,655,571)	(2,323,174)	2,714,594,752
Profit for the year	-	-	-	274,391,887	-	274,391,887
Other comprehensive income for the year	-	-	-	(9,151,283)	6,229	(9,145,054)
Total comprehensive income for the year	-	-	-	265,240,604	6,229	265,246,833
Transfer of statutory reserve and share premium to offset deficit (Note 23)	-	(2,950,660,598)	(81,994,973)	3,032,655,571	-	-
Dividend paid (Note 24)	-	-	-	(81,994,913)	-	(81,994,913)
Transfer retained earnings to statutory reserve (Note 25)	-	-	13,719,594	(13,719,594)	-	-
Balance as at 31 December 2019	<u>819,949,729</u>	<u>1,896,968,197</u>	<u>13,719,594</u>	<u>169,526,097</u>	<u>(2,316,945)</u>	<u>2,897,846,672</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 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities				
Profit before tax	464,287,561	173,243,246	336,358,413	59,385,193
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation	91,238,038	92,234,551	49,587,136	53,233,269
Amortisation	119,200,581	118,817,624	50,891,553	45,088,021
Allowance for doubtful accounts (reversal)	48,848,846	(1,877,708)	33,915,290	(1,738,858)
Reversal of reduction of cost of inventory to				
net realisable value	(34,195,684)	(28,554,615)	(36,331,415)	(18,118,621)
Reversal of allowance for impairment loss of leasehold				
improvement and equipment	-	(2,899,206)	-	-
Provision for sales returns (reversal)	(122,471,990)	144,197,889	(122,303,699)	144,174,012
Gain from subsidiary's liquidation	-	-	(1,474,137)	-
Allowance for impairment loss of investments in subsidiaries	-	-	69,059,956	184,276,978
Allowance for impairment loss of investment in associate (reversal)	-	-	(10,800,000)	17,100,000
Allowance for doubtful accounts of loans to related parties (reversal)	-	-	(3,825,000)	37,245,000
Allowance for impairment loss of assets held for sale	610,150	-	610,150	-
Allowance for impairment loss of intangible assets	-	2,880,000	-	-
Gain on disposal of equipment	(2,209,251)	(1,631,824)	(179,835)	(2,644,526)
Dividend income	-	-	(70,176,876)	(76,744,621)
Share of loss from investments in joint ventures	9,554,853	150,301,046	-	-
Share of loss from investments in associates	1,878,955	48,220,118	-	-
Long-term employee benefit expenses	64,922,161	39,412,107	53,416,747	28,828,802
Interest income	(6,197,407)	(7,210,307)	(4,480,224)	(6,690,798)
Interest expenses	21,217,586	33,623,759	29,389,171	46,408,558
Profit from operating activities before changes				
in operating assets and liabilities	656,684,399	760,756,680	373,657,230	509,802,409
Decrease (increase) in operating assets				
Trade and other receivables	(88,768,016)	(360,282,420)	(118,967,783)	(375,477,044)
Prepaid expenses	(11,069,108)	1,156,255	(2,782,076)	1,043,410
Inventories	(83,823,360)	(143,553,840)	7,947,325	(76,805,427)
Advance payments	(4,302,293)	(467,893)	(3,282,644)	(7,754,421)
Other current assets	24,153,493	19,668,061	14,820,508	(234,115)
Other non-current assets	(20,366,818)	(8,478,057)	(16,480,059)	(3,003,310)

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 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Increase (decrease) in operating liabilities				
Trade and other payables	(4,659,372)	49,713,818	45,856,812	50,497,141
Unearned income	125,608,018	24,534,508	89,635,411	13,569,359
Other current liabilities	(9,117,540)	9,368,341	(4,788,863)	(12,140,498)
Provision for long-term employee benefits	(178,536)	(53,044,459)	-	(49,020,550)
Other non-current liabilities	610,350	-	600,350	-
Cash flows from operating activities	584,771,217	299,370,994	386,216,211	50,476,954
Cash paid for interest expenses	(21,255,887)	(33,193,916)	(30,478,769)	(46,071,063)
Cash paid for termination wages	(5,385,917)	(30,103,971)	(2,170,406)	(20,388,131)
Cash paid for income tax	(112,390,183)	(266,898,129)	(69,193,891)	(233,405,188)
Cash received from income tax refund	1,214,695	40,074,206	-	37,131,166
Net cash flows from (used in) operating activities	446,953,925	9,249,184	284,373,145	(212,256,262)
Cash flows from investing activities				
Acquisition of equipment	(55,466,170)	(85,822,614)	(31,894,154)	(27,628,304)
Cash received from returning investments of subsidiaries	-	-	118,972,862	-
Cash received from returning investments of associate	13,000,000	-	13,000,000	-
Cash paid to purchase additional investment in joint venture	-	(220,000,000)	-	(220,000,000)
Cash paid to purchase other long-term investments	(4,000,000)	(1,000,000)	(4,000,000)	(1,000,000)
Cash paid to purchase additional investments in subsidiaries	-	-	(69,986,700)	(150,126,550)
Cash received from right of claim on returning capital				
from subsidiary's liquidation	43,551,278	-	43,551,278	-
Cash received from disposal of equipments	4,198,509	9,388,665	2,033,268	7,101,534
Decrease in loans to related parties	-	-	3,825,000	2,000,000
Dividend received from subsidiaries and associates	11,000,000	7,374,215	65,476,614	68,445,043
Cash received (paid) from non-controlling interests of subsidiaries				
from investments in subsidiaries	(66,297,077)	650	-	-
Interest income	5,879,673	7,210,307	3,968,329	6,250,938
Decrease (increase) in current investments	(118,698,764)	159,943,370	-	150,000,000
Net cash flows from (used in) investing activities	(166,832,551)	(122,905,407)	144,946,497	(164,957,339)

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 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from related parties	-	-	(200,800,000)	425,500,000
Repayment of long-term loan	(252,000,000)	(48,000,000)	(252,000,000)	(48,000,000)
Repayment of liabilities under finance lease agreements	(11,992,091)	(12,954,294)	(10,200,873)	(11,668,741)
Dividend paid	(81,994,913)	-	(81,994,913)	-
Dividend paid to non-controlling interest of subsidiaries	(22,053,124)	(31,372,344)	-	-
Net cash flows from (used in) financing activities	<u>(368,040,128)</u>	<u>(92,326,638)</u>	<u>(544,995,786)</u>	<u>365,831,259</u>
Increase in translation adjustments	<u>1,476,742</u>	<u>292,388</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(86,442,012)</u>	<u>(205,690,473)</u>	<u>(115,676,144)</u>	<u>(11,382,342)</u>
Cash and cash equivalents at beginning of year	<u>538,359,206</u>	<u>744,049,679</u>	<u>302,080,688</u>	<u>313,463,030</u>
Cash and cash equivalents at end of year	<u><u>451,917,194</u></u>	<u><u>538,359,206</u></u>	<u><u>186,404,544</u></u>	<u><u>302,080,688</u></u>

Supplemental cash flows information:

Non-cash transactions:

Assets purchases which payment has yet to be made	5,746,605	1,040,949	5,746,605	1,040,949
Increase in assets from finance lease agreements	-	1,789,000	-	1,789,000

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