



- Translation -

GRAMMY 007/2023

31 July 2023

- The amended contents are shown in red -

Subject: Notification of the Resolution of the Board of Directors' Meeting on the Plan for the Initial Public Offering of GMM Music Company Limited and the Listing of the Ordinary Shares of GMM Music Company Limited on the Stock Exchange of Thailand (Amendment)

To: President
The Stock Exchange of Thailand

Enclosure: Information Memorandum on the Disposition of Assets by GMM Grammy Public Company Limited Re: The Initial Public Offering of GMM Music Company Limited and the Listing of the Ordinary Shares of GMM Music Company Limited on the Stock Exchange of Thailand

According to the Board of Directors' Meeting No. 3/2023 of GMM Grammy Public Company Limited (the "Company"), held on 27 July 2023, passed the following important resolutions:

1. Approved the plan for the Initial Public Offering ("IPO") of GMM Music Company Limited ("GMM Music"), a subsidiary of the Company, and the listing of the ordinary shares of GMM Music on the Stock Exchange of Thailand (the "SET") (collectively, the "Plan for Listing on the SET"), whereby GMM Music is a flagship company of the Company and its subsidiaries (the "Company Group") which engages in integrated music business from artist selection, music production, marketing, rights management, digital and physical music products distribution, concert and festival promoter and artist management ("Integrated Music Business"). In this offering, the Company may offer existing ordinary shares of GMM Music along with newly issued ordinary shares. The proportion of the number of the newly issued ordinary shares and existing ordinary shares (if any) of GMM Music to be offered in the IPO (the "IPO Shares") shall not exceed 30.00 percent of the total paid-up capital of GMM Music after the capital increase and the offering of the IPO Shares. After the offering of the IPO Shares, the Company will remain a major shareholder and the controlling person of GMM Music, and GMM Music will retain its status as the Company's subsidiary.

In addition, the Company is currently considering the Company Group's scope of business and procedures to prevent conflicts of interest that may arise between the Company Group and GMM Music and its subsidiaries (the "GMM Music Group") in the future. This may include the arrangement of agreements to ensure that the Company and other subsidiaries that are not under the GMM Music Group have a policy of not operating any

business or investing in any business that is identical or similar business resulting in competing with Integrated Music Business of GMM Music, including complying with the relevant regulations of the Securities and Exchange Commission (the “SEC”) and the SET. In this regard, the Company will propose the aforementioned matter to the Board of Directors once having a clear conclusion and will subsequently notify the SET.

Since the aforementioned Plan for Listing on the SET will result in a dilution of the Company’s shareholding in GMM Music and will constitute an asset disposal transaction of a listed company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including any amendment thereto) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Acquisition and Disposition of Assets B.E.2547 (2004) (including any amendment thereto) (collectively, the “**Notifications on Acquisition or Disposal of Assets**”). When calculating the size of the dilution of the Company’s shareholding in GMM Music as prescribed in the Notifications on Acquisition or Disposal of Assets, the transaction size has the highest value when calculating under the Net Operating Profits criteria, whereby the transaction size equals to 43.37 percent, calculated based on the Company’s consolidated financial statements for the fiscal year ended 31 December 2022 and for the 3-month period ended 31 March 2023 that have been audited and reviewed by a certified auditor and GMM Music’s Pro forma consolidated financial information for the fiscal year ended 31 December 2022 and for the 3-month period ended 31 March 2023 that has been prepared by management (Management Accounts). In this regard, the six-month period prior to the date on which the Board of Directors’ Meeting of the Company resolved to approve GMM Music’s Plan for Listing on the SET, the Group Executive Committees’ Meeting of the Company has approved the asset disposal transactions which is the waiving and selling 26,920 newly issued shares of GR Vocal Studio Company Limited, a subsidiary of the Company, to Ms. Apissara Phetruengrong. The transaction size has the highest value when calculating under the Net Operating Profits criteria, whereby the transaction size equals to 2.06 percent.

Consequently, when considering the abovementioned disposition of assets, the highest value of the total transaction size related to the asset disposal transaction equals to 45.43 percent which constitutes a Class 2 Asset Disposal Transaction, whereby the transaction size equals to 15.00 percent or higher, but lower than 50.00 percent. Therefore, the Company is obliged to immediately prepare a report and disclose the information memorandum of the transaction to the SET, whereby the information memorandum must comprise at least the information as specified in Schedule (1) of the Notifications on Acquisition or Disposal of Assets and distribute a circular notice which contains information at least as specified in the Notification on Acquisition or Disposal of Assets to the shareholders of the Company within 21 days from the date of disclosure of the information memorandum of the transaction to the SET.

2. Approved other necessary and related matters for the Plan for Listing on the SET, which includes an increase in GMM Music’s registered capital and the allocation of ordinary shares, that includes an offering of ordinary shares to public, which may include but not limited to (1) the eligible shareholders of the Company



who are entitled to the share allocation (shareholders whose names appear in the shareholder register book of the Company as of the record date, which will be further determined by the Board of Directors of the Company, unless it is changed as deemed appropriate at the discretion of the Board of Directors of GMM Music, and as permitted by law (the “Eligible Shareholders of the Company who are Entitled to the Share Allocation”)), (2) cornerstone investors, (3) institutional investors, (4) related persons, (5) patrons of GMM Music and/or subsidiaries of GMM Music or any patrons as permitted by related regulation, and/or (6) individual investors or other juristic persons as permitted by law and as the Board of Directors of GMM Music or the person assigned by the Board of Directors of GMM Music deem appropriate.

The Board of Directors of the Company has approved that the Group Executive Committee of the Company, and/or Group Chief Executive Officer of the Company has the authority to consider approving, determining and changing conditions and other necessary details relevant to the Company to make the IPO of GMM Music and the listing of the ordinary shares of GMM Music on the SET successful, and has assigned the Board of Directors of GMM Music or the person assigned by the Board of Directors of GMM Music to have the authority to consider determining and changing conditions and other necessary details relevant to the issuance, the offering and the allocation of the ordinary shares of GMM Music to make the IPO of GMM Music and the listing of the ordinary shares of GMM Music on the SET successful.

In addition, the Plan for Listing on the SET can only be carried out once GMM Music has obtained an approval from the SEC for the issuance and offering of GMM Music’s newly issued ordinary shares in the IPO, and the registration statement for securities offering and the draft prospectus for the offering of the IPO shares have become effective, as well as the SET has approved the listing application of the ordinary shares of GMM Music as listed securities on the SET, and other conditions to the transaction have been fulfilled. Besides, the Company will further comply with the rules of the SEC and the SET in related matter **such as determining the core businesses of the Company Group and determining policy related to governing and managing of core subsidiaries operating core businesses and associated companies operating core businesses.**

Please be informed accordingly.

Yours faithfully,

(Miss Chonlaya Promsri)

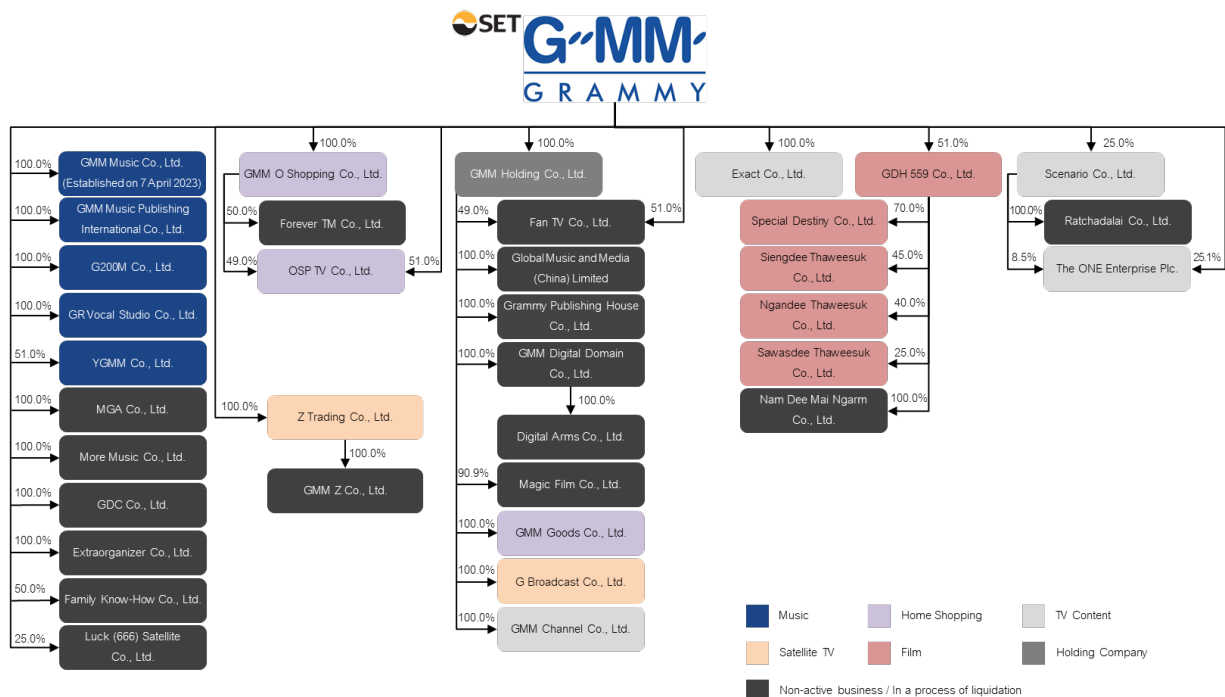
Chief Financial Officer

Authorized Person for Information Disclosure

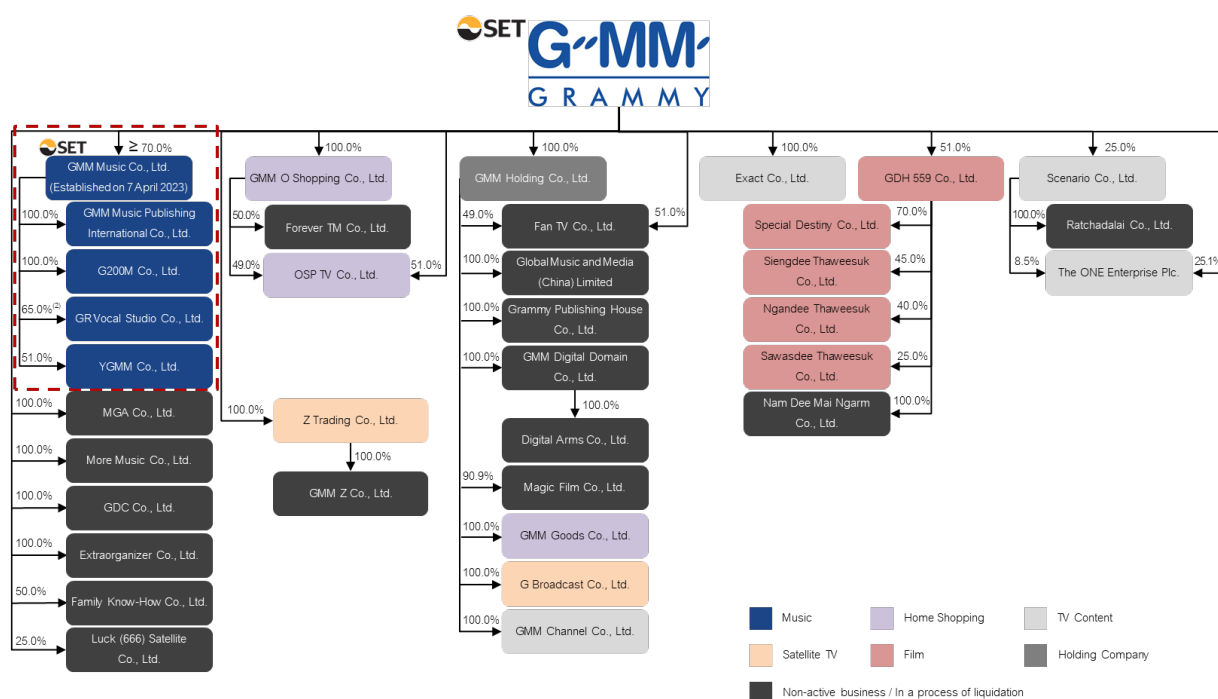
Information Memorandum on the Disposition of Assets by GMM Grammy Public Company Limited
 Re: The Initial Public Offering of GMM Music Company Limited and the Listing of the Ordinary Shares of
 GMM Music Company Limited on the Stock Exchange of Thailand

According to the Board of Directors' Meeting No. 3/2023 of GMM Grammy Public Company Limited (the "Company"), held on 27 July 2023, approved the plan for the Initial Public Offering ("IPO") of GMM Music Company Limited ("GMM Music"), a subsidiary of the Company, and the listing of the ordinary shares of GMM Music on the Stock Exchange of Thailand (the "SET") (collectively, the "Plan for Listing on the SET"), whereby GMM Music is a flagship company of the Company and its subsidiaries (the "Company Group"), which engages in integrated music business from artist selection, music production, marketing, rights management, digital and physical music products distribution, concert and festival promoter and artist management ("Integrated Music Business"). In this offering, the Company may offer existing ordinary shares of GMM Music along with newly issued ordinary shares. The proportion of the number of the newly issued ordinary shares and existing ordinary shares (if any) of GMM Music to be offered in the IPO (the "IPO Shares") shall not exceed 30.00 percent of the total paid-up capital of GMM Music after the capital increase and the offering of the IPO Shares. After the offering of the IPO Shares, the Company will remain a major shareholder and the controlling person of GMM Music, and GMM Music will retain its status as the Company's subsidiary. **The structures of the Company Group as of 31 March 2023, and after the Plan for Listing on the SET is completed, are as follows:**

The Structure of the Company Group as of 31 March 2023⁽¹⁾



The Structure of the Company Group after the Plan for Listing on the SET is completed⁽¹⁾



- Note:**
- (1) The aforementioned structure of the Company Group does not include joint operating in joint ventures, which are considered as joint operations, whereas;
 - The Company had joint operating in “Across The Universe” joint venture with involvement in joint operation of 50.00 percent with RS Public Company Limited (“RS”). However, on 10 May 2023, the Company terminated such joint operation, and GMM Music entered into a joint venture agreement for “Across The Universe Project” joint venture with RS Music Company Limited, a subsidiary of RS, instead, with involvement in joint operation of 50.00 percent
 - GDH 559 Company Limited had joint operating in “Destiny the Movie” joint venture and “Home for Rent” joint venture with involvement in joint operation of 70.00 percent and 70.00 percent with Broadcast Thai Television Company Limited and Ally Entertainment (Thailand) Company Limited, respectively
 - (2) On 26 April 2023, the Group Executive Committee of the Company has approved the waiving and selling 26,920 newly issued shares of GR Vocal Studio Company Limited (“GRVS”), a subsidiary of the Company, to Ms. Apissara Phetruengrong. In which, the selling such newly issued shares was completed on 30 June 2023, resulting in the Company's shareholding in GRVS decreased from 100.00 percent to 65.00 percent

The summary of revenue structure for each business segment for the last 12-month period ending 31 March 2023, are as follows:

Business Segment	Revenue from Sales and Services ⁽¹⁾	
	THB million	Percent
Music	3,499.95	62.36
Home Shopping	1,395.38	24.86
TV Content	65.35	1.16
Satellite TV	190.09	3.39

Business Segment	Revenue from Sales and Services ⁽¹⁾	
	THB million	Percent
Film	461.75	8.23
Others	-	-
Total	5,612.52	100.00

Note: (1) Excluding dividend income and other income

In this regard, the significant details are as follows.

1. Date of the transaction

The Plan for Listing on the SET will take place after GMM Music has obtained an approval from the Securities and Exchange Commission (the “SEC”) for the offering of GMM Music’s newly issued ordinary shares, and the registration statement for securities offering and the draft prospectus for the offering of the IPO shares have become effective, and the SET has approved the listing application of the ordinary shares of GMM Music as listed securities on the SET, as well as the conditions as specified in Clause No. 9 have been fulfilled.

2. Parties involved and their relationship with the Company

Offeror: GMM Music, a subsidiary in which the Company held 100.00 percent of its shares, for the offering of the newly issued ordinary shares of GMM Music and the Company for the offering of the existing ordinary shares of GMM Music (if any)

Purchaser: General public, which may include but not limited to

- (1) the eligible shareholders of the Company who are entitled to the share allocation (shareholders whose names appear in the shareholder register book of the Company as of the record date, which will be further determined by the Board of Directors of the Company, unless it is changed as deem appropriate at the discretion of the Board of Directors of GMM Music, and as permitted by law (the “ **Eligible Shareholders of the Company who are Entitled to the Share Allocation**”));
- (2) cornerstone investors;
- (3) institutional investors;
- (4) related persons;
- (5) patrons of GMM Music and/ or subsidiaries of GMM Music or any patrons as permitted by related regulation; and/or

(6) individual investors or other juristic persons as permitted by law or as the Board of Directors of GMM Music or the person assigned by the Board of Directors of GMM Music deem appropriate.

3. General characteristics, type and size of the transaction

Under the Plan for Listing on the SET, the number of the IPO Shares to be offered shall not exceed 30.00 percent of the total paid-up capital of GMM Music after the capital increase and the offering of the IPO Shares. After the offering of the IPO Shares, the Company will remain a major shareholder and the controlling person of GMM Music, and GMM Music will retain its status as the Company's subsidiary. However, the implementation of the Plan for Listing on the SET will result in a dilution of the Company's shareholding in GMM Music from 100.00 percent of total paid-up capital of GMM Music (before this offering of shares of GMM Music) to not less than 70.00 percent of total paid-up capital of GMM Music after the capital increase and the offering of the IPO Shares. Therefore, the implementation of the Plan for Listing on the SET constitutes an asset disposal transaction of a listed company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including any amendment thereto) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Acquisition and Disposition of Assets B.E. 2547 (2004) (including any amendment thereto) (collectively, the "Notifications on Acquisition or Disposal of Assets"). The calculation of the size of the dilution of the Company's shareholding in GMM Music as specified in the Notifications on Acquisition or Disposal of Assets will be calculated based on the Company's consolidated financial statements for the fiscal year ended 31 December 2022 and for the 3-month period ended 31 March 2023 that have been audited or reviewed by a certified auditor and the GMM Music's Pro forma consolidated financial information for the fiscal year ended 31 December 2022 and for the 3-month period ended 31 March 2023 that has been prepared by management (Management Accounts). The details of calculation of the transaction size are as follows:

Criteria		Calculation Method and Transaction Size
Net Tangible Assets (NTA)	=	<u>NTA of GMM Music⁽¹⁾ expected to be disposed of proportionately</u> NTA of the Company
	=	<u>THB 345.93 million x 30.00 percent</u> THB 1,261.18 million
	=	8.23 percent
Net Operating Profits	=	Net profit attributable to the parent company of <u>GMM Music⁽²⁾ expected to be disposed of proportionately</u> Net profit attributable to the parent company of the Company
	=	<u>THB 380.25 million x 30.00 percent</u>

Criteria		Calculation Method and Transaction Size
		THB 263.05 million
	=	43.37 percent
Total Value of Consideration	=	Book value of shareholders' equity attributable to the parent company of GMM Music ⁽¹⁾⁽³⁾ expected to be disposed of proportionately Total assets of the Company
	=	THB 362.10 million x 30.00 percent THB 5,924.29 million
	=	1.83 percent
Value of Securities of Listed Company Issued as Consideration for the Assets	=	Not applicable, since the Company does not issue its securities as consideration for the assets acquired

Remarks: (1) GMM Music's Pro forma consolidated financial information as of 31 March 2023 that has been prepared by management (Management Accounts) of the Company under assumption that GMM Music was established and the business transfer from the Company to GMM Music (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business) was completed in the past, which is in accordance to accounting guideline for business combinations under common control, with consideration of the transfer value of related assets, including the enterprise value appraised by independent asset appraiser approved by the SEC. However, although GMM Music has received business transfer at fair value, the recording of items in accordance with the accounting guideline for business combinations under common control in GMM Music's consolidated financial statements shall be recorded at the book value of the transferred business (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business), which were the book value in the Company's consolidated financial statements prior to the business combinations under common control

(2) GMM Music's Pro forma consolidated financial information for the last 12-month period ending 31 March 2023 that has been prepared by management (Management Accounts) of the Company under assumption that GMM Music was established and the business transfer from the Company to GMM Music (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business) was completed in the past, which is in accordance to accounting guideline for business combinations under common control, with consideration of the transfer value of related assets, including the enterprise value appraised by independent asset appraiser approved by the SEC. However, although GMM Music has received business transfer at fair value, the recording of items in accordance with the accounting guideline for business combinations under common control in GMM Music's consolidated financial statements shall be recorded at the book value of the transferred business (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business), which were the book value in the Company's consolidated financial statements prior to the business combinations under common control

(3) The total value of consideration shall be in accordance with the offering price of GMM Music's ordinary shares to be offered in the IPO, which currently has not yet been determined. In addition, the offering price shall not be lower than the book value per share of shareholders' equity attributable to the parent company of GMM Music. Therefore, the Company calculates the total value of consideration criteria by using book value of shareholders' equity attributable to the parent company of GMM Music based on GMM Music's Pro forma consolidated financial information for the 3-month period ended 31 March 2023 that has been prepared by management (Management Accounts)

From the calculation set out above, the transaction size has the highest value when calculating under the net operating profits criteria, which equals to 43.37 percent. In this regard, the six-month period prior to the

date on which the Board of Directors' Meeting of the Company resolved to approve GMM Music's Plan for Listing on the SET, the Group Executive Committees' Meeting of the Company has approved the asset disposal transactions which is the waiving and selling 26,920 newly issued shares of GRVS, a subsidiary of the Company, to Ms. Apissara Phetruengrong. The transaction size has the highest value when calculating under the Net Operating Profits criteria, whereby the transaction size equals to 2.06 percent. Consequently, when considering the abovementioned disposition of assets, the highest value of the total transaction size related to the asset disposal transaction equals to 45.43 percent which constitutes a Class 2 Asset Disposal Transaction, whereby the transaction size equals to 15.00 percent or higher, but lower than 50.00 percent. Therefore, the Company is obliged to immediately prepare a report and disclose the information memorandum of the transaction to the SET, whereby the information memorandum must comprise at least the information as specified in Schedule (1) of the Notifications on Acquisition or Disposal of Assets and distribute a circular notice which contains information at least as specified in the Notification on Acquisition or Disposal of Assets to the shareholders of the Company within 21 days from the date of disclosure of the information memorandum of the transaction to the SET.

4. Details of disposed assets

4.1 Details of the IPO of GMM Music

Offeror	:	1. Newly issued ordinary shares of GMM Music: offered by GMM Music 2. Existing ordinary shares of GMM Music held by the Company: offered by the Company (if any)
Type of Securities Offered	:	Ordinary shares of GMM Music
Number of Ordinary Shares Offered	:	The proportion of the number of the newly issued ordinary shares and existing ordinary shares (if any) of GMM Music to be offered in the IPO shall not exceed 30.00 percent of the total paid-up capital of GMM Music after the capital increase and the offering of the IPO Shares. In this regard, the Group Executive Committee of the Company and/or Group Chief Executive Officer of the Company and Board of Directors of GMM Music or the person assigned by the Board of Directors of GMM Music, shall later determine the exact proportion to make the Plan for Listing on the SET successful.
Par Value	:	THB 10 per share (based on the data as of 27 July 2023 in which GMM Music might further change later)

Offering Price	: Not yet determined
Offering Period	: The Plan for Listing on the SET will take place after GMM Music has obtained an approval from the SEC for the offering of GMM Music's newly issued ordinary shares in the IPO, and the registration statement for securities offering and the draft prospectus for the offering of the IPO shares have become effective, and the SET has approved the listing application of the ordinary shares of GMM Music as listed securities on the SET, as well as the conditions as specified in Clause No. 9 have been fulfilled. The decision to enter into the transaction will depend on various key factors, such as the conditions of money market and capital market, including the demand from all types of investors at such period, etc.
Other Details	: The Company will subsequently inform the details of the offering of the IPO shares of GMM Music to the shareholders of the Company. In this regard, the aforementioned details are subject to further change as the Group Executive Committee of the Company and/or Group Chief Executive Officer of the Company and Board of Directors of GMM Music or the person assigned by the Board of Directors of GMM Music deem appropriate to make the Plan for Listing on the SET successful.

4.2 Details of GMM Music

Company Name	: GMM Music Company Limited (GMM Music)
Registered Head Office	: 50, Sukhumvit 21 Road (Asoke), Khlongtoei Nuea, Wattana, Bangkok 10110
Registration Date	7 April 2023
Business Type	: Integrated music business from artist selection, music production, marketing, rights management, digital and physical music products distribution, concert and festival promoter and artist management.
Registered Capital and Paid-up Capital	: As of the date of this information memorandum, GMM Music has registered capital of THB 4,000,000 (divided into 400,000 ordinary shares) with a par value of THB 10 per share and paid-up capital of THB 1,000,000, in which the Company holds 100.00 percent of shares in GMM Music. In this regard, GMM Music will increase its registered capital and/or paid-up capital to

support the business transfer and the offering of GMM Music's newly issued ordinary shares in this IPO.

Board of Directors : As of the date of this information memorandum, GMM Music's Board of Directors consists of 4 directors as follows:

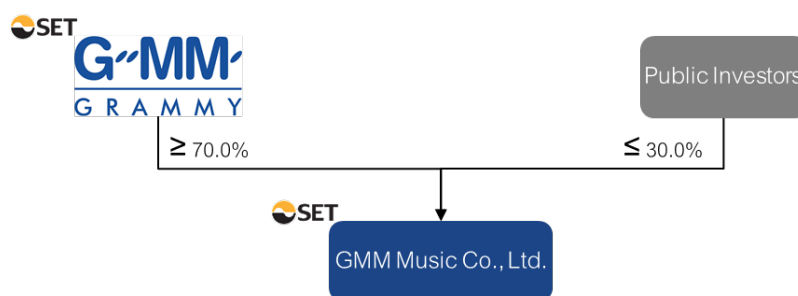
1. Mr. Paiboon Damrongchaitham
2. Mr. Phawit Chitrakorn
3. Mr. Fahmai Damrongchaitham
4. Ms. Chonlaya Promsri

In this regard, GMM Music will increase the number of directors in order to have the Board of Directors' structure that complies with the related regulations of the SEC and the SET, as well as the Public Limited Company Act, B.E. 2535 (1992) (as amended). Additionally, the Company will appoint the Company's representatives as GMM Music's directors at least in proportion to the Company's shareholding (excluding independent directors).

List of Shareholders of GMM Music before Entering into the Transaction : The details of the shareholders of GMM Music as of the date of this information memorandum are as follows:

No.	Shareholder Name	Number of Shares (Shares)	Percentage (approximately)
1.	GMM Grammy Public Company Limited	399,998	>99.99
2.	Mr. Phawit Chitrakorn	1	<0.01
3.	Mr. Fahmai Damrongchaitham	1	<0.01
Total		400,000	100.00

List of Shareholders of GMM Music after Entering into the Transaction : Subject to the IPO structure of GMM Music; however, the Company will hold shares in GMM Music not less than 70.00 percent of the total paid-up capital of GMM Music after the capital increase and the offering of the IPO Shares. In this regard, the Company will remain a major shareholder and the controlling person of GMM Music, and GMM Music will retain its status as the Company's subsidiary. The details are shown as the following diagram:



4.3 Summary of consolidated financial position and operating results of GMM Music

The summary of consolidated financial position and operating results of GMM Music for the fiscal year ended 31 December 2021 and 31 December 2022 and for the 3-month period ended 31 March 2022 and 31 March 2023 based on the Pro forma consolidated financial information that has been prepared by management (Management Accounts) of the Company that has not been audited or reviewed by the Company's auditor are as follows:

(in THB million)	As of and for the year ended		As of and for 3-month period ended	
	31 December 2021	31 December 2022	31 March 2022	31 March 2023
Consolidated statement of financial position				
Total assets	1,338.90	2,303.26	1,521.70	2,401.78
Total liabilities	1,504.34	1,950.07	1,816.21	2,039.68
Total shareholders' equity	(165.43)	353.19	(294.51)	362.10
Consolidated income statement				
Total revenues	1,811.12	3,056.04	500.68	853.30
Total expenses	(1,767.85)	(2,786.77)	(513.40)	(755.03)
Net profit (Loss)	43.28	269.27	(12.71)	98.26

Note: Based on GMM Music's Pro forma consolidated financial information that has been prepared by management (Management Accounts) of the Company under assumption that GMM Music was established and the business transfer from the Company to GMM Music (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business) was completed in the past, which is in accordance to accounting guideline for business combinations under common control, with consideration of the transfer value of related assets, including the enterprise value appraised by independent asset appraiser approved by the SEC. However, although GMM Music has received business transfer at fair value, the recording of items in accordance with the accounting guideline for business combinations under common control in GMM Music's consolidated financial statements shall be recorded at the book value of the transferred business (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business), which were the book value in the Company's consolidated financial statements prior to the business combinations under common control

5. Total value of consideration and criteria used to determine the total value of consideration

The preliminary total value of consideration is based on the book value of shareholders' equity attributable to the parent company as specified in Clause No.3 above. However, the total value of consideration will be in accordance with the offering price of GMM Music's ordinary shares multiplied by the total IPO Shares. The offering price will be determined after GMM Music has obtained an approval from the SEC for the offering of GMM Music's newly issued ordinary shares and the registration statement for securities offering and the draft prospectus for the offering of the IPO shares have become effective.

6. The value of the disposed assets

The disposed assets consist of ordinary shares of GMM Music, which the offeror will receive consideration in the form of cash from the investors. At present, the offering price of the IPO shares has not yet been determined. In this regard, according to the preliminary calculation of the value of the disposed assets, if the Company uses the book value of shareholders' equity attributable to the parent company pursuant to the Pro forma consolidated financial information of GMM Music as of 31 March 2023 (amounted to THB 362.10 million) (based on GMM Music's Pro forma consolidated financial information that has been prepared by management (Management Accounts) of the Company under assumption that GMM Music was established and the business transfer (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business) was completed in the past, which is in accordance to accounting guideline for business combinations under common control, with consideration of the transfer value of related assets, including the enterprise value appraised by independent asset appraiser approved by the SEC. However, although GMM Music has received business transfer at fair value, the recording of items in accordance with the accounting guideline for business combinations under common control in GMM Music's consolidated financial statements shall be recorded at the book value of the transferred business (assets, liabilities, and investments in subsidiaries and joint ventures related to the music business), which were the book value in the Company's consolidated financial statements prior to the business combinations under common control) from the Company to GMM Music was completed in the past, which is in accordance to accounting guideline for business combinations under common control), when calculating and comparing with the proportion of the ordinary shares of GMM Music to be offered, which is not exceeding 30.00 percent of the total paid-up capital of GMM Music after the capital increase and the offering of the IPO shares, the total value of consideration will not exceed THB 108.63 million.

7. Expected benefits from entering into the transaction

7.1 Benefits to the Company

- (1) Listing of GMM Music on the SET will lessen the Company's burden in providing financial support to GMM Music.
- (2) Upon listing on the SET, GMM Music's share value will reflect market price in which it will indirectly reflect the value of investment in GMM Music of the Company.

7.2 Benefits to the shareholder of the Company

- (1) More investment alternative to the shareholders and investors as they will have an option to invest in ordinary shares of the Company and/or those of GMM Music based on the investment policy of each investor.
- (2) Upon GMM Music's listing on the SET, GMM Music's share value might increase according to the market price, resulting in an indirect increase in the share value of the Company.

7.3 Benefits to GMM Music

- (1) Part of the proceeds from the capital increase and the offering of the IPO shares will be used to repay the existing debt that GMM Music and subsidiaries of GMM Music ("GMM Music Group") borrowed from the financial institutions which will help strengthen the overall financial position of GMM Music.
- (2) Listing of GMM Music on the SET will increase GMM Music's flexibility in accessing various sources of funding from both equity capital market and debt capital market and increase GMM Music's fundraising channels by mean of independent fundraising, which will increase GMM Music's competitiveness and the ability to expand its business
- (3) Listing of GMM Music on the SET will enhance GMM Music's reputation and image to be more well-known and increase the opportunity to seek for personnel and/or business partner(s) with knowledge and experience in music businesses.

8. Plan to utilize the proceeds

8.1 The Company's plan to utilize the proceeds obtained from the sale of existing shares of GMM Music in the IPO (if any)

Preliminarily, in the case that the Company sells its existing ordinary shares of GMM Music in this offering, the Company will use the proceeds from the offering to repay the Company Group's debt and/or expand the business and/or use as working capital for the Company Group.

8.2 GMM Music's plan to utilize the proceeds obtained from the offering of GMM Music's ordinary shares in the IPO

GMM Music will use the proceeds from the offering of the IPO Shares to expand its business, use as working capital for GMM Music Group, repay the debt of GMM Music Group and/or other purposes. In this regard, GMM Music will specify the details of the use of proceeds in the registration statement for securities offering and the draft prospectus of GMM Music.

9. Conditions for entering into of the transaction

- (1) The Company has transferred music business including assets and liabilities related with the music business and the shares of companies related to music business to GMM Music.
- (2) The shareholder meeting of GMM Music has approved the conversion into public company limited, listing of ordinary shares of GMM Music on the SET and the capital increase for the offering of the IPO Shares which may include but not limited to Eligible Shareholders of the Company who are Entitled to the Share Allocation, cornerstone investors, institutional investors, related persons, and/or patrons of GMM Music and/or subsidiaries of GMM Music or any patrons as permitted by related regulation, and/or individual investors or other juristic persons.
- (3) GMM Music has registered its conversion to public company limited and has increased its registered capital with the Department of Business Development, Ministry of Commerce.
- (4) GMM Music has obtained an approval from the SEC for the offering of GMM Music's newly issued ordinary shares, and the registration statement for securities offering and the draft prospectus for the offering of the IPO shares have become effective.
- (5) The SET has approved the listing application of the ordinary shares of GMM Music as listed securities on the SET.

- (6) GMM Music has registered the change in paid-up capital after offering the IPO shares.
- (7) Other key factors that might affect the decision to enter into the transaction, such as market conditions and demand for the investment in GMM Music's shares, as deemed appropriate by the Board of Directors of GMM Music.

10. Effects to the Company and shareholders of the Company

- (1) Effect to the share of profit or voting rights (EPS Dilution / Control Dilution)

The offering of GMM Music's ordinary shares according to the Plan for Listing on the SET will result in a dilution of the Company's share of profit or voting rights in GMM Music of not exceeding 30.00 percent of the existing share of profit or voting rights. However, the Company will remain a major shareholder and the controlling person of GMM Music, and GMM Music will retain its status as the Company's subsidiary.

- (2) Effect to the market price of the Company's ordinary shares (Price Dilution)

As the offered shares are shares of GMM Music, it is expected that there will be no direct effect on the market price of the Company's ordinary shares (Price Dilution). However, reducing the shareholding percentage in GMM Music will result in a decrease in the proportion of profit recognition in GMM Music.

11. Opinions of the Board of Directors of the Company on the entering into of the transaction

The Board of Directors had considered and approved the Plan for Listing on the SET of GMM Music as it is a transaction that benefits the shareholders of the Company and GMM Music. In addition, this Plan for Listing on the SET will make GMM Music a flagship company of the Company Group which engages in Integrated Music Business. After this listing, GMM Music will be able to raise funds to support business expansion by itself.

12. Opinions of the audit committee and/or directors of the Company which are different from those of the Board of Directors of the Company in Clause No. 11.

- None -