

GRAMMY 005/2024

31 May 2024

**Subject:** Notification of the Resolution of the Board of Directors' Meeting on the Material Transaction Regarding the Disposal and Acquisition of Assets

**To:** President  
The Stock Exchange of Thailand

**Enclosure:** Information Memorandum on the Disposal and the Acquisition of Asset of GMM Grammy Public Company Limited Regarding the Disposal of GMM Music Public Company Limited's Ordinary Shares to a Strategic Investor and the Acquisition of Joox Thailand (Hong Kong) Limited's Ordinary Shares

According to the Board of Directors' Meeting No. 3/2024 of GMM Grammy Public Company Limited (the "**Company**"), held on 31 May 2024, the Company's Board of Directors has resolved to pass the following important resolution:

1. Approval of the sales of ordinary shares of GMM Music Public Company Limited ("**GMM Music**"), a subsidiary of the Company, to a strategic investor, which is not a connected person of the Company. The Company and/or subsidiaries of the Company ("**Company Group**") will sell GMM Music's ordinary shares to Black Serenade Investment Limited, a company collaboratively established by Tencent Music Entertainment Group and Tencent Holdings Limited, to which Black Serenade Investment Limited is considered as a subsidiary of Tencent Music Entertainment Group ("**Black Serenade**") (collectively referred to Black Serenade Investment Limited, Tencent Music Entertainment Group, Tencent Holdings Limited and/or affiliates of the aforementioned companies as "**The Buyer Group**"), in the total amount of 80,000,000 shares or equivalent to 10.00 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 70,000,000 (approximately equivalent to THB 2,570,827,000<sup>1</sup>) (The total value of GMM Music's ordinary shares sold to The Buyer Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000). The Buyer Group will compensate for such shares via cash and via 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand (Hong Kong) Limited ("**Joox Thailand**"), which is a subsidiary of Tencent Music Entertainment Group ("**TME**") that

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<sup>1</sup> Calculated based on the conversion rate of THB 36.7261 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024



operates an online music streaming platform, JOOX, for users from Thailand (“JOOX Business”) (collectively referred to as the “Disposal of GMM Music’s Ordinary Shares”).

As a result of The Buyer Group’s decision to partially pay the consideration with 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand, GRAMMY Tomorrow Limited, a subsidiary which is 100.00 percent held by the Company, will receive the transfer of Joox Thailand’s ordinary shares in the amount of 3 ordinary shares or equivalent to 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand from The Buyer Group, which is not a connected person of the Company, at a consideration value of USD 25,000,000 (approximately equivalent to THB 918,152,500<sup>1</sup>) (the “Acquisition of Joox Thailand’s Ordinary Shares”). After the Company completes the Acquisition of Joox Thailand’s Ordinary Shares, Joox Thailand will become an associate company of the Company.

Please consider the details of the transaction involving the sale of ordinary shares of GMM Music, a subsidiary of the Company, to a strategic investor as presented in Enclosure.

The Disposal of GMM Music’s Ordinary Shares is considered as the disposal of the listed company’s assets 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 the 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 transaction size is based on the Company’s consolidated financial statements for the fiscal year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor, along with GMM Music’s consolidated financial statements for the fiscal year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor. The highest transaction size, calculated based on the net operating profits criteria, equals to 49.61 percent.

Furthermore, in the period of 6 months preceding the aforementioned Board of Directors’ Meeting to approve the Disposal of GMM Music’s Ordinary Shares at this time, the Company has not disposed any other assets. Therefore, the Disposal of GMM Music’s Ordinary Shares is classified as a Class 2 Asset Disposal Transaction, to which the transaction size is equivalent to 15.00 or higher but less than 50.00 percent. Consequently, the Company is required to immediately prepare and disclose an information memorandum disclosing the disposal of assets to the Stock Exchange of Thailand (“SET”) containing at least the information specified in Schedule (1)

annexed to the Notifications on Acquisition or Disposal of Assets, and distribute the circular notice which contains information at least as specified in the Notifications on Acquisition or Disposal of Assets to the Company's shareholders within 21 days upon the disclosure of the information memorandum to the SET.

As for the Acquisition of Joox Thailand's Ordinary Shares, the transaction is considered as the acquisition of the listed company's assets pursuant to the Notifications on Acquisition or Disposal of Assets. The calculation of the transaction size is based on the Company's consolidated financial statements for the year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor, along with JOOX Business's operating results for the year ended 31 December 2023 and financial position as of 1 April 2024, as prepared by the management of TME (Management Accounts). The highest transaction size, calculated based on the total value of consideration criteria, equals to 14.23 percent. Furthermore, in the period of 6 months preceding the aforementioned Board of Directors' Meeting to approve the Acquisition of Joox Thailand's Ordinary Shares, the Company's Group Executive Committee has approved the acquisition of asset by approving GMM Music, a subsidiary of the Company, to invest in a newly established joint venture. The highest transaction size of aforementioned transaction, calculated based on the total value of consideration criteria, equals to 0.65 percent.

Therefore, when considering the aforementioned asset acquisition transactions together, the highest combined transaction size equals to 14.88 percent, which does not require the Company to disclose an information memorandum according to the Notifications on Acquisition or Disposal of Assets. However, since the Acquisition of Joox Thailand's Ordinary Shares is related to the Disposal of GMM Music's Ordinary Shares, the Company consequently discloses the information memorandum regarding the Acquisition of Joox Thailand's Ordinary Shares to the SET.

In this regard, the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares are not considered to be connected transactions of the Company as defined by the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (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 the Connected Transactions B.E. 2546 (2003) (including any amendment thereto).



Please be informed accordingly.

Yours faithfully,

(Miss Janjira Panitpon)

Chief Financial Officer

Authorized Person for Information Disclosure

**Information Memorandum on the Disposal and the Acquisition of Asset of GMM Grammy Public Company Limited Regarding the Disposal of GMM Music Public Company Limited's Ordinary Shares to a Strategic Investor and the Acquisition of Joox Thailand (Hong Kong) Limited's Ordinary Shares**

The Board of Directors' Meeting No. 3/2024 of GMM Grammy Public Company Limited (the "Company"), held on 31 May 2024, has approved the sales of ordinary shares of GMM Music Public Company Limited ("GMM Music"), a subsidiary of the Company, to a strategic investor, which is not a connected person of the Company. The Company and/or subsidiaries of the Company ("Company Group") will sell GMM Music's ordinary shares to Black Serenade Investment Limited, a company collaboratively established by Tencent Music Entertainment Group and Tencent Holdings Limited, to which Black Serenade Investment Limited is considered as a subsidiary of Tencent Music Entertainment Group ("Black Serenade") (collectively referred to Black Serenade Investment Limited, Tencent Music Entertainment Group, Tencent Holdings Limited and/or affiliates of the aforementioned companies as "The Buyer Group"), in the total amount of 80,000,000 shares or equivalent to 10.00 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 70,000,000 (approximately equivalent to THB 2,570,827,000<sup>1</sup>) (the total value of GMM Music's ordinary shares sold to The Buyer Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000). The Buyer Group will compensate for such shares via cash and via 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand (Hong Kong) Limited ("Joox Thailand"), which is a subsidiary of Tencent Music Entertainment Group ("TME") that operates the online music streaming platform, JOOX, for users from Thailand ("JOOX Business") (collectively referred to as the "Disposal of GMM Music's Ordinary Shares").

As a result of The Buyer Group's decision to partially pay the consideration with 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand, GMM Tomorrow Limited, a subsidiary which is 100.00 percent held by the Company, will receive the transfer of Joox Thailand's ordinary shares in the amount of 3 ordinary shares or equivalent to 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand from The Buyer Group, which is not a connected person of the Company, at a consideration value of USD 25,000,000 (approximately equivalent to THB 918,152,500<sup>1</sup>) (the "Acquisition of Joox Thailand's Ordinary Shares").

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<sup>1</sup> Calculated based on the conversion rate of THB 36.7261 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024

The Disposal of GMM Music's Ordinary Shares is considered as the disposal of the listed company's assets 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 the 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 transaction size is based on the Company's consolidated financial statements for the fiscal year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor, along with GMM Music's consolidated financial statements for the fiscal year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor. The highest transaction size, calculated based on the net operating profits criteria, equals to 49.61 percent.

Furthermore, in the period of 6 months preceding the aforementioned Board of Directors' Meeting to approve the Disposal of GMM Music's Ordinary Shares at this time, the Company has not disposed any other assets. Therefore, the Disposal of GMM Music's Ordinary Shares is classified as a Class 2 Asset Disposal Transaction, to which the transaction size is equivalent to 15.00 or higher but less than 50.00 percent. Consequently, the Company is required to immediately prepare and disclose an information memorandum disclosing the disposal of assets to the Stock Exchange of Thailand ("**SET**") containing at least the information specified in Schedule (1) annexed to the Notifications on Acquisition or Disposal of Assets, and distribute the circular notice which contains information at least as specified in the Notifications on Acquisition or Disposal of Assets to the Company's shareholders within 21 days upon the disclosure of the information memorandum to the SET.

As for the Acquisition of Joox Thailand's Ordinary Shares, the transaction is considered as the acquisition of the listed company's assets pursuant to the Notifications on Acquisition or Disposal of Assets. The calculation of the transaction size is based on the Company's consolidated financial statements for the year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor, along with JOOX Business's operating results for the year ended 31 December 2023 and financial position as of 1 April 2024, as prepared by the management of TME (Management Accounts). The highest transaction size, calculated based on the total value of consideration criteria, equals to 14.23 percent. Furthermore, in the period of 6 months preceding the aforementioned Board of Directors' Meeting to approve the Acquisition of Joox Thailand's Ordinary Shares, the Company's Group Executive Committee has approved the acquisition of asset by approving GMM Music, a subsidiary of the Company, to invest in a newly established joint venture. The highest transaction size of aforementioned transaction, calculated based on the total value of consideration criteria, equals to 0.65 percent.

Therefore, when considering the aforementioned asset acquisition transactions together, the highest combined transaction size equals to 14.88 percent, which does not require the Company to disclose an information memorandum according to the Notifications on Acquisition or Disposal of Assets. However, since the Acquisition of Joox Thailand's Ordinary Shares is related to the Disposal of GMM Music's Ordinary Shares, the Company consequently discloses the information memorandum regarding the Acquisition of Joox Thailand's Ordinary Shares to the SET.

In this regard, the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares are not considered to be connected transactions of the Company as defined by the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (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 the Connected Transactions B.E. 2546 (2003) (including any amendment thereto) (collectively, the "**Notifications on Connected Transaction**").

The Company would like to provide information regarding the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares as follows:

**1. Date of the Transaction**

On 31 May 2024, the Company's Board of Directors Meeting has resolved to approve the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares. With respect to various conditions of the related agreements between the Company and The Buyer Group, the completions of the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares will be subject to the fulfillment of conditions precedent under Share Purchase Agreement of GMM Music and Share Purchase Agreement of Joox Thailand as specified in Clause 4.3, or any waiver from the relevant contract party, and the fulfillment of conditions to enter into the transaction as specified in Clause 11. The Company anticipates the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares to be completed by the second quarter of 2024.

**2. Parties Involved and Their Relationship with the Company**

**The Disposal of GMM Music's Ordinary Shares**

**Seller:** Company Group

**Purchaser:** The Buyer Group

### The Acquisition of Joox Thailand's Ordinary Shares

**Seller:** The Buyer Group

**Purchaser:** GMM Tomorrow Limited, a subsidiary of the Company

**Relationship with the Company:**

The Buyer Group does not have any sort of relationship that may be deemed as a connected person of the Company pursuant to the Notifications on Connected Transaction.

### **3. General Characteristics, Type and Size of the Transaction**

#### The Disposal of GMM Music's Ordinary Shares

The Company Group will sell GMM Music's ordinary shares to The Buyer Group in the amount of 80,000,000 shares or equivalent to 10.00 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 70,000,000 (the total value of GMM Music's ordinary shares sold to The Buyer Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000), consisting of the following: (1) upon the completion of the related conditions precedent, the Company will sell GMM Music's ordinary shares in the amount of 51,428,572 shares or equivalent to 6.43 percent of the total issued and paid-up ordinary shares of GMM Music at a consideration value of USD 45,000,000 to The Buyer Group to which The Buyer Group will compensate for such shares via cash and (2) upon the completion of the related conditions precedent, the Company Group will sell GMM Music's ordinary shares in the amount of 28,571,428 shares or equivalent to 3.57 percent of the total issued and paid-up ordinary shares of GMM Music at a consideration value of USD 25,000,000 to The Buyer Group to which The Buyer Group will have the right to decide whether to compensate for such shares via cash or via 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand. Joox Thailand is a subsidiary of TME that operates an online music streaming platform, JOOX, for users from Thailand. On 31 May 2024, The Buyer Group has delivered a written notice expressing its intention to compensate for Tranche 2 sale shares (Tranche 2 Sale Shares Purchase Price) via 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand to the Company.

The Disposal of GMM Music's Ordinary Shares is considered as the disposal of the listed company's assets pursuant to the Notifications on Acquisition or Disposal of Assets. The calculation of the transaction size is based on the Company's consolidated financial statements for the fiscal year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor, along with GMM Music's consolidated financial statements for the fiscal year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor. The details of calculation of the transaction size are as follows:



Criteria		Calculation Method and Transaction Size
Net Tangible Asset (NTA)	=	<u>NTA of GMM Music expected to be disposed of proportionately</u> NTA of the Company
	=	<u>THB 392.87 million x 10.00 percent</u> THB 1,385.98 million
	=	2.83 percent
Net Operating Profits	=	Net profits attributable to the parent company of <u>GMM Music expected to be disposed of proportionately</u> Net profits attributable to the parent company of the Company
	=	<u>THB 453.77 million x 10.00 percent</u> THB 91.47 million
	=	49.61 percent
Total Value of Consideration	=	<u>Total value of consideration</u> Total assets of the Company
	=	<u>THB 2,570.83 million<sup>(1)(2)</sup></u> THB 6,453.33 million
	=	39.84 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

Notes: (1) The values of ordinary shares of GMM Music that will be sold by the Company under the Disposal of GMM Music's Ordinary Shares at USD 70,000,000.

(2) Calculated based on the conversion rate of THB 36.7261 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024.

From the calculation set out above, the transaction size has the highest value when calculating under the net operating profits criteria, which equals to 49.61 percent. Furthermore, in the period of 6 months preceding the aforementioned Board of Directors' Meeting to approve the Disposal of GMM Music's Ordinary Shares at this time, the Company did not dispose any other assets.

The Disposal of GMM Music's Ordinary Shares is classified as a Class 2 Asset Disposal Transaction, to which the transaction size is equivalent to 15.00 or higher but less than 50.00 percent. Therefore, the Company is required to immediately prepare and disclose an information memorandum disclosing the disposal of assets to the SET containing at least the information specified in Schedule (1) annexed to the Notifications on Acquisition or Disposal of Assets, and distribute the circular notice which contains information at least as specified in the Notifications on Acquisition or Disposal of Assets to the Company's shareholders within 21 days upon the disclosure of the information memorandum to the SET.

### The Acquisition of Joox Thailand's Ordinary Shares

The Acquisition of Joox Thailand's Ordinary Shares is considered as an acquisition of the listed company's assets pursuant to the Notifications on Acquisition or Disposal of Assets. The calculation of the transaction size is based on the Company's consolidated financial statements for the year ended 31 December 2023 and consolidated financial statements for the three-month period ended 31 March 2024, as audited and reviewed by a certified auditor, along with JOOX Business's operating results for the year ended 31 December 2023 and financial position as of 1 April 2024, as prepared by the management of TME (Management Accounts). The details of calculation of the transaction size are as follows:

Criteria		Calculation Method and Transaction Size
Net Tangible Asset (NTA)	=	<u>NTA of Joox Thailand expected to be acquired of proportionately</u> NTA of the Company
	=	THB 18.37 million <sup>(1)(2)</sup> x 30.00 percent THB 1,385.98 million
	=	0.40 percent
Net Operating Profits	=	Net profits attributable to the parent company of <u>Joox Thailand expected to be acquired of proportionately</u> Net profit attributable to the parent company of the Company
	=	Cannot be calculated due to Joox Thailand's net operating loss
Total Value of Consideration	=	<u>Total value of consideration</u> Total assets of the Company
	=	THB 918.15 million <sup>(3)(4)</sup> THB 6,453.33 million
	=	14.23 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

Notes: (1) Information on the financial position of the JOOX Business as of 1 April 2024 prepared by the management of TME (Management Accounts).

(2) Calculated based on the conversion rate of THB 5.0152 to RMB 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024.

(3) The values of ordinary shares of Joox Thailand that will be acquired by the Company Group under the Acquisition of Joox Thailand's Ordinary Shares at USD 25,000,000.

(4) Calculated based on the conversion rate of THB 36.7261 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024.

From the calculation set out above, the transaction size has the highest value when calculating under the total value of consideration criteria, which equals to 14.23 percent. Furthermore, in the period of 6 months

preceding the aforementioned Board of Directors' Meeting to approve the Acquisition of Joox Thailand's Ordinary Shares at this time, the Company's Group Executive Committee has approved the acquisition of asset by approving GMM Music, a subsidiary of the Company, to invest in a newly established joint venture. The highest transaction size of aforementioned transaction, calculated based on the total value of consideration criteria, equals to 0.65 percent. Therefore, when considering the combined acquisition of the aforementioned assets, the total highest transaction size will equal to 14.88 percent.

The Acquisition of Joox Thailand's Ordinary Shares does not require the Company to disclose information memorandum according to the Notifications on Acquisition or Disposal of Assets. However, since the Acquisition of Joox Thailand's Ordinary Shares is related to the Disposal of GMM Music's Ordinary Shares, the Company consequently discloses the information memorandum regarding the Acquisition of Joox Thailand's Ordinary Shares to the SET.

#### 4. Details of Disposed and Acquired Assets

##### 4.1 Details of Disposed Asset

###### Details of GMM Music

Company Name	:	GMM Music Public Company Limited (GMM Music)
Registered Head Office	:	50, Sukhumvit 21 Road (Asoke), Khlongtoei Nuea, Wattana, Bangkok 10110
Registration Date	:	7 April 2023
Conversion into a Public Company Date	:	11 March 2024
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 and paid-up capital of THB 800,000,000 (divided into 800,000,000 ordinary shares) with a par value of THB 1 per share, in which the Company holds 100.00 percent of shares in GMM Music.

Board of Directors : As of the date of this Information Memorandum, GMM Music's Board of Directors consists of 8 directors as follows:

1. Mr. Paiboon Damrongchaitham
2. Mr. Phawit Chitrakorn
3. Ms. Jirayong Anuman-rajadhon
4. Mr. Kaweewut Temphuwapat
5. Mr. Rawit Hanutsaha
6. Ms. Janjira Panitpon
7. Mr. Fahmai Damrongchaitham
8. Mr. Sompohb Budspawanich

List of Shareholders of GMM Music before Entering into the Transaction (At a Par Value of THB 1 per Share) : Details of the GMM Music's shareholders as of the date of this information memorandum are as follows:

No.	Shareholder Name	Number of Shares (Shares)	Percentage
1.	the Company	799,999,980	>99.99
2.	Mr. Phawit Chitrakorn	10	<0.01
3.	Mr. Fahmai Damrongchaitham	10	<0.01
<b>Total</b>		<b>800,000,000</b>	<b>100.00</b>

List of Shareholders of GMM Music after Entering into the Transaction (At a Par Value of THB 1 per Share) : Refer to the details of GMM Music's shareholders as of the date of this information memorandum are as follows:

No.	Shareholder Name	Number of Shares (Shares)	Percentage
1.	the Company	719,999,980	90.00
2.	Black Serenade	80,000,000	10.00
3.	Mr. Phawit Chitrakorn	10	<0.01
4.	Mr. Fahmai Damrongchaitham	10	<0.01
<b>Total</b>		<b>800,000,000</b>	<b>100.00</b>

**Remark:** The above shareholder structure has not taken into consideration change which may arise from the plan for the Initial Public Offering ("IPO") of GMM Music and the listing of the ordinary shares of GMM Music on the SET ("Spin-Off Plan" or "IPO Plan"). By taking into account of any changes that may arise from the Spin-Off Plan, the Company's shareholding percentage in GMM Music will be no less than 60.00 percent.

## 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 year ended 31 December 2021, 31 December 2022 and 31 December 2023, and for the three-month period ended 31 March 2023 and 31 March 2024 based on GMM Music's consolidated financial statements that have been audited or reviewed by a certified auditor are as follows:

(in THB million)	As of and for the year ended			As of and for the three-month period ended	
	31 December 2021	31 December 2022	31 December 2023	31 March 2023	31 March 2024
<b>Consolidated statement of financial position</b>					
Total assets	1,307.85	2,286.56	2,884.77		3,028.53
Total liabilities	1,197.70	1,951.03	2,498.73		2,505.37
Total shareholders' equity	110.15	335.53	386.04		523.16
<b>Consolidated income statement</b>					
Total revenues	1,838.28	3,072.90	3,912.75	882.54	950.52
Total expenses	(1,718.86)	(2,658.04)	(3,335.21)	(761.48)	(756.98)
Net profit	80.16	304.58	402.81	87.27	137.12

### 4.2 Details of Acquired Asset

#### Details of Joox Thailand

Company Name	: Joox Thailand (Hong Kong) Limited
Registered Head Office	: Room D, 10/F, Tower A, Billion Center, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong
Registration Date	: 29 April 2024
Business Type	: Online music streaming platform business, JOOX, for users from Thailand
Share Capital	: As of the date of this information memorandum, Joox Thailand has share capital of USD 10 divided into 10 ordinary shares
Board of Directors	: As of the date of this Information Memorandum, Joox Thailand's Board of Directors consists of 1 director as follows: <ol style="list-style-type: none"> <li>1. Pang Kar Shun Cussion</li> </ol>

List of Shareholders of Joox Thailand before the Transaction : Details of the Joox Thailand's shareholders as of the date of this information memorandum are as follows:

No.	Shareholder Name	Number of Shares (Shares)	Percentage
1.	Tencent Music Entertainment Hong Kong Limited ("TME HK")	7	70.00
2.	Black Serenade	3	30.00
<b>Total</b>		<b>10</b>	<b>100.00</b>

**Note:** TME HK and Black Serenade are subsidiaries of TME

List of Shareholders of Joox Thailand Music after the Transaction : Refer to the details of Joox Thailand's shareholders as of the date of this information memorandum are as follows:

No.	Shareholder Name	Number of Shares (Shares)	Percentage
1.	TME HK	7	70.00
2.	GMM Tomorrow Limited	3	30.00
<b>Total</b>		<b>10</b>	<b>100.00</b>

#### Summary of Financial Position and Operating Results of Joox Thailand

The summary of the financial position and operating results of Joox Thailand based on JOOX Business' operating results for the year ended 31 December 2021, 31 December 2022 and 31 December 2023, and financial position as of 1 April 2024 prepared by the management of TME (Management Accounts) are as follows:

(in THB million)	As of 1 April 2024
<b>Statement of Financial position</b>	
Total assets	46.93
Total liabilities	28.56
Total shareholders' equity	18.37

**Note:** Based on the financial position as of 1 April 2024 of the JOOX Business prepared by the management of TME (Management Accounts) and calculated based on the conversion rate of THB 5.0152 to RMB 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024.

(in THB million)	For the year ended		
	31 December 2021	31 December 2022	31 December 2023
<b>Income statement</b>			
Total revenues	169.62	138.09	155.06
Total expenses	(566.69)	(474.74)	(254.10)
Net profit	(397.08)	(336.65)	(99.04)

**Note:** Based on the operating results for the year ended 31 December 2021, 31 December 2022 and 31 December 2023 of the JOOX Business prepared by the management of TME (Management Accounts) and calculated based on the conversion rate of THB 5.0152 to RMB 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024.

#### 4.3 Summary of Material Agreements between the Company and The Buyer Group

##### Share Purchase Agreement of GMM Music

Parties	:	Seller : Company Group Purchaser : The Buyer Group
Shares Sale and Consideration Value	:	The Buyer Group will purchase GMM Music's ordinary shares from the Company Group in the amount of 80,000,000 shares or equivalent to 10.00 percent of the total issued and paid-up ordinary shares of GMM Music at a consideration value of USD 70,000,000 in 2 transactions as follows: <ul style="list-style-type: none"> <li>• Purchase of ordinary shares in the amount of 51,428,572 shares ("Tranche 1 Sale Shares") at a consideration value of USD 45,000,000 via cash</li> <li>• Purchase of ordinary shares in the amount of 28,571,428 shares ("Tranche 2 Sale Shares") at a consideration value of USD 25,000,000 with the payment either via (a) cash or (b) the exchange of 30.00 percent of Joox Thailand's ordinary shares</li> </ul>
Material Conditions Precedent	:	The material conditions precedent are summarized as follows: <ul style="list-style-type: none"> <li>• The Company and/or GMM Music have received a waiver letter for entering into this transaction from the relevant financial institutions.</li> <li>• The Board of Director's meeting of the Company and/or the Company Shareholder's meeting have approved the transaction under this agreement.</li> </ul>

		<ul style="list-style-type: none"> <li>• The Company has provided a certificate covering the following matters:               <ol style="list-style-type: none"> <li>1) All the representations of the Company are true and correct;</li> <li>2) The Company has fulfilled its obligations (and has procured GMM Music to fulfill its obligations) under this agreement; and</li> <li>3) The Company has obtained approval from relevant government agencies for entering into this transaction under this agreement, or the transaction under this agreement does not require approval from the relevant government agencies.</li> </ol> </li> <li>• In the event that The Buyer Group elects to pay for the Tranche 2 Sale Shares via exchanging Joox Thailand's ordinary shares – the conditions precedent under the Share Purchase Agreement of Joox Thailand must be fulfilled or waived (as the case may be) by the relevant contract parties, according to the terms and conditions of the Share Purchase Agreement of Joox Thailand.</li> </ul>
Other important conditions under related agreements	:	The Company has the obligation to provide price protection under the terms and conditions of the agreements related to the transaction of the Disposal of GMM Music's Ordinary Shares.

**Shareholders Undertaking Agreement of GMM Music**

Parties	:	Company, GMM Music, and The Buyer Group
The Right to Appoint Director and Board Observer	:	Throughout the period that this agreement is in effect and The Buyer Group holds no less than 5.00 percent of the total shares in GMM Music, TME has the right to nominate one director to the board of directors of GMM Music and Tencent Holdings Limited ("TENCENT") has the right to appoint one board observer of GMM Music ("Tencent Board Observer"), whereby the Tencent Board Observer has the right to attend all board meetings and report on the matters discussed to TENCENT but does not have the right to vote in the meetings. However, from the first trading date of GMM Music's ordinary shares on the SET, the Company



		will use its best efforts to ensure that TME and TENCENT will be able to exercise their rights accordingly.
Dividend Policy	:	GMM Music has a policy to pay dividends of no less than 40.00 percent of the net profit available for distribution after deducting: (1) all taxes as required by the law, (2) Replacement Capital Expenditure (REPEX) as specified in the annual budget or the business and financial plan of GMM Music (including any approved amendments or revisions), and (3) all due interest and principal payments under GMM Music's loan agreements with the commercial banks.
Other Important Conditions		<ul style="list-style-type: none"> <li>• The Company and The Buyer Group will discuss in good faith opportunities to monetise their investments in GMM Music by way of conducting the IPO Plan or any other means of monetisation reasonably proposed by the Company, The Buyer Group and/or the board of directors of GMM Music.</li> <li>• The contracting parties agree not to pledge, create any encumbrance, sell, dispose of, or transfer all shares of GMM Music to other persons for 1 year from the first trading date of GMM Music's shares on the SET. However, the parties may gradually sell up to 25 percent of the total shares they hold in GMM Music after 6 months from the first trading date of GMM Music's shares on the SET, and they may sell the remaining shares 1 year after the first trading date of GMM Music's shares on the SET.</li> <li>• Throughout the period from the effective date of this agreement until first trading date of GMM Music's ordinary shares on the SET or until 36 months from the effective date of this agreement (whichever comes first), the Company and GMM Music must not take any actions that would reduce The Buyer Group's shareholding percentage in GMM Music.</li> <li>• In the event that GMM Music issues and offers newly issued ordinary shares of GMM Music to the directors, executives, and employees of GMM Music and its subsidiaries, resulting in a dilution of The Buyer Group's shareholding proportion, the Company shall transfer additional ordinary shares of</li> </ul>

		GMM Music to The Buyer Group to maintain its original shareholding proportion.
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#### TME Business Collaboration Agreement

Parties	:	Company, GMM Music, and TME
Business Collaboration	:	<ul style="list-style-type: none"> <li>• TME and GMM Music will collaborate to develop and promote the business growth of GMM Music in various aspects in Thailand and the Greater China, including: <ul style="list-style-type: none"> <li>- Content and Digital Platform</li> <li>- Music and Artist Development Partnership</li> </ul> </li> </ul>

#### Non-Compete Agreement

Parties	:	Company, GMM Music, and The Buyer Group
Non-Competition and Non-Solicitation	:	<p>The parties agree not to engage in any actions under the terms of the related agreements that would compete with the business of GMM Music (excluding certain businesses set forth in this agreement), including:</p> <ul style="list-style-type: none"> <li>• Directly competing with the business of GMM Music and/or its subsidiaries in Thailand</li> <li>• Offering employment, entering into service contracts, or attempting to solicit directors or executives to leave GMM Music and/or its subsidiaries</li> </ul>

#### Share Purchase Agreement of Joox Thailand

Parties	:	<p>Seller : The Buyer Group</p> <p>Purchaser : Company Group</p>
Effective Date	:	The date on which The Buyer Group delivers to the Company a written notice expressing its intention to compensate for the Tranche 2 Sale Shares Purchase Price by exchanging shares in Joox Thailand.
Sale Shares	:	The Company Group will purchase shares in Joox Thailand from The Buyer Group, amounting to 30.00 percent of the Joox Thailand's shares.
Consideration Value	:	USD 25,000,000

<p>Material Conditions Precedent</p>	<p>:</p>	<p>The material conditions precedent are summarized as follows:</p> <ul style="list-style-type: none"> <li>• TME completes the transfer of the JOOX Business to Joox Thailand.</li> <li>• Legal, accounting, and business due diligence of Joox Thailand by the Company is satisfactory.</li> <li>• The Board of Director's meeting of the Company and/or the Company Shareholder's meeting have approved the transaction under this agreement.</li> <li>• The Buyer Group has provided a certificate covering the following matters:             <ol style="list-style-type: none"> <li>1) All the representations of The Buyer Group are true and correct;</li> <li>2) The Buyer Group has fulfilled its obligations (and has procured Joox Thailand to fulfill its obligations) under this agreement; and</li> <li>3) The Buyer Group has obtained approval from relevant government agencies for entering into the transaction under this agreement, or the transaction under this agreement does not require approval from the relevant government agencies.</li> </ol> </li> <li>• The conditions precedent under the Share Purchase Agreement of GMM Music must be fulfilled or waived (as the case may be) by the relevant contract parties, according to the terms and conditions of the Share Purchase Agreement of GMM Music</li> </ul>
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**Shareholders Agreement of Joox Thailand**

<p>Parties</p>	<p>:</p>	<p>Company Group, TME HK and Joox Thailand</p>
<p>The Right to Appoint Director</p>	<p>:</p>	<p>Throughout the period of this agreement is in effect and the Company Group holds no less than 5.00 percent of the total shares in Joox Thailand, the Company Group has the right to nominate one director for Joox Thailand (out of a total of 3 directors).</p>
<p>Non-Competition and Non-Solicitation</p>	<p>:</p>	<p>The parties agree not to engage in any actions under the terms of the related agreements that would compete with the business</p>

		of Joox Thailand (excluding certain businesses set forth in this agreement), including: <ul style="list-style-type: none"> <li>• Directly competing with the business of Joox Thailand and/or its subsidiaries in Thailand</li> <li>• Offering employment, entering into service contracts, or attempting to solicit directors or executives to leave Joox Thailand and/or its subsidiaries</li> </ul>
Other Important Conditions	:	Throughout the period from the effective date of this agreement until 36 months from the effective date of this agreement, TME HK must not take any actions (and will ensure that Joox Thailand does not take any actions) that would reduce GMM Tomorrow's shareholding percentage in Joox Thailand.

**5. Total Value of Consideration and Terms of Payment**

The Company Group (Company and its subsidiary) will sell GMM Music's ordinary shares to The Buyer Group in the amount of 80,000,000 shares or equivalent to 10.00 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 70,000,000 (the total value of GMM Music's ordinary shares sold to The Buyer Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000). The Company will sell 51,428,572 ordinary shares of GMM Music to The Buyer Group, or equivalent to 6.43 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 45,000,000, whereby the Company will receive a payment for the ordinary shares of GMM Music from The Buyer Group for such transaction in cash entirely within one transaction. GMM Tomorrow Limited, which is a subsidiary of the Company, shall sell GMM Music's ordinary shares to The Buyer Group in the amount of 28,571,428 shares or equivalent to 3.57 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 25,000,000, whereby GMM Tomorrow Limited will receive payment for the ordinary shares of GMM Music from The Buyer Group for such transaction in ordinary shares of Joox Thailand in the amount of 3 shares or equivalent to 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand, at the consideration value of USD 25,000,000 within one transaction.

**6. The Value of the Disposed Assets and the Value of the Acquired Assets**

The value of the assets to be sold and the value of the assets to be acquired by the Company from entering into the transactions shall be equivalent to the total value of consideration as stated in Clause 5.

## 7. Criteria Used to Determine the Total Value of Consideration

The value of GMM Music's ordinary shares of 80,000,000 shares, to be sold to The Buyer Group at this time, equals to USD 70,000,000 (The total value of GMM Music's ordinary shares sold to The Buyer Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000). Such value was determined through negotiations and agreements between the Company and The Buyer Group. During the negotiation process, the Company assessed the value of ordinary shares through Trading Multiples of peers operating in similar business as GMM Music's along with other conditions specified in the Share Purchase Agreement of GMM Music and other related agreements, to which the Company agreed with The Buyer Group.

The value of Joox Thailand's ordinary shares of 3 shares, to be acquired from The Buyer Group at this time, equals to USD 25,000,000. Such value was determined through negotiations and agreements between the Company and The Buyer Group. During the negotiation process, the Company assessed the value of ordinary shares through Trading Multiples of peers operating in similar business as Joox Thailand's along with the results of the due diligence process and other conditions specified in the Share Purchase Agreement of Joox Thailand and other related agreements, to which the Company agreed with The Buyer Group.

## 8 Expected Benefits to the Company

### The Disposal of GMM Music's Ordinary Shares

- (1) The investment by The Buyer Group in GMM Music, the Company's subsidiary, is poised to enhance GMM Music's competitiveness. GMM Music stands to benefit significantly from the esteemed reputation and industry leadership of TME in the global music business. Consequently, this strategic investment does not only present opportunities to expand GMM Music's operations, but also augment its capabilities and knowledge potential in driving its business towards robust growth and resilience.
- (2) The investment by The Buyer Group in GMM Music is poised to increase opportunities for GMM Music to expand its business internationally due to The Buyer Group's global presence.
- (3) Since TME is the leading online music and audio entertainment platform in China with a large user base, GMM Music can leverage technological advancements to develop innovative music solutions for the future, such as artificial intelligence technology for music, and the insights into consumer preferences and behaviours gained from the business collaboration with TME to benefit GMM Music by developing GMM Music's services and artists, marketing, creating advertising media and publicizing GMM Music's services and artists that can better meet the needs of various consumers.

- (4) The Company could utilize the proceeds obtained from the Disposal of GMM Music's Ordinary Shares to repay the Company Group's debt, and/or invest and expand the business, and/or support the Company Group's working capital.
- (5) The sale of GMM Music's ordinary shares to The Buyer Group, results the implied market value of GMM Music's ordinary shares being reflected by the purchase price paid by The Buyer Group, enhancing the Company's potential in both business and financial operators, as well as in seeking other strategic partners. This transaction is expected to contribute to the stable and sustainable growth of the Company's overall business operations and generate continuous returns for the Company's shareholders.

#### The Acquisition of Joox Thailand's Ordinary Shares

- (1) At present, the Company is a company that conducts business by holding shares in other companies (Holding Company) that focus on the integrated entertainment business, and technology and platform business. The acquisition of JOOX Business is therefore in line with the company's business strategy plan. It also helps diversify the company's investment risks to enable the Company to grow in the long term sustainably.
- (2) Since the Company currently has its own online music streaming platform business, Plern, that is still operating under the Company. The Company has a business plan to bring the JOOX Business to expand alongside Plern because the company foresees business opportunities from this plan that will create mutual benefits (Synergy) between the two platforms as a result of 1) reducing common expenses such as platform system development costs, and operating expenses, 2) economies of scale from increasing of the number of copyrighted songs published through the platforms, 3) increasing revenue opportunities by combining the subscriber bases of both services (Combined Subscribers), 4) expanding revenue channels through the distribution channels of both platforms, and 5) organizing joint marketing activities (market optimization) by leveraging the strength of both platforms. These factors collectively enhance the Company's competitiveness in the online music streaming business.
- (3) Forming a strategic partnership with the TME, which has the ability and expertise in the online music streaming platform business, will help increase the opportunity to create new innovations, including the development of features and technology (Platform Innovation) of Company's online music streaming platform.
- (4) Since the online music streaming platform JOOX has a large number of monthly average users in Thailand, the Company is able to collaborate with Joox Thailand by applying the technology infrastructure of Joox Thailand and in-depth customer insights to develop the Company's products

and services, enhancing the efficiency of the platform's content management system. This will enable the Company to better meet consumer demands and seamlessly work with all partner music labels.

- (5) By combining GMM Music's artist collaboration with TME's technological expertise, GMM Music will be able to create new revenue opportunities through the fandom economy by creating activities and engagement channels with artists and Thai, Chinese and other international fandoms.

## 9. Risks from Entering into the Transaction

### (1) Foreign Exchange Rate Risk

As the Company engages in the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares, under the conditions of the related agreements, payments will be made by the Buyer Group in U.S. dollars (as well as price protection scheme which will be made by the Company in U.S. dollars). This exposes the Company to the risk of foreign exchange rate fluctuations.

However, the Company plans to consider using the financial instruments to manage foreign exchange rate risk if appropriate.

### (2) Business Risk

After the Acquisition of Joox Thailand's Ordinary Shares, Joox Thailand will become an associate company of the Company. Therefore, the business risks encountered by Joox Thailand may affect the Company's profitability.

However, the Company regularly reviews its business operation's strategies to respond to various potential risks that may arise, for example, the risk from changes in industry competition, among others. Additionally, TME has a team of experts with extensive experience in the online music streaming platform business, which helps in various situations. The Company will continue to collaborate with TME to ensure timely responses to any potential risks.

### (3) Market Risk

In addition to the business risks, market risks such as economic downturns and changes in consumer behavior can impact the performance and operations of Joox Thailand as well as GMM Music. Therefore, market risks may also affect the Company's profitability.

Hence, investors should consider other factors when making investment decisions on the Company's ordinary shares.

**10. Usages of Funding Received from the Disposal of GMM Music's Ordinary Shares**

The Company will use fund from the sale of ordinary shares of GMM Music to repay the Company Group's debt, and/or invest and expand the business, and/or support the Company Group's working capital.

**11. Sources of Funding for the Acquisition of Joox Thailand's Ordinary Shares**

GMM Tomorrow Limited, the Company's subsidiary, will sell GMM Music's ordinary shares in the amount of 28,571,428 shares or equivalent to 3.57 percent of total issued and paid-up ordinary shares of GMM Music to The Buyer Group in exchange for the acquisition of Joox Thailand's ordinary shares from The Buyer Group.

**12. Conditions on the Entering into the Transactions**

The Company's Board of Directors Meeting has resolved to approve the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares.

**13. Opinion of the Board of Directors Regarding the Entering into the Transactions**

The Board of Directors has considered and approved the Disposal of GMM Music's Ordinary Shares and the Acquisition of Joox Thailand's Ordinary Shares due to the benefits to the Company as stated in Clause 8. In addition, the total value of GMM Music's ordinary shares that will be disposed to The Buyer Group, the total value of Joox Thailand's ordinary shares that the Company will receive from The Buyer Group, and the conditions stated in the agreements between the Company and The Buyer Group are reasonable. However, before the Board of Directors resolved to approve the aforementioned transactions, the Board of Directors thoroughly considered the potential risks arising from these transactions as outlined in Clause 9.

**14. Opinion of the Audit Committee and/or Directors of the Company which Differs from the Opinion of the Board of Directors Specified in Clause 13**

- None -