

Information Memorandum on Connected Transaction
Re: "Provision of a guarantee against an additional loan of Baht 1,100 million,
which GMM ONE TV Co., Ltd. has entered into with Financial Institution"
By GMM Grammy Public Company Limited
(For consideration of Agenda 9.1)

According to the resolution of the Board of Directors' Meeting No. 2/2016 of GMM Grammy Public Company Limited (the "**Company**") held on March 10, 2016 resolved to approve the Company to provide a guarantee for an additional loan of Baht 1,100 million for which GMM ONE TV Co., Ltd. ("**GMM ONE TV**") entered into an agreement with a financial institution, which constitutes a connected transaction as prescribed under the Notification of the Capital Market Supervisory Board No.Tor Jor 21/2551, Re: Rules on Connected Transactions, dated 31 August 2008, and Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por.22-01, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003, dated 19 November 2003 (collectively, the "**Notifications on Connected Transactions**").

After calculating the transaction value in accordance with the relevant criteria, since the transaction value is in excess of Baht 100 million and in excess of three percent of the net tangible assets of the Company (whichever is lower), the Company is required to disclose the information with regard to entering into the transaction to the Stock Exchange of Thailand (the "**Stock Exchange**"), to obtain approval for entering into the transaction from its shareholders' meeting, as well as appoint an independent financial advisor to render their independent opinion on entering into the transaction. In this regard, the Company has appointed JayDee Partners Co., Ltd. as its Independent Financial Advisor.

Material details of the transaction are as follows:

1. The information disclosed to the Stock Exchange

(1) Date of the Transaction:

The Board of Directors ("Board") of the Company at its meeting No. 2/2016 held on March 10, 2016 resolved as follows:

- Approved entering into the connected transaction which is deemed a provision of financial assistance to a connected person by providing a guarantee for a loan of Baht 1,100 million of GMM ONE TV, a company in which the Company indirectly holds shares of 51 percent through The One Enterprise Co., Ltd. ("**The One Enterprise**") to a financial institution, in a proportion of 100 percent which is in excess of its shareholding.

In this regard, The Company holds 51 percent and the Group of Mr. Takonkiet holds 49 percent of the total issued shares in The One Enterprise, which holds 100 percent of the shares in GMM ONE TV.

In light of the above, Mr. Takonkiet and GMM ONE TV are connected persons of the Company as per the definition prescribed under the Notifications on Connected Transactions, as Mr. Takonkiet is an executive of the Company in accordance with the definition prescribed under the Notifications on Connected Transactions, that is, a person holding office in the first four management positions after the highest executive.

The entering into this transaction of the Company is carried out for the purpose of providing financial assistance to support additional working capital for the business operation of GMM ONE TV which is currently in the process of investing in the digital TV business.

The Company will enter into the transaction after the matter is approved by the 2016 Annual General Meeting of Shareholders which will be convened on 29 April 2016 with a vote of no less than three-quarters of the total votes cast by the shareholders attending the Meeting and eligible to vote, without counting the votes cast by the interested shareholders.

(2) Name of Connected Person and its Relationship with the Company:

The person who will be receiving financial assistance is GMM ONE TV, which is the related person of Mr. Takonkiet, as the Group of Mr. Takonkiet indirectly holds 49 percent of the total issued shares, being a connected person as per the definition prescribed under the Notifications on Connected Transactions.

The person who will provide financial assistance is GMM Grammy Public Company Limited and its subsidiaries.

(3) Details of the Financial Assistance:

This transaction is deemed as a provision of financial assistance to a connected person by providing a guarantee, proportionate to the shareholding, for an additional loan of Baht 1,100 million of GMM ONE TV for which GMM ONE TV has entered into an agreement with a financial institution through The One Enterprise, that is, the provision of a guarantee proportionate to the shareholding of the Company of 51 percent of the total issued shares in The One Enterprise and the provision of a guarantee proportionate to the shareholding of the Group of Mr. Takonkiet of 49 percent of the total issued shares in The One Enterprise. In addition, the Company may provide collateral of the Company in proportion of 51 percent of the shares it holds in The One Enterprise, subject to the conditions and agreements between the Company and the relevant financial institution.

The details of GMM ONE TV which will be receiving financial assistance are as follows:

GMM ONE TV was incorporated on 6 September 2013 and is a company in the group of The One Enterprise, engaging in the business of providing radio and television program services in high-definition systems (HD System) of all types which are broadcast by the One television channel (CH31). The One Channel is a television station in a digital television system operated by the Company and Mr. Takonkiet is its Channel Executive. One Channel is a television channel which broadcasts programs from the affiliated channels and/or its own produced channels, such as, music videos, soap operas, movies, etc. The channel first broadcast on 1 April 2014.

At present, GMM ONE TV's registered and paid-up capital is Baht 1,200,000,000, divided into 12,000,000 ordinary shares, at the par value of Baht 100 per share, having its office located at No. 50 GMM Grammy Place Building, Sukhumvit 21 (Asoke) Road, Khlong Toei Nuea Subdistrict, Wattana District, Bangkok.

For additional loan of Baht 1,100 million that is pending approval from a financial institution, the relevant agreement contains a condition requesting action from the Company before paying a dividend. If the Company has already fulfilled the specified condition, the Company can pay a dividend to the shareholders.

The Board of Directors of GMM ONE TV (as set out in the Affidavit registered with the Department of Business Development) is as follows:

- | | |
|-----------------------------|------------------------------|
| 1. Miss Boosaba Daorueng | 2. Mrs. Jiraporn Rungsritong |
| 3. Mr. Sompohb Budspawanich | 4. Mrs. Montana Thawaranont |
| 5. Mr. Takonkiet Viravan | 6. Mr. Bordin Udol |
| 7. Mr. Nipon Pewnain | |

Financial information of GMM ONE TV as at 31 December 2015:

Item	Value (Baht)
Current assets	986,483,393
Non-current assets	2,961,222,201
Total Assets	3,947,705,594
Current liabilities	826,016,874
Non-current liabilities	3,495,294,666
Total liabilities	4,321,311,540
Shareholders' equity	(373,605,946)
Total liabilities and shareholders' equity	3,947,705,594
Total revenue	880,437,215
Net loss	(1,020,826,182)

Shareholding structure of The One Enterprise after the investment of the Group of Mr. Takonkiet:

(unit : share)

	Shareholding Proportion	No. of shares held
1. GMM Grammy Public Company Limited	51 %	9,715,497
2. Group of Mr. Takonkiet	49%	9,334,500
3. Other	0%	3
Total	100%	19,050,000

Shareholding structure of GMM ONE TV after the investment of Group of Mr. Takonkiet:

(unit : share)

	Shareholding Proportion	No. of shares held
1. The One Enterprise Public Company Limited	100 %	11,999,998
2. Mr. Takonkiet Viravan	0%	1
3. Miss Boosaba Daorueng	0%	1
Total	100%	12,000,000

(4) General Characteristics of the Transaction:

As GMM ONE TV is currently in the process of investing in the business, therefore, it is necessary for GMM ONE TV to use additional investment funds. As a result, GMM ONE TV has secured an additional loan of Baht 1,100 million from financial institution by proposing that the Company and the Group of Mr. Takonkiet provide guarantees, proportionate to their shareholdings in The One Enterprise, that is 51 percent and 49 percent, respectively. The Group of Mr. Takonkiet has carried out actions to comply with the shareholders agreement by serving a letter of intent to the Company certifying that the performance of the agreement in connection with the provision of the guarantee, proportionate to the shareholding, of the Group of Mr. Takonkiet in respect of the guarantee that the Company has provided against the debt obligation of GMM ONE TV of 49 percent of the total debt obligation, entered into with financial institution, will be carried out by 28 February 2017.

In addition, the Group of Mr. Takonkiet agreed to enter into the guarantee agreement under which the Company has provided a guarantee against the debt obligation that GMM ONE has with the financial institution of 49 percent of the principal and the outstanding interest thereon, and agreed to

make repayment as soon as the financial institution demands it. Furthermore, the Company will also enter into the guarantee agreement under which the Group of Mr. Takonkiet has provided a guarantee against the debt obligation that GMM ONE TV has with the financial institution of 51 percent of the principal and the outstanding interest thereon.

Subsequently, the financial institution has declared the preliminary result of its consideration (currently under the official consideration process). The details of the credit amount of the additional loan granted to GMM ONE TV of Baht 1,100 million which requires the Company to provide a guarantee against the loan of 100 percent and the Group of Mr. Takonkiet of 100 percent.

In this regard, in the interests of fairness in the case where either the Company or Group of Mr. Takonkiet may be demanded by the financial institution to make repayment in excess of its shareholding, both parties have entered into the agreement in order to ensure that each party will pay a debt to the other party in accordance with their shareholding.

In this regard, with respect to the provision of a guarantee for entering into the transaction to provide financial assistance, the Company and its subsidiaries will provide the following guarantees to the financial institution:

1. The One Enterprise to pledge all of the shares of GMM ONE TV, and GMM Channel Trading Co., Ltd. which is the subsidiaries of the Company, to pledge all of the shares of GMM Channel Co., Ltd. to the bank as a guarantee, with the exception of the shares owned by the directors of the Company and/or individuals;
2. the Company to provide a guarantee for all debt obligations;
3. GMM Channel to provide a guarantee for all debt obligations;
4. The One Enterprise to provide a guarantee for all debt obligations;
5. GMM Channel Trading Co., Ltd. to provide a guarantee for all debt obligations

(5) Calculation of Transaction Value:

Transaction	Value (Baht million)
Connected transaction	
Net Tangible Assets (NTA) of the Company as at 31 December 2015	1,295.37
(1) Guarantee against loan of GMM ONE TV	1,100.00
- Transaction value under the Notifications on Connected Transactions (Large-sized transaction: exceeding Baht 100 million or exceeding 3 percent of NTA, whichever is lower) (3% NTA = 38.86 MB)	84.92%
Transaction size of connected transaction during the past 6 months (In Agenda 9.2)	339.67%
Total size of connected transaction	424.59%

Transaction value under the Notifications on Connected Transactions:

Entering into the transaction constitutes a connected transaction under the Notifications on Connected Transactions, having a transaction value exceeding Baht 100 million or exceeding 3 percent of the Net Tangible Assets (whichever is lower) as per the details set out in the aforementioned table. In this regard, the Notifications on Connected Transaction provide that the Company is required to obtain approval from its Board of Directors, to disclose the information with regard to entering into the transaction to the Stock Exchange, to obtain approval for entering into the transaction from its shareholders' meeting, whereby the resolution must be passed with the votes of no less than three-quarters of the total votes cast by the shareholders attending the

Meeting and eligible to vote, without counting the votes cast by the interested shareholders, as well as appoint an independent financial advisor to render opinions on entering into the transaction.

(6) Rationale and necessity for entering into the transaction, and expected benefits from the transaction:

The entering into the transaction is carried out in accordance with the policy of the Company and the shareholders agreement, which provide that the Group of Mr. Takonkiet is required to jointly provide a guarantee against the debt obligation which the Company has provided to the Group of The One Enterprise and GMM ONE TV which has been made with a financial institution, proportionate to the shareholdings in The One Enterprise of the Company and of the Group of Mr. Takonkiet, which are 51 percent and 49 percent, respectively. Nevertheless, the financial institution has preliminary notified the Company of the conditions to approve that the Company provides a guarantee against the loan of 100 percent and that of the Group of Mr. Takonkiet of 100 percent. As a result, the guarantees provided thereon are not in accordance with the shareholding proportions.

The entering into the transaction is carried out in order to support the additional revolving capital for the business operation of GMM ONE TV which is currently in the process of investing in the digital TV business. In addition, One31 Channel's popularity is increasing gradually, whereby the transaction will support One31 Channel's success in its business, as well as create long-term sustainable returns to the Company and its shareholders.

(7) Opinion of the Board of Directors and the Audit Committee on the entering into of the transaction:

The Board of Directors' Meeting and the Audit Committee Meeting were of the opinion that entering into the transaction will be beneficial to the digital TV business of Group of The One Enterprise and GMM ONE TV in obtaining an additional loan of Baht 1,100 million. Furthermore, with respect to the conditions required by the financial institution, the Board of Directors and the Audit Committee were of the opinion that the conditions are fair for the shareholders of both parties, that is the Company is required to provide a guarantee for the loan of 100 percent and the Group of Mr. Takonkiet 100 percent. Such undertakings are deemed reasonable and appropriate to entering into the transaction and the entering into the compensation agreement between the Company and the Group of Mr. Takonkiet.

In this regard, during the consideration and approval of this matter at the Board of Directors' Meeting, there were no interested directors and/or connected persons attending and casting votes.

Consequently, the Board of Directors approved to propose that the 2016 Annual General Meeting of Shareholders consider and approve entering into the transaction, if the Company has received formal approval from the financial institutions.

(8) The Opinion of the Company's Audit Committee and/or the Directors which are Different from the Opinion of the Board

-None-

2. Responsibility of the Board of Directors for the Information Contained in this Document

The Board of Directors is responsible for the information contained in this document which has been prepared in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551, Re: Rules on Connected Transactions, dated 31 August 2008, and Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por.22-01, Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, 2003, dated 19 November 2003 by using judgment appropriately in disclosing important information adequately, accurately, and transparently to the shareholders.

3. Corporate Information and Business Description

3.1 Company Background and Important Milestones

The Company was established as Grammy Entertainment Co., Ltd. on 11 November 1983. The music business at the time emphasized the production of quality Thai pop songs. The first music album was "Ni Yai Ruk Jak Korn Mek" by Doctor Pantiwa Sinrattanan. The company also launched three TV programs: Yim Sai Kai, Mun Kwa Heaw and Sueng Tid Dao which were highly successful. The Company has continued to grow since then. (Company Background and Milestone are shown on the menu "Corporate Information" and sub-menu "Company Background" on the Company website)

The Company underwent significant changes in shareholders' structures, management and business operations as follows:

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|------|--|
| 1988 | MGA Co.,Ltd. was established to manufacture and distribute various cassette tapes and other related entertainment products through its retail network. |
| 1989 | A-Time Media Co.,Ltd. was established to enter into the radio business. "Green Wave" and "Hot Wave" were the first two stations to hit the market. |
| 1991 | Exact Co.,Ltd. was set up to expand the television production business and started to broadcast TV Series "Three Men, Three Styles" (Sam Noom Sam Moom). Within the same year, Extraorganizer Co.,Ltd. was founded to operate the concert production business. Both these companies allowed Grammy to expand the scale of its entertainment empire. |
| 1994 | Grammy Entertainment Pcl. was listed on the Stock Exchange of Thailand and the feature film business saw its debut. |
| 1996 | Expanded into publishing business through the acquisition of Image magazine. |
| 2001 | The company's name was changed from Grammy Entertainment Public Company Limited to GMM Grammy Public Company Limited (Grammy). |
| 2002 | GMM Media Public Company Limited (GMMM) was delisted from the Stock Exchange of Thailand. Eight media, radio, television and publishing subsidiaries were transferred from Grammy to GMMM. |
| 2004 | Aimed to be "King of Content" by alliance with strategic partners, including Deetalk Co., Ltd. (TV program producer), Siam Infinit Co., Ltd. (online games), GMM Tai Hub Co., Ltd. (feature film producer) and Ninja Returns Communication Co., Ltd. (event organizer). |
| 2005 | <p>Major changes are as follows:</p> <ul style="list-style-type: none"> • Expanded business line into event marketing business with 50% investment in Index Event Agency Plc. through subsidiary, GMM Media Plc. for a fully integrated media business. • GMM Grammy was voted Thailand's Best Small Cap and was ranked the second to "Best Commitment to Strong Dividend Payments"; by Finance Asia Polls. • Invested in Se-education Public Company Limited ("Se-ed") to develop business cooperation such as a distribution channel. • Jointly invested in Clean Karaoke Company Limited, operating the karaoke business together with the managing of karaoke equipment through 80 % holding in the capital of Baht 20 million. • Invested in newspaper business including 20% holding in Matichon Plc. and 23.6% holding in Post Publishing Plc. through its subsidiary, GMM Media Plc |
| 2006 | <p>Major changes are as follows:</p> <ul style="list-style-type: none"> • Jointly invested 51% in capital of Baht 40 million in GMM Fitness Club Co., Ltd. to provide fitness club service. • Jointly invested in 50% in capital of Baht 20 million in Lux Music 999 Co., Ltd. to expand the music business especially in term of production and distribution. |
| 2007 | Investment in 3-RD Co., Ltd., through 50 % holding in the capital of Baht 2.63 million. |
| 2008 | GMM Media Public Co., Ltd., the subsidiary of the Company, voluntarily delisted from the Stock Exchange of Thailand. |

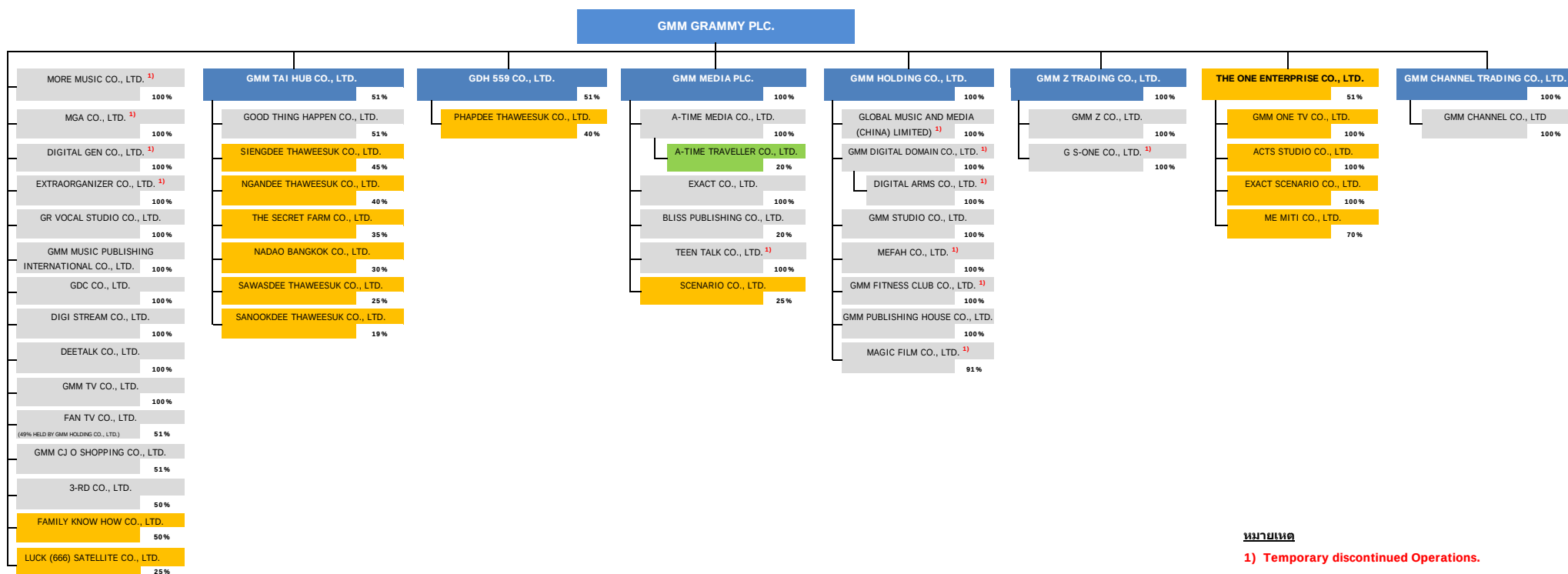
- 2009 Invested in common stock of Family Know How Co., Ltd., with 50% of the Baht 50 million capital. The company operates "Money Channel" satellite TV station, specializing in economic, finance and investment programs.
- 2010 Major changes are as follows:
- Jointly invested with its Associate (Scenario Co., Ltd.) in common share of Acts Studio Co., Ltd. for construction of the huge studio production with proportion of 50% each from Baht 200 million registered capital.
 - Invested in common share of Lucks Satellite Co., Ltd. to produce the content for broadcasting via satellite channel with 25% holding of Baht 20 million registered capital.
- 2011 Entered into a joint venture agreement with CJ O Shopping Co.,Ltd., Korea No.1 Home Shopping Operator, to launch Home Shopping business with a registered capital of Baht 540 million and GMM Grammy holds 51% of the joint venture.
- 2012 Invested in GMM Z Co., Ltd. to operate satellite TV platform business by holding 100% shares of Baht 100 million registered capital.
- GMM Z Co., Ltd. invested 100% of Baht 1 million in GMM B Co., Ltd. to operate Pay TV business.
- 2013 Major changes are as follows:
- Increased capital for strategic investment expansion by allotting and offering 106,052,989 registered shares capital at the price of 10 baht per share to the existing shareholders (Rights Offering) according to pro rata basis of five existing shares to one new share, amounting to approximately Baht 1 billion. The capital increase resulted in registered capital of Baht 636,317,936 (636,317,936 ordinary shares of Baht 1 each).
 - Participated in the auction for the Variety - HD and Variety - SD Digital TV channel licenses.
- 2014 Major changes are as follows:
- GMM Z Co., Ltd. disposed of all shares in GMM B Co.,Ltd. which operated Pay TV business to CTH LCO Company Limited and Z Trading Co.,Ltd. invested in CTH Public Company Limited whose business is Cable TV operation and subscription base TV.
 - Increased registered capital by allotting and offering maximum 63,631,793 registered shares capital at the price of 13.50 baht per share to the existing shareholders (Rights Offering) according to pro rata basis in the ratio of 10 existing shares per 1 new share. The remaining ordinary shares were allotted and offered to private placement with a maximum of 120,000,000 ordinary shares. This resulted in registered capital of Baht 819,949,729 (819,949,729 ordinary shares of Baht 1 each).
- 2015 Major changes are as follows:
- Disposed of 49.55 million shares of Se-ed at the price of 6 baht per share. The net amount received (after deducting related fee, taxes etc.) was equal to Baht 297.16 million.
 - The Extraordinary General Meeting of Shareholders No. 1/2015 approved the connected transaction and assets disposal regarding the partial waiver of subscription right to the capital increase of ordinary shares in GMM ONE TV TRADING CO., Ltd. (Currently The One Enterprise Co., Ltd.) to the Group of Mr. Takonkiet Viravan, who is a connected person of the Company. The transaction resulted in the Company's shareholding portion to be 51% in GMM ONE TV TRADING CO., Ltd. (Currently The One Enterprise Co., Ltd.). Moreover, the resolution regarding the disposal of the ordinary shares of ACTS STUDIO CO., Ltd. directly and indirectly held by the Company to GMM ONE TV TRADING CO.,Ltd. (Currently The One Enterprise Co., Ltd.) was also approved.
 - Disposed of total investment of 86,000,000 shares or 50% of paid-up capital in Index Creative Village Public Company Limited at the price of 5 baht per share,

which is higher than the book value of 3.40 baht per share as of December 31st, 2014 amounting to 430 million baht.

- Disposed of entire investment in its Publishing Group at the value of 45 million baht, which is higher than the book value as of March 31st, 2015 at 28.89 million baht.
- Ceased the operation of GMM Tai Hub Company Limited (GTH) from December 31st, 2015 onwards. The Company will manage all the rights for movies produced by GTH until the official rights management person is announced later on. All projects currently in production will be continued and completed.
- Established subsidiary named “GDH 559 Company Limited” (GDH 559) which concentrates on movie production and distribution, media advertisement, and artist management. GDH 559 currently has 5 million baht in paid-up capital and the Company holds a 51% stake.

a. Current Business Structure

Business structure as of 31 December 2015 is as follows:



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¹⁾ Temporary discontinued Operations.

- Subsidiaries
- Associate Companies/Joint Venture
- Other Companies

3.3 Business Description

The Group operates its business with the philosophy of working creatively with a complete range with global quality content and embracing up-to-date technology to deliver unlimited happiness to conform to customers' changing behavior in media market. The Group divides its business into two main categories as follows:

1 **Core Business** consisting of

- 1.1) Music business comprises sale and distribution of physical products, digital content, copyright management, show business, and artist management
- 1.2) Digital Terrestrial TV (Digital TV) Business comprises two channels; GMM 25 under standard definition and ONE 31 Channel under high definition

2 **Other business** which supports and extends the main business, for the sustainable growth of the Group over the long term, consisting of

- 2.1) Radio Business
- 2.2) Movie Business
- 2.3) Home Shopping Business
- 2.4) Satellite TV business

The details of each business are as follows:

1 **Core Business**

1.1 **Music Business**

Music business operates under the "Total Music Business" model, including artist selection, music production, marketing, music content management, and product distribution in term of physical products and digital products, focusing on the variety of music production to satisfy the customers' demand. The Group has more than 300 artists, singers, actors, and actresses under management, and more than 40,000 songs in its music library. The Music Business can be arranged into five sub businesses as follows:

- **Physical Products and Distribution Business**

In 2015, the Group released string combo and country songs in approximately 299 singles and 452 albums covering every consumer target group, namely pop, rock, alternative, country (songs for life), R&B, soul, and a compilation of top hits during the year. Sales and distribution is carried out through modern trade channels (superstores and discount stores), traditional trade channels (wholesalers and retailers) throughout the country.

- **Digital Content Business**

Fast developing technology together with the change of consumer behavior caused the music business to develop new channels of distributing the product to respond to consumer behavior and generate more revenue to the Group. The Digital content business converts music content into a digital form for distribution to mobile telephone networks, the internet and entrepreneurs, with categories of download services, such as ringtone, ring-back tone, full song and full MV, in both *a la carte* and subscription services through channel application 123GMM on both iOS and android, website www.gmember.com and iTunes Store. Also included are the services for listening to music on the internet without the need to download, "Music Streaming", through an application on computers and mobile phones which enable customers to enjoy hot music tracks worldwide. We also expand the method of reaching the content of the Group via GMM Grammy Official Account on YouTube.

- **Copyright Management Business**

The Company manages and collects copyright fees from food operators, restaurants, radio operators, karaoke outlets, and karaoke booths and other operators who use the Company's music for commercial purposes.

- **Showbiz Business**

In 2015, the Group organized 22 large-scale concerts, including Lor Mak Mak Concert, Feather and Flowers -The Original Returns Concert, The One & Only Concert 10 Years of Aof Pongsak Concert, Bodyslam 13, 10 Years of A-Time Showbiz, etc. it also organized three music festivals, namely Jimlai Music Festival 2, Big Mountain Music Festival 7 and Gannes

Film and Music Festival 6. Besides generating revenues from the sale of tickets and sponsorship, this business also generates additional revenues from the sale of media recordings of the concerts.

- **Artist Management Business**

The Company has a policy to train and develop both Music and Non-music artists to enhance their capabilities in singing, acting, and dancing. In addition, it also tries to expand revenue channels for those artists in the forms of live performance in pubs and bars, as well as employment opportunities as product presenters according to the Idol Business Model in order to extend the revenue stream.

1.2 Digital Terrestrial TV Business (Digital TV Business)

The Office of the National Broadcasting and Telecommunications Commission (NBTC) held an auction of 24 licences for commercial digital TV frequencies from December 26-27, 2013, separating the channels into four categories: three channels for children's and family programming, seven news channels, seven variety standard definition channels, and seven variety high definition channels. The Company bid for and won two licenses.

Category	Standard Definition	High Definition
Channel name	GMM 25 	One 31 
Channel number	Channel 25	Channel 31
Channel format	All formats that bring in fun or a happy channel under the slogan 'Enjoy every day, be together all the time'.	High-quality variety programming to reach all target groups including news, top-rated sitcoms, and prime time dramas ('For great drama, watch Channel One').
Target group	Teenagers and new generation with active lifestyle open to the new creation.	Modern mass, families and working people who are modern and have good taste
Began broadcasting	April 2014	April 2014

2. Other Business

2.1 Radio Business

Production of content or programs to be broadcast through radio stations requires the frequencies that have to be bid for from various state enterprises. In 2015, the Company has three radio stations, each station has strong features and a differentiated format to cover target customers.

Radio Station	Day/Airtime/ Network Coverage	Type of Program	Target Group	Concession
FM 89.0 MHz. Chill FM 	24 hours daily / Bangkok Metropolitan and Chonburi	All-in-one lifestyle radio station for urban society covering dining-traveling-shopping together with fun and easy listening hit songs under the slogan	Teenagers and working professionals aged between 25 - 35 who has special taste on listening songs,	Sathaanii Witthayu Yaan Kraw
FM 94.0 MHz. EFM 	24 Hours daily / Bangkok Metropolitan area, Ang Thong, Kanchanaburi, some parts of Chonburi and Ratchaburi	Top ranked entertainment business-oriented radio station and the only station of its kind in Thailand. It is the "talk of the town" in being the fastest provider of	Teenagers and working professionals aged between 18 - 30 who admire modern things, and follow the latest trends in all forms of	Royal Thai Army Radio

Radio Station	Day/Airtime/ Network Coverage	Type of Program	Target Group	Concession
		accurate and in-depth reports.	entertainment.	
FM 106.5 MHz. Green Wave 	24 Hours daily/Bangkok Metropolitan, area Petchburi and Prachuab Khiri Khan	The first and only program in Thailand that airs easy listening music program in all styles and from all eras. It has been operating for 25 years and still stands as the nation's top-rated program, guaranteed by rewards from several organizations.	Working professionals, both male and female aged 30 and up who are financially stable and possess high consumption power. The audiences consists of people who are modern, constructive, creative, thoughtful, and considerate, and care about the environment, as well as things happening around them.	The National Telecommunications Commission

The Radio business operates under the following subsidiaries:

- GMM Media Plc.: Produces the content for three radio stations which are F.M. 89.0 Chill FM, F.M. 94.0 EFM and F.M. 106.5 Green Wave
- A Time Media Co., Ltd.: Bids for the frequencies and subleases to the radio stations. Moreover, A Time Media also holds the shares in A Time Traveler Co., Ltd. whose business is travel and tour services both inbound and outbound with registered capital of Baht 2 million.

2.2 Movie Business

Movie Business of the Company operated under GTH Co., Ltd., a subsidiary of the Company. In 2015, two films were released: Freelance and May Nai Fai Rang Frer. Both films were very popular and were in the top-ranked Thailand box office earnings. Notwithstanding, for the effective operation in the future, the company ceased the operation of GTH Co., Ltd., on December 31, 2015 onwards, revising the shareholder structure and establishing a new company under the name GDH 559 Co., Ltd. GDH 559 Co., Ltd. aims to continue producing 3-4 quality films at a rate of 3 - 4 a year with its own uniqueness. It is well-equipped in terms of production and personnel. It has skilled teams ready to create outstanding films and work together in conducting in-depth market research on moviegoers before investing in new movies as well as creating to bring happiness to movie watchers.

2.3 Home Shopping Business

Home shopping business is a business of 24 hour distribution of goods through program channel "O-Shopping", where customers can choose products, even from their own residence. The business is managed by GMM CJ O Shopping Co., Ltd., a joint venture company of GMM Grammy Pcl and CJ O Shopping Co., Ltd. from South Korea, a leading home shopping operator in South Korea with international footprints in many countries including Thailand. With the high market potential and business expertise of CJO shopping from South Korea, the Company aims to become the leader of Thailand's home shopping business by creating a phenomenon of interactive home shopping programs that are superior, fresh, novel and unique, offering knowledge about products in a straight manner in all aspects, called Shopfotainment Channel (shopping, information, and entertainment), creating family entertainment as well as a new alternative for shopping. The company focused on a variety of product selections of high quality, meeting standards, well-known and widely accepted by customers, as well as free-of-charge and fast delivery service all over the country. The company also provided multiple payment options as may be deemed appropriate by the customer, such as credit card or cash on delivery.

2.4 Satellite TV Business

Satellite TV business can be divided into two main components.

- 1) **“GMM Z” Satellite TV Platform** was launched in March 2012 and is responsible for the sale of satellite TV set-top-box (STB) to consumers. GMM Z has a variety of products for the target audience of all levels.
- 1.1) GMM Z HD for high end - level customer group who prefer a high definition with Dolby Digital 5.1 sound.
 - 1.2) GMM Z HD Lite the new model enabling high definition transmission with digital TV compatibility for customers who want to watch a high definition at an affordable price.
 - 1.3) GMM Z Smart for middle-level customer group, available for both C-Band and KU-Band satellite systems.
 - 1.4) GMM Z Mini for customers who have limited budgets but want to switch from antenna to satellite television.
 - 1.5) GMM Z Mini Gold is a latest product with gold color façade and handy remote control.

Moreover, Z Trading Co., Ltd., which is the subsidiary of GMM Grammy Pcl, and Loxley Public Company Limited (“Loxley”), jointly distribute the digital TV set-top-box “GMM Z Zeason by Loxley.” Under this collaboration, Loxley is in charge of production, development and quality control of the product to meet high quality standards. All items are assembled in Thailand and approved by the NBTC. The product’s key features include quality, efficiency and high durability. Furthermore, the software used in “GMM Z Zeason by Loxley” has been newly and specifically developed in order to ensure stability and effectively support all functions such as allowing the switch of channels faster than the other boxes.

- 2) **Satellite TV Media** is the producer of TV shows to be aired on satellite TV channels. Compared to the past, this business requires relatively low investments due to good domestic and international coverage of satellite signal, mitigating the need to install additional receiving towers. All it needs to operate this business are television channel licenses and good content for broadcasting.

By the end of 2015, the Group has produced free-to-air television programs for audiences of every platforms transmitted via Thai-Com on two channels as follows;

Channel	Type of Program	Target Group	First On Air
Fan Music 	GMM Grammy’s song including pop, rock, dance, local Thai folk songs under the slogan “All Your Music”	General audience	Changing from Fan TV to Fan Music in 2015
Money Channel* 	Programs on financial matters and investments	General audience and working professionals with an interest in finance and investments	October 2009

* The channel is jointly-owned (50% each) with the Stock Exchange of Thailand, through the Group’s subsidiary, Family Know-How Co. Ltd.

4. Names of Executives and Top 15 Shareholders as of the Book Closing Date

Names of the Current Executives (According to SEC’s definition)

Name	Title
1. Ms. Boosaba Daorueng	Group Chief Executive Officer
2. Mr. Krij Thomas	CEO-GMM Music
3. Mrs. Saithip Montrikul Na Audhaya	CEO-GMM Channel Digital TV
4. Mr. Takonkiet Viravan	CEO-GMM One Digital TV
5. Mrs. Karnsuda Sansuthi	Chief Financial Officer
6. Mrs. Jiraporn Rungsrihong	Chief Investment Officer
7. Miss Chitralada Hengyotmark	Chief Legal Officer
8. Mr. Phawit Chitrakorn	Chief Marketing Officer

Names of Top 15 Shareholders at the latest Book Closing Date (As of March 19, 2015)

	Name	No. of Shares	Percentage
1.	Mr. Paiboon Damrongchaitham	392,646,499	47.89%
2.	Mr. Thaveechat Jurangkool	132,082,123	16.11%
3.	Mr. Nuttapol Jurangkool	62,397,500	7.61%
4.	Bualuang Long-Term Equity Fund	24,437,800	2.98%
5.	CREDIT SUISSE AG,SINGAPORE BRANCH	23,052,520	2.81%
6.	Mr. Komol Juangroongruangkit	22,720,000	2.77%
7.	Geurtfah Company Limited	15,939,745	1.94%
8.	Bangkok Bank Public Company Limited	12,278,693	1.50%
9.	Mr. Rafah Damrongchaitham	9,000,000	1.10%
10.	Mr. Fahmai Damrongchaitham	9,000,000	1.10%
11.	Mr. Takonkiet Viravan**	6,930,840**	0.85%
12.	Bualuang Long-Term Equity Fund 75/25	5,151,900	0.63%
13.	Bualuang Equity Retirement Mutual Fund	5,001,200	0.61%
14.	Mrs. Charunee Chinwongvorakul.	4,820,080	0.59%
15.	Bualuang Flexible Retirement Mutual Fund	4,816,500	0.59%

Note: Major shareholders of Geurt Fah are Mr. Paiboon Damrongchaitham's children, namely Mr. Fahmai Damrongchaitham, Mr. Rafah Damrongchaitham, Ms. Ingfah Damrongchaitham and Ms. Fahshai Damrongchaitham. Each person holds 25% shares in Geurt Fah.

*** As at July 29, 2015, Mr. Takonkiet Viravan purchased additional shares of the Company totaling 6,930,856 shares.*

Source: Company and www.bol.co.th.

5. Financial Statements of the Company for the Past 3 Years (Fiscal years 2013 - 2015)

The financial information in the financial statements of the Company for the years ending December 31, 2013 to 2015 that have been audited by EY Office Limited are as follows.

GMM Grammy Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December

	Consolidated financial statements					
	<u>2015</u>		<u>2014</u>		<u>2013*</u>	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
			(Restated)			
Assets						
Current assets						
Cash and cash equivalents	1,058,808	14.0	864,526	6.0	1,653,068	13.1
Current investments	175,952	2.3	1,075,891	7.4	2,065,744	16.4
Trade and other receivables	1,414,957	18.6	2,239,273	15.5	2,421,666	19.2
Prepaid expenses	59,973	0.8	39,977	0.3	269,124	2.1
Inventories	300,990	4.0	629,252	4.4	619,683	4.9
Advance payments	45,760	0.6	76,122	0.5	166,798	1.3
Other current assets	290,068	3.8	367,528	2.5	1,581,576	12.5
Total current assets	3,346,508	44.1	5,292,569	36.6	8,777,659	69.6
Non-current assets						
Investments in joint ventures	616,363	8.1	326,149	2.3	-	-
Investments in associates	275,721	3.6	277,595	1.9	301,389	2.4
Other long-term investments	3,504	0.0	1,286,429	8.9	342,480	2.7
Loans to related parties	-	-	-	-	4,966	0.0
Property, plant and equipment	524,046	6.9	1,428,854	9.9	1,785,009	14.2
Goodwill	36,660	0.5	36,660	0.3	79,857	0.6
Other intangible assets	348,602	4.6	402,516	2.8	530,178	4.2
Cost of spectrum license	1,739,140	22.9	4,685,378	32.4	-	-
Deferred tax assets	416,019	5.5	437,989	3.0	242,152	1.9
Other non-current assets	283,052	3.7	287,198	2.0	539,824	4.3
Total non-current assets	4,243,107	55.9	9,168,767	63.4	3,825,854	30.4
Total assets	7,589,615	100.0	14,461,336	100.0	12,603,513	100.0

GMM Grammy Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December

	Consolidated financial statements					
	2015		2014		2013*	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
			(Restated)			
Liabilities and shareholders' equity						
Current liabilities						
Bank overdraft and short-term loans from banks	3,000	0.0	964,057	6.7	4,329,437	34.4
Trade and other payables	1,489,010	19.6	1,801,362	12.5	2,521,759	20.0
Unearned income	436,021	5.7	390,287	2.7	549,444	4.4
Current portion of long-term loans	-		30,000	0.2	28,848	0.2
Current portion of liabilities under finance lease agreements	11,452	0.2	12,657	0.1	18,721	0.1
Current portion of cost of spectrum license payable to be paid within one year.	409,814	5.4	916,383	6.3	-	-
Income tax payable	8,243	0.1	27,084	0.2	31,275	0.2
Other current liabilities	209,129	2.8	326,374	2.3	437,197	3.5
Total current liabilities	2,566,669	33.8	4,468,204	30.9	7,916,680	62.8
Non-current liabilities						
Long-term loans - net of current portion	1,625,545	21.4	3,325,266	23.0	281,152	2.2
Liabilities under finance lease agreements net of current portion	29,145	0.4	35,159	0.2	40,557	0.3
Cost of spectrum license payable - net of current portion	1,024,311	13.5	2,830,404	19.6	-	-
Provision for long-term employee benefits	310,151	4.1	313,441	2.2	335,038	2.7
Deferred tax liabilities	122	0.0	4,558	0.0	14,506	0.1
Other non-current liabilities	-	-	-	-	38,799	0.3
Total non-current liabilities	2,989,274	39.4	6,508,828	45.0	710,053	5.6
Total liabilities	5,555,944	73.2	10,977,033	75.9	8,626,733	68.4
Shareholders' equity						
Share capital						
Registered Issued and fully paid 819,949,729 ordinary shares of Baht 1 each	819,950	10.8	819,950	5.7	636,318	5.0
Paid-in capital						
Share premium	4,847,629	63.9	4,847,629	33.5	2,580,595	20.5
Transferred of share premium to offset deficit in separate financial statements	271,204	3.6	271,204	1.9	271,204	2.2
Capital surplus from share premium of subsidiaries	859,297	11.3	860,965	6.0	860,965	6.8
Retained earnings						
Appropriated - statutory reserve	63,632	0.8	63,632	0.4	63,632	0.5
Transfer of statutory reserve to offset deficit in separate financial statements	50,000	0.7	50,000	0.3	50,000	0.4
Unappropriated (deficit)	(4,622,447)	(60.9)	(3,424,549)	(23.7)	(1,012,032)	(8.0)
Other components of shareholders' equity	(467,048)	(6.2)	(445,525)	(3.1)	(405,052)	(3.2)
Equity attributable to owners of the Company	1,822,216	24.0	3,043,305	21.0	3,045,629	24.2
Non-controlling interests of the subsidiaries	211,455	2.8	440,998	3.0	931,151	7.4
Total shareholders' equity	2,033,672	26.8	3,484,303	24.1	3,976,780	31.6
Total liabilities and shareholders' equity	7,589,615	100.0	14,461,336	100.0	12,603,513	100.0

GMM Grammy Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December

Consolidated financial statements

	<u>2015</u>		<u>2014</u>		<u>2013*</u>	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
			(Restated)			
Continuing operations						
Revenues						
Sales of goods	2,743,007	28.3	2,677,334	28.9	2,275,713	20.7
Service income	4,606,887	47.5	5,348,112	57.7	7,514,833	68.4
Revenues from copyrights	1,248,429	12.9	831,937	9.0	821,606	7.5
Other Revenue						
Interest income	19,822	0.2	56,595	0.6	48,800	0.4
Dividend received	-		12,358	0.1	34,338	0.3
Gain on sale of investments	228,138	2.4	147,049	1.6	-	-
Gain associated with the loss of control in subsidiary	731,281	7.5	-	-	-	-
Other income	126,013	1.3	190,557	2.1	294,537	2.7
Total Other Revenue	<u>1,105,255</u>	<u>11.4</u>	<u>406,559</u>	<u>4.4</u>	<u>377,675</u>	<u>3.4</u>
Total revenues	<u>9,703,577</u>	<u>100.0</u>	<u>9,263,943</u>	<u>100.0</u>	<u>10,989,826</u>	<u>100.0</u>
Expenses						
Cost of sales and services	5,742,911	59.2	6,223,409	67.2	6,990,753	63.6
Selling and servicing expenses	638,895	6.6	815,162	8.8	1,006,545	9.2
Administrative expenses	2,889,156	29.8	2,979,107	32.2	3,185,432	29.0
Loss on impairment of other long-term investments	1,030,340	10.6	-	-	-	-
Total expenses	<u>10,301,302</u>	<u>106.2</u>	<u>10,017,677</u>	<u>108.1</u>	<u>11,182,730</u>	<u>101.8</u>
Loss before share of profit (loss) from investments in associates, and joint ventures, finance cost and income tax expenses	<u>(597,725)</u>	<u>(6.2)</u>	<u>(753,734)</u>	<u>(8.1)</u>	<u>(192,904)</u>	<u>(1.8)</u>
Share of profit from investments in associates	4,513	0.0	14,351	0.2	15,976	0.1
Share of profit (loss) from investments in joint ventures	<u>(337,734)</u>	<u>(3.5)</u>	<u>10,152</u>	<u>0.1</u>	<u>-</u>	<u>-</u>
Loss before finance cost and income tax expenses	<u>(930,946)</u>	<u>(9.6)</u>	<u>(729,230)</u>	<u>(7.9)</u>	<u>(176,928)</u>	<u>(1.6)</u>
Finance cost	<u>(271,593)</u>	<u>(2.8)</u>	<u>(458,532)</u>	<u>(4.9)</u>	<u>(134,565)</u>	<u>(1.2)</u>
Loss before income tax expenses	<u>(1,202,538)</u>	<u>(12.4)</u>	<u>(1,187,762)</u>	<u>(12.8)</u>	<u>(311,492)</u>	<u>(2.8)</u>
Income tax expenses	<u>67,307</u>	<u>0.7</u>	<u>71,387</u>	<u>0.8</u>	<u>(91,211)</u>	<u>(0.8)</u>
Loss for the year from continuing operations	<u>(1,135,232)</u>	<u>(11.7)</u>	<u>(1,116,374)</u>	<u>(12.1)</u>	<u>(402,703)</u>	<u>(3.7)</u>
Discontinued operations						
Loss for the year from discontinued operations	<u>-</u>	<u>-</u>	<u>(1,228,996)</u>	<u>(13.3)</u>	<u>(818,448)</u>	<u>(7.4)</u>
Loss for the year	<u>(1,135,232)</u>	<u>(11.7)</u>	<u>(2,345,371)</u>	<u>(25.3)</u>	<u>(1,221,152)</u>	<u>(11.1)</u>
Profit (loss) attributable to:						
Equity holders of the Company						
Loss for the year from continuing operations	(1,145,484)		(1,183,521)		(464,261)	
Loss for the year from discontinued operations	<u>-</u>		<u>(1,228,996)</u>		<u>(818,448)</u>	
Loss for the year attributable to equity holders of the Company	<u>(1,145,484)</u>		<u>(2,412,517)</u>		<u>(1,282,710)</u>	
Non-controlling interests of the subsidiaries						
Profit for the year from continuing operations	10,252		67,147		61,558	
Profit for the year from discontinued operations	<u>-</u>		<u>-</u>		<u>-</u>	
Profit for the year attributable to non-controlling interests of the subsidiaries	<u>10,252</u>		<u>67,147</u>		<u>61,558</u>	
	<u>(1,135,232)</u>		<u>(2,345,371)</u>		<u>(1,221,152)</u>	
Basic earnings per share						
Loss attributable to equity holders of the Company	<u>(1.40)</u>	เหรียญ	<u>(3.66)</u>	เหรียญ	<u>(2.27)</u>	เหรียญ
Basic earnings per share for continuing operations						
Loss from continuing operations attributable to equity holders of the Company	<u>(1.40)</u>	เหรียญ	<u>(1.80)</u>	เหรียญ	<u>(0.82)</u>	เหรียญ

GMM Grammy Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December

	Consolidated financial statements					
	<u>2015</u>		<u>2014</u>		<u>2013*</u>	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
			(Restated)			
Loss for the year	<u>(1,135,232)</u>	<u>(11.7)</u>	<u>(2,345,371)</u>	<u>(25.3)</u>	<u>(1,221,152)</u>	<u>(11.1)</u>
Other comprehensive income:						
Other comprehensive income not to be reclassified						
to profit or loss in subsequent periods - net of income tax	(53,829)	(0.6)	-		(32,957)	(0.3)
Exchange differences on translation of financial statements						
in foreign currency - net of income tax	(1,493)	(0.0)	(106)	(0.0)	(1,340)	(0.0)
Gain on change in value of available-for-sale investments						
- net of income tax	33	0.0	35,125	0.4	88,804	0.8
Reversal of gain on change in value of available-for-sale						
investments - net of income tax expenses	<u>(20,064)</u>	<u>(0.2)</u>	<u>(75,226)</u>	<u>(0.8)</u>	<u>161,838</u>	<u>1.5</u>
Other comprehensive income for the year	<u>(75,352)</u>	<u>(0.8)</u>	<u>(40,208)</u>	<u>(0.4)</u>	<u>216,345</u>	<u>2.0</u>
Total comprehensive income for the year	<u>(1,210,584)</u>	<u>(12.5)</u>	<u>(2,385,578)</u>	<u>(25.8)</u>	<u>(1,004,806)</u>	<u>(9.1)</u>
Total comprehensive income attributable to:						
Equity holders of the Company	(1,219,421)		(2,452,725)		(1,060,523)	
Non-controlling interests of the subsidiaries	<u>8,837</u>		<u>67,147</u>		<u>55,716</u>	
	<u>(1,210,584)</u>		<u>(2,385,578)</u>		<u>(1,004,806)</u>	

GMM Grammy Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December

	Consolidated financial statements					
	<u>2015</u>		<u>2014</u>		<u>2013*</u>	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
			(Restated)			
Cash flows from operating activities						
Loss before tax from continuing operations	(1,202,538)		(1,187,762)		(311,492)	
Loss before tax from discontinued operations	<u>-</u>		<u>(1,228,996)</u>		<u>(818,448)</u>	
Loss before tax	(1,202,538)	(113.6)	(2,416,758)	(279.5)	(1,129,941)	(68.4)
Adjustments to reconcile loss before tax to						
net cash provided by (paid from) operating activities:						
Depreciation	275,525	26.0	296,050	34.2	350,242	21.2
Amortisation	294,974	27.9	941,936	109.0	376,694	22.8
Amortisation of spectrum license	179,149	16.9	225,121	26.0	-	-
Reversal of allowance for doubtful accounts	(19,487)	(1.8)	(30,416)	(3.5)	(35,693)	(2.2)
Reversal of cost of inventory to net realisable value	(153,496)	(14.5)	(33,336)	(3.9)	203,585	12.3
Provision for sales returns (reversal)	5,390	0.5	(109,370)	(12.7)	108,088	6.5
Allowance for impairment of others long term investment	1,030,340	97.3	-	-	-	-
Allowance for impairment of property, plant and equipment	124,707	11.8	-	-	-	-
Allowance for impairment of intangible assets	4,496	0.4	188,501	21.8	-	-
Loss (gain) on sale of investments in subsidiaries	(54,480)	(5.1)	(3,226)	(0.4)	-	-
Loss (gain) on sale of investments in joint ventures	(103,401)	(9.8)	-	-	-	-
Loss (gain) on returning investments of associates	-	-	(1,593)	(0.2)	-	-
Gain on sale of other long-term investments	(70,257)	(6.6)	(147,049)	(17.0)	(114,395)	(6.9)
Loss (gain) on disposal of equipment	(1,454)	(0.1)	10,495	1.2	4,652	0.3
Dividend received	-	-	(12,358)	(1.4)	(34,338)	(2.1)
Share of profit from investments in associates	(4,513)	(0.4)	(14,351)	(1.7)	(15,976)	(1.0)
Share of loss (profit) from investments in joint ventures	337,734	31.9	(10,152)	(1.2)	-	-
Long-term employee benefit expenses (reversal)	(9,362)	(0.9)	20,009	2.3	39,547	2.4
Gain associated with the loss of control in subsidiary	(731,281)	(69.1)	-	-	-	-
Interest income	(19,822)	(1.9)	(56,595)	(6.5)	(49,100)	(3.0)
Interest expenses	<u>271,593</u>	<u>25.7</u>	<u>458,532</u>	<u>53.0</u>	<u>139,285</u>	<u>8.4</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	153,816	14.5	(694,561)	(80.3)	(157,351)	(9.5)
Decrease (increase) in operating assets						
Trade and other receivables	617,045	58.3	(120,433)	(13.9)	396,489	24.0
Prepaid expenses	(62,377)	(5.9)	172,514	20.0	50,617	3.1
Inventories	329,193	31.1	(61,915)	(7.2)	84,196	5.1
Advance payments	25,035	2.4	76,978	8.9	21,047	1.3
Other current assets	59,638	5.6	(108,605)	(12.6)	(302,257)	(18.3)
Other non-current assets	(351,506)	(33.2)	(595,976)	(68.9)	(408,517)	(24.7)
Increase (decrease) in operating liabilities						
Trade and other payables	20,197	1.9	(277,855)	(32.1)	(9,627)	(0.6)
Unearned income	56,832	5.4	(127,154)	(14.7)	36,245	2.2
Other current liabilities	(87,356)	(8.3)	62,281	7.2	(107,390)	(6.5)
Provision for long-term employee benefits	(17,397)	(1.6)	(8,027)	(0.9)	(6,545)	(0.4)
Other non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,556</u>	<u>0.5</u>
Cash flows from (used in) operating activities	743,121	70.2	(1,682,753)	(194.6)	(395,538)	(23.9)
Cash paid for interest expenses	(144,998)	(13.7)	(191,512)	(22.2)	(151,769)	(9.2)
Cash paid for income tax	<u>(226,978)</u>	<u>(21.4)</u>	<u>(246,662)</u>	<u>(28.5)</u>	<u>(291,783)</u>	<u>(17.7)</u>
Net cash flows from (used in) operating activities	<u>371,146</u>	<u>35.1</u>	<u>(2,120,927)</u>	<u>(245.3)</u>	<u>(839,089)</u>	<u>(50.8)</u>

GMM Grammy Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December

	Consolidated financial statements					
	<u>2015</u>		<u>2014</u>		<u>2013*</u>	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
			(Restated)			
Cash flows from investing activities						
Acquisition of equipment	(273,067)	(25.8)	(504,185)	(58.3)	(518,299)	(31.4)
Decrease in accounts payable - purchase of assets	(15,388)	(1.5)	-	-	(2,715)	(0.2)
Cash paid to purchase additional investments in joint ventures	(571,550)	(54.0)	(10,298)	(1.2)	-	-
Net increase (decrease) in cash due to sale of investments in subsidiaries	220,806	20.9	(749,045)	(86.6)	-	-
Net decrease in cash due to loss of control in subsidiaries	(34,084)	(3.2)	-	-	-	-
Cash received from returning investments of associates	-	-	6,967	0.8	-	-
Cash received from sale of investments of joint ventures	438,686	41.4	-	-	-	-
Cash received from sale of other long-term investments	297,803	28.1	188,737	21.8	1,456,410	88.1
Cash paid to purchase additional investments in associates	(3,600)	(0.3)	(5,400)	(0.6)	(22,487)	(1.4)
Cash paid to purchase other long-term investments	-	-	(5,423)	(0.6)	(742)	(0.0)
Cash received from disposal of equipments	111,526	10.5	48,360	5.6	22,012	1.3
Decrease (increase) in loans to related parties	-	-	404,130	46.7	1,234	0.1
Dividend received from other long-term investments	-	-	12,358	1.4	34,338	2.1
Dividend received from subsidiaries and associates	9,163	0.9	11,949	1.4	41,502	2.5
Cash received from non-controlling interests of subsidiaries from investments in subsidiaries	2,450	0.2	-	-	55,951	3.4
Interest income	19,822	1.9	65,244	7.5	39,711	2.4
Decrease in current investments	899,939	85.0	988,726	114.4	(1,509,687)	(91.3)
Cash paid for spectrum license	(305,000)	(28.8)	(1,130,000)	(130.7)	-	-
Net cash flows from (used in) investing activities	<u>797,506</u>	<u>75.3</u>	<u>(677,882)</u>	<u>(78.4)</u>	<u>(402,772)</u>	<u>(24.4)</u>
Cash flows from financing activities						
Decrease in bank overdrafts and short-term loans from banks	(901,057)	(85.1)	(3,307,841)	(382.6)	1,220,246	73.8
Cash received from long-term loans	1,012,350	95.6	5,409,190	625.7	142,790	8.6
Repayment of long-term loans	(1,022,500)	(96.6)	(2,318,000)	(268.1)	(287,024)	(17.4)
Repayment of liabilities under finance lease agreements	(15,583)	(1.5)	(23,136)	(2.7)	(21,185)	(1.3)
Dividend paid to non-controlling interest of subsidiaries	(46,089)	(4.4)	(80,564)	(9.3)	(63,944)	(3.9)
Proceeds from increase in share capital	-	-	2,450,666	283.5	1,060,530	64.2
Net cash flows from (used in) financing activities	<u>(972,878)</u>	<u>(91.9)</u>	<u>2,130,316</u>	<u>246.4</u>	<u>2,051,413</u>	<u>124.1</u>
Decrease in translation adjustments	<u>(1,493)</u>	<u>(0.1)</u>	<u>(106)</u>	<u>(0.0)</u>	<u>(1,340)</u>	<u>(0.1)</u>
Net increase (decrease) in cash and cash equivalents	<u>194,282</u>	<u>18.3</u>	<u>(668,598)</u>	<u>(77.3)</u>	<u>808,211</u>	<u>48.9</u>
Cash and cash equivalents at beginning of year	<u>864,527</u>	<u>81.7</u>	<u>1,533,125</u>	<u>177.3</u>	<u>844,857</u>	<u>51.1</u>
Cash and cash equivalents at end of year	<u>1,058,809</u>	<u>100.0</u>	<u>864,527</u>	<u>100.0</u>	<u>1,653,068</u>	<u>100.0</u>
Supplemental cash flows information:						
Non-cash transactions:						
Assets purchases which payment has yet to be made	-		11,397		-	
Increase in assets from finance lease agreements	11,104		17,442		12,378	

GMM Grammy Public Company Limited and its subsidiaries

Financial Ratios

	Consolidated financial statements					
	2015		2014		2013*	
			(Restated)			
Liquidity Ratio						
Current Ratio	1.30	times	1.18	times	1.11	times
Quick Ratio	0.90	times	0.96	times	0.73	times
Cash flow current Ratio**	0.21	times	(0.27)	times	(0.05)	times
Account Receivable Turnover**	6.88	times	5.06	times	4.79	times
Average Collection Period	53	days	72	days	76	days
Inventory Turnover**	12.35	times	9.97	times	8.43	times
Average Selling Period	30	days	37	days	43	days
Account Payable Turnover**	4.82	times	3.91	times	3.73	times
Payment Period	76	days	93	days	98	days
Cash Cycle	7	days	15	days	22	days
Profitability Ratio						
Gross Profit Margin	33.21	%	29.74	%	34.13	%
Operating Profit Margin	(6.38)	%	(8.95)	%	(2.53)	%
Cash to profit margin	(120.33)	%	204.54	%	143.29	%
Net Profit Margin	(11.80)	%	(26.04)	%	(11.67)	%
Return On Equity or ROE**	(47.09)	%	(79.24)	%	(42.12)	%
Efficiency Ratio						
Return on Assets**	(10.39)	%	(17.83)	%	(10.66)	%
Return on Fixed Assets**	(89.09)	%	(131.71)	%	(54.59)	%
Asset Turnover**	0.88	times	0.68	times	0.91	times
Financial Policy Ratio						
Debt to Equity Ratio	2.73	times	3.15	times	2.17	times
Interest Coverage Ratio	5.13	times	(8.79)	times	(2.61)	times
Commitment coverage ratio (cash basis)	0.62	times	(0.70)	times	(0.73)	times
Dividend Payout Ratio	-	%	-	%	-	%
Growth Ratio						
Total assets	(47.52)	%	14.74	%	9.93	%
Total liabilities	(49.39)	%	27.24	%	14.47	%
Revenue of sales and services	(2.92)	%	(16.54)	%	(7.20)	%
Operating Expenses	(7.02)	%	(9.49)	%	12.15	%
Net Loss	(52.52)	%	88.08	%	298.28	%
Share Information						
Book value per share	2.22	baht	4.62	baht	5.39	baht
Loss attributable to equity holders of the Company per share ***	(1.40)	baht	(3.66)	baht	(2.27)	baht
Dividend per share****	-	baht	-	baht	-	baht

* The Company has not restated the financial statements for the year end 31 December 2013 for TFRS 10 Consolidated Financial Statements and TFRS 11 Joint Arrangements which were announced in 2014.

** On average basis

*** Calculation of weighted average ordinary shares.

**** Dividend per share base on accrual basis

Management Discussion and Analysis For the Year 2015

Revenue

The Group's total revenue in 2015 was 9,704 million baht, an increase of 5% on the previous year. While sales of goods and services and copyright (Operating revenues) equal to THB 8,598 million, decreased by 2.9% Y-o-Y due mainly to deconsolidating ONE digital TV revenue following the changes to the equity accounting method. However, operating revenues from other lines of business altogether rose by 5.8% Y-o-Y from growth in music, GMM25 digital TV, home shopping and others.

Operating revenues for each business segment can be summarized as follows:

- 1) **Music business:** The main sources of income are derived from music products and distribution channels, digital content, and the show business. Income from the music business in 2015 totalled 3,252 million baht, an increase of 14.4% on the previous year. This was led by growth in digital content and an increase in the number of concerts organized by Showbiz, with major concerts staged throughout the year, carrying a good momentum to the major music festival held in the final quarter. In addition, revenues generated by management of the group's artists showed good growth, with an increase in activities and events. Digital music experienced a successful year with the new SMS Song2U service and expansion of access to the Group's content through collaboration with YouTube, as earnings from total views and advertising revenues more than doubled. The GMM Grammy Official channel was YouTube Thailand's top channel with more than 6.1 million members. By the end of the year, the Group had 39 YouTube Thailand channels with over 14.3 million members and the Group believes that YouTube is a popular platform that will experience continuing growth.
- 2) **Digital TV: GMM 25,** which offers standard definition variety programming, consists of GMM 25 digital TV channel, radio business and a free-to-air satellite TV channel. In 2015 the Company earned 1,680 million baht, an increase of 6.4% on the previous year, thanks to the GMM 25 channel's rising operations, even though revenues from radio business fell by 7% due to market conditions. The Company considers that operating the radio business remains viable owing to the strength of the Company's radio brands. Next year, the Company is preparing to strengthen program content and organize special activities to engage the listener base of each station and also to extend the digital platforms offered by the A-Time Online application in order to serve the growing online listener base. The introduction of 4G has made listening to online channels easy and convenient and, particularly important, it offers greater stability. Earnings in the satellite TV segment fell due to market conditions. Advertising budgets for satellite and cable TV were cut as advertisers moved across from satellite TV to the digital TV platform where advertising costs are somewhat similar. The GMM 25 digital TV channel has set its sights firmly on the new generation, covering all genders and age groups, identified by an enthusiastic, lively and active lifestyle, and not just limited to the youth demographic. Content therefore needs to meet the interests of this target group, by offering variety and covering every aspect of the consumer lifestyle. Changes are constantly being made to tailor productions and to integrate existing resources, giving the channel a clear identity with multi-platform accessibility which has been getting a hugely positive response from the viewer base and the channel's ratings have risen accordingly. In addition to successfully establishing a loyal viewing audience, there has also been a very good response from the agencies and clients. It has become known that in order to tap viewers for the new generation, GMM 25 is the place to go as it provides appealing contents which attract viewers in the right group, thus enabling brands to engage their target groups efficiently at reasonable costs.
- 3) **Digital TV: One channel,** which presents High Definition variety programming, underwent changes to its investment and control structure in the first quarter of 2015, which led to The One Enterprise Co. Ltd. (formerly GMM One TV Trading Co.,Ltd), previously a subsidiary, being reclassified as a joint venture and financially accounted for by using the equity method. This means that no financial data for the digital TV channel One is presented in the consolidated financial statements but instead appears in the share of profit and loss from investment in joint ventures. Therefore, the figures shown in the 2015 consolidated financial statement by the end of year remained for only the Exact business unit holding the copyrights of TV content libraries prior to the share restructuring. Operating results for the year show revenue of 687 million baht, a 50% fall from last year, since the consolidated financial statement no longer includes financial data of digital TV channel One after the restructuring. At the same time, Exact was also affected by the ending of content production for free analog TV in order to broadcast content on the One digital TV channel.

Operating results for digital TV channel One 31 have shown a constant improvement, in line with the channel's ratings that stood in the top five of the new digital TV channels based on the success of its killer contents, including the prime time drama series and sitcoms, along with top-rated variety shows. In the last quarter, "Hormones 3 The Final Season" was well received by the market. Upon the beginning of 2016 One 31 channel jump-started by lining up exclusive contents to expand the audience base towards the "modern mass" group and breaking into the new generation and regional markets. In addition, the channel joined hands with a wide variety of producers and actors to fill out the schedules especially during prime time, and also extended programming to 6-8 pm time slot to attract fans of the drama series to tune in earlier for the shows to broadcast. Moreover, late night variety content has also been introduced to keep viewers watching One 31 channel after the dramas have finished. In addition, the mid-day news variety has been expanded, with the news team providing viewers with regular updates throughout the day, additional sports content is also being provided and weekend variety shows are spicing things up even more. We believe that this revision of the schedules will continue to attract viewers and lead to an increase in ratings for each quarter, which will in turn make it possible to raise advertising rates. In addition, the channel organized the on-ground activity "One Yok Chong" festival, taking artists and stars to meet and greet with their fans in all regions of the country throughout the year.

- 4) **Movie business:** Earnings for the year stood at 596 million baht, a fall of 5.3% on last year, as the overall Thai movie industry faced a slowdown with fewer local films being made especially for big format production, while foreign blockbusters were in theaters throughout the year. The Group had two movies screened during the year: "Freelance", which made 88 million baht at the box office, and "May Nai Fai Rang Frer" which premiered last quarter and earned 75 million baht box office revenue. The announcement of the GTH discontinuation had no material impact and the Group now joined hands with the Hub Ho Hin Group to establish the new film company GDH 559. In 2016, the Company plans to produce a series for digital TV and Line TV, while heading on with movie production. Altogether this business has a high potential from a talented production team with growth opportunities to expand into foreign and regional markets including China, Korea and the ASEAN countries.
- 5) **Trading Business:** This consists of the home shopping business and satellite set top boxes. Home shopping revenues totalled 1,738 million baht, an increase of 53% on the previous year, which was based on the plan to boost sales by offering value for money, particularly during the final quarter high season, and customers responded very well through purchasing products via O Shopping TV, online and mobile applications. New products were also added to all channels to cover the target groups. For 2016, the Company's strategy is to focus on programming to showcase products and continuously promote sales, expanding access by providing services through a variety of platforms that can respond to consumers' needs at all times, in all places, and promotion via the channel partners in digital TV. Regarding satellite TV set top boxes, sales totaled at 391 million baht for the year, a fall of 63% on the previous year. Approximately 0.65 million boxes were sold during the year, lower by half than in the previous year, due to consumers' reluctance to purchase and confusion regarding the distribution of the coupons used to purchase digital TV boxes, which caused most operators to miss their sales targets. Changes in strategy were made by offering ongoing promotions for customers in order to boost their purchasing power and clear old stock. Plans were also made for the development of new models of receiver boxes to increase the market such as the Mini Gold box and to offer added value to customers looking for good value and higher definition. It is expected that this year overall sales of set-top boxes will improve from major sports league including the World Cup and Euro football championship.
- 6) **Other income:** Following the strategic refocus on core businesses to drive the Company towards its goals, in 2015 the Group recorded revenue from the divestment of non-core businesses in accordance with the Group investment plan. Major transactions were the sale of shares in Se-ed, publishing groups, and events management, together with a one-time gain from the classification of investment in The One Enterprise Co. Ltd. as a joint venture.

Expenses

Cost of sales and services in 2015 was THB 5,743 million, a decrease of 8% Y-o-Y and representing 67% of total operating revenues, down from 70% last year. Businesses which reported a cost decrease were satellite box business, while the music group succeeded with driving revenue growth under stringent cost control. Similarly, movie business kept costs well under control in spite of lower revenue, which led to an improvement in profitability. However,

cost of sales and services of digital TV business increased from MUX expense and content costs, and Home Shopping costs rose in line with revenue growth.

SG&A expenses in 2015 amounted to THB 3,528 million, representing 36.4% of total revenue which dropped Y-o-Y from 41.0% last year mainly from improved sales and cost performance in Music, together with media business costs that dropped in line with revenue, while there was higher selling cost for Home Shopping following strong competition in the market.

Net loss

Net loss in 2015 amounted to THB 1,145 million, improved by 53% from last year from a strong recovery of the Music business which together with the Home shopping reached the breakeven point, while the net loss mainly was attributed to the digital TV business during the investment period. This year the company set a provision for impairment of the investment in pay TV at a full amount of up to 1,030 million baht, and also revised accounting procedures to be consistent with the Financial Accounting Standards Board announcement of 8 February 2016, leading to the fair value assessment of spectrum licenses for the digital TV business. By making a revision to record the spectrum licenses at current costs, the Company realized an additional loss of 92 million baht. In addition, there were records of extraordinary items including the gain associated with the loss of control in The One Enterprise Co., Ltd and the gain from sales of investments.

Assets

The Group ended 2015 with total assets of 7,590 million baht, a fall of 6,872 million baht from 2014. Significant items are as follows:

- Cash and cash equivalents and temporary investments totalled 1,235 million baht, a reduction of 706 million baht resulting from the withdrawal of current investments and bank deposits.
- Trade and other receivables are largely comprised of trade receivables from unrelated parties covering outsiders who are unconnected to companies in the Group, whose settlement periods differed from one another depending on the terms and agreements. The total amount stood at 1,415 million baht, a reduction of 824 million baht due to receiving outstanding repayments from the previous year, together with the sale of investments and the reclassification of shareholding that meant that no financial data from One channel was included in the consolidated financial statements following the restructuring. Receivables from trading and satellite set top boxes decreased in line with revenue. To deal with outstanding receivables, the Group has a systematic plan and a collection unit, which has resulted in the proportion of receivables outstanding over six months being significantly reduced.
- Inventory consists largely of merchandise such as cds, vcDs, dvds, products from TV shows that have already completed filming or that are in progress, and receivers for satellite and digital tv. Total value is 301 million baht, which represents a reduction of 328 million baht due to the gradual airing of all dramas and shows produced by the Exact business unit. Following the restructuring of the shareholding, production and sales were transferred to The One Enterprise Co. Ltd., which is a joint venture being accounted for by using the equity method, and therefore no financial data for One channel digital TV was included in the consolidated financial statements. In addition, the Group maintained its inventory of merchandise, including both music and set-top boxes, at appropriate levels and organized sales activities to clear stock at regular intervals.
- Other current assets total 290 million baht, a reduction of 77 million baht due to deferred tax assets from One digital TV channel, which was deconsolidated in the financial statements following the share restructuring.
- Investments in joint ventures totalled 616 million baht, an increase of 290 million baht from additional investment in ordinary shares of The One Enterprise Company Limited during the year
- Other long-term investments totalled 4 million baht, a reduction of 1,283 million baht mainly due to making provisions for impairment of the investment in ordinary shares of CTH Public Limited Company and the sale of shares in Se-ed.
- Property, plant and equipment had a total value of 524 million baht, representing a reduction of 905 million baht as a result of depreciation during the year, coupled with sales of assets and investments in the publishing business, and the reclassification of the shareholding in digital TV channel One, following the restructuring assets would not appear in the consolidated financial statement.

- The cost of spectrum licenses totaled 1,739 million baht, a decrease of 2,946 million baht due to yearly amortization, revisions to the current value of the spectrum licenses and the reclassification of shareholding in digital TV channel One, since following restructuring the financial data was not shown in the consolidated financial statement. Nevertheless, the Group still maintained records of assets and liabilities under the standard definition spectrum licenses together with amortization across the 15-year lifespan of the licenses.

Liabilities

The Group's total liabilities at year-end 2015 stood at 5,556 million baht, a reduction of 5,421 million baht from the previous year. The significant details are as follows:

- Account overdrafts and short-term bank loans stood at 3 million baht, a reduction of 961 million baht from the scheduled repayment of bank loans.
- Trade and other payables total 1,489 million baht, a reduction of 312 million baht due to the settlement of outstanding payments both in the production of TV and movie content and set-top boxes in line with a decrease in sales. In addition, reclassification of the shareholding in digital TV channel One resulted in the absence of financial data reported in the consolidated financial statement.
- Spectrum licenses payable including current portions due within a year totalled 1,434 million baht, a reduction of 2,313 million baht from the second payment of the GMM 25 licence costs at 305 million baht, together with the revision of spectrum license at current costs, and the share restructuring of digital TV channel One which resulted in the absence of financial data reported in the consolidated financial statement.
- Long-term loans including current portions due within a year, totalled 1,626 million baht, a reduction of 1,730 million baht due to bank loan repayments and the reclassification of investment in digital TV channel One which resulted in the absence of financial data reported in the consolidated financial statement.

Shareholders' equity

At year-end 2015, the Group had shareholders' equity of 2,034 million baht, a reduction of 1,451 million baht on the previous year due to the losses incurred during the year.

Liquidity and Cash Flow

Cash and cash equivalents totaled 1,059 million baht, an increase of 194 million baht. This consisted of 164 million baht from operating activities, while cash flow from investing activities stood at 1,002 million baht, derived from sales of several investments during the year. Cash flow used in financing activities totaled 973 million baht for repayments of overdraft and bank loans both long-term and short-term. Overall, liquidity and cash flow at the end of 2015 was at a good level, demonstrating the strong financial position of the Group.

6. Related Transactions in the Previous Year and the Current Year

During the year 2015, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	<i>Consolidated</i>		<u>Pricing policy</u>
	<u>financial statements</u>		
	<u>2015</u>	<u>2014</u>	
	(Restated)		
<u>Transactions with joint ventures</u>			
Service income	344	1	(2)/(5)/(6)

(Unit: Million Baht)

Consolidated

	<u>financial statements</u>		<u>Pricing policy</u>
	<u>2015</u>	<u>2014</u>	
		(Restated)	
Service expenses	190	70	(3)/(5)
<u>Transactions with associated companies</u>			
Service income	56	110	(2)
Service expenses	135	247	(5)
<u>Transactions with related companies</u>			
Rental and other service expenses	177	226	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	7	7	(3)/(5)

(Unit: Million Baht)

Separate

<i>financial statements</i>		<u>Pricing policy</u>
<u>2015</u>	<u>2014</u>	
(Restated)		

Transactions with subsidiaries

(eliminated from the consolidated financial statements)

Service income	162	311	(2)/(4)/(5)
Revenues from copyrights	152	128	(3)
Interest income	3	198	(8)
Other income	15	18	(5)
Service expenses	195	219	(5)
Interest expenses	56	49	(8)
Purchase of intangible assets	-	164	(5)/(7)

Transactions with joint ventures

Service income	55	-	(2)/(5)/(6)
Service expenses	93	57	(5)

Transactions with associated companies

Service income	3	2	(2)/(4)/(5)
Service expenses	14	6	(5)

Transactions with related companies

Rental and other service expenses	111	119	(1)/(5)/(6)
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Transactions with management and directors

(Unit: Million Baht)

	<i>Separate</i>		
	<u><i>financial statements</i></u>		<u>Pricing policy</u>
	<u>2015</u>	<u>2014</u>	
		(Restated)	
Service expenses	1	1	(3)/(5)

- (1) Contract price with the rental rate as appraised by an independent valuer or the contract price
- (2) With reference to prices charged to third parties depending on when the sales were made and the agreement.
- (3) Charge per unit sold with reference to market price
- (4) Cost plus margin
- (5) Mutually agreed price
- (6) Contract price
- (7) Cost price
- (8) At the rate not lower than the rate of fixed deposit or the rate of minimum loan rate (MLR) minus 1 percent per annum on case by case basis.

7. On Process Significant Cases or Claims

-None-

Information Memorandum on Connected Transaction
Re: "Provision of a guarantee by GMM Grammy Public Company Limited against the banking facilities of Baht 4,400 million of GMM ONE TV Co., Ltd. by GMM Grammy Public Company Limited"
 (For consideration of Agenda 9.2)

The Board of Directors' Meeting No. 2/2016 of GMM Grammy Public Company Limited (the "**Company**") held on March 10, 2016 resolved to approve that the Company is to propose that the Annual General Meeting of Shareholders acknowledge the actions regarding the decrease in the shareholding proportion of the Company in The One Enterprise Co., Ltd. ("**The One Enterprise**") (The One Enterprise holds 100 percent of the total issued shares in GMM One TV Co., Ltd. ("**GMM One TV**")) from the existing proportion of 100 percent to 51 percent, and the Group of Mr. Takonkiet holds 49 percent of the total issued shares in The One Enterprise, whereby such action was completed in 2015, and the Company still has guarantee obligations for the whole amount of the banking facilities of GMM ONE TV of Baht 4,400 million which consists of a long-term loan of Baht 2,500 million and a Letter of Guarantee of Baht 1,900 million. (which is greater than three percent of the net tangible asset value of the Company). The guarantee provided thereon was not made proportionate to the shareholding, because the guarantee was provided prior to the decrease in its shareholding proportion of The One Enterprise. In this regard, the Board of Directors' Meeting deemed it appropriate that the 2016 Annual General Meeting of Shareholders should acknowledge and approve this matter as if it is an entering into a connected transaction as prescribed under the Notification of the Capital Market Supervisory Board No.Tor Jor 21/2551, Re: Rules on Connected Transactions, dated 31 August 2008, and Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por.22-01, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003, dated 19 November 2003 (collectively, the "**Notifications on Connected Transactions**").

The Company will disclose the information with regard to entering into the transaction to the Stock Exchange of Thailand (the "**Stock Exchange**"), to obtain approval for entering into the transaction from its shareholders' meeting, as well as appoint an independent financial advisor to render its independent opinion on entering into the transaction. In this regard, the Company has appointed JayDee Partners Co., Ltd. as its Independent Financial Advisor.

Material details of the transaction are as follows:

1. The information disclosed to the Stock Exchange

(1) Date of the Transaction:

- According to the provision under the shareholders agreement of The One Enterprise (former name: GMM One Trading Co., Ltd.) entered into by and between the Company and the Group of Mr. Takonkiet dated March 26, 2015 which provides that the Group of Mr. Takonkiet is required to jointly provide a guarantee against the debt obligation that the Company has provided to GMM ONE TV which has been made with a financial institution, proportionate to the shareholdings in The One Enterprise of the Company and of the Group of Mr. Takonkiet.
- The Company holds 51 percent and the Group of Mr. Takonkiet holds 49 percent of the total issued shares in The One Enterprise, which holds 100 percent of shares in GMM ONE TV.
- In the past, the Company and the Group of Mr. Takonkiet were trying to negotiate with the relevant financial institution to change the guarantee proportion for the banking facilities of GMM ONE TV in order for the Group of Mr. Takonkiet to be able to jointly provide a guarantee of 49 percent proportionate to its shareholding and decrease the proportion of the Company's guarantee to be 51 percent according to the shareholding proportion of the Group of Mr. Takonkiet and the Company in The One Enterprise, provided however that the negotiation has yet to be approved.

Board of Directors' Meeting No. 2/2016 convened on 10 March 2016, therefore, resolved that the meeting of shareholders shall acknowledge and approve this transaction as if it were connected transaction:

In light of the above, Mr. Takonkiet is an executive of the Company, a person holding office in the first four management positions after the highest executive. Mr. Takonkiet and GMM ONE TV are connected persons of the Company as per the definition prescribed under the Notifications on Connected Transactions.

(2) Name of Connected Person and its Relationship with the Company:

The person who will be receiving financial assistance is GMM ONE TV, a connected party of Mr. Takonkiet, as the Group of Mr. Takonkiet indirectly holds 49 percent of the total issued shares, and is considered as a connected person as per the definition prescribed under the Notifications on Connected Transactions.

The person who will provide financial assistance is GMM Grammy Public Company Limited and its subsidiaries.

(3) Details of the Financial Assistance:

As guarantee was provided before the reduction of shareholding in the One Enterprise (at present the Company holds 51 percent of the total issued shares in The One Enterprise and the Group of Mr. Takonkiet of 49 percent of the total issued shares in The One Enterprise) therefore the guarantee provided by the Company is not according to the current shareholding proportion of the Company in The One Enterprise.

The details of GMM ONE TV, which will be receiving financial assistance are as follows:

GMM ONE TV was incorporated on 6 September 2013 and is a company in the group of The One Enterprise, engaging in the business of providing radio and television program services in high-definition systems (HD System) of all types which are broadcast by the One television channel (CH31). One Channel is a television station in a digital television system operated by the Company and Mr. Takonkiet is its Channel Executive. One Channel is a television channel which broadcasts the programs from the affiliated channels and/or its own production channels, such as, music videos, soap operas, movies, etc. The channel first broadcast on 1 April 2014.

At present, GMM ONE TV's registered and paid-up capital is Baht 1,200,000,000, divided into 12,000,000 ordinary shares, at the par value of Baht 100 per share, having its principal office located at No. 50 GMM Grammy Place Building, Sukhumvit 21 (Asoke) Road, Khlong Toei Nuea Subdistrict, Wattana District, Bangkok.

The Board of Directors of GMM ONE TV (as set out in the Affidavit registered with the Department of Business Development) is as follows:

- | | |
|-----------------------------|------------------------------|
| 1. Miss Boosaba Daorueng | 2. Mrs. Jiraporn Rungsritong |
| 3. Mr. Sompohb Budspawanich | 4. Mrs. Montana Thawaranont |
| 5. Mr. Takonkiet Viravan | 6. Mr. Bordin Udol |
| 7. Mr. Nipon Pewnain | |

According to the banking facilities agreement, there is a condition requesting action from the Company before paying a dividend. If the Company has already complied with the specified condition, the Company can further pay a dividend to the shareholders.

Financial information of GMM ONE TV as at 31 December 2015:

Item	Value (Baht)
Current assets	986,483,393
Non-current assets	2,961,222,201
Total Assets	3,947,705,594

Item	Value (Baht)
Current liabilities	826,016,874
Non-current liabilities	3,495,294,666
Total liabilities	4,321,311,540
Shareholders' equity	(373,605,946)
Total liabilities and shareholders' equity	3,947,705,594
Total revenue	880,437,215
Net loss	(1,020,826,182)

Shareholding structure of The One Enterprise after the investment of the Group of Mr. Takonkiet:
(unit : share)

	Shareholding Proportion	No. of shares held
1. GMM Grammy Public Company Limited	51 %	9,715,497
2. Group of Mr. Takonkiet	49%	9,334,500
3. Other	0%	3
Total	100%	19,050,000

Shareholding structure of GMM ONE TV after the investment of the Group of Mr. Takonkiet:
(unit : share)

	Shareholding Proportion	No. of shares held
1. The One Enterprise Public Company Limited	100 %	11,999,998
2. Mr. Takonkiet Viravan	0%	1
3. Miss Boosaba Daorueng	0%	1
Total	100%	12,000,000

(4) General Characteristics of the Transaction:

Prior to the holding of shares in The One Enterprise by the Group of Mr. Takonkiet, GMM ONE TV, 100 percent of which the shares were held by The One Enterprise, secured banking facilities of Baht 4,400 million which consists of a long-term loan of Baht 2,500 million and a Letter of Guarantee of Baht 1,900 million from BBL by having the Company as the person who provided a full guarantee thereon, as at the time, the Company held 100 percent of the shares.

After the Group of Mr. Takonkiet had secured the shares in The One Enterprise, the Company and Group of Mr. Takonkiet entered into a shareholders agreement which provides that, the Group of Mr. Takonkiet is required to jointly provide a guarantee against the debt obligation which the Company has provided to that of GMM ONE TV which was made with the relevant financial institution proportionate to the shareholdings in The One Enterprise of the Company and of the Group of Mr. Takonkiet, which are 51 percent and 49 percent, respectively.

In the past, the Company and the Group of Mr. Takonkiet previously attempted to negotiate with the relevant financial institution to change the guarantee proportion for the banking facilities of GMM ONE TV in order for the Group of Mr. Takonkiet to be able to jointly provide a guarantee of 49 percent proportionate to its shareholding and decrease the proportion of the Company's guarantee to be 51 percent according to the shareholding proportion of the Group of Mr. Takonkiet and the Company in The One Enterprise, provided however that the negotiation has yet to be approved.

Notwithstanding the foregoing, the Group of Mr. Takonkiet has taken action to comply with the shareholders agreement by serving a letter of intent to the Company certifying that the performance of the agreement in connection with the provision of the guarantee, proportionate to the shareholding of the Group of Mr. Takonkiet Viravan, which the Company has provided against the debt obligation of GMM ONE TV of 49 percent of the total debt obligation, entered into with Bangkok Bank Public Company Limited, will be carried out by 28 February 2017.

In February 2016, the relevant financial institution informed the Company of the results of its consideration by requiring the Company to provide a guarantee against the banking facilities of 100 percent and the Group of Mr. Takonkiet of 100 percent.

As a result, the Group of Mr. Takonkiet agreed to enter into the guarantee agreement under which the Company has provided a guarantee against the debt obligation that GMM ONE TV has with such financial institution of 49 percent of the principal and the outstanding interest thereon as at the date of the guarantee agreement (19 February 2016) and agreed to make repayment as soon as such financial institution demands it. In addition, the Company will also enter into the guarantee agreement under which the Group of Mr. Takonkiet Viravan has provided a guarantee against the debt obligation that GMM ONE TV has with such financial institution of 51 percent of the principal and the outstanding interest thereon as at the date of the guarantee agreement (19 February 2016).

In this regard, in the interests of fairness in the case that either the Company or the Group of Mr. Takonkiet may be subject to a demand by the financial institution to make repayment in excess of its shareholding, both parties have entered into the agreement in order to ensure that each party will provide a guarantee for the debt obligation of the other party.

In this regard, with respect to the provision of a guarantee for entering into the transaction to provide financial assistance, the Company and its subsidiaries have provided the following guarantees to the financial institution:

1. The One Enterprise to pledge all of the shares of GMM ONE TV, and GMM Channel Trading Co., Ltd. which is the subsidiaries of the Company, to pledge all of the shares of GMM Channel Co., Ltd. to the bank as a guarantee, with the exception of the shares owned by the directors of the Company and/or individuals;
2. the Company to provide a guarantee for all debt obligations;
3. GMM Channel to provide a guarantee for all debt obligations;
4. The One Enterprise to provide a guarantee for all debt obligations;
5. GMM Channel Trading Co., Ltd. to provide a guarantee for all debt obligations

(5) Calculation of Transaction Value:

Transaction	Value (Baht million)
Connected transaction	
Net Tangible Assets (NTA) of the Company as at 31 December 2015	1,295.37
(1) Guarantee against loan of GMM ONE TV	4,400.00
- Transaction value under the Notifications on Connected Transactions (Large transaction: exceeding Baht 100 million or exceeding 3 percent of NTA, whichever is lower) (3% NTA = 38.86 MB)	339.67%
Transaction size of connected transaction during the past 6 months (In Agenda 9.1)	84.92%
Total size of connected transaction	424.59%

Transaction value under the Notifications on Connected Transactions:

The Board of Directors' Meeting resolved that the meeting of shareholders shall acknowledge and approve this transaction as if it were a connected transaction under the Notifications on Connected Transactions. In this regard, the Company is to obtain approval from its Board of Directors, to disclose the information with regard to entering into the transaction to the Stock Exchange, to obtain approval for entering into the transaction from its shareholders' meeting, whereby the resolution must be passed with the votes of no less than three-quarters of the total votes cast by the shareholders attending the Meeting and eligible to vote, without counting the votes cast by the interested shareholders, as well as to appoint an independent financial advisor to render opinions on entering into the transaction.

(6) Rationale and necessity for entering into the transaction, and expected benefits from the transaction:

As guarantee was provided before the reduction of shareholding in the One Enterprise (at present the Company holds 51 percent of the total issued shares in The One Enterprise and the Group of Mr. Takonkiet holds 49 percent of the total issued shares in The One Enterprise) therefore the guarantee provided by the Company is not according to the current shareholding proportion of the Company in The One Enterprise.

The Company intends to ensure that the Group of Mr. Takonkiet will perform in accordance with the shareholders agreement, which provides that the Group of Mr. Takonkiet is required to jointly provide a guarantee against the debt obligation which the Company has provided to the Group of The One Enterprise and GMM ONE TV which has been made with a financial institution, proportionate to the shareholdings in The One Enterprise of the Company and of the Group of Mr. Takonkiet, which are 51 percent and 49 percent, respectively. Nevertheless, the relevant financial institution has approved that the Company provides a guarantee against the banking facilities of 100 percent and that of the Group of Mr. Takonkiet of 100 percent. As a result, the guarantees provided thereon are not in accordance with the shareholding proportions.

Entering into of such transaction is carried out in the interests of fairness in the case that either the Company or the Group of Mr. Takonkiet may be subject to a demand by the relevant financial institution to make a repayment in excess of its shareholding. Both parties have entered into the reciprocal guarantee agreement in order to ensure that each party will provide a guarantee for the debt obligation of the other party.

(7) Opinion of the Board of Directors and the Audit Committee on the entering into of the transaction:

The Board of Directors' Meeting and the Audit Committee Meeting were of the opinion that entering into the transaction will be necessary to the digital TV business of Group of The One Enterprise and GMM ONE TV and the provision of the guarantee which the Company has with the financial institution. Furthermore, the Board of Directors and the Audit Committee were of the opinion that the conditions are fair for the shareholders of both parties, that is the Company is required to provide a guarantee against the banking facilities of 100 percent and the Group of Mr. Takonkiet of 100 percent. Such undertakings are deemed reasonable and shall be approved.

In this regard, during the consideration and approval of this matter at the Board of Directors' Meeting, there were no interested directors and/or connected persons attending and casting votes at the meeting.

Consequently, the Board of Directors approved to propose that the 2016 Annual General Meeting of Shareholders further consider and approve this transaction.

(8) The Opinion of the Company's Audit Committee and/or the Directors which are Different from the Opinion of the Board

-None-

2. Responsibility of the Board of Directors for the Information Contained in this Document

The Board of Directors is responsible for the information contained in this document which has been prepared in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551, Re: Rules on Connected Transactions, dated 31 August 2008, and Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por.22-01, Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, 2003, dated 19 November 2003 by using judgment appropriately in disclosing important information adequately, accurately, and transparently to the shareholders.

3. Corporate Information and Business Description

- Please refer to Item 3 of the information disclosure for Agenda 9.1 as detailed above-

4. Names of Executives and Top 15 Shareholders as of the Book Closing Date

- Please refer to Item 4 of the information disclosure for Agenda 9.1 as detailed above-

5. Financial Statements of the Company for the Past 3 Years (Fiscal years 2013 - 2015)

- Please refer to Item 5 of the information disclosure for Agenda 9.1 as detailed above-

6. Related Transactions in the Previous Year and the Current Year

- Please refer to Item 6 of the information disclosure for Agenda 9.1 as detailed above-

7. On Process Significant Cases or Claims

-None-