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Minutes of the Extraordinary General Meeting of Shareholders No.2/2014

GMM Grammy Public Company Limited

Wednesday, December 24, 2014 at 2.00 p.m.

at the Grand Ballroom located at Grande Centre Point Hotel Terminal 21,  
Sukhumvit Soi 19 (Wattana), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok

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Mr. Paiboon Damrongchaitham, Chairman of the Board of Directors (the "Board"), assigned Ms. Boosaba Daorueng, Vice Chairman of the Board of Directors, to preside over the Meeting as Chairman of the Meeting (the "Chairman"). In conducting the Meeting, the Chairman delegated the role to Ms. Patchararat Patcharaput, Company Secretary, to conduct the Meeting (the "Conductor").

#### Quorum Announcement

The Moderator announced the number of attendants for the Extraordinary General Meeting of Shareholders No.2/2014 (the "Meeting") of GMM Grammy Public Company Limited (the "Company") that there were the total of 85 and 146 shareholders attending in person and by proxy, representing 529,305,126 and 54,936,390 shares, respectively, or **231 shareholders in total, representing 584,241,516 shares or equivalent to 73.03 %** of the total number of the 799,949,729 outstanding shares of the Company. There were 7 shareholders attending the Meeting by proxy granted to the Company's Independent Director, representing 5,169,252 shares. The quorum was thereby constituted according to the Company's Articles of Association.

Thereafter, the Moderator informed the Meeting about the security of the hotel that in case of conflagration or emergency alarm, shareholders could leave the meeting room and head for the hotel gathering center point which there is emergency exits that would lead you to emergency doors as shown in the monitor.

#### Meeting Commencement

The Moderator then invited the Chairman to welcome all shareholders and declared the commencement of the Extraordinary General Meeting of Shareholders No.2/2014.

The Chairman then introduced the directors, management of the Company, the auditor and independent financial advisor who attended the today's Meeting as follows:

The Directors Attending the Meeting, total of 10 persons:

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|----------------|-----------------|---|
| 1. Mr. Paiboon | Damrongchaitham | Chairman of the Board of Directors / Chairman of the Company Advisory Board |
|----------------|-----------------|---|

2. Dr. Naris	Chaiyasoot	Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee
3. Mr. Dej	Bulsuk	Chairman of the Nomination and Remuneration Committee Member of the Audit Committee
4. Miss Suvabha	Charoenying	Member of the Audit Committee / Member of the Corporate Governance and Ethics Committee
5. Miss Boosaba	Daorueng	Vice Chairman of the Board of Directors / Chairman of the Risk Management Committee / Chairman of the Group Executive Committee / Director / Group Chief Executive Officer
6. Mrs. Saithip	Montrikul Na Audhaya	Member of the Risk Management Committee / Member of the Group Executive Committee / Director / Chief Executive Officer-GMM Channel Digital TV
7. Mr. Krij	Thomas	Chairman of the Corporate Governance and Ethics Committee Member of the Risk Management Committee / Member of the Group Executive Committee / Director/ Chief Executive Officer-GMM Music
8. Miss Suwimon	Chungjotikapisit	Member of the Nomination and Remuneration Committee / Director / Member of the Company Advisory Board
9. Mr. Kreingkarn	Kanjanapokin	Director
10. Mr. Sataporn	Panichraksapong	Member of the Risk Management Committee / Member of the Corporate Governance and Ethics Committee / Director

**The Absented Director**, total of 1 person:

1. Mr. Kudun	Sukhumananda	Member of the Audit Committee / Member of the Corporate Governance and Ethics Committee
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**Management Attending the Meeting**, total of 3 persons:

1. Mr. Takonkiet	Viravan	Chief Executive Officer- GMM One Digital TV
2. Mr. Premon	Pinskul	Chief Financial Officer
3. Mrs. Jiraporn	Rungsritthong	Chief Investment Officer

The Financial Advisor of JD Partners Limited, total of 2 persons:

1. Miss Jirayong Anuman-Rajadhon
2. Miss Naruporn Phuangsir

The Auditors of EY Office Limited, total of 1 person:

1. Mr. Polkrit Rattanaprukpan Assistant Auditor

The Company was honored by the presence of **Mr. Polkrit Rattanaprukpan**, who would serve as an “Inspector” of the Meeting and being a witness of the vote counting process and to ensure that the meeting proceeded according to the laws and the Company’s Articles of Association.

Prior to proceeding the meeting agenda, the Conductor invited shareholders and proxy holders to acknowledge the voting process for the Extraordinary General Meeting of Shareholders No.1/2014 through the video presentation (Length: 4.40 minutes), with details as follows:

1. According to Section 107(1) of the Public Company Act B.E. 2535, and Clause 31(1) of the Company’s Articles of Association, in general case, the resolution shall be passed by the majority votes of the total number of votes of shareholders who attend the meeting and casting their votes whereby one share shall have one vote, and in the case of equality of votes, the Chairman shall be entitled to a final casting vote.

2. In the event that the shareholder attends the Meeting in person or the shareholder grants the proxy holder the right to vote in the Meeting, the Conductor will ask the Meeting at every agenda whether any shareholder disagrees or abstains on voting for the proposed agenda. If such cases occur, the Conductor will request that those shareholders reveal themselves and deliver their ballots to the Company’s officers to be accounted for. If there is no disagreement or no abstention, it shall be deemed that the meeting unanimously approved the proposal put to vote.

3. In the case where the proxy holder represents the shareholder by proxy, it shall be deemed that the proxy holder have the number of votes equivalent to the total number of shares held by the shareholder who granted the proxy. Therefore, in such case, the number of votes given in the proxy for each agenda shall be counted as the votes for the resolution.

4. Votes casted by those holding Proxy Forms “A” and “B” cannot be split for each agenda article. Votes casted by those holding Proxy Form “C” can be split, and are only granted to foreign shareholders who have appointed a custodian in Thailand to manage their shares.

5. Each shareholder is permitted to have only one proxy attending and voting at the meeting. Having multiple proxies holding shares and separately casting votes is not permitted.

6. An act for casting the vote which does not comply with the form prescribed above is considered null and void.

7. In every agenda, the shareholder or the proxy holder who wishes to propose any other comments or queries is required to introduce his or her name and position as a shareholder or a proxy holder to the Meeting before proceeding.

8. After the Meeting is adjourned, the shareholder and the proxy holder should hand their ballots to the Company's officers as further evidence.

The Conductor additionally informed about the vote counting process which would be conducted by computer system as follows:

- Process 1: the Company's officer shall record the votes of all registered shareholders as "Agree".
- Process 2: The vote of "Disagree" and "Abstain" shall be deducted according to the proxy authorization.
- Process 3: The vote of "Disagree" and "Abstain" shall be deducted according to the ballots presented in the meeting room.

Guidelines for raising questions or comments during the meeting were advised that the shareholder or the proxy holder who wished to propose any other comments or queries were required to introduce his or her name and position as a shareholder or a proxy holder to the Meeting before proceeding with concise message, and be related to each agenda proposed at that time. Other questions or comments irrelevant to the agenda shall be proposed during Agenda 3 as it was the agenda for general matters.

The Conductor then proceeded with the Meeting agenda as follow:

**Agenda 1: To consider and certify the minutes of the Extraordinary General Meeting of Shareholders  
No.1/2014**

The Conductor proposed that the Meeting consider and certify the minutes of the Extraordinary General Meeting of Shareholders No.1/2014 held on September 24, 2014 which was considered containing correct and complete information and being reviewed by the financial advisor and legal advisor. The said minutes was also posted on the Company's website and no shareholder raised an objection or requested an amendment to the minutes.

The Conductor invited shareholders and proxy holders to show up if they had any query or amendment to the minutes as mentioned above. The Conductor then asked shareholders to vote on this agenda.

During the course of this agenda, additional 23 shareholders attended the meeting, representing 95,793 shares, thus increasing the total number of shares to 584,337,309 shares or 254 shareholders in total.

After due consideration, the Meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes (excluding those who abstained in the vote casting), to certify the minutes of the Extraordinary General Meeting of Shareholders No.1/2014, with the following results: (Closing vote at 14:18 hrs.)

Voting	Number of Votes (Shares)	Percentage
Agreed	581,449,806	100.0000
Disagreed	0	0.0000
Abstained	2,887,503	-
Total	584,337,309	100.0000

**Agenda 2: To consider and approve the assets disposal and connected transaction regarding the disposal of ordinary shares of SE-EDUCATION PUBLIC COMPANY LIMITED held by the Company to Mr.Nuttapol Jurangkool who is a connected person**

The Conductor invited Mrs. Jiraporn Rungsrithong (“Mrs.Jiraporn”), to present details of this agenda to the Meeting.

Mrs. Jiraporn informed that in order to efficiently manage the capital investment and to focus on main business pursuant to the Company’s strategic plan, the Board of Directors has approved the disposal of the capital investment in SE-EDUCATION PUBLIC COMPANY LIMITED (“SE-ED”) in the amount of 42,422,200 shares at the price not less than the overall average cost of all shares of the listed companies in the Stock Exchange of Thailand (“SET”) held by the Company. However, in 2013, the Company received 8,746,812 shares of stock dividend from, thus the Company currently holds 49,550,512 shares in SE-ED.

It has been proposed that the Meeting consider and approve the assets disposal of SE-ED to Mr. Nuttapol Jurangkool, a younger brother of Mr. Thaveechat Jurangkool who is a major shareholder of the Company. The SE-ED’s shares to be disposed will be in the amount of not less than 30,000,000 shares up to 49,550,512 shares, at the price not less than the closing price of SE-ED on the SET on November 11, 2014, which is equal to THB 5.10 per share. In relation to the above matter, Mr. Premon Pinskiul or Mrs. Jiraporn Rungsrithong, shall be an authorized person to proceed such assets disposal.

Then, Miss Jirayong Anuman-Rajadhon (“Miss Jirayong”), as an Independent Financial Advisor (“IFA”), proposed her comments regarding the transaction. The summary details are as follows:

#### Advantages of transaction

- ✚ The Company will receive the cash inflow from the disposal of this investment with a total minimum consideration value of not less than THB 152.76 million up to THB 252.31 million (after deducting

trading fees and relevant expenses). The proceeds will be utilized for working capital and for future expansion of core business of the Group of Company.

- ✚ The profits from the disposal of investment in available for sale securities will be recognized in the amount of approximately THB 15.96 million up to THB 26.36 million (referred to the selling price of THB 5.10 per share where the average investment cost is THB 4.56 per share) exclusive of dividend received since the first investment in 2005.
- ✚ This transaction is to follow the Company's policy which aims to adjust the investment management plan focusing on other businesses that have a competitive advantage or a potential growth in the future.
- ✚ To support the Group of Company to perform its operations with full efficiency.
- ✚ To reduce risk from investment in a book distribution business which is not a core business of the Company, while the market value remains steady with a prediction to encounter intense competition in the future.

#### Risks and impacts of the transaction

- ✚ The Company will probably lose an opportunity to obtain the future return on investment of SE-ED as a dividend
- ✚ The Company will probably lose an opportunity to obtain the return from higher selling price of shares of SE-ED in the future.

#### Opinions of the Financial Adviser

- ✚ The appropriate range of the fair value of ordinary shares of SE-ED is between THB 4.77-5.10 per share, calculated by share value based on market value approach. The IFA views that this approach is appropriate for the consideration of fair value in disposing the investment in available for sales securities, which are the securities in a market demand and under a non-controlling portion trade. Therefore, the minimum value of selling price of shares in SE-ED which is equal to THB 5.20 per share is appropriate.
- ✚ The terms and conditions of this transaction are the conditions that both parties have a mutual agreement and processed under a standard of stock trading in the SET, and the Company does not lose any benefits according to these terms and conditions. Thus, the IFA considered that the conditions of shares disposal are appropriate.
- ✚ The IFA considered that the disposal of the whole amount of investment in SE-ED held by the Company is appropriate and could be approved by the shareholders due to the reasons as follows:
  - ✓ The Company, after deducting trading fees and other expense, will receive the cash inflow

not less than THB 152.76 million up to THB 252.31million which can be used for investment in the existing business or for expansion in the core business of the Company.

- ✓ To follow the Company's policy which aims to adjust the investment management plan to strengthen financial status, together with to focus on the core business that has a competitive advantage or a potential growth in the future.
- ✓ According to the calculation based on market value approach, the price per share is between THB 4.77-THB 5.10. The minimum selling price of SE-ED shares, which is equal to THB 5.10 per share estimated by the IFA, is reasonable.
- ✓ The profit recognized as a result of the asset disposal is approximately THB 15.96 million to THB 26.36 million (based on the selling price at THB 5.10 per share).
- ✓ To reduce risk from investment in a book distribution business where the market value remains steady with a prediction to encounter intense competition in the future.
- ✓ The transaction is under general conditions of asset acquisition and disposal under the SET, and mutually agreed by both parties where the benefits of the Company are not adversely affected.

The Conductor invited shareholders and proxy holders to show up if they had any query or amendment to the minutes as mentioned above. The Conductor then asked shareholders to vote on this agenda.

During the course of this agenda, additional 27 shareholders attended the meeting, representing 44,364,891 shares, thus **increasing the total number of shares to 628,702,200 shares** or 281 shareholders in total.

After due consideration, the Meeting resolved, with the votes of more than three-fourths (3/4) of the shareholders attending the meeting and having the right to vote, to approve the disposal of ordinary shares of SE-EDUCATION PUBLIC COMPANY LIMITED held by the Company to Mr. Nuttapol Jurangkool as proposed, with the following results: (Closing vote at 14:47 hrs.)

Voting	Number of Votes (Shares)	Percentage
Agreed	501,408,874	99.6256
Disagreed	1,600,000	0.3179
Abstained	284,503	0.0565
Total	503,293,377	100.0000
No right to vote (1 shareholder)	125,408,823	-

Agenda 3: Other business
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The Conductor had given the shareholders and the proxies the opportunity to propose any other matters to the Meeting for its consideration subject to the shareholders' rights under Section 105 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto), and there were no persons raised any additional matters for consideration except the matters set out in the notice convening this meeting. Other questions and opinions on this agenda item were recorded in the document attached herewith.

Hence, the conductor asked the Chairman to declare the Meeting adjourned.

The Chairman, therefore, expressed his appreciation to all shareholders for their dedication in attending the meeting and their cooperation in the Meeting. Then, the Chairman then declared the Meeting adjourned.

The Meeting was adjourned at 3.45 p.m.

Signed	- <i>Boosaba Daorueng</i> -	Chairman of the Meeting
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	(Ms. Boosaba Daorueng)	

Signed	- <i>Patchararat Patcharaput</i> -	Minutes Recorder
	(Ms. Patchararat Patcharaput)	



Summary of Questions and Answers

Extraordinary General Meeting of Shareholders No. 2/2014, Wednesday 24 December 2014 at 2.00 p.m.

GMM Grammy Public Company Limited

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Agenda 2      To consider and approve the assets disposal and connected transaction regarding the disposal of ordinary shares of SE-EDUCATION PUBLIC COMPANY LIMITED held by the Company to Mr. Nuttapol Jurangkool who is a connected person

1. **Mr. Kongpat Thanaudomsook** (a shareholder) enquired why the amount of the shares to be disposed was not set in exact number so that the revenues gained can be clearly estimated.

**Mrs. Jiraporn Rungsritthong** clarified that the Company intends to dispose the whole shared holding in SE-ED. However, as the situation is depended on the negotiation between the Company and the purchaser, it is advised to propose such matter to the shareholders' meeting for approval in term of the minimum and maximum amount of shares (which are the total shareholding) to be disposed.

2. **Mr. Ritichai Yipcharoenporn** (a shareholder) enquired why the Company did not sell those shares when the stock value was higher. As a media business operator, he further asked the perspective in regard to the future and the outlook of SE-ED in the Company's point of view and what is the benefit to the Company as a result of this transaction.

**Mrs. Jiraporn Rungsritthong** clarified that SE-ED is predicted to have a well business growth toward the future. However, as the Company intends to focus on management of our main business, thus, it has been decided to dispose the shares. In addition, a certain amount of shares has already been disposed while the share value rose. The benefit from the transaction is that the Company will be able to increase its business operation efficiency. At the meantime, it is assured that the Company will, at its best effort, negotiate to get the best price.

3. **Mr. Nara Sripetch** (a shareholder) enquired whether the share disposal requires meeting resolution from SE-ED. Will there be any impacts on the financial management plan of the Company after the shares is disposed at its minimum value?

**Miss Jirayong Anuman-Rajadhon** (IFA) clarified that since the shares to be disposed are held by the shareholders, thus, such matter does not involve or require meeting resolution or approval from SE-ED. The amount of cash received is proportional to amount of shared to be disposed. In the event that a certain amount of shares is partially disposed; the rest shares of SE-ED will remain as an asset of the Company.

4. **Mr. Sinchoke Piriyothisakul** (a proxy holder) asked whether the share disposal be affected if the situation in the stock exchange market is recessed as the Company has set the minimum sell amount.

**Mr. Premon Pinskiul** explained that if the market is considerably recessed, investors may slow down or postpone their decision subsequent to steady declination of the stock price, however, the company will still have SE-ED's shares in hands.

5. **Mr. Thaveechat Jurangkool** (a shareholder and connected person as an older brother of Mr. Nuttapol Jurangkool) explained that the price and amount of shares to be disposed are under the negotiation procedure which is proceeded by the Company's management at their best effort. He further said that the purchaser has reaffirmed his intention to purchase the shares even the stock price will decline.

6. **Mr. Sakchai Sakulsrimontri** (a shareholder) inquired that the Company have previously increased its capital and disposed the investment in the ordinary shares, was the total amount gained from those transactions not enough for the business operation?

**Mr. Paiboon Damrongchaitham** clarified that Digital TV business is considered as a core and future of the Company. For over 30 years of operation, The Company's existing and current teamwork are leading expertise of their own profession, thus, it is not necessary to recruit new personnel. However, having sufficient capital fund in hands can help strengthening the Company's competencies in the market field.

## [Agenda 2](#)      [Other business](#)

1. **Mr. Supot Euachailertkul** (a shareholder) inquired whether the management has predicted the trend of Digital TV in the future. When the Company will achieve break-even point? Are there any other assets which are expected to be converted or disposed?

**Mr. Premon Pinskiul** clarified that according to the prediction of future trends simulated by the Company, based on the current situation, especially, official rating of Digital TV channel as well as advertisement expenditures, it may take at least 3 years to achieve break-even point.

**Mr. Paiboon Damrongchaitham** explained that as previously clarified, aside from wise management of the current assets, it is necessary that the Company should have the capital fund as much as possible to support business competition. Meanwhile, the Company still earns the trust and confidence from the financial institutions. All activities are conducted to support major businesses which are Music Business, Digital TV Business, and Home Shopping including proficient alliance like GTH.

2. **Mr. Decha Soontrarachoon** (a shareholder) enquired that aside from series on the prime time, other programs are produced by the Company or jointly produced with other business partner? Does the Company confident that the rating of its channel is increased and beat other operators. What is the Company's plan for Pay TV and Satellite TV?

**Mr. Takonkiet Viravan** explained that aside from subsidiaries, the Company also joins with many business alliances and outsource producers in regard to production of TV Programs such as TV series, variety program, game shows. Thus, we are assured that the rating of the Company will steadily grow.

**Mrs. Saithip Montrikul Na Audhaya** explained that over the past 30 years of operating business, many excellent TV programs created by our subsidiaries had never been broadcasted through our own channel. Various TV series, music, variety shows were produced and broadcasted on free TV channels and received good feedback from audience. Now, as the Company have its own TV Channels, it is a good opportunity for all proficient producers from subsidiaries to broadcast their programs through our own digital channels. In addition, it has been planned to jointly produce various quality programs between huge production houses and new blood producers. It is essential to carefully evaluate and manage the plan based on suitability of the time frame and funds.

**Mr. Premon Pinskiul** further clarified that due to the reason that all TV programs are broadcasted on our two digital channels, some Satellite TV may be canceled. The active satellite channels will be used for promoting programs broadcasted on digital channels. In regard to Pay TV, the Company discontinued the operation since July 2014.

3. **Mr. Chawalit Visarankul** (a shareholder) asked that in comparison between cost of production and income from advertisement, when the Company is expected to reach its break-even point? Will the Company encounter more revenue loss if TV series or TV programs broadcasted on free TV channels, where the advertisement rate per minute is quite high, are removed and broadcasted through the Company's own digital channels instead?

**Mr. Takonkiet Viravan** clarified that from the overall image of ONE Channel, as now we are during the investment phase, it is predicted that it may take at least 4 years to reach its break-even point. The management in free TV channels must be carefully considered to create appropriate balance between the advertisement gains and new channels promotion. Implementation of proper plan and management are to ensure the best interest for the Company.

4. **Mr. Thaveechat Jurangkool** (a shareholder) enquired while the advertisement rate in other channels is quite high, how does the Company estimate the advertisement rate for its own channels? How is the future forecast from the point of view of the management? Will there be any additional capital increase?

**Mr. Takonkiet Viravan** explained that due to high percentage of discount applied to some cases, we should focus on the actual amount of advertisement revenues received, not at the price list. The good news is that an advertisement growth rate of ONE channel in February 2015 increases significantly.

**Mr. Premon Pinskiul** added that currently, there is no official rating for Digital TV. For this reason, some companies set the advertisement rate based on rating information of Satellite TV. Moreover, it is recommended that shareholders watch our current evening TV series (Killer Content program) which is broadcasted through ONE channel, and compare to series from other channels. Furthermore, the Company has no plan for the capital increase in the near future. However, if there will be a necessity for raising funds, the Company can apply for a loan from financial institutions.

5. **Mr. Somyot Ruangwattanakul** (a shareholder) suggested that the Company should focus on publicity providing more details of each program such as date and time of broadcasting, which could be shown on the screen while the program is being on air. The popular programs should be rebroadcasted again after midnight for the audience who watching at late night time. In addition, the Company should also monitor performance of other channels in order to apply as an improvement, for example, providing chance for audience to participate in the particular TV program, to gain followers.

**Mr. Takonkiet Viravan** expressed his appreciation to the suggestion from a shareholder. In regard to rebroadcast programs, the timetable will be planned carefully to ensure that it will reach the highest level of the audience.

**Mrs. Saithip Montrikul Na Audhaya** added that as a part of continual improvement, the Company made a survey on consumer behavior focusing on interest, behavior of audience of all target groups both in Bangkok and regional provinces. Regularly, the results have been applied as guidelines for the Company's channels improvement.

6. **Mr. Decha Soontrarachoon** (a shareholder) suggested that the Company should consider generating income from existing contents such as TV or music program. For example, change music platform into recordings format to generate more income.

Mr. Premon Pinskiul explained that the technology development to Multiscreen has offered a new opportunity for the Company to make use of its existing contents and that the Company has already implemented the content management plan and generated new channel of income, especially music where incomes are generated through YouTube and smart phones.

7. Mr. Chawalit Visarankul (a shareholder) gave a remark that according to the intense competition in Digital TV Business, operating 2 channels in the same time may affect the overall performance. In the future, a disposal of one channel in order to strengthen and develop the management performance may be taken into consideration.