

**Details of the Offering and Allocation of Newly Issued Ordinary Shares
below Market Price to Specific Persons under the Private Placement Scheme of
GMM Grammy Public Company Limited**

Reference is made to the fact that the Extraordinary General Meeting of Shareholders No. 1/2014 of GMM Grammy Public Company Limited (the “Company”), held on September 24, 2014, approved the allocation of up to 120,000,000 newly issued ordinary shares at the par value of THB 1 per share and the newly issued ordinary shares that remain from the offering made to the existing shareholders of the Company proportionate to their shareholdings (Rights Offering) under a Private Placement Scheme at a price of not lower than THB 13.50 per share which the Company offered to the existing shareholders of the Company. The Company hereby clarifies the details on the offering and allocation of the newly issued ordinary shares under the private placement scheme at a price lower than the market price, for the acknowledgement of shareholders, as follows:

1. Preliminary Information for Specific Person (Private Placement)

The Specific Person (Private Placement) to whom the Company will consider allocating the newly issued shares, shall be a person as defined in Clause 24 of the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for Permission and Grant of Permission to Offer Newly Issued Shares (including any amendment thereto), provided that such person shall not be a connected person of the Company.

In this regard, such person shall neither take part in the management of the Company, nor act as a director of the Company, and the Company shall not have any policy that will significantly change the Company’s business operation. In addition, the voting rights of such person shall be equivalent to that of a shareholder of the Company, pursuant to the Company’s Articles of Association, and there shall be no person who obtains the allocation of newly issued ordinary shares from the Company, being required to make any tender offer.

However, the Company is taking into account the names and qualifications of the investors who will inure the Company in its business expansion. After due consideration, the Company will inform the Stock Exchange of Thailand (the “SET”) of the names and details of the investors in due course.

2. The Offering Price

The Company will offer the newly issued ordinary shares through private placement by authorizing its authorized directors and/or any other person authorized by the Board of Directors, to determine the offering price of the shares, provided that the Company will calculate the offering price by means of analyzing the demand for securities (Book-building). The range of prices on the Book-building will be

based on the demand of institutional investors and/or special investors and/or the average price of the Company's shares on the SET during the consecutive trading period prior to the subscription date, and will not be less than the offering price of the Company's ordinary shares offered to existing shareholders of the Company proportionate to their shareholdings (Rights Offering), which is equivalent to THB 13.50.

However, the price may be lower than 90% of the market price pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for Permission and Grant of Permission to Offer Newly Issued Shares.

Market price means the weighted average of the Company's ordinary shares traded on the SET for 7 consecutive business days prior to the date on which the Board of Directors' Meeting resolves to propose that the Extraordinary General Meeting of Shareholders No. 1/2014 approve the Company's offering of the newly issued ordinary shares, namely between July 31, 2014 and August 8, 2014. In this respect, the market price shall be equivalent to THB 15.70 (information from www.setsmart.com of the SET).

3. Offering Period

Within one year from September 24, 2014 on which the Extraordinary General Meeting of Shareholders No. 1/2014 resolved to approve the increase of the Company's registered capital.

4. Rationale of the allocation and offering of newly issued shares under the private placement scheme

The offering of newly issued ordinary shares to specific persons under the private placement scheme will cause the Company to obtain the funds amounting to not lower than THB 1,620 million (under the assumption that the offering price is at a minimum of THB 13.50 per share), provided that after including with the capital increase funds which the Company will obtain from its existing shareholders of THB 859.03 million (under the assumption that the existing shareholders fully exercise their subscription rights), the Company will acquire funds from the capital increase of not less than THB 2,479.03 million. In this regard, the Company plans to use the funds obtained from the capital increase for the investment strategy of the Company's group in order to enhance and strengthen its competitive potentiality, as well as to repay the loans from financial institutions in order to maintain the financial ratio of the Company at an appropriate level.

5. Criteria and procedures in considering the allocation of newly issued shares to the specific person

The Company will determine the offering price of up to 120,000,000 newly issued ordinary shares to specific persons. This may include the shares remaining from the offering made to the existing shareholders of the Company (Rights Offering) at a price of not lower than THB 13.50 per share.

In this regard, the Company will allocate the newly issued ordinary shares to specific persons via Bualuang Securities Public Company Limited, the underwriter of the Company. The offering price of the shares may be lower than 90% of the market price pursuant to the relevant Notification of the Capital Market Supervisory Board, since the Company will calculate the offering price based on a comparative analysis of demand for the securities (Book-building). The range of prices on the Book-building will be based on the demand of institutional investors and/or special investors and/or the average price of the Company's shares on the SET during the consecutive trading period prior to the subscription date.

In addition, the Company will authorize its authorized director and/or any other person authorized by the Board of Directors, to determine other details in connection with the allocation of the newly issued ordinary shares as considered and assigned by the Extraordinary General Meeting of Shareholders No. 1/2014, held on September 24, 2014, for example: (1) whether the newly issued shares shall be allocated on one occasion or more than one occasion, the offering period, the offering price, payment of shares, other details and conditions relating to the allocation; (2) to enter into negotiations, agreements, and execute relevant documentation and agreements, and to undertake any act in connection with the allocation; and (3) to sign application forms and documentation and evidence necessary for and relevant to the allocation of the newly issued ordinary shares, as well as to contact, apply for permission on such documentation and evidence, as well as the listing of the newly issued ordinary shares on the SET, and to have the power to undertake any other action necessary for the purpose of the allocation of the newly issued ordinary shares.

6. Benefits which the Company will obtain from the offering of the newly issued ordinary shares under the Private Placement Scheme

To be able to make an investment in accordance with the investment plan of the Company's group, enhance and strengthen its competitive potentiality and repay the loans from financial institutions in order to maintain its financial ratio at an appropriate level, enhance and strengthen its financial position as well as expand its investor base and increase the liquidity of the Company's shares trading on the SET and achieve a certainty of funds from the capital increase, and ensure that the capital increase is carried out in a timely manner.

7. Shareholding proportion of specific persons after the capital increase

After the capital increase and the allocation of not more than 63,631,793 newly issued shares to the existing shareholders (under the assumption that the existing shareholders fully exercise their subscription rights) and the allocation of not more than 120,000,000 newly issued shares under the private placement scheme, the specific persons shall hold shares in an amount equivalent to 14.63% of the issued and paid-up shares after the capital increase.

8. Effects on shareholders from the offering of newly issued ordinary shares

Price Dilution

In the case that the offering price of the Company's ordinary shares offered to specific person under the Private Placement Scheme is THB 13.50 per share, the dilution effect shall be as follows:

Theoretical Ex-Rights and Private placement Price: TERPP

$$= \frac{(\text{Number of paid-up shares} \times \text{Market Price}) + (\text{RO shares} \times \text{offering price of RO}) + (\text{PP shares} \times \text{minimum offering price of PP})}{\text{Total number of shares sold after capital increase}}$$

Whereas:

Number of paid-up shares	=	Total paid-up shares of the Company as at August 13, 2014
Market Price	=	THB 15.70 per share (the weighted average of the Company's ordinary shares traded on the SET for 7 consecutive business days before August 13, 2014, which is the date that the Board of Directors' Meeting resolved to propose the offer of new shares by the Company to the shareholders' meeting).
RO shares	=	The ordinary shares offered to existing shareholders according to their rights offering
Offering price of RO	=	The offering price of the ordinary shares offered to existing shareholders according to their rights offering
PP shares	=	The ordinary shares offered to specific person under the Private Placement Scheme
Minimum offering price of PP	=	The minimum offering price of the ordinary shares offered to specific person under Private Placement Scheme
Total of shares after capital increase	=	Number of paid-up shares + RO shares + PP shares
TERPP	=	$\frac{(636,317,936 \times 15.70) + (63,631,793 \times 13.50) + (120,000,000 \times 13.50)}{(636,317,936 + 63,631,793 + 120,000,000)}$
	=	THB 15.21 per share
Price Dilution	=	$\frac{\text{Market Price} - \text{TERPP}}{\text{Market Price}}$
	=	$\frac{(15.70 - 15.21)}{15.70}$
	=	3.14%

Control Dilution

$$= \frac{\text{PP shares}}{\text{Total number of shares sold after capital increase}}$$

Whereas:

PP shares = The ordinary shares offered to specific person under the Private Placement Scheme

Total number of shares sold after the capital increase = Number of paid-up shares + RO shares + PP shares

$$= \frac{120,000,000}{819,949,729}$$

$$= 14.63\%$$

In the case that no existing shareholders exercise the subscription right according to their rights offering, the effect on the voting rights of the existing shareholders (Control Dilution) shall be as follows:

PP shares = The ordinary shares offered on this occasion (RO + PP)

Total number of shares sold after the capital increase = Number of paid-up shares + RO shares + PP shares

$$= \frac{183,631,793}{819,949,729}$$

$$= 22.40\%$$

Earnings per Share Dilution: EPS Dilution

EPS Dilution = (EPS before the offering – EPS after the offering) / EPS before the offering

Whereas:

EPS before offering = Net Profit / Number of paid-up shares, equal to -2,546,131,889/636,317,936 or THB -4.00 per share

EPS after offering = Net Profit / (Number of paid-up shares + RO shares + PP shares), equal to -2,546,131,889 / (636,317,936 + 63,631,793 + 120,000,000) or THB -3.11 per share

Net Profit = Net profit for 12 consecutive months (from July 1, 2013 to June 30, 2014), equal to THB -2,546.13 million

Therefore:

EPS Dilution = $(-4.00 - (-3.11)) / -4.00$
= 22.4%

9. Effects on the Company's management structure

The specific person whom the Company will consider and allocate the newly issued shares shall neither take part in the management of the Company, nor act as a director of the Company, and the Company will have no policy that will significantly change the business operation. In addition, the voting rights of such person shall be equivalent to that of the shareholders of the Company, pursuant to the Company's Articles of Association, and there shall be no person who obtains the allocation of newly issued shares from the Company being required to make any tender offer.