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April 4, 2016

Subject : Invitation to the 2016 Annual General Meeting of Shareholders

To : The shareholders of GMM Grammy Public Company Limited

Enclosures :

1. Purposes and reasons to support the Board of Directors' opinions
2. Copy of the Minutes of the 2015 Annual General Meeting of Shareholders convened on 29 April 2015 (for consideration of Agenda 1)
3. Financial Summary from the 2015 Annual Report
4. Profiles of the directors nominated to replace those who retired by rotation and qualifications of the Company's independent director (4.1-4.5)
5. Information disclosure on Connected Transaction, Re: "Provision of a guarantee by GMM Grammy Public Company Limited against the loan secured from a financial institution of GMM ONE TV Co., Ltd." (for consideration of Agenda 9.1 and Agenda 9.2)
6. Details of the independent directors proposed as proxy holders (in the event that an independent director is appointed as a proxy holder)
7. The Company's Articles of Association concerning the Shareholders' Meeting
8. Code of conduct regarding the 2016 Annual General Meeting of Shareholders
9. Procedure for submission of questions in advance
10. Location map of Pullman Bangkok Grande Sukhumvit Hotel (Venue of the Meeting)

Enclosures : (Being separated from the Invitation Letter)

11. Opinion of the independent financial advisor on the connected transaction , which provides financial assistance to the Group of Mr. Takonkiet Viravan in Agenda 9
12. 2015 Annual Report (CD-ROM)
13. Registration Form with barcode. (It is highly recommended to bring this form to the Meeting)
14. Three types of Proxy Forms (Form A, B and C), according to the announcement of Department of Business Development Re: Form of Proxy (No. 5) B.E. 2550

The Board of Directors ("the Board") of GMM Grammy Public Company Limited ("the Company") at its Meeting No.1/2016 convened on February 26, 2016 and No.2/2016 convened on March 10, 2016 has resolved to invite all shareholders to attend the 2016 Annual General Meeting of Shareholders ("the Meeting") which will be convened on **Friday, April 29, 2016 at 2.00 p.m., at Ballroom 2, Pullman Bangkok Grande Sukhumvit Hotel, 4th Floor, Soi Sukhumvit 21 (Asoke), Sukhumvit Road, Khlong Toei Nuea Subdistrict, Wattana, District, Bangkok**, to consider the following agendas:

**Agenda 1 To certify the Minutes of the 2015 Annual General Meeting of Shareholders convened on 29 April 2015;**

**The Board's opinion:** The Company should propose that the Meeting certify the minutes of the 2015 Annual General Meeting of Shareholders convened on February 29, 2015.

**Agenda 2 To acknowledge the operational results and the Annual Report for the year 2015;**

**The Board's opinion:** The Company should report its operational results and submit the 2015 Annual Report to the Meeting for acknowledgement.

**Agenda 3 To approve the Statements of Financial Position and the Comprehensive Income Statements for the fiscal year ending 31 December 2015;**

**The Board's opinion:** The Board proposed that the Meeting approve the Company's Statement of Financial Position and the Comprehensive Income Statement for the fiscal year ended December 31, 2015, which were reviewed by the Board and the Audit Committee, and were duly audited and certified by the certified public accountant.

**Agenda 4 To approve the omission of profit apportionment as statutory reserve fund from the 2015 operational results**

**The Board's opinion:** The Board proposed that the Meeting approve the omission of profit apportionment as statutory reserve fund for the reason that the Company's performance in 2015 recorded a net loss of 930 million baht. According to Clause 38 of the Company's Articles of Association and Section 116 of the Public Limited Companies Act B.E.2535 (and as amended), the Company could not be able to allocate the profit as statutory reserve fund.

**Agenda 5 To approve the omission of dividend payment from the 2015 operational results**

**The Board's opinion:** The Board proposed that the Meeting approve the omission of dividend payment from the 2015 operational results (according to separate financial statements) as the Company recorded a net loss of 930 million baht.

**Agenda 6 To approve the appointment of directors in place of those who are due to retire by rotation;**

**The Board's opinion:** The Board proposed that the Meeting re-appoint 4 directors who are due to retire by rotation namely, (1) Dr. Naris Chaiyasoot (2) Mrs. Veeranuch Thammavaranucupt (3) Mr. Chanitr Charnchainarong (4) Mr. Sataporn Panichraksapong as the Company's directors for another term. (Profiles of those 4 candidates are described in Enclosure 4.1-4.4).

**Agenda 7 To approve the remunerations of the Board of Directors and subcommittees for the year 2016;**

**The Board's opinion:** The Board proposed that the Meeting approve the Board of Directors' remuneration for the year 2016 at the amount of 6,000,000 baht (Six million baht), and the Audit Committee's remuneration for the year 2016 at the amount of 650,000 baht (Six hundred and fifty thousand baht) which are the

same amounts as the previous year. No remuneration shall be paid to other sub-committees.

**Agenda 8 To approve the appointment of the auditors and the determination of the audit fee for the year 2016:**

**The Board's opinion:** The Board proposed that the Meeting appoint EY Office Limited as the Company's auditor for the fiscal year ended December 31, 2016 and that any one of the individuals below be responsible to review or audit and provide an opinion on the financial statements of the Company, namely (1) Mr. Termphong Opanaphan or (2) Mr. Khitsada Lerdwana or (3) Mrs. Poonnard Paocharoen. In addition, the Meeting is proposed to approve the audit fee of the Company for the year 2016 at the amount of not exceeding 2,920,000 baht (Two million nine hundred and twenty thousand baht) which is the same amount as the previous year

**Agenda 9 To approve the entering into of a connected transaction on the provision of financial assistance to the Group of Mr. Takonkiet Viravan as follows:**

**9.1 Connected Transaction, Re: "Provision of a guarantee by GMM Grammy Public Company Limited against the loan secured from a financial institution of Baht 1,100 million of GMM ONE TV Co., Ltd.":**

**The Board's opinion:** The Board proposed that the Meeting approve of the entering into a connected transaction which is considered as a provision of financial assistance to the Group of Mr. Takonkiet ("Group of Mr. Takonkiet" which shall mean Mr. Takonkiet Viravan ("Mr. Takonkiet") including related persons of Mr. Takonkiet) by providing a guarantee against the loan of Baht 1,100 of GMM ONE TV Co., Ltd. ("GMM ONE TV"), which is a company engaging in the business of digital television, secured from a financial institution, in order for GMM ONE TV to use as its revolving capital in the business operation

The One Enterprise Co., Ltd. ("The One Enterprise") holds 100 percent of the total issued shares of GMM ONE TV. The Company holds 51 percent and the Group of Mr. Takonkiet holds 49 percent of the total issued shares of The One Enterprise. The guarantee against is deemed as a guarantee provided against the whole debt obligation under the loan agreement, and is not a guarantee made proportionate to the shareholding of the Company in The One Enterprise and this action is deemed as a provision of financial assistance to the Group of Mr. Takonkiet Viravan . In addition, as the transaction value of this transaction is greater than three percent of the net tangible asset value of the Company, in order to provide this financial assistance to the connected person

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 such financial institution of 49 percent of the principal and the outstanding interest and agreed to make repayment as soon as such financial institution demands it. In the same, 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 such financial institution of 51 percent of the principal and the outstanding interest as well.

Subsequently, the financial institution has informed of the preliminary result of its consideration (currently under the official consideration process). The details of the credit amount is, 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 equally.

In this regard, in the interests of fairness in the case where either the Company or Group of Mr. Takonkiet may be demanded by 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 the shareholding.

Such entering into of 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. (Described in Enclosure 5).

The Board of Directors' Meeting and the Audit Committee Meeting were of the opinion that, such entering into of the transaction will be beneficial to the digital TV business of Group of The One Enterprise and GMM ONE TV in connection with the obtaining of an additional loan of Baht 1,100 million. Furthermore, with respect to the conditions required by financial institution, the Board of Directors and of 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 loan of 100 percent and the Group of Mr. Takonkiet of 100 percent. Such undertakings are deemed reasonable and appropriate to enter into the transaction and the entering into

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 at the meeting.

Consequently, the Board of Directors approved to propose that the 2016 Annual General Meeting of Shareholders consider and approve the entering into of a connected transaction on the provision of financial assistance to the Group of Mr. Takonkiet and the entering into compensation agreement between The Company and the Group of Mr. Takonkiet. The resolution for this agenda item regarding the connected transaction shall 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 and the financial institution will approve the loan of Baht 1,100 million to GMM ONE TV.

**9.2 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."**

**The Board's opinion:** The Board proposed that the Meeting approve and acknowledge the matter in relation to the decrease in the shareholding proportion of the Company in The One Enterprise from the existing proportion of 100 percent to 51 percent, and that 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 that the Company still has a guarantee obligation against the whole amount of the loan under the banking facilities agreement of GMM ONE TV of Baht 4,400 million. The guarantee provided thereon was not made proportionate to the shareholding, because such guarantee was provided prior to the decrease in its shareholding proportion of the Company in The One Enterprise, Items such as providing financial assistance to the Group of Mr. Takonkiet.

In February 2016, the relevant financial institution informed the Company 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 equally. In this regard, in the interests of fairness in the case where either the Company or Group of Mr. Takonkiet may be demanded by 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 the shareholding.

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 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). (Described in Enclosure 5).

The Board of Directors' Meeting and the Audit Committee Meeting were of the opinion that, such entering into of 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 of 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 appropriate to enter into the transaction and the entering into 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 at the meeting.

Consequently, the Board of Directors approved to propose that the 2016 Annual General Meeting of Shareholders further consider acknowledge and approve the entering into of a connected transaction on the provision of financial assistance to the Group of Mr. Takonkiet and the entering into compensation agreement between The Company and the Group of Mr. Takonkiet. The resolution for this agenda item regarding the connected transaction shall 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.

**Agenda 10** To acknowledge and approve the following matters concerning GMM B Co., Ltd. ("GMM B"):

(a) the sale of GMM B shares to CTH Co., Ltd.:

(b) the obligations of the Company towards relevant parties in relation to GMM B:

(c) the progress update on this matter and the authorization of responsible officer(s) to be in charge of the matters concerning GMM B

**The Board's opinion:** The Board proposed that the Meeting acknowledged the update on the action plan of the Company in relation to the liabilities on guarantee / liabilities on debt in GMM B Co., Ltd. ("GMM B") (a Company operating as a service provider on Pay-TV via satellite) which the Company remains committed after the Company sold all shares in GMM B to CTH Public Company Limited ("CTH") in 2014. Due to the negotiation with UNION DES ASSOCIATIONS EUROPEENNES DE FOOTBALL ("UEFA") and Satellite Television Asian Region Limited ("FIC") , and CTH has not been completed, resulting that the Company has to record the liabilities on guarantee / liabilities on debt in GMM B Co., Ltd. as Contingent Liabilities. The details of which are disclosed in the note of the consolidated financial statement of the Company ending 31 December 2015). Also, the Board of Directors resolved to propose this matter to the 2016 Annual General Meeting of Shareholders for acknowledgement and approval on the action plan on this matter of the Company, ,as well as the person assigned to carry on such matters.

**Agenda 11** Other matters. (if any)

**The Board's opinion:** The Board deemed it appropriate to include this agenda so as to comply with the section 105 of the Public Limited Companies Act B.E.2535 (and as amended) specifying that shareholders holding shares amounting not less than one-third of the total number of paid-up shares, are qualified to ask the Meeting to consider any matter other than those set out in the invitation letter. Additionally, this agenda is also set for shareholders who wish to ask any further questions or provide any other opinions (if any). However, according to the Principles of Corporate Governance of Listed Company issued by Thai Institute of Directors (IOD) and AGM Checklist of Thai Investors Association, it is not recommended to add any other agendas that are not specified in the invitation letter to the Meeting to approve or vote.

The shareholder registration book for the rights to attend the Meeting shall be recorded on March 25, 2016 (Record Date), and March 28, 2016 shall be the book closing date on which the shareholder list as specified in the section 225 of the Securities and Exchange Act B.E.2535 shall be compiled. All shareholders are cordially invited to attend the Meeting on the specified date, time and at the venue mentioned above. **The registration to attend the Meeting will commence from 12.00 hrs. onwards on April 29, 2016.**

Should any shareholder wishes to appoint a person to attend and vote at this Meeting on your behalf, please complete only one of two proxy form; Form A or Form B (Enclosure 14) and affix a

duty stamp of Baht 20 and submit to the Company's officer prior to the Meeting. For foreign shareholders who appoint custodians in Thailand as a custodian to attend and vote at the Meeting, please complete only one of three proxy form; Form A or Form B or Form C. In addition, the Company has enclosed details of documents and evidences required before attending the Meeting (Enclosure 8).

Shareholders who cannot attend this Meeting in person can appoint one of the independent directors of the Company (Enclosure 6) to attend and vote at this Meeting on their behalf. To ensure smooth and efficient registration at the Meeting, the Company kindly requests **all shareholders/proxies to bring along the Registration Form with Barcode (Enclosure 13) on the meeting date**. Further details on proxy method are provided as attached document (Enclosure 8).

For shareholders to receive the greatest benefit at the Meeting and fully protect the rights as a shareholder, should you have any queries that you would like the Company to clarify on any agenda or on any significant information about the Company, you can send the questions prior to the Meeting, according to the details specified in the Enclosure 9. Any shareholder who wishes to obtain the Annual Report Book, please contact **Office of Corporate Secretary**.

To provide the shareholders' convenience in accessing the above information, the entire set of documents related to the Invitation of the 2016 Annual General Meeting of Shareholders, together with the proxy forms and all related documents are available on the Company's website ([www.gmmgrammy.com](http://www.gmmgrammy.com)), both in Thai and English, **April 4, 2016 onwards**. The 2015 Annual Report shall be publicized on the Company's website prior to the meeting date not less than 21 days.

Yours Faithfully,



(Mr. Paiboon Damrongchaitham)

Chairman of the Board

By resolution of the Board

For information regarding the Shareholders' Meeting, please contact :

Office of Corporate Secretary

Tel. (+662) 669 9291 / (+662) 669 9946

Fax. (+662) 665 8137

Email: [cs@gmmgrammy.com](mailto:cs@gmmgrammy.com)