February 20, 2017 **Minor International Public Company Limited**

Management Discussion and Analysis

Overview

4Q16 and 2016 Performance

Minor International Public Company Limited ("MINT") reported revenue growth of 19% in 2016, driven by growth of all business units. 4Q16 revenue declined slightly by 3% y-y, mainly due to higher non-recurring gain recorded in 4Q15. Excluding the non-recurring items (detailed in the table on page 3), core revenue increased by 19% in 2016 and 5% y-y in 4Q16.

While MINT's reported net profit declined by 6% in 2016 and 62% y-y in 4Q16, its core net profit, excluding non-recurring items, declined by a lesser magnitude of 3% in 2016 and 25% y-y in 4Q16. The soft financial performance, particularly in 4Q16, was due to factors beyond MINT's control, namely the mourning period in Thailand and the bad weather and floods in the south of Thailand in 4Q16, during its high tourist season, together with the softness of the hospitality industry in the Maldives and Brazil, as well as the economic slowdown and high competition of the restaurant sector in Singapore throughout 2016. In a move to reward its shareholders, MINT's Board of Directors also proposed to pay cash dividend in the amount of Baht 0.35 per share. The dividend payment is subject to MINT's shareholder approval at the Annual General Meeting of Shareholders to be held on April 4st, 2017.

Going into 2017, MINT has already seen signs of performance recovery both in Thailand, as the impact from the mourning period and the flood was temporary, and its key overseas markets, with improvement of macro conditions. In addition, the outlook of its mixed-use business, namely residential development and Anantara Vacation Club, appears more promising than the prior year. In fact, MINT experienced a delay in sale of three residential units in 4Q16, of which two units have already been sold and transferred in January 2017.

For fourth quarter performance, core revenue of restaurant business increased by 7% y-y in 4Q16, led by the robust growth of China hub and the additional revenue from the consolidation of Minor DKL in Australia. Hotel & mixed-use business reported core revenue growth of 4% y-y in 4Q16. The growth was led by stable growth of Oaks in Australia, the contribution of recently consolidated Tivoli portfolio in Portugal and the turnaround in sales growth of Anantara Vacation Club. 4Q16 revenue from retail trading & contract manufacturing was flat y-y. Although the retail trading business reported revenue growth, the contract manufacturing business still faced pressure from the soft performance of its key customers.

In 4Q16, hotel & mixed-use business accounted for 53% of total core revenue. Restaurant business contributed 40% of total core revenue, while retail trading and contract manufacturing contributed the remaining 7%.

Revenue Breakdown

Bt million	4Q16	4Q15	%Chg
As Reported			
Restaurant Services	5,621	6,897	-18%
Hotel & Mixed-Use	7,872	7,035	12%
Retail Trading & Contract Manufacturing	910	915	0%
Total Revenue	**14,403**	**14,847**	**-3%**
Core			
Restaurant Services	5,621	5,232	7%
Hotel & Mixed-Use	7,344	7,085	4%
Retail Trading & Contract Manufacturing	910	915	0%
Total Revenue	**13,875**	**13,231**	**5%**

In 2016, MINT reported total core revenue of Bt 54,285m, a 19% increase from last year. The growth was attributable to the solid operational performance of both hotel & mixed-use and restaurant businesses, together with the consolidation of Tivoli portfolio in Portugal and Minor DKL in Australia.

In terms of revenue breakdown, in 2016, hotel & mixed-use and restaurant businesses accounted for 51% and 42% of total core revenue, respectively. Retail trading and contract manufacturing contributed another 7%.

Revenue Breakdown

Bt million	2016	2015	%Chg
As Reported			
Restaurant Services	23,157	20,291	14%
Hotel & Mixed-Use	30,310	24,217	25%
Retail Trading & Contract Manufacturing	3,505	3,505	0%
Total Revenue	**56,973**	**48,041**	**19%**
Core			
Restaurant Services	23,022	18,626	24%
Hotel & Mixed-Use	27,758	23,547	18%
Retail Trading & Contract Manufacturing	3,505	3,505	0%
Total Revenue	**54,285**	**45,678**	**19%**

MINT reported core EBITDA of Bt 3,156m in 4Q16, a 1% decline y-y, from the soft performance of hotel & mixed-use and retail trading & contract manufacturing businesses. 4Q16 core EBITDA of restaurant business maintained robust growth of 8% y-y, bolstered by strong operation of China hub and the additional contribution of Minor DKL after the increase of MINT's shareholding. However, core EBITDA of hotel & mixed-use business decreased by 4% y-y in 4Q16, mainly attributable to the lower operating leverage of hotel operations in Thailand during its high season amidst the mourning period and the floods, together with the absence of sale of the residential development business, which has higher profitability. By the same token, retail trading & contract manufacturing business saw a decline in EBITDA by 9% y-y, primarily from the lower operating leverage of the contract manufacturing business. As a result, core EBITDA margin decreased from 24.0% in 4Q15 to 22.7% in 4Q16.

In 4Q16, hotel & mixed-use and restaurant businesses accounted for 68% and 29% of total core EBITDA respectively. Retail trading & contract manufacturing contributed the remaining 3% of total core EBITDA.

EBITDA Breakdown

Bt million	4Q16	4Q15	%Chg
As Reported			
Restaurant Services	933	2,528	-63%
Hotel & Mixed-Use	2,078	2,169	-4%
Retail Trading & Contract Manufacturing	91	100	-9%
Total EBITDA	**3,102**	**4,797**	**-35%**
EBITDA Margin	**21.5%**	**32.3%**	
Core			
Restaurant Services	933	863	8%
Hotel & Mixed-Use	2,132	2,218	-4%
Retail Trading & Contract Manufacturing	91	100	-9%
Total EBITDA	**3,156**	**3,181**	**-1%**
EBITDA Margin	**22.7%**	**24.0%**	

In 2016, MINT reported core EBITDA of Bt 11,256m, an 18% growth from last year from both restaurant and hotel & mixed-use businesses. Core EBITDA margin decreased slightly from 21.0% in 2015 to 20.7% in 2016.

In 2016, hotel & mixed-use business represented 64% of total core EBITDA, while restaurant business accounted for 34%. Retail trading and contract manufacturing business accounted for the remaining 2%.

EBITDA Breakdown

Bt million	2016	2015	%Chg
As Reported			
Restaurant Services	3,978	4,792	-17%
Hotel & Mixed-Use	8,984	6,816	32%
Retail Trading & Contract Manufacturing	267	300	-11%
Total EBITDA	**13,229**	**11,908**	**11%**
EBITDA Margin	**23.2%**	**24.8%**	
Core			
Restaurant Services	3,843	3,127	23%
Hotel & Mixed-Use	7,146	6,146	16%
Retail Trading & Contract Manufacturing	267	300	-11%
Total EBITDA	**11,256**	**9,573**	**18%**
EBITDA Margin	**20.7%**	**21.0%**	

MINT reported core net profit of Bt 1,347m in 4Q16, a 25% decline y-y, attributable to the lower operating leverage of Thailand operations across all business units amidst the national mourning period and the floods in the south of

Thailand, the higher depreciation and tax rate of recently consolidated businesses, as well as the absence of residential sale. As a result, core net profit margin decreased from 13.6% in 4Q15 to 9.7% in 4Q16.

In 2016, MINT's core net profit decreased by 3%. The decline was mainly due to the soft performance of 4Q16, together with the higher depreciation and tax rate of the recently consolidated businesses. Consequently, core net profit margin declined from 10.3% in 2015 to 8.4% in 2016.

Net Profit

Bt million	**4Q16**	**4Q15**	**%Chg**
As Reported			
Total net profit	**1,293**	**3,419**	**-62%**
Net Profit Margin	**9.0%**	**23.0%**	
Core			
Total net profit	**1,347**	**1,803**	**-25%**
Net Profit Margin	**9.7%**	**13.6%**	
	2016	**2015**	**%Chg**
As Reported			
Total net profit	**6,590**	**7,040**	**-6%**
Net Profit Margin	**11.6%**	**14.7%**	
Core			
Total net profit	**4,576**	**4,705**	**-3%**
Net Profit Margin	**8.4%**	**10.3%**	

Non-Recurring Items

Timeline	**Amount** *(Bt million)*	**Non-Recurring Items**
4Q16	490	• Gain from bargain purchase of hotels in Zambia
	38	• Gain from bargain purchase of Tivoli hotels in Portugal
	-359	• Anantara Vacation Club's (AVC) provision of doubtful account (recorded in SG&A), which is part of MINT's prudent measures to conservatively provide for potential bad debts which may arise from the accounts receivable of Phase I, which was sold during 2010-2015
	-223	• Oaks' general administrative expenses and provision (recorded in SG&A)
3Q16	92	• Gain from changing status of investment in some of the Oaks properties, which were offset by;
	-136	• Impairment charges of certain Oaks properties (recorded in SG&A, pre-tax), resulting in no material impact post-tax on core net profit in 3Q16
2Q16	136	• Gain from changing status of investment in BreadTalk Group in Singapore, from available-for-sale investment to investment in associate
1Q16	1,932	• Gain from bargain purchase of the Tivoli Hotels & Resorts
4Q15	1,665	• Gain on fair value adjustment of change in status of investments in Minor DKL, netted off with;
	-49	• Reduction of gain from bargain purchase of Oaks Elan Darwin recorded in 3Q15
3Q15	70	• Gain from bargain purchase of Oaks Elan Darwin
1Q15	650	• Gain from bargain purchase of Sun International hotels in Africa

Major Developments in 4Q16

	Developments
Restaurant	• Opened 68 outlets, net q-q, majority of which were under Dairy Queen and The Pizza Company brands • Franchised and launched the first "Yentafo Kruengsonge by A. Mallika", a Thai noodle concept, in Singapore
Hotel & Mixed-Use	• Rebranded Pattaya Marriott Resort & Spa to AVANI Pattaya Resort & Spa • Opened two hotels under management, Anantara Al Jabal Al Akhdar Resort and Al Baleed Resort Salalah by Anantara in Oman • Acquired Elements Boutique Resort & Spa Hideaway totaling 34 keys in Koh Samui, Thailand • Launched Anantara Chiang Mai Serviced Suites, the latest residential project across from Anantara Chiang Mai Resort & Spa in Thailand. 23 units out of total 44 units were sold and transferred in 4Q16. • Sold and transferred one unit of Torres Rani, Maputo in Mozambique • Added Chiang Mai as a new destination of Anantara Vacation Club; added a total of 9 units of inventory in Phuket and Chiang Mai
Retail Trading	• Launched Radley, a London-based handbag and leather accessories brand, in Thailand • Launched Anello, a lifestyle bag brand from Japan, with exclusive distribution right in Thailand • Launched "Bemynt", MINT's own e-commerce platform for fashion and lifestyle brands

Segment Performance

Restaurant Business

At the end of 4Q16, MINT's total restaurants reached 1,996 outlets, comprising 1,018 equity-owned outlets (51% of total), and 978 franchised outlets (49% of total). 1,272 outlets (64% of total) are in Thailand, while the remaining 724 outlets (36% of total) are in Australia, New Zealand, Singapore, China, India, Middle East, the Maldives, Egypt, England, and other countries in Asia.

Restaurant Outlets by Owned Equity and Franchise

	4Q16	Chg q-q	Chg y-y
Owned Equity	1,018	15	61
- Thailand	814	16	39
- Overseas	204	-1	22
Franchise	978	53	84
- Thailand	458	36	49
- Overseas	520	17	35
Total Outlets	**1,996**	**68**	**145**

Restaurant Outlets by Brand

	4Q16	Chg q-q	Chg y-y
The Pizza Company	391	15	29
Swensen's	330	5	11
Sizzler	60	2	5
Dairy Queen	436	23	26
Burger King	74	5	17
The Coffee Club	461	10	19
Thai Express	97	-4	6
Riverside	58	0	5
BreadTalk	36	6	12
Others*	53	6	15
Total Outlets	**1,996**	**68**	**145**

* Others include restaurants at the airport under MINT's 51% JV, "Select Service Partner", restaurants in Singapore under MINT's 50% JV, "The Food Theory Group" and restaurants in UK under "Grab" and "Patara" brands.

Hub Performance Analysis

In 4Q16, total-system-sales (including sales from franchised outlets) increased by 6.4% y-y, driven by outlet expansion of 8% y-y. 4Q16 Same-store-sales decreased slightly by 0.9% y-y, primarily due to the temporary slowdown of domestic consumption in Thailand as the nation mourned after the King's passing. The ongoing market pressures in Singapore with weak economy, where GDP growth was only 1.8% in 2016, also contributed to such decline.

In 4Q16, Thailand hub reported total-system-sales growth of 10.0% y-y, mainly attributable to the disciplined outlet expansion of 7% y-y. Thailand hub was impacted by the temporary drop of domestic consumer sentiment during the mourning period and saw same-store-sales decline by 1.1% y-y. The Pizza Company and BreadTalk were the two brands that successfully maintained resiliency and achieved positive same-store-sales growth in 4Q16. The Pizza Company's same-store-sales grew by 2.5% y-y, thanks to the continued success of its Crispy Thin Pizza, as well as the ongoing product and service innovation across all sales channels. These include exclusive menus launched for dine-in, new store format, "delivery units with seats", for takeaway and user-friendly mobile application and website for delivery. At the same time, BreadTalk achieved impressive same-store-sales growth of more than 20% due to the success of newly renovated stores and innovative product offerings such as festive Christmas bakery selections. Although the overall performance of Thailand hub experienced some slowdown in 4Q16, Minor Food expects the impact of the mourning period to be short-term. In fact, Minor Food is already seeing signs of same-store-sales improvement across all brands going into 2017.

China hub continued to report a consistent total-system-sales growth of 14.4% y-y in 4Q16, supported by same-store-sales growth of 4.9%, together with the disciplined outlet expansion of the Riverside brand, which grew 9% y-y. All brands, including Riverside, Sizzler and Thai Express, sustained their growth momentum and achieved positive same-store-sales growth in this quarter. Riverside outlets in the key cities, including Beijing and Shanghai, performed well. With increasing demand for food delivery, Riverside has rolled out its delivery service and new takeaway menus across most of its outlets since November 2016. To achieve profitable expansion and strengthen its customer base, Sizzler continues to focus on refreshing its menu offering to attract customer traffic, while Thai Express is in the process of streamlining its supply chain and product consistency.

Australia hub reported total-system-sales growth of 1.7% y-y in 4Q16, attributable to flat same-store sales growth and cautious outlet expansion amidst the weak economy. The Coffee Club, which is the largest contributor to the hub, performed well with positive same-store-sales growth in this quarter. Given the weak macro backdrop, Australia hub will remain cautious in expansion and continue to enhance its food menu offering to strengthen its performance.

Singapore hub has been impacted by the economic slowdown and high competition in the restaurant sector. Although negative same-store-sales growth and total-system-sales growth continued to put pressure on margin in 4Q16, Singapore hub remained profitable. The new management appointed since July 2016 is in the process of rationalizing its portfolio by converting some of its outlets to a more suitable brands and selectively closing non-performing outlets. Singapore hub believes in the long-term potential of Thai food concept in Singapore and plans to strengthen its Thai food portfolio to better capture various segments, ranging from Basil as a higher-end brand to Thai Express as mid-market concept and Yentafo Kruengsongse by A. Mallika as a casual-dining and simpler restaurant format, capturing the quick and casual service market.

Apart of the four hubs, Minor Food is driving expansion in new markets, including the Middle East, India and the Maldives. Although their contribution is still small, all three markets achieved positive same-store-sales growth in 4Q16, attributable to the strength of MINT's brands and operational excellence.

Overall, 2016 total-system-sales increased by 9.1%, driven by both group-wide same-store-sales growth of 1.3% and the disciplined outlet expansion of 8%, primarily from Thailand and China hubs. Although competitive and economic challenges in some of Minor Food's key operating markets have put pressure on the performance, Minor Food contributed its resilience to its strong multi-brand portfolio, product and service innovation and operational excellence.

Restaurant Business Performance

%	4Q16	4Q15	FY16	FY15
Average Same-Store-Sales Growth	(0.9)	0.3	1.3	(0.2)
Average Total-System-Sales Growth	6.4	7.8	9.1	11.2

Note: Calculation based on local currency to exclude the impact of foreign exchange

Financial Performance Analysis

4Q16 total core restaurant revenue grew by 7% y-y, driven by both revenue from operation and franchise income. Revenue from operation increased by 6% y-y, primarily from the robust growth of China hub, the expansion of equity outlets, primarily in Thailand and China, by 6% y-y and the consolidation of Minor DKL in Australia. Franchise income grew by 35% y-y, primarily from the consolidation of Minor DKL's franchise fees, together with continued growth of franchising business, where number of franchise outlets increased by 9% y-y and Dairy Queen and Swensen's brands achieved strong growth of franchise fee. 4Q16 core EBITDA grew by 8% y-y from higher operating leverage of China hub and the contribution of Minor DKL after MINT increased its shareholding. The increase helped offset the weak performance of Thailand hub from the slowdown in domestic consumption amidst the mourning period. As a result, EBITDA margin increased from 16.5% in 4Q15 to 16.6% in 4Q16.

2016 core restaurant revenue increased by 24% from the solid performance of Thailand and China hubs, the continued expansion of both owned and franchised outlets, together with the consolidation of Minor DKL. 2016 core EBITDA increased by 23%, slightly lower than the revenue growth rate due to the consolidation of Minor DKL. Therefore, EBITDA margin decreased from 16.8% in 2015 to 16.7% in 2016.

Revenue Breakdown*

Bt million	**4Q16**	**4Q15**	**%Chg**
Revenue from Operation**	5,203	4,922	6%
Franchise Fee	418	310	35%
Total Revenue	**5,621**	**5,232**	**7%**
EBITDA	**933**	**863**	**8%**
EBITDA Margin	**16.6%**	**16.5%**	
	2016	**2015**	**%Chg**
Revenue from Operation**	21,405	17,839	20%
Franchise Fee	1,616	787	105%
Total Revenue	**23,022**	**18,626**	**24%**
EBITDA	**3,843**	**3,127**	**23%**
EBITDA Margin	**16.7%**	**16.8%**	

* The table excludes non-recurring gain as detailed on page 3
** Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 4Q16, MINT owned 68 hotels and managed 87 hotels and serviced suites in 23 countries. Altogether, these properties have 19,776 hotel rooms and serviced suites, including 8,904 that are equity-owned and 10,872 that are purely-managed under the Company's brands including Anantara, AVANI, Oaks, PER AQUUM, Tivoli and Elewana Collection. Of the total, 4,202 rooms in Thailand accounted for 21%, while the remaining 15,574 rooms or 79% are located in Australia, New Zealand, the Maldives, China, Indonesia, Sri Lanka, Vietnam, Malaysia, Cambodia, Tanzania, Kenya, Mozambique, Botswana, Namibia, Zambia, Lesotho, Qatar, the United Arab Emirates, Oman, Seychelles, Brazil and Portugal.

Hotel Rooms by Owned Equity and Management

	4Q16	**Chg q-q**	**Chg y-y**
Equity-owned*	8,904	34	1,332
- Thailand	2,507	34	278
- Overseas	6,397	0	1,054
Management	10,872	230	730
- Thailand	1,695	0	196
- Overseas	9,177	230	534
Total Hotel Rooms	**19,776**	**264**	**2,062**

* Equity owned includes all hotels which are majority-owned and joint ventures

Hotel Rooms by Ownership

	4Q16	**Chg q-q**	**Chg y-y**
Owned Hotels	7,118	34	1,731
Joint Venture	1,786	0	-399
Managed	4,533	251	623
MLR*	6,339	-21	107
Total Hotel Rooms	**19,776**	**264**	**2,062**

* Properties under Management Letting Rights in Australia and New Zealand

Hotel Performance Analysis by Ownership

The owned-hotels portfolio, which accounted for 56% of hotel & mixed-use revenue in 4Q16, reported flat organic revenue per available room ("RevPar") growth in 4Q16. Owned hotels in Thailand achieved organic RevPar growth of 3% y-y. As the Thailand portfolio was impacted by the mourning period since mid-October and the flood in the south of Thailand in December of 2016, the increase in RevPar for the quarter was primarily attributable to the month of October, where Bangkok hotels had a low-base RevPar in October 2015 from the Rajprasong explosion incident. Outside of Thailand, organic RevPar of the overseas owned hotels portfolio decreased by 6% y-y, attributable to the soft performance of owned hotels in the Maldives and Brazil. Although growth of Chinese and Russian tourists resumed in the Maldives and helped stabilize the occupancy rates, the operation in the Maldives continued to be challenged by intensifying competition from new hotel openings which put pressure on rates and subsequently RevPar performance. Hotels in Brazil saw lower occupancy as a result of the challenging economic environment, following political instability. However, the completion of room renovation in 2016 led to higher room rates and subsequently an improving RevPar trend, compared to the previous quarter. Nonetheless, owned hotels in Africa, especially in Zambia and Namibia, performed well with double-digit RevPar growth y-y in 4Q16. With the inclusion of AVANI Riverside Bangkok Hotel and newly acquired Tivoli portfolio, system-wide RevPar of owned hotels decreased by 23% y-y, as the new hotels commanded lower RevPar than the average of MINT's owned hotels. In addition, the low tourist season in Portugal and the ongoing renovation of some Tivoli hotels also put pressure on system-wide RevPar of owned hotels in 4Q16. Nevertheless, these renovated assets will subsequently lead to meaningful average daily rate ("ADR") and RevPar growth going forward.

Oaks, contributing 22% of 4Q16 hotel & mixed-use revenue, reported high occupancy rate of 79% and ADR increase of 1% y-y in Australian Dollar term to AUD 180, resulting in RevPar growth of 1% y-y. With the strengthening of the Australian Dollar, Oaks's RevPar also increased by 4% y-y in Thai Baht term in 4Q16.

Revenue contribution of management contract to MINT's hotel & mixed-use revenue was 4% in 4Q16. Organic RevPar of management contract portfolio decreased by 6% y-y in 4Q16, led by hotels in the UAE and the PER AQUUM property in the Maldives.

In summary, in 4Q16, MINT's organic RevPar of the entire portfolio decreased by 1% y-y. The performance of Thailand hotels and Oaks helped stabilize the slowdown of overseas hotels in some of MINT's key operating markets, although the results could have been even better if Thailand was not impacted by the mourning period and the floods. With the addition of new hotels, overall system-wide RevPar declined by 11% y-y, primarily from the lower RevPar of new hotels during their ramp-up stage than the average of MINT's existing hotels and the low season of the Tivoli portfolio in Portugal.

In 2016, organic RevPar of MINT's entire portfolio increased by 2%, led by hotels in Thailand, Oaks and Africa, especially Zambia and Namibia, together with exceptional performance of managed hotels in Seychelles and Qatar. Including the new hotels, overall system-wide RevPar decreased by 4% due to the lower RevPar commanded by the new hotels than MINT's average.

Going into 2017, Minor Hotels is optimistic on the outlook of its key operating markets. In Thailand, Minor Hotels has already seen signs of improvement as the impact of the mourning period and the floods was temporary. Outside of Thailand, Minor Hotels believes that performance of the Maldives and Brazil operations has a brighter outlook in 2017. In the Maldives, MINT will strengthen its sales and marketing efforts to broaden its feeder markets such as the Middle East in addition to penetrating the existing key markets like China and Europe. In Brazil, improvement of economic and political conditions will restore tourism growth. Furthermore, the Tivoli renovation in Portugal will be another key growth driver with strong ADR and RevPar uplift in the coming year.

Hotel Business Performance by Ownership

(System-wide)		Occupancy (%)		
	4Q16	**4Q15****	**FY16**	**FY15****
Owned Hotels	56	64	64	66
Joint Venture	49	49	43	50
Managed	62	63	63	63
MLR*	79	78	77	76
Average	**65**	**69**	**67**	**68**
MINT's Portfolio in Thailand	**69**	**72**	**73**	**72**
Industry Average in Thailand***	**66**	**68**	**67**	**65**
(System-wide)		**ADR (Bt/night)**		
	4Q16	**4Q15****	**FY16**	**FY15****
Owned Hotels	6,143	6,968	5,788	6,553
Joint Venture	10,603	12,013	10,696	10,498
Managed	6,886	7,809	6,724	7,038
MLR*	4,772	4,610	4,557	4,271
Average	**5,963**	**6,306**	**5,744**	**5,830**
MINT's Portfolio in Thailand	**5,201**	**5,179**	**4,859**	**4,832**
Industry Average in Thailand***	**1,555**	**1,225**	**1,461**	**1,205**
(System-wide)		**RevPar (Bt/night)**		
	4Q16	**4Q15****	**FY16**	**FY15****
Owned Hotels	3,445	4,473	3,685	4,293
Joint Venture	5,154	5,945	4,637	5,237
Managed	4,244	4,938	4,241	4,400
MLR*	3,747	3,603	3,495	3,258
Average	**3,858**	**4,335**	**3,821**	**3,964**
MINT's Portfolio in Thailand	**3,602**	**3,729**	**3,555**	**3,487**
Industry Average in Thailand***	**1,019**	**830**	**973**	**785**

(Organic)	Occupancy (%)			
	4Q16	4Q15**	FY16	FY15**
Owned Hotels	60	64	64	66
Joint Venture	51	49	46	50
Managed	64	63	65	63
MLR*	79	78	77	76
Average	**68**	**69**	**68**	**68**
MINT's Portfolio in Thailand	**70**	**72**	**74**	**72**
(Organic)	ADR (Bt/night)			
	4Q16	4Q15**	FY16	FY15**
Owned Hotels	7,475	6,968	6,677	6,553
Joint Venture	10,724	12,013	10,774	10,498
Managed	7,245	7,809	6,921	7,038
MLR*	4,772	4,610	4,557	4,271
Average	**6,286**	**6,306**	**5,956**	**5,830**
MINT's Portfolio in Thailand	**5,484**	**5,179**	**4,998**	**4,832**
(Organic)	RevPar (Bt/night)			
	4Q16	4Q15**	FY16	FY15**
Owned Hotels	4,451	4,473	4,292	4,293
Joint Venture	5,419	5,945	4,911	5,237
Managed	4,622	4,938	4,470	4,400
MLR*	3,747	3,603	3,495	3,258
Average	**4,270**	**4,335**	**4,051**	**3,964**
MINT's Portfolio in Thailand	**3,846**	**3,729**	**3,723**	**3,487**

* Properties under Management Letting Rights in Australia and New Zealand

** Performance of owned hotels and joint venture in 4Q15 and FY15 were restated, following the increased shareholding in the two hotels in Zambia effective from July 2016 onwards.

*** Source for Industry Average: Bank of Thailand

Hotel Performance Analysis

In 4Q16, total core revenue of hotel and related services, which included revenue from owned hotels, Oaks and spa services, increased by 15% y-y. The increase was mainly from the stable growth of Oaks in Australia, together with the contribution of recently consolidated Tivoli portfolio in Portugal, which helped offset the slower-than-usual growth rate of owned hotels in Thailand during its high season because of both the mourning period and the flooding in the south of Thailand.

4Q16 management income increased by 2% y-y as revenue of new hotels, most of which opened in the second half of 2016, was still at the ramping-up stage. In any case, the increase in number of rooms exemplifies the strength of MINT's owned brands, especially Anantara and AVANI, which resulted in MINT's ability to consistently secure new management contracts and successfully spearhead international expansion. The additional rooms will result in healthy growth of management income in 2017.

2016 core revenue from hotel and related services grew by 27%. The solid performance of owned hotels in Thailand on the back of strong international tourist arrivals in the first nine months of 2016, the consistent growth of Oaks portfolio throughout the year and the contribution of the newly acquired Tivoli portfolio in Portugal were the key drivers of the outstanding performance. At the same time, management income increased by 12%, attributable to the strong performance of managed hotels in Thailand and Seychelles, together with the additional management fee from newly managed hotels.

Mixed-Use Business & Performance Analysis

One of MINT's mixed-use businesses is plaza and entertainment business. The Company owns and operates three shopping plazas, namely; (1) Royal Garden Pattaya, (2) Turtle Village Shopping Plaza Phuket and (3) Riverside Plaza Bangkok. In addition, MINT is the operator of seven entertainment outlets in Pattaya, namely (1) Ripley's Believe It or Not Museum; (2) 4D Moving Theater; (3) Haunted Adventure; (4) Infinity Maze; (5) The Louis Tussaud's Waxworks; (6) Ripley's Scream in the Dark and (7) Ripley's The Vault. 4Q16 revenue from plaza and entertainment business decreased by 12% y-y to Bt 107m, primarily from the soft performance of Royal Garden Pattaya amidst the mourning period.

The other mixed-use business that provides a bigger contribution to MINT's hospitality business is the real estate business, which comprises residential development and vacation club. MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. The first project is the Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Hotel in Samui. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok. To date, 11 villas of the Estates Samui and all units of St. Regis Residences have been sold. The latest project is The Residences by Anantara, Layan, Phuket, with 15 villas next to Anantara Layan Phuket Resort. By the end of 2016, six villas of The Residences by Anantara have been sold, although none was sold in 4Q16. Going into 2017, MINT continues to receive interests from many potential buyers and is confident that 1Q17 will be one of the record quarters for residential sale, based on two large units that have already been sold and another unit that is in the process of closing. As property prices in Phuket are on an increasing trend, MINT will strategically time the selling of its residential units in a way that will maximize its revenue and earnings. In addition, the construction of Anantara Chiang Mai Serviced Suites, a 50% joint-venture project with U City PCL, was completed in 4Q16. Out of 44 condominium units available for sale, 23 units were sold and transferred in 4Q16. Another joint-venture project outside of Thailand, Torres Rani in Maputo, Mozambique was also completed with 181 condominium units. While most of the units will be leased out, there are six penthouses available for sale, of which one was sold and transferred in 4Q16. Additional residential development projects are being considered to ensure continuous pipeline of MINT's real estate business.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 4Q16, AVC has a total inventory of 160 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China, with Chiang Mai as the newest addition in 4Q16. AVC's number of members increased by 15% y-y in 2016 to 8,000 members. Since the second half of 2015, AVC launched new business model, which resulted in reduced package size, accelerated cash flow stream and lower bad debt. As a result, revenue growth in the first nine months of 2016 was put under pressure. However, MINT started to see an improving trend of AVC revenue and profit in the fourth quarter of 2016 and first quarter of 2017 to date. MINT is confident in AVC growth outlook in 2017 and believes that the new business model will strengthen the profitability and balance sheet in the long term.

Overall, revenue from real estate development decreased by 33% y-y in 4Q16, primarily from the absence of sale of the residential development business, compared to three units sold in 4Q15. In 2016, real estate business reported a decline in revenue by 13% due to the slowdown of AVC sales in the first nine months of 2016.

Overall Hotel & Mixed-Use Financial Performance Analysis

Total core revenue of hotel and mixed-use business increased by 4% y-y in 4Q16. Despite soft performance of owned hotels in Thailand and residential sale, which were affected by the mourning period, the diversification strategy enabled MINT to maintain the growth of hotel and mixed-use revenue. However, core EBITDA declined by 4% y-y, and EBITDA margin contracted from 31.3% in 4Q15 to 29.0% in 4Q16, mainly attributable to the lower operating leverage of the Thai operation during the quarter, the soft performance of Tivoli hotels in Portugal during its low season and renovation period, and the absence of the higher-profitability residential sale.

In 2016, total core revenue of hotel and mixed-use business increased by 18%, bolstered by the growth of hotel & related services and management income. Core EBITDA grew 16% in 2016, which resulted in a decline in EBITDA margin from 26.1% in 2015 to 25.7% in 2016. The margin contraction was mainly due to the lower operating average of AVC throughout the first nine month of 2016 and the aforementioned reason in 4Q16.

Revenue Breakdown*

Bt million	**4Q16**	**4Q15**	**%Chg**
Hotel & related services**	5,934	5,153	15%
Management fee	277	271	2%
Plaza & entertainment	107	122	-12%
Real estate development	1,026	1,538	-33%
Total Revenue	**7,344**	**7,085**	**4%**
EBITDA	**2,132**	**2,218**	**-4%**
EBITDA Margin	**29.0%**	**31.3%**	
	2016	**2015**	**%Chg**
Hotel & related services**	22,248	17,528	27%
Management fee	1,103	984	12%
Plaza & entertainment	500	532	-6%
Real estate development	3,907	4,502	-13%
Total Revenue	**27,758**	**23,547**	**18%**
EBITDA	**7,146**	**6,146**	**16%**
EBITDA Margin	**25.7%**	**26.1%**	

* The table excludes non-recurring items as detailed on page 3.
** Includes share of profit and other income

Retail Trading and Contract Manufacturing Business

At the end of 4Q16, MINT had 327 retail trading points of sales, an increase of 20 points of sales from 307 at the end of 4Q15. Majority of new openings was fashion outlets. In 4Q16, Minor Lifestyle launched two new bags and accessory brands, Anello from Japan and Radley from England. By the same token, retail trading points of sale increased by 35 points of sales q-q, primarily from the opening of outlets of the newly launched brands.

Of total 327 retail trading outlets, 93% are operated under fashion brands including Esprit, Bossini, GAP, Banana Republic, Brooks Brothers, Etam, Radley, Anello, Charles & Keith, and Pedro, while 7% are operated under Zwilling J.A.Henckels.

Retail Trading's Outlet Breakdown

	4Q16	Chg q-q	Chg y-y
Fashion	305	36	36
Cosmetics	0	-1	-16
Others	22	0	0
Total Outlets	**327**	**35**	**20**

In 4Q16, total retail trading and contract manufacturing revenue was flat y-y. Revenue from retail trading business increased 3% by y-y, mainly from the robust performance of the Charles & Keith, Banana Republic and Zwilling J.A.Henckels brands, together with additional revenue from the new brands. However, revenue from contract manufacturing business still faced pressure from soft performance of its key customers. EBITDA of the retail trading and contract manufacturing business decreased by 9% y-y, primarily attributable to the lower operating leverage of the contract manufacturing business. As a result, EBITDA margin decreased from 10.9% in 4Q15 to 10.0% in 4Q16.

2016 revenue from retail trading and contract manufacturing was flat y-y, while 2016 EBITDA decreased by 11% because of the promotional discounts, higher sales and marketing expenses earlier in the year to drive revenue amidst the challenging domestic market conditions and lower operating leverage of the contract manufacturing business. Consequently, EBITDA margin decreased from 8.6% in 2015 to 7.6% in 2016.

Retail Trading and Contract Manufacturing's Revenue Breakdown

Bt million	**4Q16**	**4Q15**	**%Chg**
Retail Trading	685	666	3%
Manufacturing	225	249	-10%
Total Revenue*	**910**	**915**	**0%**
EBITDA	**91**	**100**	**-9%**
EBITDA Margin	**10.0%**	**10.9%**	
	2016	**2015**	**%Chg**
Retail Trading	2,551	2,461	4%
Manufacturing	954	1,044	-9%
Total Revenue*	**3,505**	**3,505**	**0%**
EBITDA	**267**	**300**	**-11%**
EBITDA Margin	**7.6%**	**8.6%**	

*Includes share of profit and other income

Balance Sheet & Cash Flows

In 2016, MINT restated its 2015 balance sheet as a result of additional information related to business acquisitions of Tivoli Hotels & Resorts and Minor DKL as detailed in Note 36 of Notes to the Consolidated and Separate Financial Statements. At the end of 2016, MINT reported total assets of Bt 108,453m, an increase of Bt 10,071m from Bt 98,382m at the end of 2015. The increase was primarily the result of:

1. Bt 13,685m increase in property, plant and equipment due mainly to the consolidation of Tivoli hotels in Portugal and two hotels in Zambia;
2. Bt 590m increase in intangible assets, mainly from additional management letting rights of Oaks;
3. Bt 586m increase in long-term loan to related companies to support the company expansion, netted off with;
4. Bt 4,958m decrease in land and real estates project for sales, mainly from the reclassification of existing five Tivoli hotels in Portugal at the end of 2015 to property, plant, and equipment since 1Q16, together with reduced inventory of The Residences by Anatara, Layan in 1H16 as a result of sale of the residential units; and
5. Bt 1,089m decrease in available-for-sale investment, mainly from the reclassification of investment in BreadTalk Group in Singapore to investment in associates.

MINT reported total liabilities of Bt 67,656m at the end of 2016, an increase of Bt 5,986m from Bt 61,670m at the end of 2015. The increase was mainly from (1) the issuance of 5-year debenture of Bt 2,800m and 15-year debenture of Bt 1,200m to support investment in Tivoli Hotels & Resorts, (2) the increase in long-term borrowings of Bt 1,833m to support the hotel investment, (3) the increase in deferred tax liabilities of Bt 1,361m from the consolidation of recent investments and the recognition of the fair value adjustments, netted off with (4) the repayment of bank overdrafts and short-term borrowings of Bt 1,464m.

Shareholders' equity increased by Bt 4,086m from Bt 36,711m at the end of 2015 to Bt 40,797m at the end of 2016, owing primarily to 2016 net profit of Bt 6,590m, netted off with dividends paid of Bt 1,540m and non-controlling interests of Bt 723m, mainly from 30% minority interest arising from the consolidation of Minor DKL in Australia.

For the 12 months of 2016, MINT and its subsidiaries reported positive cash flows from operations of Bt 6,494m, an increase of Bt 3,995m y-y. This was partly from (1) the increase in profit before income tax of Bt 296m, (2) the decrease in land and real estates project for sales of Bt 658m in 2016, compared to a significant increase of Bt 2,281m in 2015 from the reclassification of investment in Tivoli hotels in Portugal, (3) the decrease in trade and other receivables of Bt 426m, compared to an increase of Bt1,025m in 2015, mainly from receipt of payment from residential sales, (4) the increase in other non-current assets of Bt 22m, compared to an increase of Bt 1,501m in 2015, which was mainly related to Oaks' group, netted off with (5) the decrease in trade and other payables of Bt 927m, compared to an increase of Bt 1,198m in 2015, which was primarily due to payment for the construction of The Residences by Anantara project and the consolidation of Minor DKL and (6) the decrease in other non-current liabilities of Bt962m, mainly from the adjustment of Tivoli's other non-current liabilities.

Net cash used in investing activities was Bt 9,145m, due primarily to net cash invested in subsidiaries of Bt 3,117m mainly from the Tivoli and Zambia investments and normal capital expenditures of hotel, restaurant and other businesses of Bt 5,637m.

The Company reported net cash received from financing activities of Bt 3,003m, comprising primarily of net proceeds from the issuance of 5-year and 15-year debentures of Bt 4,000m, net cash received from long-term borrowings of Bt 1,966m, netted off with net repayment of short-term borrowings of Bt 1,495m and dividend payment of Bt 1,540m.

In summary, cash flows from operating, investing and financing activities resulted in MINT's net cash and cash equivalents' increase of Bt 326m in 2016.

Financial Ratio Analysis

MINT's gross profit margin decreased from 58.0% in 2015 to 57.5% in 2016, primarily from the margin pressure on Anantara Vacation Club and the soft performance of the hospitality operation in Thailand amidst the national mourning period and flooding in the South in 4Q16. Reported net profit margin decreased from 14.7% in 2015 to 11.6% in 2016, while core net profit margin declined from 10.3% in 2015 to 8.4% in 2016, in line with lower gross profit margin, together with increase in effective tax rate due to higher tax rate of recently consolidated businesses.

Return on equity decreased from 21.1% in 2015 to 17.0% in 2016. Correspondingly, return on assets declined from 8.2% in 2015 to 6.4% in 2016. The decline of both ratios was due to lower net profit in 2016, compared to 2015.

Collection days decreased from 68 days in 2015 to 62 days in 2016, mainly because of the lower receivables from instalment sales of Anantara Vacation Club and payment of residential sale. The provision for impairment as a percentage of gross trade receivables increased from 3.7% at the end of 2015 to 6.3% at the end of 2016, mainly from the lower receivable from the residential sale and the higher provision from the Tivoli consolidation. MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant, retail trading and contract manufacturing businesses, while hotel business has lower level of inventory because of the nature of its business. Inventory days decreased from 53 days in 2015 to 51 days in 2016, primarily from the higher turnover of restaurant business. Account payable days decreased from 49 days in 2015 to 47 days in 2016, due to lower accounts payable of both hotel and restaurant businesses.

Current ratio decreased from 1.5x at the end of 2015 to 0.9x at the end of 2016 primarily because of a significant decrease in land and real estates project for sales from the reclassification of the Tivoli hotels in Portugal to property, plan and equipment, together with a substantial increase of current portion of debentures. Interest bearing debt to equity decreased from 1.24x at the end of 2015 to 1.22x at the end of 2016 as the equity base is growing faster than interest-bearing debt from the net profit contribution during the year. Interest coverage ratio increased from 5.2x in 2015 to 5.7x in 2016 because of the higher cash flow from operations.

Financial Ratio Analysis

Profitability Ratio	**31 Dec 16**	**31 Dec 15**
Gross Profit Margin (%)	57.5%	58.0%
Net Profit Margin – As Reported (%)	11.6%	14.7%
Core Net Profit Margin (%)	8.4%	10.3%
Efficiency Ratio	**31 Dec 16**	**31 Dec 15**
Return on Equity (%)	17.0%	21.1%
Return on Assets (%)	6.4%	8.2%
Collection Period (days)	62	68
Inventory Days	51	53
Accounts Payable Days	47	49
Liquidity Ratio	**31 Dec 16**	**31 Dec 15**
Current Ratio (x)	0.9	1.5
Leverage & Financial Policy	**31 Dec 16**	**31 Dec 15**
Interest Bearing Debt/Equity (x)	1.22	1.24
Net Interest Bearing Debt/Equity (x)	1.11	1.13
	31 Dec 16	**31 Dec 15**
Interest Coverage (x)	5.7	5.2

Management's Outlook – Brigher 2017

2016 was one of the challenging years for MINT, both in Thailand and other key operating markets. With a solid diversification strategy, strong multi-brand portfolio, disciplined execution and experienced management team, MINT successfully mitigated the impact in a robust way. Going into 2017, MINT is well-positioned to strengthen its performance on the back of its agility, as well as improving growth outlook and macro factors of MINT's key operating markets. Below highlight key growth drivers in 2017.

Tourism Recovery and Asset Enhancement Fueling Growth of Minor Hotels

In Thailand, MINT believes the mourning period and flooding have a short-term impact on the tourism industry and Thailand remains one of the world's most attractive tourist destinations. Going into 2017, MINT has already seen signs of tourism recovery, supported by strong inflow of international tourists. Furthermore, MINT will renovate some of its owned properties, both in Bangkok and other key tourist destinations, as part of its asset enhancement strategy to attract more guests, uplift its ADR and subsequently grow its RevPar.

In Portugal, the tourism industry will continue to benefit from the demand shift of European tourists from other Mediterranean destinations, which are still facing geopolitical risks, together with the weakening of Euro against USD. In addition, MINT is in the process of renovating three of Tivoli properties with a budget of EUR 23m. The room renovation will support meaningful expansion of ADR and RevPar upon completion, just in time for the high earning season.

In the Maldives and Brazil, MINT believes the markets are on the road to recovery in 2017. In the Maldives, MINT will use targeted and dynamic marketing tactics to drive occupancy. MINT will also expand its sales and marketing focus onto new feeder markets such as the Middle East, in addition to key existing markets like China and Europe. In Brazil, the renovation of the two hotels completed since late 2016 provides a strong growth engine to drive operational performance in 2017 as the economic environment improves and political tension starts to ease.

In Africa, improving economic conditions, enhanced flight connectivity and increasing tourist demand, especially to visit the world-renowned Victoria Falls are the key factors to support tourism growth of MINT's operating markets in the region. MINT will ramp up the performance and profitability of its African portfolio through ongoing renovation, as well as leveraging its global platform and operational excellence.

For the hotel management business, MINT's owned brands are gaining strong momentum in the global hospitality industry. With unique brand positioning, exceptional management and proven track record of delivering superior returns to property owners, MINT has successfully secured over 20 management contracts to be opened over the next three years. MINT aims to increase hotels under management from the current 36 hotels to over 100 hotels by 2021.

For the mixed-use business, MINT expects 2017 to be a strong year for its residential sale, driven by the delayed sale of three residential units from 4Q16 to 1Q17, of which two units have been sold and transferred in January 2017. Furthermore, the strong demand for high-end residences in Phuket will allow price to continue to increase. At the same time, MINT is confident in the turnaround of AVC performance after the implementation of new pricing and payment scheme. MINT will continue to enhance its product offerings by adding destinations to AVC's club resorts collection, together with implementing stringent credit terms and monitoring process to minimize potential bad debts and strengthen its customer loan portfolio.

Productivity Maximization as Winning Ingredient for Growth of Minor Food

Looking into 2017, MINT believes Thailand and China will be the fastest-growing markets of its restaurant business. Thailand hub will benefit from improving domestic consumption, supported by increasing farm income, lower household debt after the expiry of the first-car buyer scheme, reduction in personal income tax and higher infrastructure spending. To maintain the leading position in the industry, Thailand hub will drive product and service innovation and dynamic marketing strategy, together with leveraging digital strategy for both customer-facing and support functions to maximize customer satisfaction and productivity. For instance, the development of e-payment system will help strengthen the Pizza Company delivery platform and provide convenience for customers.

Outside Thailand, MINT believes China hub will provide strong growth prospect, supported by growing middle-class and urbanization trend. With the aim to drive profitable expansion, China hub will continue to strengthen its supply chain management practice, network planning and operational process and system to ensure product consistency and productivity improvement. Furthermore, the hub is growing its delivery segment by tailoring products and partnering with leading food delivery service operators in response to the increasing food delivery trend. Lastly, with the strong brand portfolio and operating platform, Australia and Singapore hubs are well-positioned to benefit when the external factors turn around.

Strengthening Retail Portfolio to Create a New Platform for Growth of Minor Lifestyle

Minor Lifestyle will continue to strengthen its portfolio by looking for opportunities to selectively launch new lifestyle brands in Thailand as domestic consumption environment improves. In addition, the newly launched brands in 2016 will serve as a new platform for revenue and net profit growth. With the launch of its e-commerce platform, Bemynt, Minor Lifestyle will focus on strengthening its retail management capabilities with offline and online integration to improve productivity and enhance customer experience. MINT is confident that these initiatives will provide a solid foundation for earnings growth going forward.

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