MINOR INTERNATIONAL

November 13, 2017 **Minor International Public Company Limited**

Management Discussion and Analysis

Overview

3Q17 and 9M17 Performance

Minor International Public Company Limited ("MINT") reported y-y revenue growth of 7% in 9M17 and 3% in 3Q17, while core net profit increased by 18% in 9M17 and 15% in 3Q17 y-y, compared to 9M16 and 3Q16 core revenue and net profit. In 9M16, MINT recorded non-recurring items as required under Thai Generally Accepted Accounting Principles (Thai GAAP), which are detailed in Notes to EBITDA Breakdown Table for nine-month period on page 2.

Despite market headwinds across its key markets, MINT was once again able to maintain operational resiliency and achieved earnings growth of all three business units, supported by its successful business diversification strategy, operational excellence and disciplined cost control.

In 3Q17, revenue of hotel and mixed-use business grew by 5% from 3Q16 core revenue, driven by the robust performance of Thailand hotels and Tivoli-branded portfolio in Brazil and Portugal, together with the strong momentum of sales of Anantara Vacation Club (AVC). Retail trading & contract manufacturing showed impressive growth of 24% y-y, attributable to the organic growth of fashion and contract manufacturing businesses, together with additional revenue from the new retail brands. Revenue of restaurant business showed a slight decline of 2% y-y, mainly as a result of the portfolio rationalization of Singapore hub, which closed down non-performing stores in the midst of challenging business environment.

In 3Q17, hotel & mixed-use business accounted for 53% of total revenue. Restaurant business contributed 40% of total revenue, while retail trading and contract manufacturing contributed the remaining 7%.

Revenue Breakdown

Bt million	**3Q17**	**3Q16**	**%Chg**
As Reported			
Restaurant Services	5,693	5,794	-2%
Hotel & Mixed-Use	7,571	7,329	3%
Retail Trading & Contract Manufacturing	1,037	836	24%
Total Revenue	**14,300**	**13,959**	**2%**
Core*			
Restaurant Services	5,693	5,794	-2%
Hotel & Mixed-Use	7,571	7,237	5%
Retail Trading & Contract Manufacturing	1,037	836	24%
Total Revenue	**14,300**	**13,867**	**3%**

* Core operations exclude non-recurring gain of Bt 92m from changing status of investment in some of the Oaks properties.

In 9M17, MINT reported total revenue of Bt 43,066m, an increase of 7% from 9M16 core revenue. The growth was driven mainly by solid performance of hotel and mixed-use business, as a result of robust growth of hotel operations in Thailand and Brazil, additional contribution from the two hotels in Zambia in 1H17, strong pick up in sales of AVC, together with the notable growth of fashion brands of the retail trading business.

In terms of revenue breakdown, in 9M17, hotel & mixed-use and restaurant businesses accounted for 52% and 41% of total revenue, respectively. Retail trading and contract manufacturing business contributed another 7%.

Revenue Breakdown

Bt million	**9M17**	**9M16**	**%Chg**
As Reported			
Restaurant Services	17,530	17,536	0%
Hotel & Mixed-Use	22,618	22,438	1%
Retail Trading & Contract Manufacturing	2,918	2,595	12%
Total Revenue	**43,066**	**42,570**	**1%**

Core*	9M17	9M16	%Chg
Restaurant Services	17,530	17,401	1%
Hotel & Mixed-Use	22,618	20,414	11%
Retail Trading & Contract Manufacturing	2,918	2,595	12%
Total Revenue	**43,066**	**40,410**	**7%**

* Core operations exclude non-recurring items:
(1) Gain of Bt 92m from changing status of investment in some of the Oaks properties;
(2) Gain on fair value adjustment of change in status of investment in BreadTalk Group in Singapore of Bt 136m in 2Q16;
(3) Gain from bargain purchases of Tivoli Hotels & Resorts of Bt 1,932m in 1Q16.

MINT reported EBITDA of Bt 2,924m in 3Q17, a 6% increase from 3Q16 core EBITDA. The growth was attributable to solid performance of all three business units. EBITDA of hotel & mixed use business increased by 7% from 3Q16 core EBITDA, led by significant improvement in performance of AVC with its high operating leverage nature. EBITDA of restaurant business increased by 4% y-y, primarily from effective supply chain management and streamlining of operations in China and increased contribution from Veneziano Coffee Roasters in Australia. Lastly, EBITDA of retail trading & contract manufacturing business reported impressive growth of 36% y-y, mainly due to the higher operating leverage of retail trading business. Consequently, 3Q17 EBITDA margin increased to 20.4%, compared to core EBITDA margin of 19.9% in 3Q16.

In 3Q17, hotel & mixed-use and restaurant businesses accounted for 63% and 35% of total EBITDA respectively. Retail trading & contract manufacturing contributed the remaining 2%.

EBITDA Breakdown

Bt million	3Q17	3Q16	%Chg
As Reported			
Restaurant Services	1,018	982	4%
Hotel & Mixed-Use	1,836	1,683	9%
Retail Trading & Contract Manufacturing	70	52	36%
Total EBITDA	**2,924**	**2,716**	**8%**
EBITDA Margin	**20.4%**	**19.5%**	

Core*	3Q17	3Q16	%Chg
Restaurant Services	1,018	982	4%
Hotel & Mixed-Use	1,836	1,723	7%
Retail Trading & Contract Manufacturing	70	52	36%
Total EBITDA	**2,924**	**2,756**	**6%**
EBITDA Margin	**20.4%**	**19.9%**	

* Core operations exclude non-recurring gain of Bt 92m from changing status of investment in some of the Oaks properties, which were offset by impairment charges of certain Oaks properties of Bt 132m (recorded in SG&A, pre-tax), resulting in no material impact post-tax on core net profit in 3Q16.

In 9M17, MINT reported EBITDA of Bt 8,829m, a 9% increase from 9M16 core EBITDA, driven by robust growth of all three of MINT's businesses. As a result, 9M17 EBITDA margin improved to 20.5%, compared to core EBITDA margin of 20.0% in 9M16.

In 9M17, hotel & mixed-use business represented 62% of total EBITDA, while restaurant business accounted for 36%. Retail trading and contract manufacturing business accounted for the remaining 2%.

EBITDA Breakdown

Bt million	9M17	9M16	%Chg
As Reported			
Restaurant Services	3,167	3,045	4%
Hotel & Mixed-Use	5,473	6,906	-21%
Retail Trading & Contract Manufacturing	189	176	7%
Total EBITDA	**8,829**	**10,128**	**-13%**
EBITDA Margin	**20.5%**	**23.8%**	
Core*			
Restaurant Services	3,167	2,910	9%
Hotel & Mixed-Use	5,473	5,014	9%
Retail Trading & Contract Manufacturing	189	176	7%
Total EBITDA	**8,829**	**8,100**	**9%**
EBITDA Margin	**20.5%**	**20.0%**	

* Core operations exclude non-recurring items:
(1) Gain of Bt 92m from changing status of investment in some of the Oaks properties, which were offset by impairment charges of certain Oaks properties of Bt 132m (recorded in SG&A, pre-tax), resulting in no material impact post-tax on core net profit in 3Q16;
(2) Gain of Bt 136m on fair value adjustment of change in status of investment in BreadTalk Group in Singapore in 2Q16;
(3) Gain of Bt 1,932m from bargain purchases of Tivoli Hotels & Resorts in 1Q16.

MINT reported net profit of Bt 1,143m in 3Q17, a 15% growth from 3Q16 net profit of Bt 990m. The increase was of larger magnitude than EBITDA, mainly supported by generally higher operating leverage of organic operations, which saw relatively stable depreciation expense when compared with revenue growth. Furthermore, the increase in net profit was also due to the higher operating leverage nature of AVC after the change of its sales model since 2015, improved profitability of restaurant operation in China with effective cost control and streamlined operation, as well as higher profitability of retail trading business. In addition, the increased shareholding in Riverside resulted in lower non-controlling interests, allowing MINT to recognize additional profit. As a result, net profit margin increased to 8.0% in 3Q17 from 7.1% in 3Q16.

In 9M17, MINT reported net profit of Bt 3,804m, an increase of 18% from 9M16 core net profit of Bt 3,229m, from solid performance of all three business units. As a result, net profit margin expanded to 8.8% in 9M17 from core net profit margin of 8.0% in 9M16.

Net Profit

Bt million	3Q17	3Q16	%Chg
Total net profit	**1,143**	**990**	**15%**
Net Profit Margin	**8.0%**	**7.1%**	
	9M17	**9M16**	**%Chg**
As Reported			
Total net profit	**3,804**	**5,297**	**-28%**
Net Profit Margin	**8.8%**	**12.4%**	
Core*			
Total net profit	**3,804**	**3,229**	**18%**
Net Profit Margin	**8.8%**	**8.0%**	

* Core operations exclude non-recurring gain from bargain purchases of Tivoli Hotels & Resorts of Bt 1,932m in 1Q16 and gain on fair value adjustment of change in status of investment in BreadTalk Group in Singapore of Bt 136m in 2Q16.

Major Developments in 3Q17

	Developments
Restaurant	• Opened 5 outlets, net q-q, majority of which were The Pizza Company, Burger King and BreadTalk outlets
Hotel & Mixed-Use	• Debuted the Tivoli brand in Qatar with the rebranding of Souq Waqif Boutique Hotels to Souq Waqif Boutique Hotels by Tivoli • Added five units of Anantara Vacation Club's inventory in Phuket
Corporate	• Included in the Dow Jones Sustainability Emerging Markets Index (DJSI) in the consumer services sector for the fourth consecutive year • Included in the FTSE4Good Emerging Index for the second consecutive year • Included in the ESG100 by ThaiPat Institute • Issued USD-dominated debentures in the amount of USD 50 million

Segment Performance

Restaurant Business

At the end of 3Q17, MINT's total restaurants reached 2,042 outlets, comprising 1,035 equity-owned outlets (51% of total), and 1,007 franchised outlets (49% of total). 1,303 outlets (64% of total) are in Thailand, while the remaining 739 outlets (36% of total) are in Australia, China, England, India, Middle East, New Zealand, Singapore, the Maldives and other countries in Asia.

Restaurant Outlets by Owned Equity and Franchise

	3Q17	Chg q-q	Chg y-y
Owned Equity	1,035	4	32
- Thailand	836	7	38
- Overseas	199	-3	-6
Franchise	1,007	1	82
- Thailand	467	2	45
- Overseas	540	-1	37
Total Outlets	**2,042**	**5**	**114**

Restaurant Outlets by Brand

	3Q17	Chg q-q	Chg y-y
The Pizza Company	429	6	53
Swensen's	328	-3	3
Sizzler	63	1	5
Dairy Queen	437	0	24
Burger King	84	4	15
The Coffee Club	458	-5	7
Thai Express	91	-4	-10
Riverside	57	3	-1
BreadTalk	42	4	12
Others*	53	-1	6
Total Outlets	**2,042**	**5**	**114**

* 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 England under "Grab" and "Patara" brands.

Hub Performance Analysis

In 3Q17, total-system-sales (including sales from franchised outlets) increased by 3.2% y-y, due to store expansion of 6% y-y. Same-store-sales decreased slightly by 2.5% y-y, mainly as a result of challenging business environment in Singapore and temporary consumption slowdown in Thailand.

In 3Q17, Thailand hub reported total-system-sales growth of 7.6% y-y, mainly attributable to its disciplined outlet expansion of 7%. In the midst of sluggish domestic consumption and mourning period, Thailand hub experienced a temporary decline in same-store-sales by 1.8% y-y. However, Swensen's, Dairy Queen, Burger King and The Coffee Club were brands that proved resilient despite challenging macro backdrop and reported positive same-store-sales growth in 3Q17. Swensen's successfully maintained strong growth momentum since the beginning of the year with same-store-sales growth of 5.9% y-y in 3Q17. The strong growth was driven by the successful launch of its seasonal Durian Mon Thong Sundae menu, continuous growth of the kids segment, together with well-executed online marketing strategy. Dairy Queen effectively enhanced its performance with the highest same-store-sales growth in 3Q17 over the past two years, mainly attributable to the success in product innovation to cater to local tastes. As proofs, the Durian Blizzard and Green Tea Blizzard menus were well received by customers and drove double-digit increase in customer traffic. Burger King continued to see an increase in same-store-sales, bolstered by the strong demand for its recently launched Black Truffle Double Mushroom Swiss menu, together with the success of its strategy to grow the delivery segment. Lastly, The Coffee Club, although the contribution is still small, reported impressive same-store-sales growth of 7.9% y-y. The robust growth was driven by its ongoing efforts to launch new and exciting menus, which successfully led to the increase in store traffic by more than 40%.

China hub's same-store-sales remained flat y-y in 3Q17. Although Riverside continued to report positive same-store-sales growth, Sizzler and Thai Express performance were put under pressure as the two brands were still in the process of optimizing menu selections to better cater to local tastes. In addition, China hub saw a slight y-y decline in total-system-sales, primarily due to temporary impact from relocation of Riverside outlet during the lease-end period. To strengthen its revenue performance, China hub will focus on improving its product offering and building proactive marketing campaigns to drive customer traffic and overall sales.

The challenging domestic market conditions in Australia had some adverse impact on operational performance of Australia hub, which saw modest decline in total-system-sales and same-store-sales growth in 3Q17. Despite the soft performance in Australia, the operation in other international markets, especially The Coffee Club brand in the Middle East and Thailand, continued to gain strong growth momentum. Same-store-sales of The Coffee Club in the Middle East increased by more than 30% y-y in 3Q17. To respond to the current market pressure and drive customer traffic, Australia hub will focus on elevating customer experience with new coffee products and food offerings. In addition, the rapid expansion of its coffee roasting business, together with the promising growth outlook of The Coffee Club brand in international markets, will help strengthen the performance of Australia hub going forward.

Singapore hub continued to experience headwinds from macro slowdown and high competition in the restaurant sector. To restore growth, Singapore hub plans to capitalize on its high-potential delivery segment and grow sales by partnering with leading third-party aggregators. In addition, Singapore hub is currently implementing technology systems to automate restaurant operations in order to improve efficiency and profitability. Lastly, it will continue to rationalize its portfolio by selectively closing non-performing outlets to protect profitability. Despite the challenging business environment, Minor Food still believes in the long-term potential of Singapore hub and its brands. It will temporarily slow down the expansion in Singapore for the time being and look for an opportunity to move forward again when the economy recovers, while driving expansion of Thai Express brand in international markets, especially in Vietnam and China.

Overall, 9M17 total-system-sales increased by 5.7% y-y, mainly attributable to disciplined outlet expansion in Thailand, China, Vietnam and Myanmar. In spite of headwinds facings its key operating markets, Minor Food is optimistic on the outlook of its operational performance for the remainder of the year and 2018. Thailand hub is expected to recover strongly with the upcoming festive season and better consumer sentiment in 2018 following the end of the national mourning period. China hub is expected to lead growth and sustain strong performance and profitability, supported by favorable demand and increased operational efficiencies. Australia hub will remain resilient, with its strong franchising business model, together with the successful expansion of The Coffee Club brand in international markets. Lastly, Singapore hub's profitability and operational performance is expected to improve over time with the streamlining of operations and promising growth prospects of Thai Express brand in international markets.

Restaurant Business Performance

%	3Q17	3Q16	9M17	9M16
Average Same-Store-Sales Growth	(2.5)	3.0	(0.8)	2.1
Average Total-System-Sales Growth	3.2	11.3	5.7	10.0

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

Financial Performance Analysis

3Q17 total restaurant revenue decreased by 2% y-y due to the decline in revenue from operation, which was primarily a result of the closure of non-performing outlets in Singapore in the midst of challenging business environment. The number of outlets in Singapore decreased by 15% y-y in 3Q17. Franchise fee grew by 1% y-y, from continued growth of existing franchising business, especially in the Middle East and Southeast Asia. Nevertheless, 3Q17 EBITDA grew by 4% y-y, primarily because of improved operational efficiency and effective supply chain management in China and higher contribution from Veneziano Coffee Roasters in Australia. As a result, 3Q17 EBITDA margin grew to 17.9% from 17.0% in 3Q16.

9M17 total restaurant revenue increased by 1% from core revenue in 9M16, from the resilient performance of Thailand and China hubs. 9M17 EBITDA grew by a larger magnitude of 9%, compared to 9M16 core EBITDA, primarily from the improved profitability of China and Australia hubs., as well as stable growth of Thailand hub. As a result, EBITDA margin improved to 18.1% in 9M17 from 9M16 core EBITDA of 16.7%.

Revenue Breakdown*

Bt million	**3Q17**	**3Q16**	**%Chg**
Revenue from Operation**	5,286	5,390	-2%
Franchise Fee	407	403	1%
Total Revenue	5,693	5,794	-2%
EBITDA	**1,018**	**982**	**4%**
EBITDA Margin	**17.9%**	**17.0%**	
	9M17	**9M16**	**%Chg**
Revenue from Operation**	16,277	16,203	0%
Franchise Fee	1,253	1,198	5%
Total Revenue	**17,530**	**17,401**	**1%**
EBITDA	**3,167**	**2,910**	**9%**
EBITDA Margin	**18.1%**	**16.7%**	

* The table excludes non-recurring gain on fair value adjustment of change in status of investment in BreadTalk Group in Singapore of Bt 136m in 2Q16.
** Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 3Q17, MINT owns 69 hotels and manages 86 hotels and serviced suites in 24 countries. Altogether, these properties have 19,860 hotel rooms and serviced suites, including 8,903 that are equity-owned and 10,957 that are purely-managed under the Company's brands including Anantara, AVANI, Oaks, Tivoli and Elewana Collection. Of the total, 4,191 rooms or 21% are in Thailand, while the remaining 15,669 rooms or 79% are located in Australia, Botswana, Brazil, Cambodia, China, Kenya, New Zealand, India, Indonesia, Lesotho, Malaysia, Mozambique, Namibia, Oman, Portugal, Qatar, Seychelles, Sri Lanka, Tanzania, the Maldives, the UAE, Vietnam and Zambia.

Hotel Rooms by Owned Equity and Management

	3Q17	Chg q-q	Chg y-y
Owned Equity*	8,903	-11	33
- Thailand	2,496	-11	23
- Overseas	6,407	0	10
Management	10,957	-25	315
- Thailand	1,695	0	0
- Overseas	9,262	-25	315
Total Hotel Rooms	**19,860**	**-36**	**348**

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

Hotel Rooms by Ownership

	3Q17	Chg q-q	Chg y-y
Owned Hotels	7,039	-11	-45
Joint Ventures	1,864	0	78
Managed Hotels	4,619	0	337
MLRs*	6,338	-25	-22
Total Hotel Rooms	**19,860**	**-36**	**348**

* Properties under Management Letting Rights in Australia and New Zealand

Hotel Performance Analysis by Ownership

Owned-hotels portfolio, which accounted for 61% of hotel & mixed-use revenue in 3Q17, reported y-y organic revenue per available room (RevPar) increase of 5%. Owned hotels in Thailand delivered robust performance on the back of the country's growing tourism, together with MINT's effective revenue management, and achieved organic RevPar growth of 11% y-y in 3Q17. Organic RevPar of Bangkok owned hotels showed notable double-digit growth y-y. Both Anantara Siam Bangkok Hotel and AVANI Riverside Bangkok Hotel experienced RevPar growth of more than 30%, while The St. Regis Bangkok also saw double-digit RevPar increase. Outside of Bangkok, owned hotels in the provinces of Thailand experienced steady increase of demand despite being in the low season and reported organic RevPar growth of 5% y-y. Outside of Thailand, organic RevPar of the overseas owned hotels portfolio grew by 2% y-y, led by the Tivoli portfolio in Brazil and Portugal. The two Tivoli hotels in Brazil sustained strong growth momentum and delivered double-digit RevPar growth, resulting from both occupancy and average daily rate (ADR) increases. In Portugal, the portfolio under the Tivoli brand also achieved double-digit RevPar growth, led by higher ADR from strong demand during the high season and property renovations. However, the operation in the Maldives remained fragile due to both weaker demand and increased competition from new hotel supply, which resulted in intensified price competition during the low season in 3Q17 and therefore a y-y RevPar decline. Furthermore, MINT's owned hotel in Botswana saw a decrease in demand and subsequently RevPar performance as the property underwent substantial refurbishment. Including the newly opened Anantara Kalutara Resort, 3Q17 system-wide RevPar of owned hotels remained flat y-y.

Oaks, contributing 22% of 3Q17 hotel & mixed-use revenue, continued to see strong demand with occupancy rate of 80%, resulting in RevPar growth of 5% y-y in Australian dollar term. With a modest weakening of exchange rate, Oaks's RevPar grew by 4% y-y in Thai Baht term in 3Q17.

Revenue contribution of management contract to MINT's hotel & mixed-use revenue was 3% in 3Q17. Organic RevPar of management contract portfolio decreased by 9% y-y in 3Q17, primarily due to soft performance of hotels in the UAE and Malaysia, as well as the temporary impact of the potential Volcano eruption in Bali, Indonesia and the absence of the PER AQUUM portfolio in the UAE and the Maldives, which had high ADR, following the sale of MINT's shareholding in the brand earlier this year. Including new hotels, system-wide RevPar of managed hotels declined by 9% y-y in 3Q17.

In summary, in 3Q17, MINT's overall system-wide RevPar of its entire hospitality portfolio was flat y-y, mainly from the ramping up of new overseas hotels, which still had lower RevPar than the average of MINT's existing hotels. Excluding new hotel additions, MINT's organic RevPar of the entire portfolio grew by 1% y-y in 3Q17.

In 9M17, system-wide RevPar of MINT's entire portfolio was flat y-y, primarily from the lower RevPar of new hotels during their ramp-up stage compared to the average of MINT's existing hotels. Excluding new hotels, organic RevPar of the entire portfolio grew by 3% y-y.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	3Q17	**3Q16**	**9M17**	**9M16****
Owned Hotels	69	73	63	65
Joint Ventures	48	42	47	43
Managed Hotels	63	62	64	64
MLRs*	80	78	78	76
Average	**70**	**70**	**67**	**67**
MINT's Portfolio in Thailand	79	74	78	75
Industry Average in Thailand**	64	60	N/A	N/A

(System-wide)	ADR (Bt/night)			
	3Q17	**3Q16**	**9M17**	**9M16****
Owned Hotels	6,095	5,572	6,104	5,704
Joint Ventures	7,473	9,304	9,465	11,404
Managed Hotels	5,530	6,068	6,123	6,663
MLRs*	4,581	4,515	4,552	4,481
Average	**5,444**	**5,410**	**5,657**	**5,667**
MINT's Portfolio in Thailand	4,319	4,247	4,701	4,746
Industry Average in Thailand**	1,621	1,328	N/A	N/A

(System-wide)	RevPar (Bt/night)			
	3Q17	**3Q16**	**9M17**	**9M16****
Owned Hotels	4,206	4,041	3,858	3,724
Joint Ventures	3,556	3,875	4,495	4,888
Managed Hotels	3,460	3,788	3,933	4,239
MLRs*	3,680	3,528	3,547	3,408
Average	**3,800**	**3,793**	**3,814**	**3,809**
MINT's Portfolio in Thailand	3,415	3,149	3,678	3,538
Industry Average in Thailand**	1,033	802	N/A	N/A

(Organic)	Occupancy (%)			
	3Q17	**3Q16**	**9M17**	**9M16****
Owned Hotels	70	73	65	65
Joint Ventures	49	42	49	43
Managed Hotels	66	62	67	64
MLRs*	80	78	78	76
Average	**71**	**70**	**69**	**67**
MINT's Portfolio in Thailand	79	74	79	75

(Organic)	ADR (Bt/night)			
	3Q17	**3Q16**	**9M17**	**9M16****
Owned Hotels	6,101	5,572	6,164	5,704
Joint Ventures	7,686	9,304	9,609	11,396
Managed Hotels	5,241	6,068	6,179	6,662
MLRs*	4,581	4,515	4,552	4,481
Average	**5,391**	**5,410**	**5,676**	**5,667**
MINT's Portfolio in Thailand	4,319	4,247	4,805	4,746

(Organic)	RevPar (Bt/night)			
	3Q17	**3Q16**	**9M17**	**9M16****
Owned Hotels	4,257	4,041	4,013	3,725
Joint Ventures	3,763	3,875	4,751	4,888
Managed Hotels	3,439	3,788	4,121	4,239
MLRs*	3,680	3,528	3,547	3,408
Average	**3,836**	**3,793**	**3,918**	**3,809**
MINT's Portfolio in Thailand	3,415	3,149	3,777	3,540

* Properties under Management Letting Rights in Australia & New Zealand

** Performance of owned hotels and join ventures in 9M16 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 3Q17, revenue of hotel and related services increased by 3% from 3Q16 core revenue. The increase continued to be mainly from the strong performance of hotels in Thailand and Tivoli-branded portfolio in Brazil and Portugal following favorable macro conditions, property renovations and MINT's successful sales and marketing efforts. 3Q17 management income decreased by 10% y-y, partly due to the sale of MINT's 50% investment in PER AQUUM portfolio, which included the management of Huvafen Fushi and Desert Palm.

In 9M17, revenue from hotel and related services grew by 8% from 9M16 core revenue due to the robust hotel operations in Thailand and Brazil, additional contribution from the two hotels in Zambia in 1H17, as well as stable growth of Oaks in Australia. 9M17 management income increased by 2% y-y, attributable to the solid performance of managed hotels in Thailand and the UAE, together with the additional management fee from 8% y-y increase in number of managed rooms.

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) 12D 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. 3Q17 revenue from plaza and entertainment business decreased by 9% y-y to Bt 118m, primarily from the soft performance of Royal Garden Pattaya. In 9M17, revenue from plaza and entertainment business decreased by 8% y-y to Bt 361m, due to the same reason.

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 Resort Koh Samui. The second project is St. Regis Residences, with 53 residential units located above The St. Regis Bangkok. To date, 11 villas of the Estates Samui and all units of St. Regis Residences have been sold. The latest project is Layan Residences by Anantara in Phuket, with 15 villas next to Anantara Layan Phuket Resort. To date, nine villas have been sold. In addition, MINT launched two joint-venture residential projects. Anantara Chiang Mai Serviced Suites, a 50% joint-venture project with U City PCL, is situated across Anantara Chiang Mai Resort & Spa and consists of 44 condominium units available for sale. To date, 29 condominium units were sold. Another joint-venture project outside of Thailand, Torres Rani in Maputo, Mozambique was also completed with 187 condominium units. While most of the units are leased out, there are six penthouses available for sale, of which total of three units were sold and transferred to date. In addition, three new residential development projects have already been announced, including Avadina Hills by Anantara in Phuket, Anantara Desaru in Malaysia and Anantara Ubud Bali in Indonesia to ensure continuous pipeline of MINT's real estate business in the coming years.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 3Q17, AVC has a total inventory of 179 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. With the successful adjustment of the sales model, AVC delivered exceptional sales growth of 35% y-y in 9M17, mainly from the increase in number of members by 25% y-y to 9,594 members at the end of 9M17.

Overall, revenue from real estate development increased remarkably by 28% y-y in 3Q17, bolstered by strong growth of AVC sales. For 9M17, real estate business reported a revenue growth of 34% y-y due to substantial revenue contribution from residential sales and strong revenue growth of AVC.

Overall Hotel & Mixed-Use Financial Performance Analysis

Total hotel and mixed-use revenue increased by 5% in 3Q17, compared to 3Q16 core revenue, led by the robust sales growth of AVC and resilient performance of hotel & related services. 3Q17 EBITDA increased by a larger magnitude of 7% from 3Q16 core EBITDA, mainly attributable to the higher operating leverage of AVC amidst strong sales momentum. As a result, EBITDA margin improved to 24.2% in 3Q17 from core EBITDA of 23.8% in 3Q16.

For 9M17, total revenue of hotel and mixed-use business increased by 11% from 9M16 core revenue, attributable to the growth of hotel & related services, management income, and real estate development. 9M17 EBITDA grew by 9%, compared to 9M16 core EBITDA, slightly slower than revenue growth rate, primarily due to the lower profitability of Portugal operation in 1H17, which was temporarily affected by hotel renovations and related re-launching expenses. As a result, EBITDA margin declined to 24.2% in 9M17 from core EBITDA of 24.6% in 9M16.

Revenue Breakdown*

Bt million	**3Q17**	**3Q16**	**%Chg**
Hotel & related services**	6,266	6,096	3%
Management fee	256	283	-10%
Plaza & entertainment	118	130	-9%
Real estate development	931	728	28%
Total Revenue	**7,571**	**7,237**	**5%**
EBITDA	**1,836**	**1,723**	**7%**
EBITDA Margin	**24.2%**	**23.8%**	

	9M17	9M16	%Chg
Hotel & related services**	17,559	16,315	8%
Management fee	843	826	2%
Plaza & entertainment	361	392	-8%
Real estate development	3,855	2,881	34%
Total Revenue	**22,618**	**20,414**	**11%**
EBITDA	**5,473**	**5,014**	**9%**
EBITDA Margin	**24.2%**	**24.6%**	

* The table excludes non-recurring items:
(1) Gain of Bt 92m from changing status of investment in some of the Oaks properties, which were offset by impairment charges of certain Oaks properties of Bt 132m (recorded in SG&A, pre-tax), resulting in no material impact post-tax on core net profit in 3Q16;
(2) Gain of Bt 1,932m from bargain purchases of Tivoli Hotels & Resorts in 1Q16.
** Includes share of profit and other income

Retail Trading and Contract Manufacturing Business

At the end of 3Q17, MINT had 354 retail trading points of sales, an increase of 62 points of sales from 292 points at the end of 3Q16. Of total 354 retail trading outlets, 92% are operated under fashion brands including Esprit, Bossini, GAP, Banana Republic, Brooks Brothers, Etam, Radley, Anello, Charles & Keith, and Pedro, while 8% are operated under home and kitchenware brands including Zwilling J.A. Henckels and Joseph Joseph.

Retail Trading's Outlet Breakdown

	3Q17	Chg q-q	Chg y-y
Fashion	327	13	58
Cosmetics	0	0	-1
Home and Kitchenware	27	2	5
Total Outlets	**354**	**15**	**62**

In 3Q17, total retail trading and contract manufacturing revenue showed significant growth of 24% y-y. Revenue from retail trading business increased by 29% y-y, mainly from the strong performance of fashion brands, especially Charles & Keith, Anello and ETAM. Revenue from contract manufacturing business showed operational improvement and reported revenue growth of 10% y-y. EBITDA of the retail trading and contract manufacturing business increased by 36% y-y in 3Q17, mainly attributable to the higher operating leverage of retail trading business and improved performance of contract manufacturing. As a result, EBITDA margin improved to 6.8% in 3Q17 from 6.2% in 3Q16.

9M17 revenue from retail trading and contract manufacturing increased by 12% y-y. 9M17 EBITDA increased by 7% y-y, which is lower than the revenue growth rate, because of the lower operating leverage of contract manufacturing business and the ramping-up of the recently launched brands earlier in 2017. Consequently, EBITDA margin declined to 6.5% in 9M17, compared to 6.8% in 9M16.

Retail Trading and Contract Manufacturing's Revenue Breakdown

Bt million	3Q17	3Q16	%Chg
Retail Trading	784	606	29%
Manufacturing	253	230	10%
Total Revenue*	**1,037**	**836**	**24%**
EBITDA	**70**	**52**	**36%**
EBITDA Margin	**6.8%**	**6.2%**	
	9M17	**9M16**	**%Chg**
Retail Trading	2,209	1,865	18%
Manufacturing	710	730	-3%
Total Revenue*	**2,918**	**2,595**	**12%**
EBITDA	**189**	**176**	**7%**
EBITDA Margin	**6.5%**	**6.8%**	

*Includes share of profit and other income

Balance Sheet & Cash Flows

At the end of 3Q17, MINT reported total assets of Bt 112,114m, an increase of Bt 3,661m from Bt 108,453m at the end of 2016. The increase was primarily the result of:

1. Bt 1,365m increase in property, plant and equipment, mainly from the renovation of Tivoli portfolio;
2. Bt 2,265m net increase in investments, including the recent increase of shareholding in Riverside, the conversion of loan to 70% stake in Grab Food, the Thai restaurant concept in England and the increased investments in hotel business in Africa;
3. Bt 1,537m increase in trade and other receivables, mainly from increased instalment sales of AVC, netted off with;
4. Bt 839m decrease in land and real estates project for sales, mainly from reduced inventory of Layan Residences by Anantara in Phuket following sales of the residential units in 1Q17.

MINT reported total liabilities of Bt 70,439m at the end of 3Q17, an increase of Bt 2,783m from Bt 67,656m at the end of 2016. The increase was mainly from (1) the increase in bank overdrafts and short-term borrowings from financial institutions of Bt 1,865m and (2) the increase in debentures of Bt 2,168m from the issuance of USD-dominated debentures of USD 50m in July 2017, both of which is to support the expansion, investments and repayment of outstanding loan, netted off with (3) the decrease in deferred tax liabilities of Bt 867m, partly from hotel business.

Shareholders' equity increased by Bt 878m from Bt 40,797m at the end of 2016 to Bt 41,675m at the end of 3Q17, owing mainly to (1) 9M17 net profit of Bt 3,804m, netted off with (2) the decrease in non-controlling interests amounted to Bt 696m, from additional investments in Riverside in China and hotels in Africa, (3) dividends paid amounted to Bt 1,544m and (4) loss from foreign exchange rate in translation adjustment of Bt 536m due to the strengthening of Thai Baht against foreign currencies.

For the first nine months of 2017, MINT and its subsidiaries reported positive cash flows from operations of Bt 4,805m, an increase of Bt 901m y-y. This was partly from (1) the increase in profit before income tax from operations (excluding non-recurring gains) of Bt 581m and (2) the increase in translation adjustments of Bt 373m.

Cash flow paid for investing activities was Bt 6,932m, due primarily to investments in available-for-sale, associates and joint ventures of Bt 2,297m and capital expenditures of hotel, restaurant and other businesses amounted to Bt 4,434m.

The Company reported net cash received from financing activities of Bt 2,119m, comprising primarily of (1) net cash received from short-term borrowings of Bt 1,949m, (2) net cash received from debentures issuance of Bt 1,890m, (3) net cash received from long-term borrowings of Bt 739m, netted off with (3) dividend payment of Bt 1,544m and (4) payment to non-controlling interest for acquired of investment in subsidiaries of Bt 1,183m, mainly from additional investment in Riverside, China.

In summary, cash flows from operating, investing and financing activities resulted in a decrease in MINT's net cash and cash equivalents of Bt 8m in 9M17.

Financial Ratio Analysis

MINT's gross profit margin increased from 57.8% in 9M16 to 58.9% in 9M17, due to improved gross margins of all three business units. MINT's reported net profit margin decreased from 12.4% in 9M16 to 8.8% in 9M17, due mainly to non-recurring gains in 1H16, including net bargain purchase of Tivoli Hotels & Resorts and gain from changing status of investment in BreadTalk Group. Stripping out the non-recurring gains, core net margin improved from 8.0% in 9M16 to 8.8% in 9M17, supported by higher operating leverage of all three business units.

Annualized return on equity decreased from 18.7% in 9M16 to 12.3% in 9M17. Correspondingly, annualized return on assets declined from 6.9% in 9M16 to 4.6% in 9M17. The decrease of both ratios to the more normalized level was due to reported net profit from operations in 9M17, as opposed to 9M16 reported net profit, which included the aforementioned non-recurring gains.

Collection days decreased from 63 days in 9M16 to 57 days in 9M17, primarily as a result of improved turnover of AVC following the change of its sales model. The provision for impairment as a percentage of gross trade receivables decreased from 6.3% at the end of 2016 to 5.5% in 9M17, mainly from AVC following its new sales model. 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 increased from 49 days in 9M16 to 55 days in 9M17, due mainly to the slowdown of restaurant business amidst challenging macro backdrop and the ramping-up of newly launched brands of retail trading business. Account payable days decreased from 47 days in 9M16 to 42 days in 9M17, primarily due to lower accounts payable of hotel and restaurant businesses.

Current ratio increased from 0.9x at the end of 2016 to 1.0x at the end of 3Q17, primarily because of the increase in trade and other receivables following the rapid sales growth of AVC. Interest bearing debt to equity increased from 1.22x at the end of 2016 to 1.30x at the end of 3Q17, partly from the issuance of the aforementioned debentures of USD 50m and the increase in bank overdrafts and short-term borrowings from financial institutions. MINT expects the increase in share capital and share premium from the conversion of its warrants in the amount of Bt 7,364m in November 2017, together with continued improvement in overall performance, to bring the ratio down in coming quarters. Interest coverage ratio increased from 5.0x in 9M16 to 5.1x in 9M17 because of the higher cash flow from operations.

Financial Ratio Analysis		
Profitability Ratio (9 months)	**30 Sep 17**	**30 Sep 16**
Gross Profit Margin (%)	58.9%	57.8%
Net Profit Margin – As Reported (%)	8.8%	12.4%
Core Net Profit Margin (%)	8.8%	8.0%
Efficiency Ratio	**30 Sep 17**	**30 Sep 16**
Return on Equity* (%)	12.3%	18.7%
Return on Assets* (%)	4.6%	6.9%
Collection Period* (days)	57	63
Inventory Days*	55	49
Accounts Payable Days*	42	47
Liquidity Ratio	**30 Sep 17**	**31 Dec 16**
Current Ratio (x)	1.0	0.9
Leverage & Financial Policy	**30 Sep 17**	**31 Dec 16**
Interest Bearing Debt/Equity (x)	1.30	1.22
Net Interest Bearing Debt/Equity (x)	1.19	1.11
	30 Sep 17	**30 Sep 16**
Interest Coverage (x) (9 months)	5.1	5.0

Note: *Annualized

Management's Outlook

For the past two decades, MINT has consistently delivered profits every year despite facing considerable headwinds, both in Thailand and overseas. MINT attributes its operational resiliency to its understanding of profit journey, which requires the pursuit of continuous improvement in all aspects of the business. Through continual organizational learning and developments, MINT's restaurant and hotel operations today have evolved to become one of industry best practices. Below showcases some of MINT's strengths in operational excellence that has contributed to its proven track record of earnings.

Growing Lean to Boost Efficiency of Restaurant Business

Minor Food believes one of the key factors to create sustainable profits for restaurant business is to maximize operational efficiency. Therefore, it takes pride in driving continuous improvement of its people, processes and system to keep the business lean and profitable. It proactively identifies improvement opportunities across all aspects of its operations, from R&D, inventory and supply chain management, network planning, operations standard, marketing communications, human resource management to customer service.

For instance, Minor Food took initiative to improve the efficiency of Burger King's construction process by pioneering an innovative pre-fab construction method for its drive-thru outlets. The new method has proven to reduce construction time by at least 30%, as well as lower construction costs and wastes. Another example is Minor Food's continuous improvement of its product development capabilities. Minor Food emphasizes on accelerating new product launch in order to capture latest consumer trends and maintain competitive edge. A case in point is the recently launched Dairy Queen's Durian Blizzard, which took Dairy Queen Thailand only two months to successfully develop and market the new product nationwide. The streamlining of R&D process helped Dairy Queen reduce lead time of new product development by more than 70%, resulting in lower costs and improved efficiency. Furthermore, the shortened lead time allowed Dairy Queen to capture the popularity of Durian product in the local market and achieved notable same-store-sales increase within the month of launch.

With its passion and dedication to operational excellence, Minor Food brands are today recognized as among the best and most profitable restaurant operators in the region. For example, Burger King Thailand was awarded "Operator of The Year" among 24 countries for the third consecutive year, while Dairy Queen Thailand won the Best Franchise Operator Award (for operators outside of North America) for the sixth consecutive year. These awards are great testimonials of Minor Food's relentless pursuit of operational excellence in order to drive sustainable profits in the long run.

Setting High Standard to Ensure Operational Success of Hotel Business

Minor Hotels believes standard and procedures play a key role in streamlining operational efficiency, driving profitability and sustaining operational success of the hotel business. As it continues to expand its hotel portfolio, Minor Hotels pays careful attention to establishing and refining operational standard and procedures to ensure consistency and world-class guest experience. Each of Minor Hotels' brands is governed by clear and precise brand guidelines, which form the building blocks to achieve service reliability and brand consistency across all of its 156 properties. For example, all Anantara hotels in 13 countries are governed by Anantara Brand Operating Standard, which details every aspects of hotel operations, from operating philosophy, guest signature experience, service standard of every guest touchpoints, human resource management, to crisis management. Each property is closely monitored and evaluated through rigid internal process to ensure compliance and high quality standard. Learnings and best practices are shared among properties to ensure continuous improvement. Furthermore, Minor Hotels implements rigorous customer data analytics and competitive benchmarking study in order to identify every improvement opportunities of its system to ensure that it stays at the forefront of the industry.

Today, Minor Hotels is recognized as one's of the most successful luxury hotel operators. Its brands receive high praise for their best-in-class service and guest experience. For example, its homegrown Anantara brand was ranked in the Top Ten Best Performing Large Luxury Hotel Brands in the ReviewPro's Global Review Index, which was based on over 2.7 million online guest reviews. Furthermore, its proven track record of driving brand success and sustainable profits has reinforced Minor Hotels' strengths with various business opportunities. For example, Minor Hotels currently has 34 hotels under management and has secured more than 30 new management contracts to be opened over the next four years, exemplifying trust that hotel owners have in Minor Hotel's operating system and operational excellence program.

Journey to Sustainable Profitability

Looking ahead, MINT believes its commitment to operational excellence will play a crucial role in driving its long-term success. As it expands, its pursuit of continuous improvement of the people, process and system will enable the company to do things more effectively and efficiently. Ultimately, MINT can capitalize on its internally developed best practices to stay ahead of competition and achieve sustainable and profitable growth in the long term.

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Mr. Chaiyapat Paitoon
Deputy Corporate Chief Financial Officer