

February 19, 2018

Minor International Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

4Q17 and 2017 Performance

Minor International Public Company Limited (“MINT”) reported y-y revenue growth of 12% in 4Q17 and 8% in 2017, while net profit increased by 20% in 4Q17 and 18% in 2017, compared to 4Q16 and 2016 core revenue and net profit, respectively. Note that in 2016, MINT recorded non-recurring items as required under Thai Generally Accepted Accounting Principles (Thai GAAP), which are detailed in the non-recurring table on page 3.

In a move to reward its shareholders, MINT’s Board of Directors proposed to pay cash dividend in the amount of Baht 0.40 per share. The dividend payment is subject to MINT’s shareholder’s approval at the Annual General Meeting of Shareholders to be held on April 3rd, 2018.

For fourth quarter performance, MINT reported total revenue of Bt 15,578m, a 12% growth from 4Q16 core revenue, attributable to outstanding performance of all three business units. Hotel and mixed-use business showed revenue growth of 14% from 4Q16 core revenue, bolstered by the robust performance of Thailand hotels and Tivoli-branded hotels in Portugal and Brazil, turnaround of the Maldives operation, as well as strong contributions from real estate business and MINT’s recent investment in Corbin & King (C&K), which operates a chain of restaurants and manages a hotel in the UK. Restaurant business posted revenue growth of 8% y-y, driven by the performance of Thailand and China hubs. Lastly, retail trading & contract manufacturing business reported revenue growth of 29% y-y, supported by organic growth of existing retail brands, the ramping up of new retail brands and the recovery of the contract manufacturing business.

In 4Q17, hotel & mixed-use business accounted for 54% of total revenue. Restaurant business contributed 39% of total revenue, while retail trading and contract manufacturing contributed the remaining 7%.

Revenue Breakdown

<i>Bt million</i>	4Q17	4Q16	%Chg
As Reported			
Restaurant Services	6,053	5,621	8%
Hotel & Mixed-Use	8,352	7,872	6%
Retail Trading & Contract Manufacturing	1,173	910	29%
Total Revenue	15,578	14,403	8%
Core*			
Restaurant Services	6,053	5,621	8%
Hotel & Mixed-Use	8,352	7,344	14%
Retail Trading & Contract Manufacturing	1,173	910	29%
Total Revenue	15,578	13,875	12%

* Exclude non-recurring items as detailed in the table on page 3

In 2017, MINT reported total revenue of Bt 58,644m, an increase of 8% from 2016 core revenue. The growth was driven mainly by solid performance of hotel and mixed-use business, including robust hotel operations in Thailand and the Tivoli portfolio in Brazil and Portugal, additional contributions from acquisitions, including the increase in shareholding in the two hotels in Zambia since July 2016 and investment in C&K in 4Q17, and strong growth of real estate business. Furthermore, the outstanding performance of retail trading portfolio also contributed to the group’s overall revenue growth.

In terms of revenue breakdown, in 2017, hotel & mixed-use and restaurant businesses accounted for 53% and 40% of total revenue, respectively. Retail trading and contract manufacturing business contributed another 7%.

Revenue Breakdown

<i>Bt million</i>	2017	2016	%Chg
As Reported			
Restaurant Services	23,582	23,157	2%
Hotel & Mixed-Use	30,970	30,310	2%
Retail Trading & Contract Manufacturing	4,091	3,505	17%
Total Revenue	58,644	56,973	3%

Core*	2017	2016	%Chg
Restaurant Services	23,582	23,022	2%
Hotel & Mixed-Use	30,970	27,758	12%
Retail Trading & Contract Manufacturing	4,091	3,505	17%
Total Revenue	58,644	54,285	8%

* Exclude non-recurring items as detailed in the table on page 3

MINT reported EBITDA of Bt 3,435m in 4Q17, a 9% increase from 4Q16 core EBITDA. The growth was attributable to performance of all three business units. EBITDA of restaurant business increased by 20% y-y, primarily from effective cost control and supply chain management of Riverside brand in China. EBITDA of retail trading & contract manufacturing business grew by 26% y-y, mainly due to improved profitability of retail trading business. Lastly, EBITDA of hotel & mixed use business was 3% higher than 4Q16 core EBITDA, mainly from strong contribution of real estate business, which helped offset the low margin of Portugal operation during the low season. With the lower growth rate of EBITDA than revenue, EBITDA margin of the whole group dropped to 22.0% in 4Q17, compared to core EBITDA margin of 22.7% in 4Q16.

In 4Q17, hotel & mixed-use and restaurant businesses accounted for 64% and 33% of total EBITDA respectively. Retail trading & contract manufacturing contributed the remaining 3%.

EBITDA Breakdown

<i>Bt million</i>	4Q17	4Q16	%Chg
As Reported			
Restaurant Services	1,118	933	20%
Hotel & Mixed-Use	2,201	2,078	6%
Retail Trading & Contract Manufacturing	115	91	26%
Total EBITDA	3,435	3,102	11%
EBITDA Margin	22.0%	21.5%	
Core*			
Restaurant Services	1,118	933	20%
Hotel & Mixed-Use	2,201	2,132	3%
Retail Trading & Contract Manufacturing	115	91	26%
Total EBITDA	3,435	3,156	9%
EBITDA Margin	22.0%	22.7%	

* Exclude non-recurring items as detailed in the table on page 3

In 2017, MINT reported EBITDA of Bt 12,274m, a 9% increase from 2016 core EBITDA, driven by robust growth

of all three business units. As a result, 2017 EBITDA margin improved to 20.9%, compared to core EBITDA margin of 20.7% in 2016.

In 2017, hotel & mixed-use business represented 63% of total EBITDA, while restaurant business accounted for 35%. Retail trading and contract manufacturing business accounted for the remaining 2%.

EBITDA Breakdown

<i>Bt million</i>	2017	2016	%Chg
As Reported			
Restaurant Services	4,285	3,978	8%
Hotel & Mixed-Use	7,685	8,984	-14%
Retail Trading & Contract Manufacturing	304	267	14%
Total EBITDA	12,274	13,229	-7%
EBITDA Margin	20.9%	23.2%	
Core*			
Restaurant Services	4,285	3,843	12%
Hotel & Mixed-Use	7,685	7,146	8%
Retail Trading & Contract Manufacturing	304	267	14%
Total EBITDA	12,274	11,256	9%
EBITDA Margin	20.9%	20.7%	

* Exclude non-recurring items as detailed in the table on page 3

MINT reported net profit of Bt 1,611m in 4Q17, a 20% growth from 4Q16 core net profit of Bt 1,347m. The increase was of larger magnitude than EBITDA, mainly supported by tax benefits from net losses incurred in certain jurisdictions during the period. As a result, net profit margin increased to 10.3% in 4Q17, from core net profit margin of 9.7% in 4Q16.

In 2017, MINT reported net profit of Bt 5,415m, an increase of 18% from 2016 core net profit of Bt 4,576m, from solid performance of all three business units. As a result, net profit margin expanded to 9.2% in 2017 from core net profit margin of 8.4% in 2016.

Net Profit

<i>Bt million</i>	4Q17	4Q16	%Chg
As Reported			
Total net profit	1,611	1,293	25%
Net Profit Margin	10.3%	9.0%	

Core*	4Q17	4Q16	%Chg
Total net profit	1,611	1,347	20%
Net Profit Margin	10.3%	9.7%	
	2017	2016	%Chg
As Reported			
Total net profit	5,415	6,590	-18%
Net Profit Margin	9.2%	11.6%	
Core*			
Total net profit	5,415	4,576	18%
Net Profit Margin	9.2%	8.4%	

* Exclude non-recurring items as detailed in the table below

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

Major Developments in 4Q17

Developments

- Opened 22 outlets, net q-q, majority of which were The Pizza Company, Burger King and Dairy Queen outlets in Thailand
- Acquired four existing Patara restaurants and franchise rights to develop and operate restaurants under Patara and Suda brands in the UK
- Launched the first Burger King and The Coffee Club outlets in Seychelles

- Entered into a 50% joint-venture to own and operate a 196-key AVANI Hua Hin Resort & Villas
- Acquired 74% stake in the UK-based C&K, which operates a portfolio of six brasserie-style restaurants and manages 73-key five-star hotel named The Beaumont in London, UK
- Debuted the AVANI brand in New Zealand with the rebranding of Metro Hotel & Mixed-Use Suites to AVANI Metropolis Auckland Residences
- Opened AVANI Broadbeach Gold Coast Residences, a management letting rights contract in Queensland, Australia
- Transferred and recorded sales of one unit of The Estates Samui and two units of Anantara Chiang Mai Serviced Suites
- Added seven units of Anantara Vacation Club's inventory in Phuket
- Launched OVS Kids, the Italian fast fashion brand, at Don Muang Airport, Terminal 2 in Bangkok
- Concluded MINT - W5 warrant program, resulting in additional equity of Bt 7.9 billion for the entire program
- Included in the list of Thailand Corporate Sustainability Investment (THSI) 2017 by the Stock Exchange of Thailand for the third consecutive year

Segment Performance

Restaurant Business

At the end of 4Q17, MINT's total restaurants reached 2,064 outlets, comprising 1,072 equity-owned outlets (52% of total), and 992 franchised outlets (48% of total). 1,341 outlets (65% of total) are in Thailand, while the remaining 723 outlets (35% of total) are in Australia, China, India,

Middle East, New Zealand, Seychelles, Singapore, the Maldives, the UK and other countries in Asia.

Restaurant Outlets by Owned Equity and Franchise

	4Q17	Chg q-q	Chg y-y
Owned Equity	1,072	37	54
- Thailand	866	30	52
- Overseas	206	7	2
Franchise	992	-15	14
- Thailand	475	8	17
- Overseas	517	-23	-3
Total Outlets	2,064	22	68

Restaurant Outlets by Brand

	4Q17	Chg q-q	Chg y-y
The Pizza Company	447	18	56
Swensen's	328	0	-2
Sizzler	66	3	6
Dairy Queen	447	10	11
Burger King	93	9	19
The Coffee Club	433	-25	-28
Thai Express	91	0	-6
Riverside	56	-1	-2
BreadTalk	46	4	10
Others*	57	4	4
Total Outlets	2,064	22	68

* 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 the UK under "Grab" and "Patara" brands.

Hub Performance Analysis

In 4Q17, total-system-sales (including sales from franchised outlets) increased by 3.2% y-y, due to store expansion of 3% y-y. Same-store-sales decreased slightly by 1.1% y-y amidst challenging market conditions across MINT's key operating markets.

Thailand hub reported total-system-sales growth of 7.2% y-y in 4Q17, mainly attributable to its disciplined outlet expansion of 5% y-y. With the negative impact of national mourning on domestic consumer sentiment throughout the first 10 month of the year, Thailand hub experienced same-store-sales decline by 1.0% y-y in 4Q17. However, Swensen's, Sizzler and The Coffee Club were brands that successfully led the turnaround despite sluggish

consumption environment and reported positive same-store-sales growth in 4Q17. Swensen's achieved robust same-store-sales growth of more than 6% in 4Q17, led by the success of its product innovation such as ice cream Bingsu and Christmas Chocolate Dome menus, together with continuous growth of the kids segment and effective digital marketing strategy. Sizzler reported positive same-store-sales growth in 4Q17, the first time in the past five quarters, thanks to its well-executed marketing campaigns, including salad bar promotion, which drove double-digit increase in customer traffic in 4Q17. Lastly, The Coffee Club reported same-store-sales growth of over 7% y-y in 4Q17, driven by its ongoing efforts to launch new and exciting menus and effective digital marketing strategy. Overall, although the performance of Thailand hub experienced modest slowdown in 4Q17, Minor Food has already seen sign of same-store-sales improvement across all of its brands in December and expects to see sustainable recovery in 2018 with favorable economic outlook and improving domestic consumption trend.

China hub showed total-system-sales growth of 3.5% y-y in 4Q17, attributable to outlet expansion of 3% y-y. However, same-store-sales declined marginally by 0.6% y-y in 4Q17. While Riverside, China hub's largest revenue contributor, continued to report positive same-store-sales growth, Sizzler and Thai Express saw negative same-store-sales growth in the midst of product and operational adjustment process, which had temporary short-term adverse impact on sales but should yield benefit in the long term. Minor Food believes the adjustment of menus and restaurant formats will allow the two brands to better cater to local tastes and restore growth effectively. In any case, Riverside will continue to be the main driver of the China hub. Moreover, China hub will continue to leverage on technology to transform customer experience, improve operational efficiency and strengthen profitability.

Australia hub continued to experience market pressure with negative total-system-sales and same-store-sales growth in 4Q17. To strengthen its performance in the long term, Australia hub is in the process of rationalizing its portfolio to refocus on its core brands. In 4Q17, Australia hub completed the strategic divestment of The Grove Train, which was part of the acquisition of VGC Food Group in

2014. With the divestment of the entire portfolio of 24 franchised outlets, Australia hub's number of outlets decreased by 7% y-y in 4Q17. Despite the slowdown in Australia, the operation in other international markets, especially The Coffee Club brand in the Middle East and Thailand, continued to sustain strong same-store-sales momentum. To restore growth, Australia hub will focus on accelerating expansion of its coffee business. Domestically, Australia hub will focus on driving product and service improvement of The Coffee Club and growing its coffee roasting business. Internationally, it plans to rapidly expand the number of The Coffee Club outlets, which is expected to more than double over the next five years.

Although same-store-sales growth of Singapore hub remained negative in 4Q17, the trend has much improved, with negative same-store-sales growth of 3.6% y-y. As the slowdown of domestic consumption and intense competition in the restaurant sector continued to adversely affect its performance, Minor Food took the action to close non-performing outlets during the year. Although this resulted in further negative total-system-sales growth, Singapore hub successfully turned profitable again in 4Q17. In response to market challenges, Singapore hub will continue to rationalize its portfolio by focusing on enhancing sales of existing outlets, selectively closing non-performing outlets and maximizing operational efficiency. Looking ahead, Minor Food still believes in the long-term potential of Singapore hub and its brands and will look for growth opportunities of Thai Express brand in international markets to achieve sustainable earnings.

Overall, 2017 total-system-sales increased by 5.1%, driven by Thailand and China hubs. Although economic and competitive challenges in Minor Food's operating markets have put pressure on the performance of its key restaurant hubs in 2017, its strong multi-brand portfolio and operational excellence have helped support and alleviate the pressure on the overall performance to a certain degree. As a result, Minor Food's group-wide same-store-sales declined slightly by 0.8% in 2017.

Restaurant Business Performance

%	4Q17	4Q16	2017	2016
Average Same-Store-Sales Growth	(1.1)	(0.9)	(0.8)	1.3
Average Total-System-Sales Growth	3.2	6.4	5.1	9.1

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

Financial Performance Analysis

4Q17 total restaurant revenue increased by 8% y-y due to resilient growth of Thailand and China hubs, together with higher contribution from Minor Food's strategic investments such as SSP, MINT's restaurant operation at airports, and BreadTalk. Franchise fee decreased slightly by 1% y-y, mainly from the weakening of Australian dollar during the period. 4Q17 EBITDA grew by 20% y-y, primarily because of effective supply chain management of Riverside brand in China and improved operational efficiency of Singapore hub. As a result, 4Q17 EBITDA margin grew to 18.5% from 16.6% in 4Q16.

2017 total restaurant revenue increased by 2% from core revenue in 2016, from the resilient growth of Thailand and China hubs. 2017 EBITDA grew by a larger magnitude of 12%, compared to 2016 core EBITDA, primarily from improved profitability of China hub and higher contribution from strategic investments at share of profits level. As a result, EBITDA margin improved to 18.2% in 2017 from 2016 core EBITDA of 16.7%.

Revenue Breakdown*

<i>Bt million</i>	4Q17	4Q16	%Chg
Revenue from Operation**	5,641	5,203	8%
Franchise Fee	412	418	-1%
Total Revenue	6,053	5,621	8%
EBITDA	1,118	933	20%
EBITDA Margin	18.5%	16.6%	
	2017	2016	%Chg
Revenue from Operation**	21,918	21,405	2%
Franchise Fee	1,665	1,616	3%
Total Revenue	23,582	23,022	2%
EBITDA	4,285	3,843	12%
EBITDA Margin	18.2%	16.7%	

* Exclude non-recurring items as detailed in the table on page 3

** Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 4Q17, MINT owns 70 hotels and manages 88 hotels and serviced suites in 25 countries. Altogether, these properties have 20,209 hotel rooms and serviced suites, including 9,099 that are equity-owned and 11,110 that are purely-managed under the brands Anantara, AVANI, Oaks, Tivoli, Elewana Collection and The Beaumont. Of the total, 4,387 rooms or 22% are in Thailand, while the remaining 15,822 rooms or 78% 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, the UK, Vietnam and Zambia.

Hotel Rooms by Owned Equity and Management

	4Q17	Chg q-q	Chg y-y
Owned Equity*	9,099	196	195
- Thailand	2,692	196	185
- Overseas	6,407	0	10
Management	11,110	153	238
- Thailand	1,695	0	0
- Overseas	9,415	153	238
Total Hotel Rooms	20,209	349	433

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

Hotel Rooms by Ownership

	4Q17	Chg q-q	Chg y-y
Owned Hotels	7,039	0	-79
Joint Ventures	2,060	196	274
Managed Hotels	4,692	73	159
MLRs*	6,418	80	79
Total Hotel Rooms	20,209	349	433

* Properties under Management Letting Rights in Australia and New Zealand

Hotel Performance Analysis by Ownership

Owned-hotels portfolio, which accounted for 56% of hotel & mixed-use revenue in 4Q17, reported y-y organic revenue per available room (RevPar) increase of 13%. Owned hotels in Thailand sustained strong growth momentum and achieved organic RevPar growth of 13% y-y. Operations in Bangkok and the provinces of Thailand both experienced double-digit RevPar increases, supported by strong demand during the high season and the effectiveness of MINT's revenue management. Outside of Thailand, organic

RevPar of the overseas owned hotels portfolio grew robustly by 12% y-y, led by the operations in Portugal, Brazil and the Maldives. In Portugal, the portfolio under the Tivoli brand delivered RevPar growth of over 20% y-y, led by higher ADR after property renovations, which began since 4Q16. In Brazil, the two Tivoli hotels continued to report strong RevPar growth of 14% y-y, driven by both occupancy and ADR from improving macro conditions and MINT's successful sales and marketing efforts. Lastly, the operation in the Maldives showed significant operational improvement with MINT's effective targeted marketing initiatives, together with strong demand from the European markets during the high season, and achieved RevPar growth of 11% y-y. With no new hotel openings during the quarter, 4Q17 system-wide RevPar of owned hotels also grew by 13% y-y.

Oaks, contributing 19% of 4Q17 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 the weakening of Australian dollar, Oaks's RevPar was flat y-y in Thai Baht term in 4Q17.

Revenue contribution of management contract to MINT's hotel & mixed-use revenue was 4% in 4Q17. Organic RevPar of management contract portfolio decreased by 5% y-y in 4Q17, primarily due to the temporary impact of the Volcano eruption in Bali, Indonesia and the absence of the PERAQUUM portfolio in the UAE and the Maldives, which had high ADR, following the sale of MINT's shareholding in the brand in early 2017. Including new hotels, which are still ramping up, system-wide RevPar of managed hotels declined by 9% y-y in 4Q17.

In summary, in 4Q17, MINT's organic RevPar of the entire portfolio grew by 3% y-y, bolstered by solid operations both in Thailand and key overseas markets, including Portugal, Brazil and the Maldives. Including new hotel additions, system-wide RevPar of its entire hospitality portfolio grew by 1% y-y in 4Q17.

In 2017, organic RevPar of the entire portfolio grew by 1%, led by owned hotel operations both in Thailand and overseas, as well as Oaks, which helped offset the temporary softness of managed hotel portfolio. Including new hotels, system-wide RevPar of MINT's entire portfolio

was flat due to the lower RevPar commanded by the new hotels than MINT's average.

Hotel Business Performance by Ownership

(System-wide)	<u>Occupancy (%)</u>			
	4Q17	4Q16	2017	2016**
Owned Hotels	59	56	62	63
Joint Ventures	53	49	49	44
Managed Hotels	64	62	64	63
MLRs*	80	79	78	77
Average	67	65	67	67
MINT's Portfolio in Thailand	75	69	77	73
Industry Average in Thailand**	69	66	N/A	N/A

(System-wide)	<u>ADR (Bt/night)</u>			
	4Q17	4Q16	2017	2016**
Owned Hotels	6,617	6,143	6,228	5,811
Joint Ventures	9,032	10,603	9,336	11,176
Managed Hotels	6,075	6,886	6,108	6,724
MLRs*	4,689	4,772	4,588	4,557
Average	5,850	5,963	5,705	5,744
MINT's Portfolio in Thailand	5,278	5,201	4,844	4,859
Industry Average in Thailand**	1,801	1,555	N/A	N/A

(System-wide)	<u>RevPar (Bt/night)</u>			
	4Q17	4Q16	2017	2016**
Owned Hotels	3,881	3,445	3,865	3,653
Joint Ventures	4,801	5,154	4,577	4,955
Managed Hotels	3,876	4,244	3,917	4,241
MLRs*	3,740	3,747	3,596	3,495
Average	3,903	3,858	3,837	3,821
MINT's Portfolio in Thailand	3,972	3,602	3,753	3,555
Industry Average in Thailand**	1,250	1,019	N/A	N/A

(Organic)	<u>Occupancy (%)</u>			
	4Q17	4Q16	2017	2016**
Owned Hotels	59	56	62	63
Joint Ventures	56	49	51	44
Managed Hotels	66	62	65	63
MLRs*	80	79	78	77
Average	68	65	68	67
MINT's Portfolio in Thailand	77	69	78	73

(Organic)	<u>ADR (Bt/night)</u>			
	4Q17	4Q16	2017	2016**
Owned Hotels	6,617	6,143	6,228	5,811
Joint Ventures	9,680	10,603	9,628	11,176
Managed Hotels	6,084	6,886	6,140	6,724
MLRs*	4,689	4,772	4,588	4,557
Average	5,868	5,963	5,719	5,744
MINT's Portfolio in Thailand	5,299	5,201	4,848	4,859

(Organic)	<u>RevPar (Bt/night)</u>			
	4Q17	4Q16	2017	2016**
Owned Hotels	3,881	3,445	3,865	3,653
Joint Ventures	5,439	5,154	4,904	4,955
Managed Hotels	4,031	4,244	4,007	4,241
MLRs*	3,740	3,747	3,596	3,495
Average	3,973	3,858	3,875	3,821
MINT's Portfolio in Thailand	4,061	3,602	3,774	3,555

* Properties under Management Letting Rights in Australia & New Zealand

** Performance of owned hotels and joint ventures in 2016 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 4Q17, revenue of hotel and related services increased by 9% from 4Q16 core revenue. The increase was mainly due to strong performance of hotels in Thailand and Tivoli-branded portfolio in Brazil and Portugal, solid improvement of the Maldives operation and contribution from C&K. 4Q17 management income increased by 19% y-y, attributable to solid performance of hotels under management in Thailand, the UAE and the Maldives, which MINT also receives management fees from joint-venture hotels, together with the additional management fee from 4% y-y increase in number of managed rooms.

In 2017, revenue from hotel and related services grew by 8% from 2016 core revenue due to robust operations of Thailand hotels and the Tivoli portfolio in Brazil and Portugal, contributions from the two hotels in Zambia since the shareholding increase in July 2016 and C&K in 4Q17. 2017 management income increased by 6%, attributable to the solid performance of managed hotels in Thailand and the UAE, together with the additional management fee from 4% 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. 4Q17 revenue from plaza and entertainment business increased by 4% y-y to Bt 112m, led by the continued growth of Riverside Plaza Bangkok and turnaround of Royal Garden Pattaya with increasing traffic during the high season. In 2017, revenue from plaza and entertainment business decreased by 5% to Bt 473m, due to the soft performance of Royal Garden Pattaya in the first nine months of the year, as well as the slowdown of Turtle Village Shopping Plaza Phuket during the construction of Turtle Village Phase II.

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. In 4Q17, one villa of The Estates Samui was sold and transferred, resulting in a total of 12 villas sold to date. The second project is St. Regis Residences, with 53 residential units located above The St. Regis Bangkok. To date, 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. In 4Q17, two units were sold and transferred, resulting in a total of 31 condominium units sold to date. 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 and are under construction, 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 4Q17, AVC had a total inventory of 186 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 28% in 2017, mainly from the increase in number of members by 27% y-y to 10,193 members at the end of 2017.

Overall, revenue from real estate development increased by 39% y-y in 4Q17, bolstered by sale of residential development and continued growth of AVC sales. For 2017, real estate business reported a revenue growth of 36% due to the same reason as in 4Q17.

Overall Hotel & Mixed-Use Financial Performance Analysis

Total hotel and mixed-use revenue increased by 14% in 4Q17, compared to 4Q16 core revenue, led by the robust growth of hotel & related services and real estate business, together with the consolidation of C&K. However, 4Q17 EBITDA increased by a smaller magnitude of 3% from 4Q16 core EBITDA, mainly attributable to the low margin of Tivoli portfolio in Portugal during the low season and the consolidation of C&K, which had lower margin than Minor Hotels' average. As a result, EBITDA margin declined to 26.4% in 4Q17 from core EBITDA of 29.0% in 4Q16.

For 2017, total revenue of hotel and mixed-use business increased by 12% from 2016 core revenue, attributable to the growth of hotel & related services, management income, and real estate development. 2017 EBITDA grew by 8%, compared to 2016 core EBITDA, slower than revenue growth rate, primarily because of the hotel renovations which adversely affected the profitability of Portugal

portfolio. As a result, EBITDA margin declined to 24.8% in 2017 from core EBITDA of 25.7% in 2016.

Revenue Breakdown*			
<i>Bt million</i>	4Q17	4Q16	%Chg
Hotel & related services**	6,459	5,917	9%
Management fee	328	277	19%
Plaza & entertainment	112	107	4%
Real estate development	1,453	1,042	39%
Total Revenue	8,352	7,344	14%
EBITDA	2,201	2,132	3%
EBITDA Margin	26.4%	29.0%	
	2017	2016	%Chg
Hotel & related services**	24,010	22,233	8%
Management fee	1,171	1,103	6%
Plaza & entertainment	473	500	-5%
Real estate development	5,316	3,922	36%
Total Revenue	30,970	27,758	12%
EBITDA	7,685	7,146	8%
EBITDA Margin	24.8%	25.7%	

* Exclude non-recurring items as detailed in the table on page 3

** Includes share of profit and other income

Retail Trading and Contract Manufacturing Business

At the end of 4Q17, MINT had 398 retail trading points of sales, an increase of 71 points of sales from 327 points at the end of 4Q16. Of total 398 retail trading outlets, 91% are operated under fashion brands including Esprit, Bossini, GAP, Banana Republic, Brooks Brothers, Etam, OVS, Radley, Anello, Charles & Keith, and Pedro, while 9% are operated under home and kitchenware brands including Zwilling J.A. Henckels and Joseph Joseph.

Retail Trading's Outlet Breakdown			
	4Q17	Chg q-q	Chg y-y
Fashion	364	37	59
Home and Kitchenware	34	7	12
Total Outlets	398	44	71

In 4Q17, total retail trading and contract manufacturing revenue showed significant growth of 29% y-y. Revenue from retail trading business increased by 32% y-y from the strong performance of both fashion and home & kitchenware brands. Revenue from contract manufacturing business continued to show operational improvement and reported revenue growth of 20% y-y as major customers

were successful in product launches and promotional campaigns following the end of the mourning period. EBITDA of the retail trading and contract manufacturing business increased by 26% y-y in 4Q17, which is slightly lower than the revenue growth rate, due to higher labor cost of contract manufacturing business and the lower profitability of the recently launched brands, which are still in their ramping up stage. As a result, EBITDA margin declined slightly to 9.8% in 4Q17 from 10.0% in 4Q16.

2017 revenue from retail trading and contract manufacturing increased by 17%, while EBITDA increased by 14%. The lower growth rate of EBITDA, compared to the revenue growth rate, was because of the lower profitability of contract manufacturing business and recently launched brands. Consequently, EBITDA margin declined to 7.4% in 2017, compared to 7.6% in 2016.

Retail Trading and Contract Manufacturing's Revenue Breakdown

<i>Bt million</i>	4Q17	4Q16	%Chg
Retail Trading	904	685	32%
Manufacturing	269	225	20%
Total Revenue*	1,173	910	29%
EBITDA	115	91	26%
EBITDA Margin	9.8%	10.0%	
	2017	2016	%Chg
Retail Trading	3,112	2,551	22%
Manufacturing	979	954	3%
Total Revenue*	4,091	3,505	17%
EBITDA	304	267	14%
EBITDA Margin	7.4%	7.6%	

*Includes share of profit and other income

Balance Sheet & Cash Flows

At the end of 2017, MINT reported total assets of Bt 118,444m, an increase of Bt 9,990m from Bt 108,453m at the end of 2016. The increase was primarily the result of:

1. Bt 2,187m increase in trade and other receivables, mainly from the increased instalment sales of AVC and the consolidation of C&K;
2. Bt 2,844m net increase in investments, including the increase in shareholding of Riverside, the conversion of loan to 70% stake in Grab Food in the UK and the increased investments in hotel

business in Africa;

3. Bt 2,573m increase in property, plant and equipment, mainly from the renovation of Tivoli portfolio and the investment in C&K.

MINT reported total liabilities of Bt 68,423m at the end of 2017, an increase of Bt 766m from Bt 67,656m at the end of 2016. The increase was mainly from (1) the increase in trade accounts payable of Bt 1,377m, mainly from higher accounts payable of hotel business, together with the consolidation of C&K, netted off with (2) the decrease in debentures of Bt 666m due to the maturity of existing debentures.

Shareholders' equity increased by Bt 9,224m from Bt 40,797m at the end of 2016 to Bt 50,021m at the end of 2017, owing mainly to (1) 2017 net profit of Bt 5,415m, (2) the increase in share capital and share premium of Bt 7,584m, mainly as a result of warrants conversion in November 2017, netted off with (3) the decrease in non-controlling interests amounted to Bt 696m, from additional investments in Riverside in China and hotels in Africa and (4) dividends paid of Bt 1,544m.

For the 12 months of 2017, MINT and its subsidiaries reported positive cash flows from operations of Bt 6,480m, a decrease of Bt 14m from 2016. This was partly from (1) the increase in profit before income tax from operations (excluding non-recurring gains) of Bt 1,254m, netted off with changes in non-cash items, including (2) the increase in share of profits of Bt 482m (3) the decrease in translation adjustments of Bt 221m and (4) the decrease in net operating assets and liabilities of Bt 373m.

Cash flow paid for investing activities was Bt 11,584m, due primarily to investments in available-for-sale, associates and joint ventures of Bt 2,765m and capital expenditures of hotel, restaurant and other businesses of Bt 5,913m.

The Company reported net cash received from financing activities of Bt 6,156m, comprising primarily of (1) net cash received from long-term borrowings of Bt 1,367m, (2) cash received from issuance of ordinary shares by exercise of warrants of Bt 7,584m, netted of with (3) dividend payment of Bt 1,544m and (4) payment to non-controlling interest for disposal 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 higher net cash and cash equivalents of Bt 986m in 2017.

Financial Ratio Analysis

MINT's gross profit margin increased from 57.5% in 2016 to 58.8% in 2017, due to improved gross margins of all three business units. MINT's reported net profit margin decreased from 11.6% in 2016 to 9.2% in 2017, due mainly to non-recurring items in 2016 as detailed in the table on page 3. Stripping out the non-recurring items, core net margin improved from 8.4% in 2016 to 9.2% in 2017, supported by higher operating leverage of all three business units.

Return on equity decreased from 17.0% in 2016 to 11.9% in 2017. Correspondingly, return on assets declined from 6.4% in 2016 to 4.8% in 2017. The decrease of both ratios to the more normalized level was due to reported net profit from operations in 2017, as opposed to 2016 reported net profit, which included the non-recurring items detailed on page 3.

Collection days decreased from 61 days in 2016 to 58 days in 2017, primarily as a result of the change of AVC's 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% at the end of 2017, also mainly from AVC's 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 51 days in 2016 to 56 days in 2017, due mainly to the slowdown of restaurant business amidst challenging macro backdrop. Account payable days increased from 47 days in 2016 to 48 days in 2017, primarily due to higher accounts payable of hotel business.

Current ratio increased from 0.9x at the end of 2016 to 1.3x at the end of 2017, primarily because of the increase in cash and cash equivalents with the proceeds from warrants conversion, the increase in trade and other receivables following the rapid sales growth of AVC and the decrease in current portion of debentures with maturity of existing

debentures. Interest bearing debt to equity decreased from 1.2x at the end of 2016 to 1.0x at the end of 2017, mainly from the increase in equity following the exercise of warrants in November 2017, as well as improvement of the 2017 performance. Interest coverage ratio decreased from 5.7x in 2016 to 5.1x in 2017 because of higher interest expenses, together with lower cash flow from operations.

Financial Ratio Analysis

	<u>30 Dec 17</u>	<u>30 Dec 16</u>
Profitability Ratio		
Gross Profit Margin (%)	58.8%	57.5%
Net Profit Margin – As Reported (%)	9.2%	11.6%
Core Net Profit Margin (%)	9.2%	8.4%
Efficiency Ratio	<u>30 Dec 17</u>	<u>30 Dec 16</u>
Return on Equity (%)	11.9%	17.0%
Return on Assets (%)	4.8%	6.4%
Collection Period (days)	58	61
Inventory Days	56	51
Accounts Payable Days	48	47
Liquidity Ratio	<u>30 Dec 17</u>	<u>30 Dec 16</u>
Current Ratio (x)	1.3	0.9
Leverage & Financial Policy	<u>30 Dec 17</u>	<u>30 Dec 16</u>
Interest Bearing Debt/Equity (x)	1.0	1.2
Net Interest Bearing Debt/Equity (x)	0.9	1.1
	<u>30 Dec 17</u>	<u>30 Dec 16</u>
Interest Coverage (x)	5.1	5.7

Management's Outlook

In 2017, MINT made significant progress on both strategic and operational fronts to drive revenue, profitability and shareholders' value despite challenging macro conditions in its key operating markets. Going into 2018, MINT is confident in the bright business outlook and strong earnings, with its solid diversification strategy, strong brand portfolio, disciplined execution, together with improving overall macro trends. Below highlight key growth drivers in 2018.

Rapid Ramp-Up of Hotel Operations on the Back of Positive Tourism Trends

Minor Hotels will leverage on its strong global operating platform and operational excellence to drive performance and profitability. With positive outlook of tourism industry in its key operating markets, together with its proactive

efforts to strengthen its distribution, sales and marketing capabilities, Minor Hotels expects to see uplift in occupancy, ADR and RevPar across its owned hotel portfolio as detailed below:

- In Thailand, Minor Hotels is confident in the attractiveness of Thailand tourism, supported by strong demand from both domestic and international tourists. Especially with the government's focus on increasing the number of quality tourists, Minor Hotels expects to greatly benefit from increasing demand for tourism in the high-end segment.
- In Portugal, Minor Hotels expects the tourism industry to continue to benefit from strong demand of European tourists, who are cautious of geopolitical instabilities in the Mediterranean destinations and shift their holidays to the country. Furthermore, by second half of 2018, Minor Hotels will reap full benefits of its hotel refurbishment program with improved product and service offerings and well-achieved ADR increase.
- In Brazil and Africa, Minor Hotels expects favorable business outlook, supported by improving macro conditions, strong tourism demand and limited growth of hotel supply. With renovated products, Minor Hotels is well positioned to attract more guests and ramp up performance in these two markets.

For Oaks operation in Australia, Minor Hotels expects stable tourism growth, driven by both domestic and international travelers. In addition to securing new management letting rights contracts, Minor Hotels will also selectively look for investment opportunities to ensure consistent growth. Internationally, Minor Hotels continues to look for opportunities to expand the Oaks brand, with pipeline in China, Korea, Lebanon and Qatar.

For the hotel management business, Minor Hotels' owned brands continue to receive high praise for their best-in-class products and guest experience, experienced management team and proven track record of delivering superior returns to property owners. To date, Minor Hotels has successfully secured over 40 management contracts to

be opened over the next four years. By 2022, Minor Hotels plans to increase hotel under management from the current 35 hotels to over 70 hotels.

For the real estate business, Minor Hotels will continue to drive sale of current residential projects, as well as begin selling a new 16-luxury villas project named Avadina Hills by Anantara, next to Layan Residences by Anantara in Phuket. At the same time, AVC will continue to grow its member base and expand its product offerings to spearhead growth.

Thailand and China to Lead Growth of Restaurant Business

Minor Food is resourced with a strong multi-brand portfolio to drive growth, supported by solid operational excellence. Minor Food expects Thailand and China to spearhead business expansion in 2018 on the back of improving economic environment and growing middle-class.

- In Thailand, Minor Food will benefit from improving domestic consumption and strong economic growth prospects, supported by rising farm income, higher infrastructure spending and recovery of private investment. Minor Food will leverage on its brands' leading position in the market to drive performance. In addition to disciplined outlet expansion, each brand will focus on strengthening its core competencies, including product and service innovation and marketing excellence. Furthermore, digital technology will play an important role in transforming brand experience, from product development, customer journey analysis to seamless customer service experience.
- In China, Minor Food will continue to leverage on its distinctive local Chinese concept, Riverside, to build scale and drive profitable expansion. With growing middle-class and urbanization trend, Minor Food aims to double number of Riverside outlets in the country over the next five years. To support business expansion, Minor Food will continue to strengthen its supply chain

infrastructure and capabilities to maximize operational efficiency and profitability.

Transforming Retail Experience to Grow Lifestyle Business

With digital technology transforming retail experience, Minor Lifestyle will drive online-offline strategy to provide seamless customer experience and expand customer base. To support the omni-channel strategy, Minor Lifestyle will streamline its operations, including supply chain and inventory management, ordering system, sales and customer service. In addition, Minor Lifestyle will continue to strengthen its portfolio by looking for opportunities to launch new lifestyle brands in Thailand as the macro environment improves. Minor Lifestyle is confident that these initiatives will provide a solid foundation for the retail trading business to grow robustly going forward.

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Mr. Chaiyapat Paitoon
Deputy Corporate Chief Financial Officer