

# 2012 ANNUAL REPORT



MINOR  
INTERNATIONAL



Anantara Vacation Club, Bali








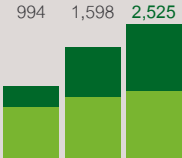





Anantara Phuket Villas



P e d r o



THAILAND	MALDIVES	MIDDLE EAST	BALI																																
 																																			
<h3>Anantara Resort &amp; Spa - Thailand</h3> <p>Our award winning Anantara brand has 10 properties located throughout Thailand. In 2012, we achieved a 58% increase in total system sales.</p> <p>Thailand is one of Asia's leading tourist destinations and the Anantara enjoys a strong position with properties extending from beaches of Phuket and Samui to Bangkok and north to the Golden Triangle.</p>	<h3>Anantara Resort &amp; Spa - Maldives</h3> <p>In the Maldives, our four resorts, including Naladhu, in that exciting market combined to total sales of USD 69 million.</p>	<h3>Anantara Resort &amp; Spa - Middle East</h3> <p>In the Middle East, our three Anantara resorts combined achieved a 41% increase in sales.</p>	<h3>Anantara Resort &amp; Spa - Bali</h3> <p>In Bali, our two Anantara resorts combined achieved a 20% increase in sales.</p>																																
<h4>Sales</h4> <p>Baht Million</p>  <table><thead><tr><th>Year</th><th>Sales (Baht Million)</th></tr></thead><tbody><tr><td>2010</td><td>994</td></tr><tr><td>2011</td><td>1,598</td></tr><tr><td>2012</td><td>2,525</td></tr></tbody></table>	Year	Sales (Baht Million)	2010	994	2011	1,598	2012	2,525	<h4>Sales</h4> <p>USD Million</p>  <table><thead><tr><th>Year</th><th>Sales (USD Million)</th></tr></thead><tbody><tr><td>2010</td><td>34</td></tr><tr><td>2011</td><td>57</td></tr><tr><td>2012</td><td>69</td></tr></tbody></table>	Year	Sales (USD Million)	2010	34	2011	57	2012	69	<h4>Sales</h4> <p>AED Million</p>  <table><thead><tr><th>Year</th><th>Sales (AED Million)</th></tr></thead><tbody><tr><td>2010</td><td>68</td></tr><tr><td>2011</td><td>82</td></tr><tr><td>2012</td><td>117</td></tr></tbody></table>	Year	Sales (AED Million)	2010	68	2011	82	2012	117	<h4>Sales</h4> <p>IRP Billion</p>  <table><thead><tr><th>Year</th><th>Sales (IRP Billion)</th></tr></thead><tbody><tr><td>2010</td><td>60</td></tr><tr><td>2011</td><td>65</td></tr><tr><td>2012</td><td>78</td></tr></tbody></table>	Year	Sales (IRP Billion)	2010	60	2011	65	2012	78
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AUSTRALIA

NEW ZEALAND

MIDDLE EAST

BANGKOK

Oaks Hotels & Resorts

We acquired 100% of Oaks in mid-2011, and therefore 2012 is the first year that we recognized its full year contribution. With 40 Oaks properties and over 5,000 rooms, Oaks is now a major part of our hospitality portfolio. We will continue to expand Oaks in its core Australian market and other existing markets in New Zealand and the Middle East. We expanded Oaks into Bangkok in 2012 and will continue to look for opportunities in other new markets.

Sales

AUD Million

-

82

152

2010

2011

2012

Avani Hotels & Resorts - Sri Lanka

We launched Avani brand in late 2011. The two Avani hotels in Sri Lanka generated sales of USD 5 million in 2012. In late 2012, we signed another contract to manage a property in Malaysia.

Sales

USD Million

-

-





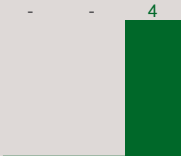
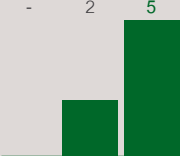
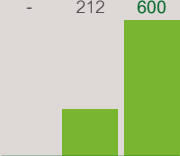
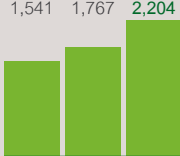
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2010

2011

2012



				
CHINA	VIETNAM	ANANTARA VACATION CLUB		
<b>Anantara Resort &amp; Spa - China</b>  We opened our first Anantara resort in China in November 2012. The sales were RMB 4 million.	<b>Anantara Resort &amp; Spa - Vietnam</b>  We manage one Anantara in Vietnam and acquired two additional properties in Vietnam in 2013.	<b>Anantara Vacation Club</b>  We launched Anantara Vacation Club in late 2010. In the second year of its operation, its revenues increased by 176% in 2012.	<b>St. Regis Hotel</b>  Opened in 2011 at one of Bangkok's most prestigious locations, St. Regis Hotel achieved sales of Baht 600 million. At the end of 2012, we also succeeded in selling 73% of our residential inventory.	<b>Four Seasons</b>  Our award winning Four Seasons hotels in Bangkok, Chiang Mai, Samui and Chiang Rai combined achieved revenues of Baht 2,204 million in 2012.
<b>Sales</b> RMB Million	<b>Sales</b> USD Million		<b>Sales</b> Baht Million	<b>Sales</b> Baht Million
				
2010 2011 2012	2010 2011 2012		2010 2011 2012	2010 2011 2012

<div> JW MARRIOTT PHUKET RESORT AND SPA</div> <div></div>	<div></div> <div></div>	<div> harbour view hotel haiphong • viet nam</div> <div></div>	<div> ROYAL GARDEN PLAZA Pattaya</div> <div></div>	<div> MSPA INTERNATIONAL</div> <div></div>																														
<div><h3>Marriott</h3><p>Our Marriott Hotel in Pattaya and JW Marriott Resort in Phuket combined generated sales of Baht 1,345 million in 2012.</p></div>	<div><h3>Elewana Africa</h3><p>Our safari camps in Tanzania and Kenya combined reported sales of USD 13 million in 2012, 6% increase over 2011.</p></div>	<div><h3>Minor International Brands</h3><p>Minor International branded resorts including Naladhu in the Maldives and Harbor View in Vietnam combined reported sales of USD 7 million in 2012.</p></div>	<div><h3>Royal Graden Plaza</h3><p>Our three shopping centers that are located next to our hotels in Phuket, Pattaya and Bangkok had sales of Baht 726 million in 2012.</p></div>	<div><h3>MSPA International</h3><p>With more than 30 spas in 9 countries, our spa business generated sales of Baht 527 million last year.</p></div>																														
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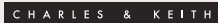






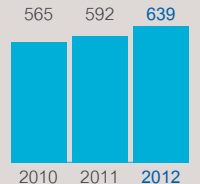
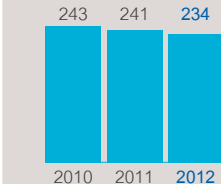
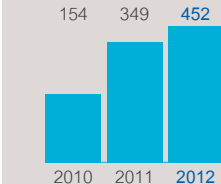
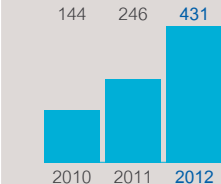
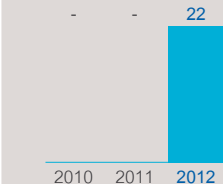
# Restaurants











Direct-Owned Managed/Franchise

 	 	 	 	 																														
<b>The Pizza Company</b> Our 198 company owned and 94 franchised outlets saw system wide sales increase by 15% to Baht 5,871 million in 2012.	<b>Swensen's</b> With 124 company owned and 157 franchised outlets, Swensen's posted a 19% increase in system wide sales to Baht 3,389 million in 2012.	<b>Thai Express</b> Thai Express and related brands including New York New York and Xin Wang Hong Kong Café had sales of SGD 109 million in 2012.	<b>The Coffee Club</b> The Coffee Club, which is 92% franchised, posted system wide sales that were up 21% to AUD 405 million in 2012.	<b>Riverside</b> Riverside, a distinctive chain of casual-concept restaurants in China, specializing in Sichuan barbecue fish reported sales of RMB 193 million in 2012.																														
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<b>Sizzler</b> 45 Sizzler outlets in Thailand and China combined reported sales that were up 7% to Baht 2,414 million in 2012.	<b>Dairy Queen</b> 237 company owned and 72 franchised Dairy Queen outlets in Thailand achieved sales of Baht 1,595 million in 2012.	<b>Burger King</b> 29 company owned Burger King outlets reported 2012 sales of Baht 1,056 million.	<b>Select Service Partner Limited</b> Our restaurant business in airports experienced a 18% increase in revenue in 2012.	<b>Minor Dairy Limited</b> <b>Minor Cheese Limited</b> Sales from our ice cream factory were up significantly by 13% in 2012.  Our cheese factory has sales that were up 14% in 2012.																														
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<b>Esprit</b> Our largest fashion brand had sales of Baht 639 million in 2012.	<b>Bossini</b> 2012 sales of this leading fashion brand were Baht 234 million.	<b>GAP</b> Sales of GAP increased by 30% to Baht 452 million in 2012.	<b>Charles &amp; Keith</b> Sales of Charles & Keith footwear increased by 75% to Baht 431 million in 2012.	<b>Pedro</b> Pedro offers a wide range of modern luxury footwear and accessories. In its first year of operation, it has 2 outlets in Central Pattaya Festival and Central World Plaza.																																								
<b>Sales</b> Baht Million  <table><tr><th>Year</th><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>Sales</td><td>565</td><td>592</td><td>639</td></tr></table>	Year	2010	2011	2012	Sales	565	592	639	<b>Sales</b> Baht Million  <table><tr><th>Year</th><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>Sales</td><td>243</td><td>241</td><td>234</td></tr></table>	Year	2010	2011	2012	Sales	243	241	234	<b>Sales</b> Baht Million  <table><tr><th>Year</th><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>Sales</td><td>154</td><td>349</td><td>452</td></tr></table>	Year	2010	2011	2012	Sales	154	349	452	<b>Sales</b> Baht Million  <table><tr><th>Year</th><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>Sales</td><td>144</td><td>246</td><td>431</td></tr></table>	Year	2010	2011	2012	Sales	144	246	431	<b>Sales</b> Baht Million  <table><tr><th>Year</th><th>2010</th><th>2011</th><th>2012</th></tr><tr><td>Sales</td><td>-</td><td>-</td><td>22</td></tr></table>	Year	2010	2011	2012	Sales	-	-	22
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<b>Red Earth</b> Our leading cosmetics brand achieved sales of Baht 73 million in 2012.	<b>Zwilling J.A. Henckels</b> Sales from our luxury household supplies and kitchenware brand were Baht 40 million in 2012.	<b>ETL Learning</b> Sales of ETL Learning were Baht 184 million in 2012.	<b>Tumi</b> The world's premier luggage brand anchors our line of luxury lifestyle brands.	<b>NMT</b> Our contract manufacturing business which supplies global FMCG companies resumed its full operation in 3Q12 after the floods impact in 4Q11.																														
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# Vision

To be a **Leading Hospitality and Restaurant Operator and Lifestyle Brand Retailer** through the delivery of branded products and services that provide 100% satisfaction to all stakeholders.

**Delivering premium branded hospitality services, restaurant concepts and lifestyle products globally.**

Every year, over 40,000 service professionals at 82 hotels, 1,381 restaurants and 235 retail outlets have the pleasure of serving more than 90 million customers in 23 countries.

## Core Values

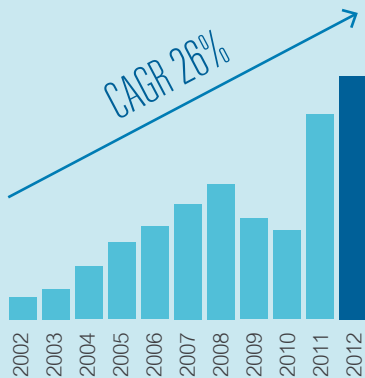
Customer Focus  
Result Oriented  
People Development  
Innovative  
Partnership

# High Performing Organization

## Financial Strength

Minor International reported all-time high net profit of Baht

**3.4** billion,  
a **26%** CAGR growth over the past ten years.



## Operational Excellence

Minor International works towards "Operational Excellence" for all of our properties, restaurants and points of sales, emphasizing on improvement of basic operational system and process, as well as training systems.







# “Driving to Unlock the Impossibilities”



## People

Talent management is Minor International's focus in order to retain and develop high performers and strengthen our Result-Oriented Core Values and Drive Culture.

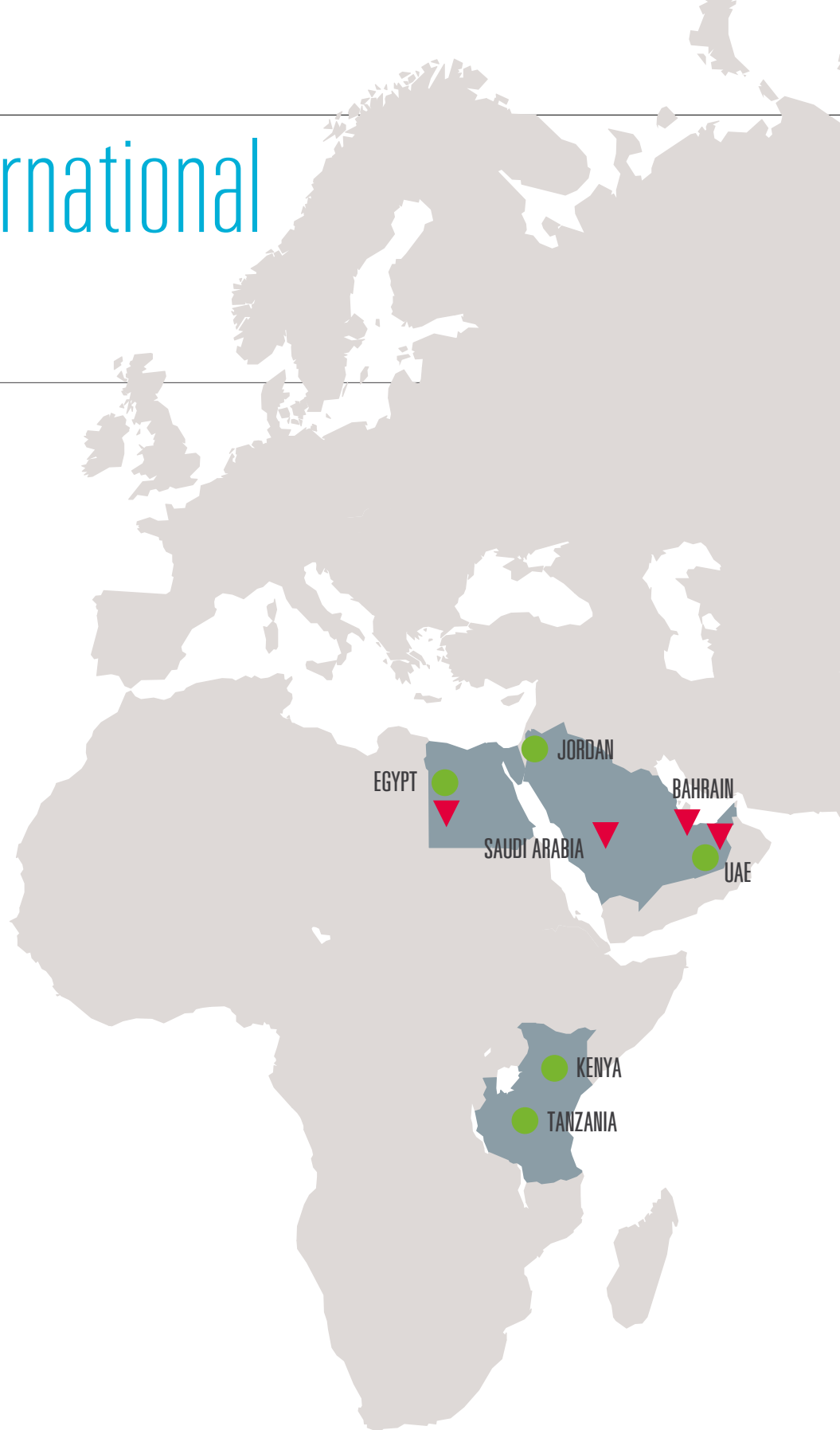


## Sustainability

Minor International focuses on developing future leaders to sustain our success, together with the improvement of communities' and the country's human capital.

# Minor International Footprint

- HOTEL & SPA
- ▼ RESTAURANT







# Financial Highlights

		2008	2009	2010	2011	2012
<b>Consolidated</b>						
(Baht million)	Net Sales	15,814	16,460	18,140	26,137	31,310
	Total Revenues	16,399	17,244	19,089	28,332	32,993
	Gross Profit	10,521	10,671	11,250	16,095	18,844
	EBITDA	4,303	3,791	3,633	6,201	7,063
	EBIT	2,924	2,230	2,061	4,221	4,888
	Foreign Exchange (Gain) Loss	(64)	(15)	(3)	40	33
	Net Profit	1,892	1,400	1,236	2,880	3,409
	Total Assets	25,064	28,271	32,799	41,623	50,975
	Total Liabilities	12,760	16,217	19,043	26,688	31,628
	Interest Bearing Debt	9,101	11,530	14,368	19,824	24,163
	Total Equities	12,304	12,054	13,756	14,935	19,347
	Net Cash Flow from Operating Activities	3,388	2,795	2,537	3,813	4,046
<b>Profitability Ratio</b>						
(Percentage)	Gross Profit Margin	66.53	64.83	62.02	61.58	60.18
	Net Profit Margin	11.54	8.12	6.48	10.17	10.33
	Return on Total Assets (ROA)	8.17	5.25	4.05	7.74	7.36
	Return on Equity (ROE)	17.19	11.50	9.58	20.08	19.89
<b>Debt to Equity Ratio</b>						
(Times)	Interest Bearing Debt/Equity Ratio	0.74	0.96	1.04	1.33	1.25
	Long Term Debt/Equity Ratio	0.64	0.79	0.94	1.09	1.08
	Gearing Ratio	1.04	1.35	1.38	1.71	1.44
<b>Per Share Data</b>						
(Baht)	Earnings per Share	0.56	0.43	0.38	0.88	0.94
	Book Value per Share	3.40	3.71	4.22	4.56	5.25
	Dividends per Share	0.31	0.15	0.15	0.25	0.30
	Dividend Payout Ratio (%)	55.07	35.01	39.49	28.39	32.00
<b>Share Capital</b>						
(Thousand Shares)	Par Value (Baht per Share)	1	1	1	1	1
	Registered Ordinary Shares	3,689,623	3,351,851	3,677,989	3,666,520	4,063,046
	Registered Preferred Shares	-	-	-	-	-
	Number of Ordinary Shares Outstanding	3,614,264	3,246,416	3,262,339	3,275,225	3,686,767
	Number of Preferred Shares Outstanding	-	-	-	-	-
	Number of Weighted Average Ordinary Shares Outstanding	3,361,793	3,268,811	3,255,950	3,270,879	3,635,442
	Number of Weighted Average Preferred Shares Outstanding	-	-	-	-	-
	<b>Number of Warrants Outstanding:</b>					
	• Offered to Existing Shareholders	-	-	325,382	325,380	274,245
	• Offered to Employee Stock Option Program	38,066	66,524	78,080	52,717	24,696

Notes: 1. Including one-time gain on fair value adjustment of S&P investment of Baht 1,054 million, netted off with one-time impairment charge of China business of Baht 93 million in 2011.  
2. MINT Board of Directors had the resolution on 21 February 2013 to propose the payment of 2012 dividend per share to the Annual General Meeting for shareholders' approval on 3 April 2013.  
3. Dividend payout ratio is calculated from dividend per share divided by earnings per share.

# Financial Status at a Glance

## Consolidated Cash Flow Statements

For the Year Ended 31 December 2012

(Baht million)

Net Cash Inflows from Operating Activities	4,046
Net Cash Payment for Investing Activities (1)	(6,329)
Net Cash Receipts from Financing Activities (2)	4,834
Net Increase in Cash & Cash Equivalents	2,551
Loss on Exchange on Cash & Cash Equivalents	1
Cash & Cash Equivalents on 31 December 2011	1,139
Cash & Cash Equivalents on 31 December 2012	3,691

## Consolidated Financial Position Statements

As at 31 December 2011

(Baht million)

<b>Assets</b>	
Cash & Cash Equivalents	1,139
Other Current Assets	6,212
Investments & Other	16,389
Property Plant and Equipment	17,876
<b>Total Assets</b>	<b>41,616</b>
<b>Liabilities &amp; Equities</b>	
Current Liabilities	8,581
Non-current Liabilities	18,101
Share Capital, Premium & Reserves	6,007
Retained Earnings - net	8,360
Non-controlling Interests	567
<b>Total Liabilities &amp; Equities</b>	<b>41,616</b>

## Consolidated Income Statements

For the Year Ended 31 December 2012

(Baht million)

Revenues	32,547
Gross Operating Profit	18,757
S&A Expenses	14,315
<b>Operating Profit</b>	<b>4,442</b>
Profit Sharing	446
<b>Earnings Before Financial Costs and Tax</b>	<b>4,888</b>
Financial Costs	1,085
<b>Earnings Before Tax</b>	<b>3,803</b>
Corporate Tax	392
Non-controlling Interests	2
<b>Net Profit</b>	<b>3,409</b>

## Consolidated Financial Position Statements

As at 31 December 2012

(Baht million)

<b>Assets</b>	
Cash & Cash Equivalents	3,691
Other Current Assets	6,559
Investments & Other (4)	20,317
Property Plant and Equipment (5)	20,397
<b>Total Assets</b>	<b>50,964</b>
<b>Liabilities &amp; Equities</b>	
Current Liabilities	8,929
Non-current Liabilities (6)	22,689
Share Capital, Premium & Reserves (7)	7,225
Retained Earnings - net	10,908
Non-controlling Interests (8)	1,213
<b>Total Liabilities &amp; Equities</b>	<b>50,964</b>

## Retained Earnings

As at 31 December 2012

(Baht million)

Balance as at 31 December 2011	8,360
Specific Capital Reduction	(39)
Total Earnings for 2012	3,409
Dividends (3)	(822)
Balance as at 31 December 2012	10,908

## Notes

- (1) Net cash paid for investing activities of Baht 6,329 million was primarily due to the acquisition under Oaks of Baht 878 million, investment in land and hotel in Phuket of Baht 1,000 million, investment in Riverside of Baht 1,200 million and normal capital expenditures for hotel, restaurant and other businesses of Baht 2,449 million.
- (2) Net cash received from financing activities of Baht 4,834 million was primarily due to net proceeds from borrowings and debenture issuance of Baht 4,411 million to finance the investment in hotel and food business and repay some existing debentures upon maturity and net cash of Baht 413 million from increased capital netted off with dividend payment.
- (3) In April 2012, the Company paid dividend of Baht 822

million which comprised cash dividend of Baht 499 million (Baht 0.15 per share) and stock dividend of Baht 329 million (Baht 0.10 per share).

- (4) Investment & others increased by Baht 3,928 million primarily due to Baht 815 million increase in trade receivable long-term contract corresponding with the significant growth of Anantara Vacation Club's sales, Baht 1,420 million increase in intangible assets mainly from the investment in management letting rights and goodwill of subsidiary companies together with Baht 679 million increase in non-current assets due in part to the convertible loan to Riverside.
- (5) Total net fixed assets increased by Baht 2,521 million mainly due to the acquisition of Bundarika Hotel & Suites

and the adjacent land in Phuket, Oaks's acquisition of land and 3 properties in Australia and the acquisition of Riverside restaurant chain in China.

- (6) Long-term liabilities increased by Baht 4,588 million due to the issuance of new debentures to repay some existing debentures that are nearing maturity and to finance any future businesses acquisition or expansion.
- (7) Share capital, premium & reserves increased by Baht 1,141 million in 2012, primarily due to the increased capital of Baht 912 million from exercise of ESOP and share capital incremented from stock dividend of Baht 329 million.
- (8) Non-controlling interests increased primarily due to the investment in Oaks's subsidiaries and the acquisition of Riverside in China.



# Chairman's Message



Anantara Kihavah Villas, Maldives

## Dear Fellow Stakeholders:

On behalf of the Board of Directors, it is my pleasure to present Minor International's Annual Report for the financial year ended 31 December 2012. I am proud to inform you that 2012 was a truly exceptional year for us as we managed to continue delivering outstanding operating and financial results. While we clearly benefited from robust domestic consumption and a significant increase in international tourist arrivals, our performance could not have been achieved without well-planned strategies and commitment to operational, commercial and financial discipline. We overcame the after-effects of widespread flooding at the end of 2011 and faced prevailing uncertainties in the global economy, yet we continued to go from strength to strength as a result of the skillful efforts of the management team and all our team members, as well as a pool of strong brands in our portfolio. The year's worth of hard work culminated in our core net profit increasing by 78% to once-again another record high of Baht 3,409 million.

Our hospitality business recorded a notable 80% rise in net profit on the back of significant improvement in hotel operations together with stronger performance of our mixed-use development projects including residential property sales and the Anantara Vacation Club. The restaurant business achieved a 35% increase in core net profit, underpinned not only by strong demand for our services but also by pro-active marketing efforts, economies of scale, enhanced cost efficiency and productivity, as well as the strong operational excellence culture that we have instilled in our employees over the past several years.

2012 was a transformative year for Minor, as a number of strategic initiatives were implemented that continued to lay the foundation for delivering profitable growth and creating long-term shareholder value. Allow me to share with you some of our most significant achievements in 2012:



## Minor International Management Team



7 5 4 1 3 6 2

1. William Ellwood Heinecke  
Chairman  
and Chief Executive Officer
2. Paul Charles Kenny  
CEO of Minor Food Group
3. Patamawalai Ratanapol  
CPO, COO of Minor Food Group  
and Acting CEO of Minor  
Retail Group
4. Emmanuel Jude Dillipraj Rajakarier  
CEO of Minor Hotel Group
5. Trithip Sivakrskul  
Corporate Chief Financial Officer
6. Stephen Chojnacki  
Chief Commercial Officer and  
General Counsel
7. John Scott Heinecke  
Vice President of  
Minor Food Group



- We made an investment in one of Phuket's most luxurious hotels - a magnificent property on the secluded Layan Beach. We are excited about the opportunity ahead for this property, which will be launched as our second Anantara Hotel in Phuket and which will complement our existing Phuket portfolio of Anantara Phuket Villas on Mai Khao Beach, JW Marriott Phuket, Turtle Village Shopping Plaza and Anantara Vacation Club. In addition to this new hotel, we also acquired a scenic plot of land adjacent to the hotel, which will be developed into a residential project under the Anantara Residences brand. The addition of a new Anantara hotel and Anantara Residences project is expected to further strengthen our leading market position in one of the world's most popular tourist destinations.

- Oaks Hotels & Resorts, our subsidiary in Australia, continued to lead in its home market by investing in additional Management Letting Rights contracts and acquiring a property in Australia. Even before the completion of Oaks' acquisition in 2011, we laid out our plan to realize the long-term potential of Oaks' brand

and concept in other parts of the world. Asia is our first target market as it is one of the fastest growing tourism markets, and also the region in which we have the best understanding and experience. In late 2012, we launched the first Oaks' managed property in Bangkok, Thailand. Oaks' pace of expansion best exemplifies our abilities to effectively integrate acquired businesses and improve profitability.

- Avani, our one-year-old brand, is also becoming increasingly recognized internationally with the latest addition of a managed upscale property in Sepang, Malaysia. Our goal is to make Avani a regionally recognized hospitality brand, similar to our Anantara, by delivering the highest quality and standard of services that will best satisfy both our partners and hotel guests.

- Our mixed-use business, Anantara Vacation Club, has gained in popularity and continues to increase its inventories in five destinations across the region in order to accommodate the demand of club members. Since it was launched in December 2010, sales have

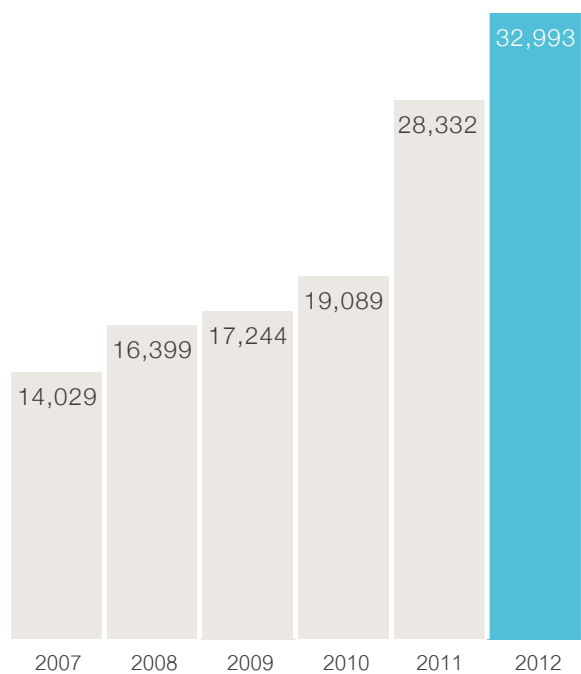


Oaks Broome Hotel & Resort, Australia



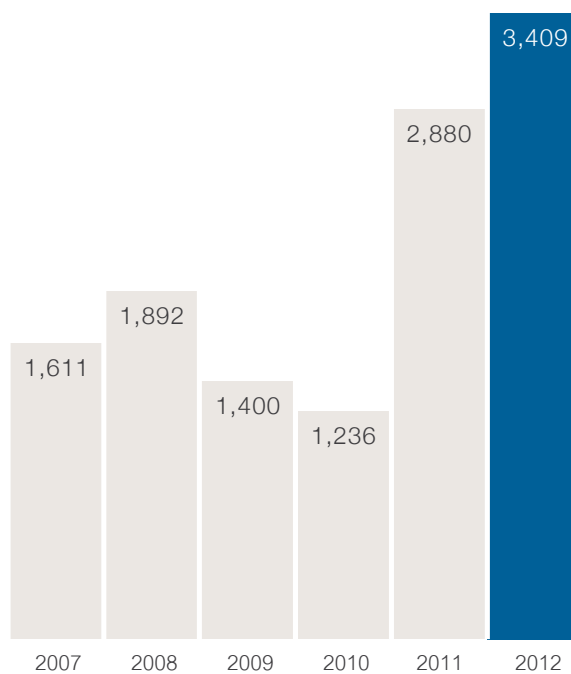
## Consolidate Revenues

(Baht million)



## Consolidated Net Profit

(Baht million)



Avani Sepang Goldcoast Resort, Malaysia

grown strongly beyond our expectations and we are proud to see the business reach its break-even point in only its second year of operation.

- We have always prided our restaurant business' abilities to expand into new territories, and this year was no exception. Swensen's opened its first two equity-owned restaurants in the Maldives, while The Coffee Club opened on Egypt's North coast and in China through a franchised model.

- Domestic franchising is another channel where we have created value. Our broad geographical reach across Thailand allows us to leverage on our network, brand equity and operational platform. From the success we had with domestic franchising of the Pizza Company and Swensen's, we applied the same franchising strategy with Dairy Queen and the number of Dairy Queen's franchised outlets in Thailand increased by 177% y-y to 72 outlets at the end of 2012.

- Apart from organic expansion, we acquired Beijing Riverside & Courtyard, a restaurant chain

of sizzling fish dishes in China. The investment reflects our dedication to strengthen our footprint in the world's largest consumer market. Not only does this acquisition enhance our diversification and double the number of our restaurants in China, it will also generate immediate earnings, thus transforming our food business in China operationally and financially in 2013.

- Our retail trading business was also looking for ways to add diversity to its portfolio. Following the success in Thailand of Charles & Keith, the fashion-forward ladies footwear and accessories retailer, we were pleased to introduce its sister footwear brand, Pedro, with its modern luxury footwear and accessories to the new market segment.

Looking forward we believe that our capable workforce and well-capitalized standing place us in an enviable position to take advantage of future growth opportunities. We will remain committed to the same ideals and objectives that have steered our success over the past year. We see the importance of driving a profitable portfolio of our own brands, finding ways





## Corporate Management Team

1. Jared Clark Bowen  
Chief Information Officer
2. Chaipayat Paitoon  
VP of Strategic Planning
3. Woon How Chin (Paul Chin)  
VP of Strategy Management
4. Nuanwan Bhuprasert  
VP of Shared Service
5. Somsri Ruchdaponkul  
VP of Corporate Finance
6. Jacques Avayou  
VP of Legal



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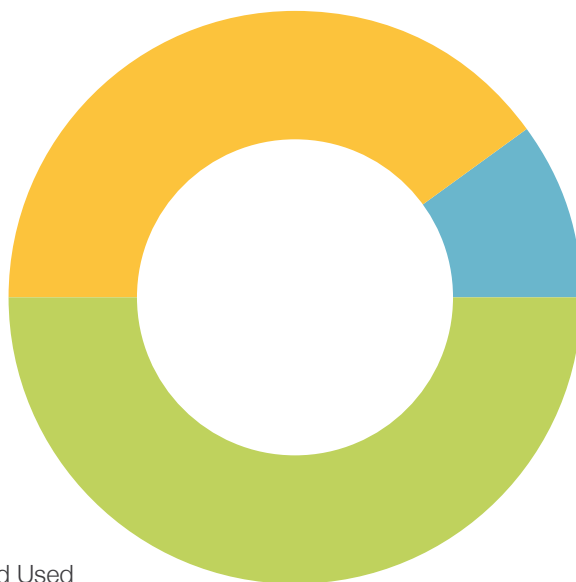


## 2012 Revenue Breakdown

40%  
Restaurant

50%  
Hotel & Mixed Used

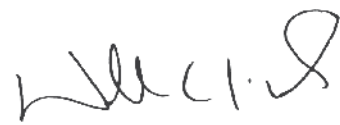
10%  
Retail Trading  
and Manufacturing



to further enhance productivity and return of our businesses, and looking for expansion opportunities through strategic investments and acquisitions. Despite our vigorous expansion, we remain dedicated to financial discipline and maintaining a manageable leverage ratio. In addition to our commitment to strive to achieve strong business performance, we remain committed to the ongoing and new sustainability projects, which aim at making positive and sustainable impact on the community. I would like to invite you to explore in detail our first separate Sustainability Report to learn more about our initiatives and their long-term benefits to all of our stakeholders, as well as how the people of Minor International demonstrate our dedication to sustainability development.

Allow me to express appreciation on behalf of the Board to all our shareholders, customers and business partners for their continued support of Minor International. I would also like to extend my sincere gratitude to our dedicated team members for their valuable contributions in 2012. It is their hard work and

determination that transform the opportunities we identify into the successes we achieve. Their commitment to the future of our business has been invaluable in sustaining our leadership position in the hospitality, restaurant and retail trading industries. With unfaltering faith and strong support from all of our stakeholders, I am optimistic that together we will make 2013 another exceptional year for all our stakeholders.



**WILLIAM E. HEINECKE**

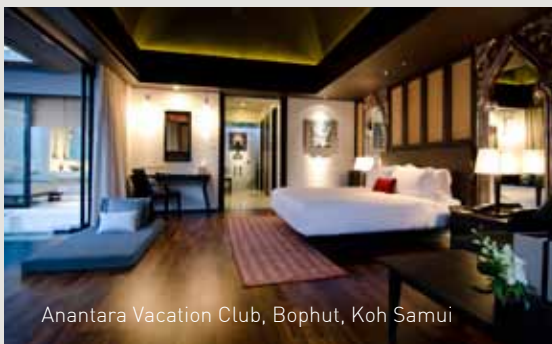
Chairman and Chief Executive Officer  
March 2013



# Hospitality Business



Eastern Mangroves Hotel & Spa by Anantara,  
Abu Dhabi



Anantara Vacation Club, Bophut, Koh Samui

Hotel portfolio of  
**10,348**  
rooms in 82 properties  
across 12 countries,  
from Africa to Australia



Avani Kalutara Resort & Spa, Sri Lanka



Hospitality Group  
net profit increase of

**80%**

reaching Baht 2.1 billion  
in 2012

Oaks Bangkok Sathorn



Anantara Vacation Club  
members of over

**2,300**

**73%** of St. Regis Residences  
sold and recognized by  
the end of 2012

Anantara Bali Uluwatu Resort & Spa





Anantara Kihavah Villas, Maldives





## Hospitality Management Team

1. Emmanuel Jude Dillipraj Rajakarier  
CEO of Minor Hotel Group
2. Harold Derrah\*  
CEO of Anantara Vacation Club
3. George Alfred Dutton  
CFO of Anantara Vacation Club
4. June Harrison\*  
SVP Club Operations, Anantara Vacation Club
5. Michael David Marshall  
SVP Commercial Operations
6. Michel Van Der Hoeven  
SVP Development
7. Robert Jim Kunkler  
SVP Hotel Operations
8. Ross Carden Crowder\*  
SVP Project Development
9. Caroline Stevens  
VP Human Resources
10. Pleumjit Chaiya  
VP Project Development, Thailand
11. Rick Owen  
VP Sales & Marketing,  
North East Asia, Anantara Vacation Club
12. Robert Martini  
VP Sales, Anantara Vacation Club
13. Timothy Williams  
VP Human Resources, Anantara Vacation Club
14. Wayne Williams  
VP of Finance
15. Yeon Shin Siow  
VP of Legal, Anantara Vacation Club
16. Helmut Heinz Arthold  
General Manager, Culinary Excellence



Note: \* Not in the picture.



## Message from Minor Hotel Group's CEO

"With our own brands, including Anantara, Avani, Oaks and Elewana, we have vast potential to expand the priceless intellectual properties into many new markets, as well as to leverage on the brands into related businesses such as residentials. We are very well positioned for aggressive growth going forward."

Mr. Dillip Rajakarier  
CEO of Minor Hotel Group



## Sector Overview and Competition

2012 was another year of excellent earnings growth with revenue of Baht 16,390 million and EBITDA of Baht 4,535 million, increase of 29% and 37% respectively over 2011.

Thailand's hospitality sector experienced growth with tourist arrivals reaching 22.3 million, despite global economic challenges, and the sector recorded revenues of Baht 965 billion up 24% over 2011. The stabilization of the political climate coupled with the joint coordination between public and private sector to promote the destination and restore travelers confidence especially after the flooding in the fourth quarter 2011 resulted in strong performance for 2012.

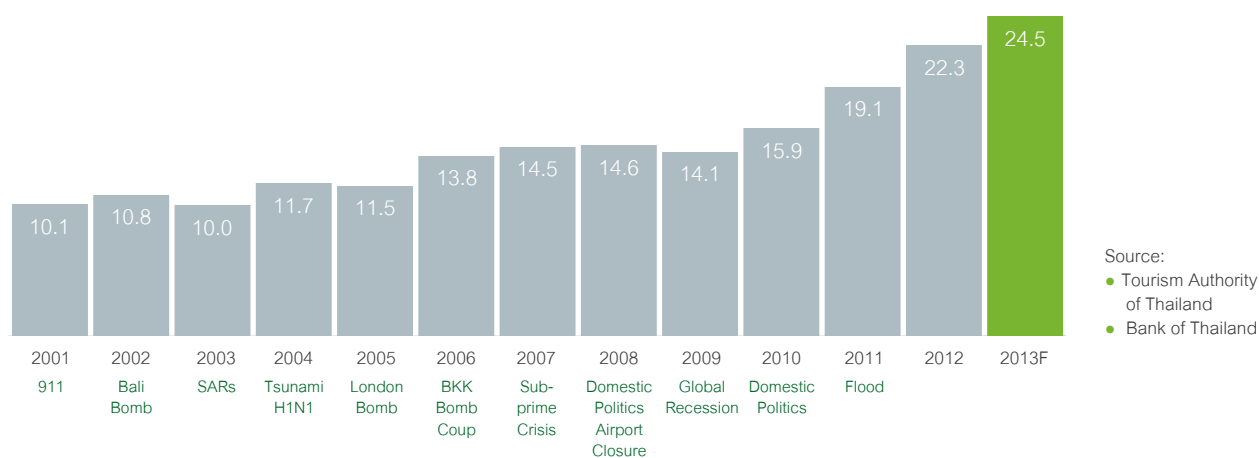
The growth in Asia due to the strong economic fundamentals resulted in increase in visitors to Thailand, driven by key markets such as China, Japan, India and Korea. The European and the US markets maintained

positive growth despite economic challenges. We continued to see some major shifts in our key markets in 2012. Proactive sales and marketing strategies to focus on the new emerging markets did benefit the Hotel Group to achieve its significant revenue growth. For example the tourist arrivals from Russia grew by 104% within a period of 2 years, now contributing 6% of the total arrivals into Thailand. We remain confident that our traditional markets like Europe and America will rebound as they resolve their challenges.

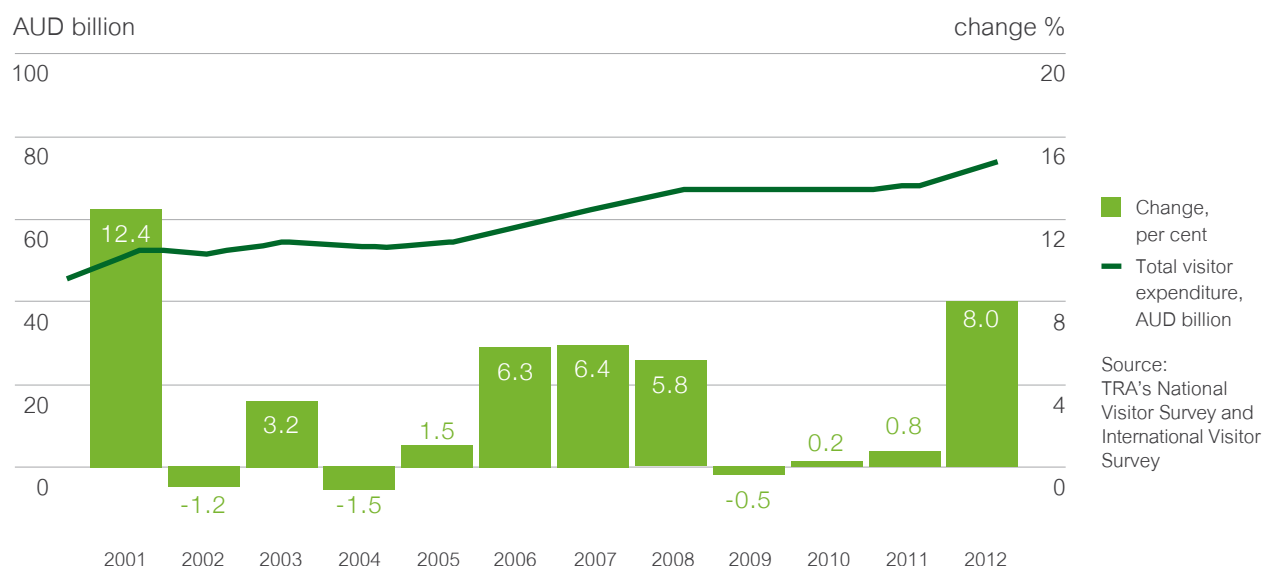
The Thai government will continue to implement plans to strengthen the infrastructure, including the airports and transportation system. The Tourism Authority of Thailand has already unveiled a series of strategies to strengthen the brand image of Thailand, enhance marketing profile and increase arrivals. The rapid expansion of low cost carriers from the private sector would further propel tourism growth across the region and contribute to strong performance in the coming years. Tourism Authority of Thailand is forecasting 24.5 million arrivals resulting in an increase in revenue of 6% in 2013.

## Development of The Thai Tourist Market

(Visitors in millions)



## Growth in Total Australian Visitor Expenditure



We also experienced strong growth in other countries we operate as a result of positive encouraging macroeconomic conditions. In Australia, the revenue and earnings from our newly acquired group Oaks Hotels & Resorts were strong. The economy remains robust with continuing growth of the resources sector. Australia's tourism sector performed well during 2011 - 2012 with an increase of 8% in total visitor expenditure, notably its fastest growth since the early 2000. The domestic markets in Australia remain strong contributing to the Oaks Hotels performance.

In Sri Lanka we currently operate four hotels. As a result of the peace dividend and the stabilization of the political climate, the country is experiencing rejuvenation of arrivals because of its multi-facet offerings such as beach, culture, heritage, health and wild life. We are positioned well to benefit from the lift of tourist arrivals as it looks very promising with the government's commitment to drive tourism.



## Performance Highlights - Hotels

	Overall			Thailand			Australia		
	2012	2011	(%) Change	2012	2011	(%) Change	2012	2011	(%) Change
System-wide Sales (Bht m.)	17,955	14,608	23	6,812	5,673	20	7,373	4,026*	83
Total Number of Hotels	82	74	11	19	18	6	39	37	3
Total Number of Rooms	10,348	9,575	8	3,087	3,209	4	5,180	5,031	3
Occupancy Rate (%)	69	65	5	65	56	9	77	79	-2
Average Daily Rate (ADR)	5,589	5,385	4	4,819	4,640	4	5,160	4,977	4
Revenue per Available Room (RevPar)	3,871	3,479	11	3,126	2,575	21	3,962	3,917	1

\* Australia's System-wide Sales include 7 months of Oaks in 2011 since the acquisition versus 12 months in 2012.

Revenue (Baht million)	2012	2011	(%) Change
Hotels (Owned & Managed)	12,346	8,917	38
Real Estate (Residences & Anantara Vacation Club)	3,109	2,853	9
Other Mixed-use	934	887	5
Total Hotel Group	16,390	12,657	29

The net profit increase of 80% from 2011 mainly attributed to the diversified geographies of the Hotel Group combined with strong sales, marketing and distribution network of the group. The consolidation of Oaks Hotels & Resort for a full year in 2012 versus seven months 2011 has also contributed to the revenue and profit increase.

### Company Owned Hotels

Our company owned hotels under the Anantara, Avani, Four Seasons, St. Regis, Marriott brands experienced a very healthy increase in revenue of Baht 1,236 million which resulted in 24% growth over 2011.



We have seen strong performance in our two new hotels, Anantara Kihavah Villas in the Maldives and the St. Regis in Bangkok in their second year of operation. The continued strong performance of the two hotels will also further improve the group as they gain market share and greater recognition with international travelers.

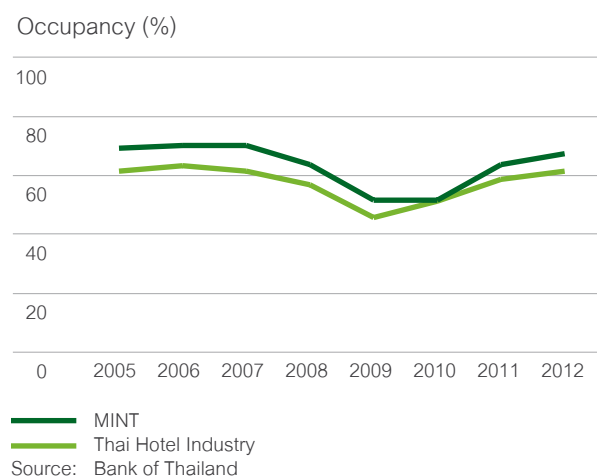
In 2012, we acquired a hotel on secluded Layan Beach in Phuket. The property is currently closed undergoing an extensive refurbishment and upgrade of facilities target to open in the third quarter of 2013 under our luxury Anantara Brand. The Anantara will feature 77 pool villas and jacuzzi suites on 23 rai of prime beach front land. This will further strengthen our foot print in Phuket as five star brand in one of Asia's most established tourist destinations.

We also acquired 32 rai of adjacent hillside land in Phuket with panoramic sunset views of the Andaman Sea. The plan is to develop this beautiful piece of real estate into our first high-end residential project under our Anantara brand in Thailand.

In early 2013, we acquired two hotels in Vietnam, a 96-key Life Heritage Resort Hoi An and 63-key Life Wellness Resort Quy Nhon. These properties will be rebranded into our own brands within 6 - 12 months. The properties will strengthen our position in Vietnam's hospitality space, stretching from the north to southeastern coast.

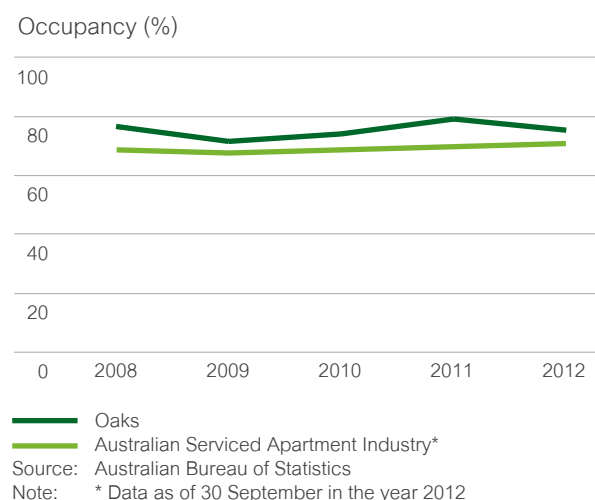


## MINT's Hotel Performance in Thailand Compared to Thai Hotel Industry



Following our successful launch of the Avani brand in 2011, we have this year completed the renovation and rebranding of Avani Kalutara Resort & Spa, offering relaxed contemporary comfort, effortless travel and refreshingly understated personality of the brand. Building on the success of our Sri Lankan investment and buoyant tourism industry, we have acquired a prime beachfront land for further expansion of the Avani in Ambalangoda, one of the fastest growing tourist destinations in the Southern Province. We are also planning to open two properties in Kenya under the Elewana brand in 2013.

## Oak's Performance in Australia Compared to Australian Serviced Apartment Industry



## Oaks Hotels and Resorts

Oaks has been a great success for us. We acquired the group in mid 2011 and moved very fast to address the key issues facing the business as part of the post acquisition strategy. Oaks' performance continued to improve strongly, with revenue rising by 77% to Baht 5,115 million in 2012, accounting for 31% of total revenue of our hospitality business. Oaks' underlying revenue exhibited growth, evidenced by a 14% increase in revenue in the second half of 2012 compared with the same period of 2011. At the end of 2012, Oaks manages 40 properties with over 5,000 rooms.



We have been very active in growing the Oaks portfolio to underpin the organic growth of the business coupled with adding more Management Letting Rights (MLR's) and investing in new owned sites. We have started development of Oaks Grand Hotel in Gladstone to open in the fourth quarter of 2013, acquired a 50% stake in Tidal Swell - the company which owns four properties already managed by Oaks, acquired management letting rights contracts in Sydney, Broome and Mon Komo. We have also acquired 100% stake in the Oaks Oasis Resort Caloundra hotel and residential units in Oaks Hyde Park Plaza.

As part of our strategy to take advantage of a niche serviced apartment model, we launched Oaks in Thailand adopting the management contract model. We expect to continue growing the Oaks brand to penetrate other selective markets elsewhere.

## Hotel Management

Revenues from Hotel management fee increased by 8% to Baht 355 million, this excludes the hotels and resorts managed under the Oaks management letting rights business model. We currently manage 15 hotels and resorts in 7 countries, 12 under the Anantara brand in Thailand, the Maldives, Sri Lanka, Indonesia, Vietnam, China and the United Arab Emirates and also include the signing for our first managed hotel in Malaysia to be

re-branded as Avani and the first managed serviced apartments under the Oaks brand in Bangkok, Abu Dhabi and China.

2012 was another good year of expansion for our hospitality management business. We entered into China launching the Anantara brand opening Anantara Sanya Resort & Spa, located on the southernmost tip of Hainan Island. China has become a key source market for both inbound and outbound travel. The domestic travel within China remains strong resulting in strong performance in our hotels. We also strengthened our presence in Bali, Indonesia opening our second managed Anantara Bali Uluwatu Resort & Spa, located on the secluded shores of Bali's southern coastline. Finally, across the Indian Ocean we added our third Anantara in the United Arab Emirates, Eastern Mangroves Hotel & Spa by Anantara is located along a stretch of the United Arab Emirates's protected Eastern Mangroves District.

For 2013, we are preparing to open an additional Anantara in Dubai as well as China.

As part of our long-term strategy to drive a profitable portfolio of our own brands, 2012 also underscored further expansion through our other hotel brands. We opened our first managed hotel in Malaysia to be re-branded under the Avani brand. Avani Sepang Gold-Coast Resort is located in the district of Sepang,



Anantara Sanya Resort & Spa, China

in the southern region of the state of Selangor, close to the Sepang International Circuit – home to the Malaysian leg of the F1 race. We also opened Oaks Bangkok Sathorn, launching our first Oaks brand in Thailand under the existing hotel management contract business model. In Tanzania we opened Serengeti Pioneer Camp, our seventh Elewana property located in the southern region of Serengeti National Park.

Our strategy and mission is to manage over 35 properties in more than 12 countries across our various brands by 2017. We expect to add another 8 hotels currently under development pipeline in 2013. We signed 6 hotel management contracts in 2012 as part of our on-going pipeline of projects.

## Residential Property

We have been very successful with the launch and sales of St. Regis Residences, Bangkok, from which we recognized revenue of 73% of total sellable area. In addition, we sold 64% of total inventories and recognized revenue of 65% of total sellable area of the Estates Samui, next to our Four Seasons. The residential sales will remain as a core segment within the Hospitality sector and will continue to enhance the profitability and returns. We are actively seeking projects as part of our mixed used strategy to drive this revenue stream forward. To underpin this strategy, we will develop

the land bank next to our newly acquired Hotel on Layan Beach, Phuket under our luxury Anantara branded residences and reviewing the plan at the Four Seasons Bangkok following the renewal of our lease term.

## Anantara Vacation Club

The Anantara Vacation Club provides our guests with the comfort of secured holidays at today's values, the opportunity to belong to a unique lifestyle club and substantial savings on pre-paid holidays. It is also complementary to our hotels whereby members can take advantage of our hotel facilities including restaurants, excursions and spas. After its launch in December 2010 and higher-than-budgeted sales in 2011, Anantara Vacation Club gained even stronger momentum in 2012, with sales increasing by 176% and bottom line becoming profitable in only its second year of operation. The Anantara brand recognition, high quality product has helped to drive the revenues with a pipeline of attractive destinations. Anantara Vacation Club now has purpose-built inventories in Phuket and Samui, and Club Properties in Bangkok, China, Queenstown and Bali with more to follow in existing and new destinations to be added in the future. Growing inventories and leveraging the Anantara Vacation Club branding will translate into strong revenue stream contributing to our Hotel revenues and profits.





## Hotel & Residential Development Plan

### Hotel Portfolio

Country	Hotel Name	2011	2012	2013F	2014F	2015F
Thailand	Anantara Bangkok Riverside	407	407	407	407	407
Thailand	Anantara Hua Hin	187	187	187	187	187
Thailand	Anantara Golden Triangle	77	77	77	77	77
Thailand	Anantara Bophut Koh Samui	106	106	106	106	106
Thailand	Anantara Phuket Villas	83	83	83	83	83
Maldives	Anantara Kihavah Villas	78	78	78	78	78
Thailand	Four Seasons Bangkok	354	354	354	354	354
Thailand	Four Seasons Chiang Mai	76	76	76	76	76
Thailand	Four Seasons Tented Camp Golden Triangle	15	15	15	15	15
Thailand	Four Seasons Koh Samui	60	60	60	60	60
Thailand	JW Marriott Phuket	265	265	265	265	265
Thailand	Pattaya Marriott	298	298	298	298	298
Thailand	The St. Regis Bangkok	224	224	224	224	224
Thailand	Bundarika (To be Rebranded into Anantara)		77	77	77	77
Sri Lanka	Avani Kalutara	105	105	105	105	105
<b>15</b>	<b>Majority Owned</b>	<b>2,335</b>	<b>2,412</b>	<b>2,412</b>	<b>2,412</b>	<b>2,412</b>
Maldives	Anantara Veli	50	50	50	50	50
Maldives	Anantara Dhigu	110	110	110	110	110
Maldives	Naladhu Maldives	19	19	19	19	19
Vietnam	Harbour View	122	122	122	122	122
Sri Lanka	Avani Bentota	90	90	90	90	90
Sri Lanka	Club Hotel Dolphin	146	146	146	146	146
Sri Lanka	Hotel Sigiriya	79	79	79	79	79
Tanzania	Arusha Coffee Lodge	18	18	18	18	18
Tanzania	Serengeti Migration Camp	20	20	20	20	20
Tanzania	Tarangire Treetops	20	20	20	20	20
Tanzania	The Manor at Ngorongoro	20	20	20	20	20
Kenya	AfroChic Diani Beach	20	20	20	20	20
Zanzibar	Kilindi Zanzibar	19	19	19	19	19
<b>13</b>	<b>Joint Venture</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>
Thailand	Anantara Sikao	139	139	139	139	139
Thailand	Anantara Baan Rajprasong	97	97	97	97	97
Thailand	Anantara Lawana Koh Samui	122	122	122	122	122
Thailand	Anantara Bangkok Sathorn	436	321	321	321	321
Thailand	Anantara Rasananda Koh Phangan	44	64	64	64	64
Vietnam	Anantara Mui Ne	89	89	89	89	89
Indonesia	Anantara Seminyak Bali	60	60	60	60	60
Indonesia	Anantara Bali Uluwatu		77	77	77	77
China	Anantara Sanya		122	122	122	122
UAE	Eastern Mangroves by Anantara		222	222	222	222
UAE	Desert Islands by Anantara	64	64	64	64	64
UAE	Qasr Al Sarab Desert by Anantara	206	206	206	206	206
Malaysia	Avani Sepang Goldcoast		315	315	315	315
Tanzania	Serengeti Pioneer Camp		10	10	10	10
Thailand	Oaks Bangkok Sathorn		115	115	115	115
<b>15</b>	<b>Purely Managed</b>	<b>1,257</b>	<b>2,023</b>	<b>2,023</b>	<b>2,023</b>	<b>2,023</b>
Australia	Oaks Hotels & Resorts	5,031	5,180	5,380	5,754	5,997
<b>39</b>	<b>Management Letting Rights</b>	<b>5,031</b>	<b>5,180</b>	<b>5,380</b>	<b>5,754</b>	<b>5,997</b>
<b>82</b>	<b>Total Existing Hotels</b>	<b>9,356</b>	<b>10,348</b>	<b>10,548</b>	<b>10,922</b>	<b>11,165</b>

Country	Hotel Name	2011	2012	2013F	2014F	2015F
Vietnam	Life Heritage Resort Hoi An			96	96	96
Vietnam	Life Wellness Resort Quy Nhon			63	63	63
Australia	Grand Hotel, Gladstone Australia				96	96
Sri Lanka	Avani Ambalangoda				60	60
Sri Lanka	Anantara Sri Lanka					141
Thailand	Avani Bangkok					249
<b>6</b>	<b>Majority Owned</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>315</b>	<b>705</b>
Kenya	Masai Mara Camp			16	16	16
Kenya	Amboseli Camp			16	16	16
Kenya	Meru Manner					16
<b>3</b>	<b>Joint Venture</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>32</b>	<b>48</b>
China	Anantara Xishuangbanna			103	103	103
Qatar	Anantara Doha Island			117	117	117
UAE	Anantara Palm Jumeirah			293	293	293
UAE	Anantara Al Yamm			30	30	30
UAE	Anantara Al Sahael			30	30	30
China	Anantara E-Mei			150	150	150
China	Oaks Sanya			120	120	120
UAE	Oaks Liwa			54	54	54
China	Anantara Chongqing				150	150
Oman	Anantara Salalah				136	136
China	Anantara Baoting				130	130
Laos	Anantara Luang Prabang				115	115
China	Anantara Qiandao Lake				120	120
India	Anantara Mahabalipuram				130	130
Oman	Anantara Al Madina A'Zarqua, Blue City				120	120
Oman	Anantara Al Akhdar				123	123
Mauritius	Anantara La Chaland				160	160
India	Anantara Udaipur					70
India	Anantara Wayanad					95
<b>19</b>	<b>Purely Managed</b>	<b>-</b>	<b>-</b>	<b>897</b>	<b>2,081</b>	<b>2,246</b>
<b>28</b>	<b>Total Hotel Development Plan</b>	<b>-</b>	<b>-</b>	<b>1,088</b>	<b>2,428</b>	<b>2,999</b>

### Residential Properties

Country	Residence Name	2011	2012	2013F	2014F	2015F
Thailand	The Estate Samui	14	14	14	14	14
Thailand	St. Regis Residences	53	53	53	53	53
Thailand	Anantara Residences Phuket			16	16	16
<b>3</b>	<b>Total Residences</b>	<b>67</b>	<b>67</b>	<b>83</b>	<b>83</b>	<b>83</b>

### Vacation Club Properties

Country	Vacation Club Name	2011	2012	2013F	2014F	2015F
Thailand	AVC - Samui	20	20	20	20	20
Thailand	AVC - Phuket	2	2	100	100	100
Australia	AVC - Queenstown	3	3	3	3	3
Indonesia	AVC - Bali		18	18	18	18
Thailand	AVC - Bangkok		3	3	3	3
	AVC - New Destinations			29	54	135
	<b>Total Vacation Club</b>	<b>25</b>	<b>46</b>	<b>173</b>	<b>198</b>	<b>279</b>

Note: F = Forecast

# Restaurant Business

Expansion of foot print  
in China with the acquisition of  
**Beijing Riverside  
and Courtyard**







# 1,381

restaurant outlets  
in 17 countries



Total-system-  
sales growth of

# 15.1%

in 2012







## Restaurant Management Team

1. **Paul Charles Kenny**  
CEO of Minor Food Group
2. **Patamawalai Ratanapol**  
COO of Minor Food Group
3. **Tanadit Charoenchan**  
CFO of Minor Food Group
4. **Andrew John Holman**  
VP & General Manager, The Pizza Company
5. **Choompot Tantisoonthorn**  
VP & Group General Manager  
Swensen's, Dairy Queen and  
Dairy Product Manufacturing
6. **John Scott Heinecke**  
VP, Sizzler and Burger King
7. **Kanya Ruengprateepsang**  
VP of Finance, Minor Food Group
8. **Lerssak Boonsongsup**  
VP of Supply Chain, Minor Food Group
9. **Arth Prakhunhungsit**  
VP, Franchise Thailand
10. **Wannawut Apinanratanakul**  
VP of Investments and Business Development,  
Minor Food Group
11. **Michael David Chick**  
General Manager, The Coffee Club Thailand
12. **Joey Reyes Garcia**  
General Manager, Franchise International
13. **Nakarintr Thamhatai**  
General Manager, Dairy Queen
14. **Prapat Siangjan**  
General Manager, Burger King
15. **Akkarawin Jeerawatanawart**  
General Manager, Select Service Partner

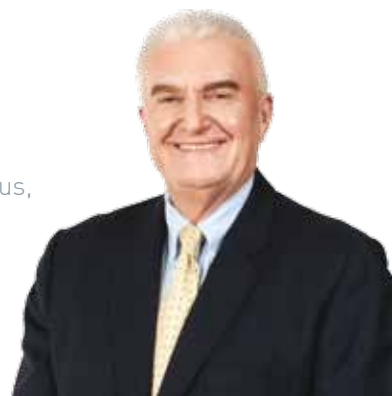




## Message from Minor Food Group's CEO

"Our restaurant business has seen solid and stable growth over the past years, and will continue to do so well into the future. The acquisition of Riverside in China marked an outstanding year for us, with the potential of the brand to expand within China and eventually into other countries."

Mr. Paul Charles Kenny  
CEO of Minor Food Group



## Sector Overview and Competition

With pro-active expansion of our restaurant business through organic growth and strategic acquisitions over the past several years, we have seen our portfolio gradually shifting from quick service restaurant concept towards more casual dining restaurant concept today. In 2012, the casual dining restaurants account for approximately 85% of total restaurant revenue. The Thai casual dining restaurant industry prospered despite prevailing global economic doldrums and Central Thailand's flooding in the fourth quarter of 2011.

The long-term outlook for the Thai casual dining industry remains positive owing to increasing urbanization, escalating disposable income, a trend towards reduced time for home food preparation, and government's adherence to populist policies in the form of stimulus packages that propel domestic consumption. Moreover, overseas studies, international travel, internet and the widespread social media have led to an increasingly westernized younger population and urban dwelling

Thais, many of whom are moving away from traditional open-air food stands to casual dining restaurants, particularly those in retail malls. The continued expansion of retail mall operators and modern trades will give Thais, particularly those in the provincial areas, easier access to casual dining restaurants and will therefore propel sales growth of the Thai casual dining restaurants even further in years to come.

## Performance Highlights and Development Plans

In 2012, revenue of the Minor Food Group increased by 13% to Baht 13,192 million from revenue from operations of Baht 11,697 million (excluding an extraordinary gain from reclassification of investment in S&P) in 2011. The increase was primarily the result of strong same-store-sales growth of 5.5%, together with outlet expansion of 10% in 2012. Net profit of the group also rose by 35% in 2012 (excluding net extraordinary gains in 2011) as did the net profit margin over the previous year. The growth

## Comparative Market Share of Western Casual Dining in Thailand

(Baht Million)	2010		2011		2012F	
	Revenues	(%)	Revenues	(%)	Revenues	(%)
Café	2,476	7.2	3,107	7.7	3,645	7.8
Restaurants	17,335	50.6	19,495	48.6	22,303	47.9
Fast Food	11,239	32.8	13,626	34.0	16,175	34.7
Ice Cream & Bakery	3,180	9.3	3,902	9.7	4,457	9.6
<b>Total Market</b>	<b>34,230</b>	<b>100.0</b>	<b>40,131</b>	<b>100.0</b>	<b>46,581</b>	<b>100.0</b>
<b>Minor Food Group in Thailand</b>	<b>9,932</b>	<b>29.0</b>	<b>11,502</b>	<b>28.7</b>	<b>13,367</b>	<b>28.7</b>

Source: Top 500 food & beverage companies from Ministry of Commerce and company estimates

Remark: Minor Food Group sales include its own domestic franchisees

in net profit and also the net margin resulted from increased operating leverage benefit from higher sales flow-through and an increased stake in S&P and Thai Express, together with cost savings. All of our brands exhibited strong performance with total system-wide sales (net) increasing by 15.1% to Baht 30,278 million.

Apart from favorable industry conditions and trend, our quality products and services driven by our operational excellence and drive culture have also played a significant role in attracting customers and strengthening the barrier to entry in the midst of an increasingly competitive environment. Furthermore, our effort to expand the number of outlets as planned and our ability to execute suitable yet timely marketing and promotional campaigns, have resulted in better performance of our restaurant business year after year.

2012 was also a significant year for Minor Food Group as we made an investment in Beijing Riverside & Courtyard (“Riverside”), a distinctive chain of casual-concept restaurants in China. Including Riverside, we currently have 1,381 restaurants in Thailand, Singapore, Australia, China and 13 other countries that operate under a diverse portfolio of 9 brands. The addition of Riverside will not only make an immediate contribution to revenue and profit from 2013 onwards but will also strengthen our portfolio of

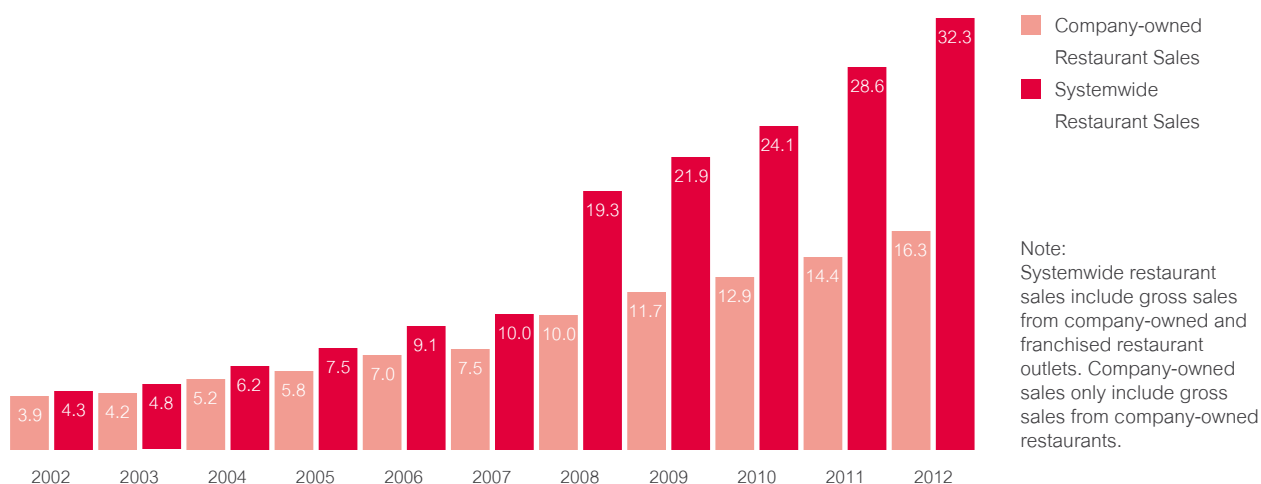


intellectual properties, which provides us the best opportunity to further expand and create value in the future. We are now poised to develop Riverside, alongside the Pizza Company, Thai Express, The Coffee Club and Ribs & Rumps anywhere in the world as company-owned outlets or as franchises.



## Minor Food Group Revenues

(Baht billion)



## Thailand

Contribution from Thailand continued to make up the majority of Minor Food Group business with revenue from the Kingdom accounting for 77% of total Minor Food Group revenue in 2012. We currently operate 914 outlets in Thailand under the Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King and The Coffee Club brands, capturing a significant share of the Thai western casual dining restaurant market. Among our total outlets in Thailand, 641 are company-owned while the remaining 273 outlets are franchised. Bolstered

by strong domestic consumption, a favorable shift in demographic trend, pro-active marketing efforts, and outlet expansion, our Thailand business achieved a solid 8.6% average same-store-sales growth and 15.9% system-wide sales growth in 2012.

The Pizza Company, which continues to make the largest revenue and profit contribution to our Thailand business, recorded a 14.6% increase in system-wide sales and a 9% increase in operating profit in 2012, attributable to a robust 5.1% same store sales growth and the opening of 17 new outlets. Furthermore, The Pizza





Company advanced into the fried chicken sector. This new menu has seen a strong response since its launch in the second quarter of 2012. The product line extension enhances the variety of product offering under The Pizza Company brand, thus helping the Company capture new target customer groups. As for other major brands in Thailand, Sizzler and Swensen's also exhibited strong performance with their operating profit rising by 20% and 9%, respectively in 2012.

After we launched domestic franchising business for Dairy Queen in 2011, the number of Dairy Queen outlets has increased significantly to 309 outlets as at the end of 2012, with 46 new outlets opened in 2012 alone. The outlet expansion coupled with pro-active marketing and promotional campaigns has translated into a solid 51% increase in operating profit of the brand. The expansion of franchising business for Dairy Queen will continue through 2013 and beyond with an aim to see the number of outlets of the brand reaching more than 500 outlets in the next five years.

## International

While we have secured a leading market position in Thailand over the past several years, we have long-aspired to expand our business internationally, in line with our diversification philosophy and our enthusiasm to tap other high-growth markets in order to grow our revenue and earnings bases. Currently, we have 467 outlets outside Thailand, of which 119 are company-owned and 348 are franchised. We own a 100% stake in Thai Express, whose main operations are in Singapore, while we also have a 50% stake in The Coffee Club and Ribs and Rumps, whose main operations are in Australia. We recently made an investment in Riverside, a distinctive chain of casual-concept restaurants in China, specializing in Sichuan barbecue fish. We have expanded our international franchise business into 12 other countries across the Middle East, India and Southeast Asia.

### Singapore

Our wholly-owned Thai Express continues to be one of Singapore's largest and most successful restaurant companies. With 56 company-owned and 8 franchised outlets, Thai Express made up 24% of Minor Food Group's profit. During 2012, rationalization measures, which include the closure of non-performing outlets and



the conversion of one sub-brand to another to better suit traffic in some locations, were implemented to further enhance profitability of Thai Express. Such measures began yielding positive results, with Thai Express recording a 34% rise in operating profit in 2012, although we closed down 5 outlets of Thai Express during the year. Our rationalization efforts and new menu initiatives for some of Thai Express's sub-brands are expected to continue in 2013, with an aim at boosting sales growth of all sub-brands into positive territory in a more sustainable manner and further improving



overall financial performance of Thai Express. Apart from focusing on strengthening our leading market position in Singapore, we are also looking to expand Thai Express into other international markets where growth potential appears substantial for the brand.

### *Australia*

The organic business of The Coffee Club continued to register strong performance, with operating profit of The Coffee Club itself, excluding Ribs and Rumps, increasing by 13% in 2012. At the end of 2012, The Coffee Club had 313 outlets, the majority of which are in Australia and New Zealand, while the remaining outlets are in Thailand, China, New Caledonia and Egypt. Ribs and Rumps, a wholly-owned subsidiary of The Coffee Club, had 11 outlets in Australia and one outlet in the UAE. The newly acquired Ribs and Rumps continued to go through transitional post-acquisition rationalization and is expected to gain traction from 2013 onwards. Over the long-term, the brand can leverage on both the Minor Food Group's expertise in operating company-owned restaurants and The Coffee Club's expertise in operating franchise business, to expand further in its home country of Australia and to other international markets.

### *China*

In December 2012, we acquired an initial 49% stake in Beijing Riverside & Courtyard in China, with the possibility to increase our stake up to 80% in two years subject to performance hurdle. Established in 2005, Riverside has built up strong brand equity and customer loyalty for traditional sizzling fish dishes, combining countryside cooking with outstanding service and contemporary décor with 21 restaurants in Beijing and Shanghai.

We believe that China is a country of vast opportunities that arise from its rapidly growing middle class, accumulation of wealth, and increasing domestic consumption. Since our entry into the country in 2005, we have expanded to 17 restaurants under The Pizza Company, Sizzler, Thai Express and The Coffee Club. Our experience in China has afforded us an understanding of local consumer preferences and how best to navigate the country's dynamic business environment. The lessons we learned have enabled us to improve performance year over year. We are confident that Riverside will add a new dimension to our market coverage in China and greatly contribute to our success there.

### *Other Markets*

Apart from Thailand, Singapore, Australia and China, we currently have 61 restaurant outlets in other 11 countries in Asia and the Middle East. We continue to pursue opportunity to expand internationally through our international franchise business model and joint venture partnerships. We also continue to seek acquisition, strategic investment opportunities while aggressively growing our own portfolio of brands through equity investments and franchising going forward, to further strengthen our revenue and earnings bases.



## Minor Food Group System-wide Outlet Development Program

Number of Outlets	2011	2012	2013F
<b>Equity</b>	<b>711</b>	<b>760</b>	<b>857</b>
The Pizza Company	189	198	206
Swensen's	118	124	125
Sizzler	45	45	53
Dairy Queen	237	237	226
Burger King	27	29	30
The Coffee Club	19	26	28
Ribs & Rumps	7	9	17
Thai Express	54	56	61
Riverside	-	21	26
Others*	15	15	85
<b>Franchise</b>	<b>546</b>	<b>621</b>	<b>764</b>
The Pizza Company	88	94	114
Swensen's	149	157	176
Sizzler	-	-	-
Dairy Queen	26	72	133
Burger King	-	-	-
The Coffee Club	268	287	317
Ribs & Rumps	-	3	3
Thai Express	15	8	21
Riverside	-	-	-
Others*	-	-	-
<b>Total Outlets</b>	<b>1,257</b>	<b>1,381</b>	<b>1,621</b>

Number of Outlets	2011	2012	2013F
<b>Domestic</b>			
- Equity	616	641	718
- Franchise	215	273	355
<b>International</b>			
- Equity	95	119	139
- Franchise	331	348	409
<b>Total Outlets</b>	<b>1,257</b>	<b>1,381</b>	<b>1,621</b>

Note: F = Forecast, \* Others include restaurant operator at airports and new opportunities.





# Retail Business



Thaisale.co.th  
membership of over  
**250,000**



Launch of  
**Pedro**  
brand in  
Thailand

P e d r o

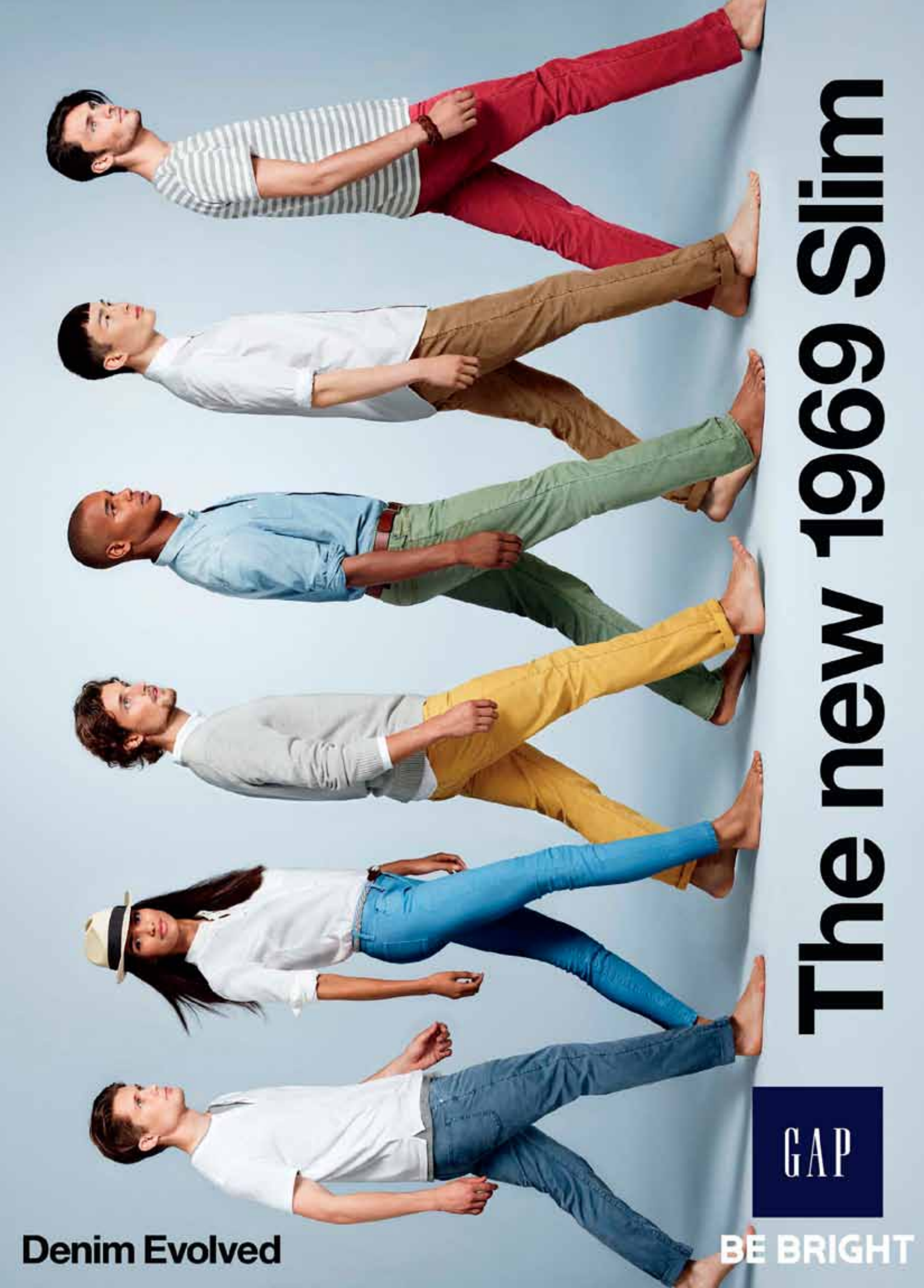


Retail trading  
total-system-sales  
growth of

**14.6%**







**Denim Evolved**

**The new 1969 Slim**

**GAP**

**BE BRIGHT**





## Retail Management Team

1. [Patamawalai Ratanapol](#)  
Acting CEO of Minor Retail Group
2. [Chak Chalermchai](#)  
VP & Group General Manager
3. [Rommanee Taweerat](#)  
General Manager - MEG
4. [Ma. Brenda-Lyn Perez Gualberto](#)  
VM & Creative Director
5. [Prisana Sirisamatha](#)  
Merchandising Planning Director
6. [Sakchai Suvathi](#)  
Shop Development Director
7. [Savisith Phuawong](#)  
General Manager - Thaisale
8. [Werasak Trakullapphan](#)  
General Manager - NMT
9. [Claudia Vinke](#)  
Business Manager - C&K
10. [Jaruwan Tangsithchaikul](#)  
Brand Manager - Bossini
11. [Jatupol Kiatrabin](#)  
Business Manager - Esprit
12. [Wiriyaporn Mahaudompun](#)  
Business Manager - Gap



10 5 4 3 8 1 2 11 7 6 9 12

## Message from Minor Retail Group's Acting CEO

"While we continue to strengthen the retail business in fashion and cosmetics, we are confident we can grow our business online through [thaisale.co.th](http://thaisale.co.th) and make it another growth platform of ours."

Ms. Patamawalai Ratanapol  
Acting CEO of Minor Retail Group



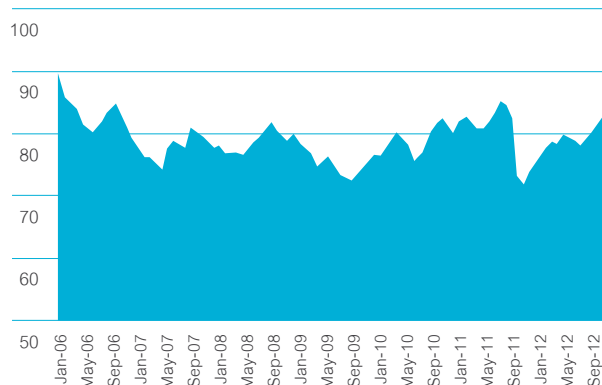
## Sector Overview and Competition

2012 proved to be a difficult year for Thai retail trading and manufacturing. Widespread flooding across Thailand at the end of 2011 took its toll on consumer purchasing power and confidence in certain sectors. Consumer discretionary spending stalled as many parts of the nation directed resources away from non-essential purchases toward rebuilding and business reinvigoration. Consumer confidence dipped and subsequently rebounded but has yet to reach pre-flood levels. Another consequence for various retailers was a backlog of inventories that were ultimately liquidated through steeper than usual discounting, resulting in further pressure on profitability and margins. Lastly, the arrival of additional large international fast fashion retailers also intensified competition in the industry, placing more pressure on smaller operators without strong brands. On the manufacturing front, many of the factories were closed because of the flood in the fourth quarter of 2011, and some well into the first half of 2012 as many of the industrial estates were flooded.

## Performance Highlights and Development Plans

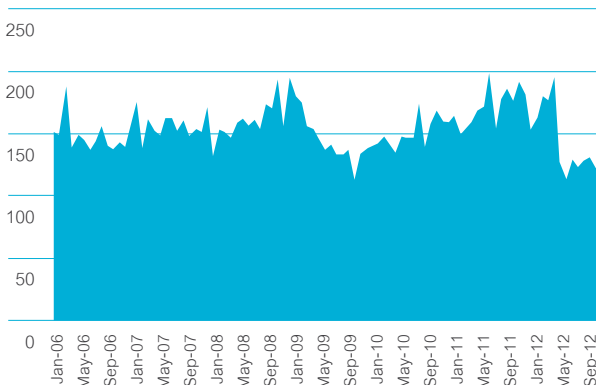
Our wholly-owned retail trading and contract manufacturing subsidiary, Minor Corporation, is one of Thailand's leading lifestyle brand distributors and contract manufacturers. It sells fashion and cosmetics brands such as Gap, Esprit, Bossini, Charles & Keith, Tumi and Red Earth. In addition, its contract manufacturing unit makes household products for some of the world's largest fast moving consumer goods (FMCG) companies. In 2012, total revenue from retail trading and contract manufacturing increased by 17% while 2012 turned profitable from loss-making in 2011, primarily attributable to a flood insurance claim to compensate for damaged assets and business interruption during the 2011 floods. We started to see our underlying business pick up in the fourth quarter of 2012, with comparable sales growth of 7.2% and increase in sales of contract manufacturing by over 6 times.

## Consumer Confidence Index



Source: Thai Chamber of Commerce University and Bank of Thailand

## Retail Sales of Clothing, Footwear and Leather Articles Index

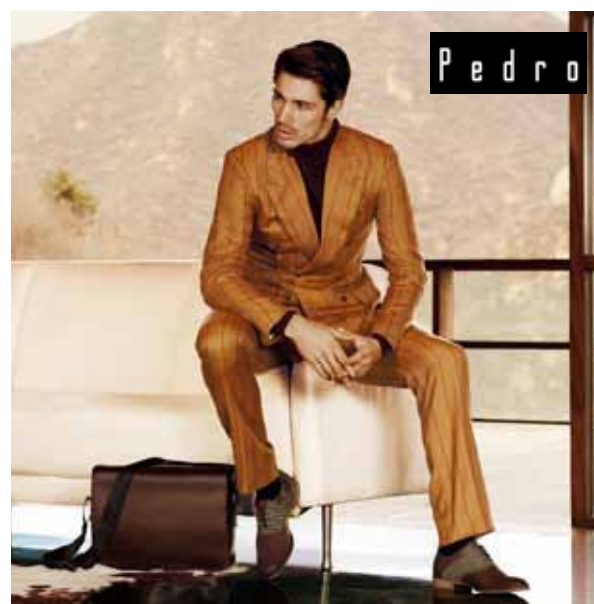


Source: Revenue Department, Ministry of Finance and Bank of Thailand

The lifestyle fashion and cosmetics distribution business saw its sales increase by 23% from the prior year, primarily driven by Gap and Charles & Keith, as well as the launch of Charles & Keith's sister footwear brand, Pedro, which offers a wide range of modern luxury footwear and accessories. Following the success of Charles & Keith, manifested by its strong comparable sales growth of 21.6% and total system-wide sales of 66.1% in 2012, we believe Pedro will be another premium alternative of quality footwear for Thai consumers and is expected to make a more meaningful contribution to our retail trading distribution going forward.

After we launched [thaisale.co.th](http://thaisale.co.th), an online shopping website, through a 50% joint venture in late 2011, the business has gained traction, with the number of members increasing to over 250,000 members. Thaisale will continue to bring together the best of e-commerce and high street shopping in Thailand. With online media playing an immense role in people's lives and the number of internet users in Thailand continuously growing, we believe Thaisale will complement our traditional retail store business and strengthen sales and profit performance of our retail trading over the coming years.

Our contract manufacturing business, NMT Limited, was severely impacted by the flood during fourth quarter of 2011, and did not resume full operations until the third quarter of 2012. Nonetheless revenues from our contract manufacturing business increased by 18% from the prior year. After the full resumption of operations, NMT Limited began to see increased orders from both existing and new customers in the second half of 2012, with underlying revenue from operations starting to pick up from the level recorded in the same period of the previous year.



## Retail Points of Sale

Number of Outlets	2008	2009	2010	2011	2012
Esprit	101	102	93	86	92
Bossini	73	73	69	66	68
Tumi	8	6	5	6	9
Charles & Keith	19	22	17	18	21
GAP	-	-	3	6	8
Pedro	-	-	-	-	4
<b>Total Fashion</b>	<b>201</b>	<b>203</b>	<b>187</b>	<b>182</b>	<b>202</b>
Red Earth	32	28	20	17	20
<b>Total Cosmetics</b>	<b>32</b>	<b>28</b>	<b>20</b>	<b>17</b>	<b>20</b>
Other (Zwilling J.A. Henckels)	22	18	17	15	13
<b>Grand Total*</b>	<b>255</b>	<b>249</b>	<b>224</b>	<b>214</b>	<b>235</b>

\* During 2012, Smashbox and Bloom outlets were closed as distribution contracts with principals expired, while Laneige was sold back to its principal.



# Minor's Drive

## for Sustainability – the Journey Continues



Minor International has always believed in and abided by the Spirit of Giving. We engaged in numerous charitable activities that over time evolved into our Corporate Social Responsibility programs. However, since then we have realized that CSR extends beyond ad hoc philanthropy. To adopt the values and commitments of a responsible corporate citizen, it is imperative that we conduct ourselves in a way that



enhances the competitiveness of the company while simultaneously improving the economic, social and environmental conditions of our stakeholders. To build a profitable and sustainable business, we must safeguard the near term and long term interests of our numerous stakeholders, whether they be customers, partners, communities, or society at large.



It is with that in mind that we transform our CSR activities into a comprehensive Sustainability Program. Our aim is two-fold, to disseminate the values of CSR into our day-to-day business activities, and to implement practical initiatives that produce visible results. As a start, we have promoted Sustainability Development to the agenda of our company's Board of Directors and also inserted it into our 5-Year Strategic Plan. Moreover, we have identified key sustainability drivers which will be used as a guide for our group's future sustainability initiatives: People, Customers, Partners, and the Environment.

**People:** The key asset of our company and the country. "Development of Human Capital" is an utmost priority at MINT. We strive to help our people develop business and practical skills, and we reach out to develop the future generations of Thailand and the countries that are home to our businesses. We believe that with improved analytical, technical, and leadership skills, one can achieve a higher capacity and contribute more to both the organization and society. This year, we initiated human resources development programs that weave in the social mindset - from the introduction of CSR and Sustainability, to doing business with a responsible mindset and consideration of various stakeholders around us. Our student part-time program continues to ensure our support for future generations, giving them job opportunities as well as self-pride. Furthermore, we have initiated partnerships with many higher educational institutions through corporate university programs to develop skills for the students and prepare them for future careers. At the foundation level, we continue to support many schools with school facilities improvements, learning media provision such as English interactive books, computers and playground, and teaching them about health and hygiene, as well as giving scholarships in partnership with the Roy E. Heinecke Scholarship Foundation.

**Customers:** We continually work to understand and engage with our customers beyond the customers' contact point. We then use this knowledge to educate them on the values of Sustainability and subtly nudge them towards socially responsible choices. We are committed to ensure we deliver the best products to our customers in a socially responsible manner, whether it is in the form of product quality and safety or responsible media. Examples of customer engagement and our commitment to them include our commitment to the food safety & traceability programs, Coffee Club's UTZ-certified coffee, and Anantara hotels' promotion of cultural and community experiences for the guests to give them better understanding and appreciation of the heritage we are located in.

**Partners:** At Minor, we strive to develop win-win relationships with our partners, whether they are our suppliers, joint venture partners, owners, principals, franchisees, third party service providers, or the communities we operate in. We realize that the sustainability of our business cannot be achieved without the long-term and sustainable relationships with our partners. The majority of our supplies are sourced from local producers, and where possible, we encourage sourcing from local communities where our business units are based. We support the Royal Projects in helping hill tribe communities develop organic vegetables and low-chemical products to serve health-conscious customers in our hotels as well as Sizzler's restaurants. As our partnership developed over time, we see our order volume grew over 7 times just in the past 3 years. Minor Hotel Group supports local cultures through the "Anantara Experience" concept. Our hotel staff work with local communities and invite guests to experience and learn more about the cultures around our properties' locations. In addition, where possible, we would be sourcing produces and handicrafts from the local community to support their economy.





**Environment:** We care deeply about the environment and are always cognizant of our impact on it. All of our Anantara hotels are either certified or in the process of being certified with Green Globe, a leading promoter of sustainable tourism. In addition, we have long been involved and supported many projects related to nature and conservation such as the Golden Triangle Elephant Foundation, Mai Kao Marine Turtle Foundation, and many others.

Sustainability cannot be achieved without being socially responsible. In addition to the activities that are aligned with our sustainability strategic directions, Minor International continues to promote social responsibility and volunteer spirits among employees and stakeholders through our business operations and through various campaigns and activities. We begin enforcing the social responsibility mindset since the orientation of new employees, where we share our corporate vision in CSR and Sustainability. Subsequently, our staff will be exposed to various socially responsible activities throughout the course of their employment with us. Today, many of our business units' teamwork activities are geared towards CSR activities. We have dedicated "Minor Founder's Day" as a day when everyone is encouraged to spend a day to contribute back to the society in their own ways. Anantara group launched the "365 Days of Good Deeds" campaign across all of our hotels to ensure at least one good deed is performed each day. Thai Express supports the Singapore's Yellow Ribbon Project which seeks to engage the community in accepting ex-offenders and their families, giving them a second chance at life. Moreover, the different business units and the Minor CSR Club continue to launch activities throughout the year, such as blood donation, school support, and fund raising for charitable activities.

## CSR & Sustainability Development Recognition in 2012

This year, Minor International was recognized in the area of CSR & Sustainability Development by several organizations:

- **"Most Improved CSR" Award** in over 10,000 million baht market cap category - from the Stock Exchange of Thailand's CSR Institute
- **"Corporate Social Responsibility Excellence Recognition" (Silver Level)** from the American Chamber of Commerce (AMCHAM)

- **CSR "Creative Partnership" Certificate of Appreciation** - from the United States Department of State.
- **"Thailand Green Excellence Awards"** for Animal Welfare - from the Tourism Authority of Thailand (TAT), awarded to the Golden Triangle Asian Elephant Foundation
- **"World Savers Awards"** - from Conde Nast Traveler, awarded to Anantara Golden Triangle Resort & Spa
- **HICAP "Sustainable Hotel Awards"** for Sustainable Destinations - from Hotel Investment Conference Asia Pacific (HICAP), awarded to Anantara Golden Triangle Resort & Spa
- **"CSR DIW" award** - from the Department of Industrial Works, Ministry of Industry, to Minor Dairy Limited

Minor International is still in our early stage of our Sustainability Journey, but we remain committed to driving it to the next level for benefits of our organization as well as our larger stakeholders presently and in the future.

For details regarding the strategies and projects of our sustainability, please see our 2012 Sustainability Report.



# Awards 2011 – 2012

## Award List - Corporate

- Titanium - Excellence in Management and Corporate Governance Awards, The Asset Magazine
- 2012 Southeast Asia Challengers, Boston Consulting Group
- Investor Relations Award - Best in Sector, Consumer Goods & Services (Including Retail) in South East Asia in 2012, IR Magazine
- Most Improved Corporate Social Responsibility Award, The Stock Exchange of Thailand
- Corporate Governance Asia Recognition Awards Class of 2012 - The Best of Asia, Corporate Governance Asia Magazine
- CSR-DIW Award, Ministry of Industry
- AMCHAM Corporate Social Responsibility Excellence Recognition for 2011, American Chamber of Commerce, Thailand

- 2011 Top 10 Best Investor Relations in Thailand, FinanceAsia
- Asia's Best Brand Award for "Outstanding Consumer Products, Manufacturers and Companies Focusing on the Trademarks and/or Brands the Honorees Carry", CMO Asia

## Award List - Hospitality

### Anantara Golden Triangle

- A World Savers Award 2012, Conde Nast Traveler
- Wildlife Conservation Category of the 2011 Condé Nast Traveler World Savers Awards, Condé Nast Traveler
- 2011 Certificate of Excellence, TripAdvisor
- Top Resorts in Asia, Travel + Leisure World's Best Awards, 2011
- Top Family Hotels in Asia, Travel + Leisure World's Best Awards, 2011
- Top Hotel Spas in Asia, Travel + Leisure World's Best Awards, 2011
- Thailand's Leading Resort, World Travel Awards, 2011
- Thailand Service Excellence Award, HAPA Awards, 2011
- Signature Luxury Resort, Top 10 in Asia, HAPA Awards, 2011
- Resort of the Year, Top 10 in Asia, HAPA Awards, 2011



### Qasr Al Sarab Desert by Anantara

- **Best International Resort Hotel**, International Hotel Awards, London, 2012
- **Best Resort Hotel Arabia**, International Hotel Awards, London, 2012
- **Best Resort Hotel Abu Dhabi**, International Hotel Awards, London, 2012
- **Top 25 Resorts/Hotels, 2011 Romance List**, Holidays for Couples, Australia
- **Most Romantic Desert Escape**, Gourmet Traveller's Hot List 2011
- **The World's Most Amazing Hotel Pools**, travel.yahoo.com, 2011

### Anantara Seminyak Bali

- **Top 10 Most Luxurious Couples' Vacations**, Reader's Digest.ca website, 2012
- **World Hotel Best List 2011**, World Hotel Awards

### Anantara Phuket Villas

- **Top 15 Resorts - Asia, Best in the World 2012**, Conde Nast Traveler's Readers Choice Awards
- **Best Hotel Asia**, Go Asia Award 2011
- **Favourite High-tech Hospitality**, Gourmet Traveller's Hot List 2011
- **Award for Excellence - Best Resort in Thailand**, HAPA Awards, 2011
- **Platinum Award Winner - Signature Boutique Resort Asia**, HAPA Awards, 2011
- **One of Phuket's Best Pool Villas and Suites and 15 Great Places to Skinny Dip**, cnngo.com, 2011

### Anantara Bophut Koh Samui

- **Thailand's Leading Spa Resort**, World Travel Awards 2012
- **Best Spas in Asia**, Conde Nast Traveler India, 2011
- **The World's Most Amazing Hotel Pools**, foxnews.com and msn.com, 2011

### Anantara Lawana Koh Samui

- **Best Wine List Koh Samui**, Wine List of the Year 2012 Award
- **Top 40 Trendy Hotels**, The Nation, 2011

### Anantara Bangkok Sathorn

- **Top 25 Bargain Hotels in Thailand in 2012**, Readers Poll by TripAdvisor
- **Bangkok Serviced Apartments: The Top Brands, Boutiques and Locations**, cnngo.com, 2011

### Anantara Hua Hin

- **Excellence as a Hot 25 Spa Hotel/Resort, Best in Travel 2012 in Asia**, Smart Travel Asia
- **One of the Best Hotel Spa in Asia & the Indian Subcontinent**, Condé Nast Traveller UK, 2011
- **Top 25 Spa Hotels & Resorts in 2011 Best in Travel Poll**, Smart Travel Asia, 2011
- **Gold List for Spa**, Conde Nast Traveler Spain, 2011

### Anantara Dhigu Maldives

- **Excellence as a Hot 25 Spa Hotel/Resort and Leisure Hotel/Resort, Best in Travel 2012 in Asia**, Smart Travel Asia
- **Best Spas Resorts in Asia and Top 25 Leisure Hotels & Resorts**, 2011 Best in Travel Poll of Smart Travel Asia

### Anantara Kihavah Villas Maldives

- **Best Dining Location for Sea Underwater Wine Cellar and Restaurant**, Sharky Award (TravelShark's series of travel and hospitality awards for unique and unexpected finds in the travel industry), 2012
- **Design Excellence in Resort**, Hospitality Architecture+Design Award, 2012
- **Indian Ocean's Leading New Hotel - Asia, Australasia & Indian Ocean**, World Travel Awards 2012
- **Top Honours Leading Luxury Resort**, The Augural GMR Maldives Travel Awards, 2012







- 10 Extravagant Hotels for Travelers with Expensive Taste, TripAdvisor, 2012
- World Hotel Best List 2011, Anantara Kihavah Villas, World Hotel Awards
- 25 Most Romantic Hotels in the World, Travel + Leisure, Southeast Asia, 2011
- Hot List 2011, Conde Nast Traveler Spain

### Anantara Mui Ne

- Hot List 2012, Conde Nast Traveller UK
- Hot List 2011, Conde Nast Traveler Spain

### Anantara Xishuangbanna

- The Most Anticipating New Open Hotel in 2012 Award, China Hotel Magazine
- The Most Prestigious 2013 Best Destination Hotel, City Traveller Magazine
- The Best Design Hotel Award Appraisal, The Bund Newspaper, 2012

### Anantara Vacation Club

- 2012 ARDY Awards for New Owner/Membership Package, American Resort Development Association
- Best Shared Ownership Development, Thailand Property Awards, 2012
- Highly Recommended for Anantara Vacation Club Bophut Koh Samui, Thailand Property Awards, 2012
- 2012 RCI President's Award, 2011

### Naladhu Maldives

- Maldives' Leading Spa Resort - Asia, Australasia & Indian Ocean, World Travel Awards 2012
- Top Honours Most Romantic Resort, The Augural GMR Maldives Travel Awards 2012

### Eastern Mangroves by Anantara

- Highly Commended Best New Hotel Construction & Design Abu Dhabi, International Hotel Awards, London, 2012

### Four Seasons Bangkok

- World's Best Selection 2012 - The 10 Best of Everything, National Geographic, USA
- Certificate of Excellence and Travellers' Choice Hotel 2012, TripAdvisor, USA
- Certificate of Excellence 2011 for Spice Market Restaurant, TripAdvisor, USA
- The Best Restaurants in Thailand Tatler's Award 2012 for Biscotti and Madison, Thailand Tatler, 2011
- World's Best Value Hotels 2011 in Asia, Travel+Leisure, USA

### Four Seasons Chiang Mai

- World's Best Hotels 2013 - Hall of Fame for 10 Consecutive Years in T+L 500, Travel+Leisure, Southeast Asia
- The Platinum Circle & Gold List 2013, Conde Nast Traveler USA
- Top Resorts 2012 in Asia/Australia - Best Honeymoon 2012, Brides Magazine, USA
- Top 10 International Spas 2012 - Readers' Choice Platinum List, Celebrated Living Magazine, USA
- World's Best Hotels 2012 in Asia, Travel+Leisure, USA
- World's Best Spas 2011, Travel+Leisure, USA

### Four Seasons Koh Samui

- Certificate of Excellence and Travellers' Choice Hotel 2012, TripAdvisor, USA
- Best Holiday Hotels Worldwide 2012, Bilanz, Switzerland

### Four Seasons Tented Camp, Golden Triangle

- The Gold Standard 2013, Conde Nast Traveller UK
- Top Resorts in Asia/Australia 2012 - Best Honeymoon 2012 in Asia, Brides Magazine, USA
- Best Leisure Resort Worldwide - Gallivanter's Awards for Excellence 2011, Gallivanter's Guide, UK



## JW Marriott Phuket

- Top 15 Resorts in Asia - Reader's Choice Award - Best in the World 2012, Condé Nast Traveler USA
- Top 25 Spa Hotels & Resort, Asia - Best in Travel Poll 2012, Smart Travel Asia Reader's Awards, Hong Kong
- Top 25 Leisure Hotels & Resort, Asia - Best in Travel Poll 2012, Smart Travel Asia Reader's Awards, Hong Kong
- Top 25 Conference Hotels, Asia - Best in Travel Poll 2012, Smart Travel Asia Reader's Awards, Hong Kong
- Top 25 Hotels for Families in Thailand - Travelers' Choice Awards 2012, TripAdvisor
- The World's Best Value 2012 in Asia, Travel+Leisure, Southeast Asia
- 2011 Reader's Choice Award - Best in the World 2012 - Top 20 Resorts in Asia, Condé Nast Traveler USA
- 2011 World's Best Hotels, Top 10 Family Hotels in Asia, Travel + Leisure, USA
- One of the Best Spa Hotel/Resort, Asia, Smart Travel Asia Reader's Awards, Hong Kong, 2011
- One of the Best Leisure Hotels & Resorts, Asia, Smart Travel Asia Reader's Awards, Hong Kong, 2011
- One of the Best Conference Hotel, Asia, Smart Travel Asia Reader's Awards, Hong Kong, 2011
- Best Family Resort in Thailand, Holiday with Kids Magazine, 2011

## Pattaya Marriott

- Certificate of Excellence Award, TripAdvisor, 2012
- Spa Certificate Gold Level, Ministry of Public Health, 2011

## The St. Regis, Bangkok

- Hot List 2012, Conde Nast Traveller UK
- The Best New Overseas Hotel, Conde Nast Traveller India
- Top 15 Hotels in Thailand, Conde Nast Traveler USA, 2012

## St. Regis Residences, Bangkok

- Best Residential Architectural Design, Thailand Property Awards 2012
- Best Developer, Thailand Property Awards 2011
- Best Luxury Condo Development (Bangkok), Thailand Property Awards 2011
- Best Residential Interior Design, Thailand Property Awards 2011
- Best Interior Design, South East Asia Property Awards 2011
- Best Condo Development (Bangkok), South East Asia Property Awards 2011

## Desert Islands by Anantara

- 25 Secret Island Escapes, Travel + Leisure, USA

## Anantara Si Kao

- Best Resort Spa, Anywhere Magazine, 2011
- Top 40 Trendy Hotels, The Nation, 2011

## Anantara Rasananda Koh Pha-ngan

- Best Luxury Resort Spa, World Luxury Hotel Awards, 2011
- Top 40 Trendy Hotels, The Nation, 2011

## Anantara Spa

- Best Luxury Resort Spa, World Luxury Hotel Awards, 2011
- Best Spa for Anantara at Emirates Palace, Ahlan's Best in Abu Dhabi, 2011

## Anantara Bangkok Riverside

- Hot List 2011, Conde Nast Traveler Spain

## Award List - Restaurant

### The Pizza Company

- **Thailand Franchise Quality Award**, Department of Business Development, 2012

### Dairy Queen

- **DQ Chillympic Champion**, International Dairy Queen - Chillympics 2012
- **International Franchisee of the Year**, International Dairy Queen, 2011



### Burger King

- **Comp Sales 2012 Champion**, Burger King Asia Pacific Convention, 2012

### The Coffee Club

- **International Franchisor of the Year**, Franchising and Licensing Association Committee, Singapore, 2012

### Sizzler

- **Best Steak Restaurant in Thailand**, Marketeer Magazine, 2012
- **Gold Award (Marketing Campaign)**, Marketing Association of Thailand, 2012
- **Best Employers in Thailand 2011 in the Hospitality/ Restaurants Industry**, Aon Hewitt, 2011

### Swensen's

- **Best Employers in Thailand 2011 in the Hospitality/ Restaurants Industry**, Aon Hewitt, 2011

## Award List - Retail Trading

### Esprit

- **Asia Wholesale Award**, Esprit Asia Pacific, 2012
- **Best in Fashion Show**, Siam Center, 2012
- **Regional VM Champion**, Esprit Asia Pacific, 2011
- **Regional Architecture Champion**, Esprit Asia Pacific, 2011

### Red Earth

- **Editor's Choice Award**, Cleo Magazine, 2012
- **Best Product**, Lips Magazine, 2012

### Minor Education Group

- **2<sup>nd</sup> Top Salesperson**, ETL Conference, 2012
- **2<sup>nd</sup> Top Regional Manager**, ETL Conference, 2012
- **2<sup>nd</sup> Highest Sales Award**, ETL Conference, 2012

### Minor Corporation

- **CRC Partnership Awards**, Central Retail Corporation, 2011



# Financial Statements



Minor International Public Company Limited

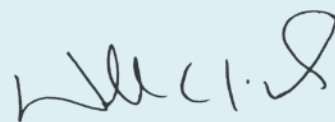
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# Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of Minor International Public Company Limited is responsible for the financial statements of the Company and subsidiaries which have been prepared in accordance with generally accepted accounting standards in Thailand. The policies pursued are deemed appropriate and applied consistently with adequate disclosure of important information in the notes to the financial statements.

The Board has appointed an Audit Committee comprising three independent members to provide effective oversight of finances and the internal control system to ensure that accounting records are accurate, complete and timely, to prevent fraud and materially irregular operations. The views of the Audit Committee are reported in the Committee's report in this annual report.

The Board is confident that the internal control system of Minor International Public Company Limited and subsidiaries presents the financial position, results, operations, and cash flow accurately.



**William E. Heinecke**  
Chairman of the Board of Directors

# Report of the Audit Committee

## Composition of the Audit Committee

The Audit Committee of Minor International Public Company Limited is comprised of three independent directors. The Company's Chief Corporate Financial Officer and Director of Internal Audit & Risk Management serve as ex-officio members.

## Audit Committee's Principal Responsibilities

The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on risk management, appropriate internal control practices, and other related activities of the Company in compliance with the rules and regulations of the Stock Exchange of Thailand.

The Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. The Audit Committee also verified and accepted the consolidated financial statements for every quarter-end and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective and preventive action plans were established to eliminate or reduce the associated risks. The Board of Directors following the review and recommendations of the Audit Committee approved the policy and reports for related party transactions.

The Internal Audit Department serves to identify and verify business risks and control weaknesses within the Company by carrying out systematic audit activities across the Company and its subsidiaries. The reports on compliance with internal control practices and procedures were discussed with the relevant management teams to incorporate their agreed action plans and submitted to senior management and the Audit Committee.

The Internal Audit function serves as a facilitator and change management agent to improve Company's risk management awareness through audit projects, post-audit follow up, and implementation of a risk management self assessment system. The team also works closely with Human Resource Divisions to ensure that staff development programs include corporate culture and risk management training utilizing existing Code of Conduct guidelines.

## The Audit Committee's Principal Activities during the Year

In 2012, the Committee's principal activities including the following matters:

1. Approved quarterly financial statement and reviewed full year financial statements, and provided assessments and recommendations to the Board of Directors.
2. Reviewed accomplishments of the Company with respect to the performance effectiveness especially performance of new project operations and highlighted major concerns of overseas subsidiaries.
3. Consideration of the Group's IT project updates and related risks.
4. Acknowledged the Group Risk Management Policy, Group and each Business Units' risk management profile, and the appropriateness of its mitigation plans.
5. Reviewed investment updates, and helped formulate risk weighted evaluation criteria for future investments.



6. Enhanced corporate governance overview of new and existing overseas businesses by widening the scope of internal audits. These entities included Oaks Australia, Thai Express-Singapore, China Food Group, and Elewana-Africa.
7. Helped to strengthen risk management processes for all managed hotels in Thailand and overseas.
8. Reviewed management's plan for the transition to International Financial Reporting Standard (IFRS). This included the assurance that the transition plan demonstrated clear understanding of the changes, identified key conversion activities, the time table, the resources required, and training of all staff affected by the transition. The status of the IFRS transition plan was updated to the Audit Committee every quarter.
9. The Committee reviewed the current tax structure of domestic and overseas entities, and participated in the Tax Planning Review for the Group.
10. The Committee reviewed the Group's insurance coverage in regards to the adequacy of all-risk protection for assets held in Thailand.
11. The minutes of the Audit Committee Meetings were sent to the Board of Directors for acknowledgement. Major issues were discussed in the Board of Director meetings.

### The Audit Committee Provided the Following Opinions:

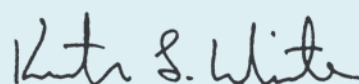
1. The Company's financial reports are accurate, complete, and reliable.
2. The Company's assets are appropriately safeguarded, proper accounting records are maintained, and resources are effectively and efficiently utilized.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's businesses.
4. PricewaterhouseCoopers ABAS, the Company's auditor, is suitable and provided appropriate services.
5. The related transactions arising in 2012 were rational and contributed optimal benefits of the Company.
6. For the year 2012, the Audit Committee held four meetings to review the Company's consolidated financial statements that had been certified by the external auditor and the Group's internal audit results and corrective actions. The attendance of meetings by each committee member was as follows;

	Position	Attendance/ Audit Committee Meeting
1. Mr. Kenneth L. White	Chairman	4/4
2. Khunying Jada Wattanasiritham	Member	4/4
3. Mr. Patee Sarasin*	Member	1/4

\* Appointed on 25 May 2012, attending the first meeting at meeting No. 3/2012

7. The Audit Committee performed its duties in accordance with its Charter, that was approved by the Board of Directors.

The Audit Committee has recommended to the Board of Directors that PricewaterhouseCoopers ABAS, be reappointed as the Company's auditor for the financial year ending 31 December 2013. The re-appointment of the audit firm and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 3 April 2013.



**Kenneth L. White**  
Chairman of the Audit Committee

# Auditor's Report

## To the Shareholders and the Board of Directors of Minor International Public Company Limited

I have audited the accompanying consolidated and company financial statements of Minor International Public Company Limited and its subsidiaries and of Minor International Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company income statements, statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Minor International Public Company Limited and its subsidiaries and of Minor International Public Company Limited as at 31 December 2012, and consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



**Pisit Thangtanagul**

Certified Public Accountant (Thailand) No. 4095

PricewaterhouseCoopers ABAS Ltd.

Bangkok

21 February 2013

# Statement of Financial Position

Minor International Public Company Limited  
As at 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht	2011 Restated Baht	2012 Baht	2011 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	3,702,393,557	1,145,782,127	2,214,930,902	160,384,206
Trade and other receivables	8	2,954,819,005	2,344,322,742	499,369,843	743,132,460
Inventories	9	1,616,110,908	1,465,953,495	6,340,290	6,420,370
Land and real estates project for sales	10	1,046,572,999	1,595,818,271	-	-
Other current assets	11	941,060,802	806,288,205	78,265,317	83,886,800
<b>Total current assets</b>		<b>10,260,957,271</b>	<b>7,358,164,840</b>	<b>2,798,906,352</b>	<b>993,823,836</b>
<b>Non-current assets</b>					
Trade receivables long-term contracts	8	1,063,904,577	248,520,120	-	-
Available-for-sale investments	12	355,418,423	159,987,700	160,604	121,849
Investments in subsidiaries	13	-	-	5,808,901,033	5,658,569,135
Investments in associates	13	4,013,919,808	3,829,126,710	2,150,195,880	2,150,195,880
Investments in interests in joint ventures	13	197,120,062	96,003,822	24,284,460	24,284,460
Other long-term investment	12	100,014,176	13,224	100,000,000	-
Long-term loans to related parties	14	629,535,156	507,373,802	17,724,254,808	14,833,186,192
Land and projects under development	15	1,303,593,809	33,097,764	-	-
Investment properties	16	904,796,009	928,788,761	-	-
Property, plant and equipment	17	18,189,031,577	16,913,936,124	481,747,022	477,523,400
Intangible assets	18	10,148,478,914	8,728,493,120	20,187,510	11,691,572
Prepaid rents	19	2,150,808,717	1,840,833,908	3,737,937	4,360,956
Other non-current assets	20	1,657,404,651	978,304,775	39,125,479	47,055,236
<b>Total non-current assets</b>		<b>40,714,025,879</b>	<b>34,264,479,830</b>	<b>26,352,594,733</b>	<b>23,206,988,680</b>
<b>Total assets</b>		<b>50,974,983,150</b>	<b>41,622,644,670</b>	<b>29,151,501,085</b>	<b>24,200,812,516</b>

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.



# Statement of Financial Position (Continued)

Minor International Public Company Limited  
As at 31 December 2012 and 2011

Consolidated			Company		
	2012	2011	2012	2011	
Notes	Baht	Restated Baht	Baht	Baht	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	21	910,379,095	1,097,347,519	-	580,000,000
Trade and other payables	22	4,639,864,970	3,992,364,487	351,535,501	276,058,903
Short-term borrowings from related parties	14	-	-	1,448,554,317	1,549,601,374
Current portion of finance lease liabilities	21	64,867,334	141,235,490	-	-
Current portion of long-term borrowings	21	295,311,214	382,164,249	-	60,000,000
Current portion of debentures	21	2,000,000,000	1,840,000,000	2,000,000,000	1,840,000,000
Current portion of deferred income		68,798,178	42,673,862	-	-
Income tax payable		183,337,872	210,162,426	-	-
Other current liabilities	23	776,769,231	880,780,953	14,348,757	16,797,903
Total current liabilities		8,939,327,894	8,586,728,986	3,814,438,575	4,322,458,180
Non-current liabilities					
Finance lease liabilities	21	34,911,743	80,061,460	-	-
Long-term borrowings	21	6,497,324,691	5,923,300,380	-	-
Debentures	21	14,360,000,000	10,360,000,000	14,360,000,000	10,360,000,000
Employee benefits obligations	24	179,779,620	151,386,706	14,053,685	11,537,689
Other non-current liabilities	25	1,617,109,625	1,586,660,072	6,565,630	2,387,347
Total non-current liabilities		22,689,125,679	18,101,408,618	14,380,619,315	10,373,925,036
Total liabilities		31,628,453,573	26,688,137,604	18,195,057,890	14,696,383,216

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statement of Financial Position (Continued)

Minor International Public Company Limited  
As at 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht	2011 Restated Baht	2012 Baht	2011 Baht
<b>Liabilities and shareholders' equity</b> <b>(Continued)</b>					
<b>Shareholders' equity</b>					
Share capital	26				
Authorised share capital					
4,063,046,327 ordinary shares					
of Baht 1 each					
(2011: 3,666,519,673 ordinary shares					
of Baht 1 each)		4,063,046,327	3,666,519,673	4,063,046,327	3,666,519,673
Issued and paid-up share capital					
3,686,766,688 ordinary shares					
of Baht 1 each					
(2011: 3,275,224,580 ordinary shares					
of Baht 1 each)	26	3,686,766,688	3,275,224,580	3,686,766,688	3,275,224,580
Share premium					
Ordinary shares	26	3,995,897,997	3,215,325,916	3,970,245,621	3,189,673,540
Shares subscription received in advance		48,803,886	-	48,803,886	-
Expired warrants in a subsidiary		104,788,723	104,788,723	-	-
Retained earnings					
Appropriated - legal reserve	28	406,309,113	367,799,113	406,309,113	367,799,113
Unappropriated		10,908,349,949	8,360,372,348	3,422,222,354	3,249,675,289
Other components of equity	29	(1,017,521,513)	(956,159,502)	(577,904,467)	(577,943,222)
Equity attributable to owners of the parent		18,133,394,843	14,367,351,178	10,956,443,195	9,504,429,300
Non-controlling interests		1,213,134,734	567,155,888	-	-
<b>Total shareholders' equity</b>		<b>19,346,529,577</b>	<b>14,934,507,066</b>	<b>10,956,443,195</b>	<b>9,504,429,300</b>
<b>Total liabilities and shareholders' equity</b>		<b>50,974,983,150</b>	<b>41,622,644,670</b>	<b>29,151,501,085</b>	<b>24,200,812,516</b>

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statement of Income

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Revenues</b>	14				
Revenues from hotel and related services operations		11,582,406,073	8,134,806,546	462,639,513	446,866,374
Rental income from property business		440,136,627	423,343,817	-	-
Revenues from entertainment operations		150,363,072	148,063,066	150,363,072	148,063,066
Revenues from spa services		323,086,238	298,419,740	-	-
Sales of food and beverage		11,841,097,010	10,707,906,421	-	-
Sales of real estates		2,898,522,014	2,820,830,458	-	-
Sales from distribution and manufacturing		3,294,206,700	2,925,539,697	-	-
Revenues from management services		355,214,609	329,588,532	191,846,153	215,008,300
Franchise fee income		425,125,328	348,296,036	-	-
Dividends income		320,846	83,786,267	1,207,142,179	492,932,543
Interest income		80,774,828	42,739,709	727,794,129	653,836,566
Other income	30	1,155,956,078	1,804,724,872	49,136,198	1,534,329,308
<b>Total revenues</b>		<b>32,547,209,423</b>	<b>28,068,045,161</b>	<b>2,788,921,244</b>	<b>3,491,036,157</b>
<b>Expenses</b>	14				
Direct cost of hotel and related services operations		6,128,789,242	4,141,358,554	200,081,139	191,153,620
Direct cost of rental from property business		222,051,051	218,790,063	-	-
Direct cost of entertainment operations		49,052,662	39,440,139	88,670,261	77,159,862
Direct cost of providing spa services		199,802,535	183,584,968	-	-
Cost of sales of food and beverage		3,885,578,365	3,573,832,477	-	-
Cost of sales of real estates		1,194,996,570	1,332,394,229	-	-
Cost of sales from distribution and manufacturing		2,109,959,627	1,777,920,590	-	-
Selling expenses		10,394,832,392	9,501,027,824	406,886,243	354,610,013
Administrative expenses		3,920,437,685	3,342,751,331	385,319,040	352,622,270
<b>Total expenses</b>		<b>28,105,500,129</b>	<b>24,111,100,175</b>	<b>1,080,956,683</b>	<b>975,545,765</b>

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.



# Statement of Income (Continued)

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

Consolidated			Company	
Notes	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Operating profit	4,441,709,294	3,956,944,986	1,707,964,561	2,515,490,392
Share of profit of investments in associates and joint ventures	13 446,296,266	263,814,915	-	-
Profit before financial costs and income tax	31 4,888,005,560	4,220,759,901	1,707,964,561	2,515,490,392
Financial costs	(1,085,377,361)	(879,402,380)	(674,843,431)	(616,220,000)
Profit before income tax	3,802,628,199	3,341,357,521	1,033,121,130	1,899,270,392
Income tax	32 (392,573,212)	(414,526,997)	-	-
Profit for the year	3,410,054,987	2,926,830,524	1,033,121,130	1,899,270,392
<b>Profit attributable to:</b>				
Owners of the parent	3,408,551,666	2,880,142,740	1,033,121,130	1,899,270,392
Non-controlling interests	1,503,321	46,687,784	-	-
	3,410,054,987	2,926,830,524	1,033,121,130	1,899,270,392
<b>Earnings per share</b>	33			
Basic earnings per share	0.9376	0.8001	0.2842	0.5276
Diluted earnings per share	0.9152	0.7962	0.2774	0.5251

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statement of Comprehensive Income

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

Notes	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Profit for the year	3,410,054,987	2,926,830,524	1,033,121,130	1,899,270,392
<b>Other comprehensive income:</b>				
Gain (loss) on remeasuring of available-for-sale investments	(5,131,575)	21,746,245	38,755	(2)
<u>Less</u> Transfer due to changing status of investment	-	(1,053,812,318)	-	(1,053,812,318)
Exchange differences on translating financial statements	(59,473,635)	76,599,238	-	-
Actuarial gains	-	2,613,337	-	9,438,377
Other comprehensive income (expense) for the year, net of tax	(64,605,210)	(952,853,498)	38,755	(1,044,373,943)
<b>Total comprehensive income (expense) for the year</b>	<b>3,345,449,777</b>	<b>1,973,977,026</b>	<b>1,033,159,885</b>	<b>854,896,449</b>
<b>Total comprehensive income (expense) attributable to:</b>				
Owners of the parent	3,353,126,017	1,926,088,745	1,033,159,885	854,896,449
Non-controlling interests	(7,676,240)	47,888,281	-	-
	<b>3,345,449,777</b>	<b>1,973,977,026</b>	<b>1,033,159,885</b>	<b>854,896,449</b>

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statement of Changes in Shareholders' Equity

Consolidated (Baht)																
Attributable to owners of the parent																
								Other components of equity					Total owners of the parent	Non-controlling interests	Total shareholders' equity	
								Discount on business combination under common control	Unrealised gain on dilution of investment	Discount on additional investment in subsidiary	Remeasuring of available-for-sale investments					Total other component of equity
											Translation adjustment	Actual gains				
Beginning balance 1 January 2011	3,262,339,373	3,133,793,954	4,218,918	104,788,723	367,799,113	5,970,842,877	(755,412,590)	4,992,405	-	(339,215,687)	-	30,645,237	12,874,228,195	881,817,346	13,756,045,541	
Changes in equity for the year																
Additional ordinary shares	12,885,207	81,531,962	(4,218,918)	-	-	-	-	-	-	-	-	-	90,198,251	-	90,198,251	
Decrease in non-controlling interests as a result of investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(350,167,424)	(350,167,424)	
Discount on additional investment in subsidiary	-	-	-	-	-	(480,413,269)	-	-	(32,750,744)	-	-	(32,750,744)	(32,750,744)	-	(32,750,744)	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(490,413,269)	(12,382,315)	(502,795,584)	
Total comprehensive income (expense) for the year	-	-	-	-	-	2,880,142,740	-	-	-	(1,032,066,073)	75,398,741	2,613,337	1,926,088,745	47,888,281	1,973,977,026	
Ending balance 31 December 2011	3,275,224,580	3,215,325,916	-	104,788,723	367,799,113	8,360,372,348	(755,412,590)	4,992,405	(32,750,744)	(263,820,946)	2,613,337	88,219,036	14,367,351,178	567,155,888	14,934,507,066	

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.



Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

## Minor International Public Company Limited

	Company (Baht)									
	Issued and paid-up share capital	Share premium	Shares subscription received in advance	Legal reserve	Retained earnings	Other component of equity				
						Discount on business combination under common control	Other comprehensive income			
							Remeasuring of available-for-sale investments	Actuarial gains	Total other component of equity	
Notes								Total shareholders' equity		
Beginning balance 1 January 2011	3,262,339,373	3,108,141,578	4,218,918	367,799,113	1,840,818,166	(587,397,515)	1,053,828,236	-	466,430,721	9,049,747,869
Changes in equity for the year										
Additional ordinary shares	12,885,207	81,531,962	(4,218,918)	-	-	-	-	-	-	90,198,251
Dividends paid	-	-	-	-	(490,413,269)	-	-	-	-	(490,413,269)
Total comprehensive income (expense) for the year	-	-	-	-	1,899,270,392	-	(1,053,812,320)	9,438,377	(1,044,373,943)	854,896,449
Ending balance 31 December 2011	3,275,224,580	3,189,673,540	-	367,799,113	3,249,675,289	(587,397,515)	15,916	9,438,377	(577,943,222)	9,504,429,300

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statement of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

	Company (Baht)										
	Notes	Issued and paid-up share capital	Share premium	Shares subscription received in advance	Legal reserve	Retained earnings	Other component of equity				Total shareholders' equity
							Discount on business combination under common control	Other comprehensive income		Total other component of equity	
								Remeasuring of available-for-sale investments	Actuarial gains		
Beginning balance 1 January 2012		3,275,224,580	3,189,673,540	-	367,799,113	3,249,675,289	(587,397,515)	15,916	9,438,377	(577,943,222)	9,504,429,300
Changes in equity for the year											
Additional ordinary shares	26	82,716,994	780,572,081	-	-	-	-	-	-	-	863,289,075
Shares subscription received in advance		-	-	48,803,886	-	-	-	-	-	-	48,803,886
Legal reserve	28	-	-	-	38,510,000	(38,510,000)	-	-	-	-	-
Cash dividend paid	34	-	-	-	-	(822,064,065)	-	-	-	-	(822,064,065)
Stock dividend paid	34	328,825,114	-	-	-	-	-	-	-	-	328,825,114
Total comprehensive income (expense) for the year		-	-	-	-	1,033,121,130	-	38,755	-	38,755	1,033,159,885
Ending balance 31 December 2012		3,686,766,688	3,970,245,621	48,803,886	406,309,113	3,422,222,354	(587,397,515)	54,671	9,438,377	(577,904,467)	10,956,443,195

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.



# Statements of Cash Flows

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

Consolidated			Company	
Notes	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from operating activities				
Profit before income tax	3,802,628,199	3,341,357,521	1,033,121,130	1,899,270,392
Adjustments for:				
Depreciation and amortisation31	2,201,092,428	1,980,192,301	89,590,071	87,827,387
Amortisation of other assets	29,996,837	43,024,766	13,015,193	26,324,550
Amortisation of borrowing cost21	9,670,708	4,981,684	-	-
Doubtful accounts (Reversal)	12,425,424	7,706,314	12,306	(187,901)
Inventory obsolescence (Reversal)	(69,967,704)	137,400,095	-	-
Realisation of deferred income	(32,598,944)	(39,008,424)	-	-
Unwind of onerous contracts	(94,657,243)	-	-	-
Share of profit of investments in associates and joint ventures13	(446,296,266)	(263,814,915)	-	-
Interest expenses	1,085,377,361	879,402,380	674,843,431	616,220,000
Interest income	(80,774,828)	(42,739,709)	(727,794,129)	(653,836,566)
Dividends income	(320,846)	(83,786,267)	(1,207,142,179)	(492,932,543)
Translation adjustment for equity loan	48,905,581	(52,257,756)	-	-
Unrealised (gain) loss on exchange rate	(3,631,726)	9,560,606	-	-
Gain on capital returned from subsidiary30	(15,572,662)	-	-	(418,150,898)
Gain on sales of other long-term investment	-	312,500	-	-
Gain from fair value adjustment of investment30	-	(1,257,036,173)	-	(1,053,811,504)
Impairment charge and loss (gain) on disposals and write-off of property, plant and equipment and investment properties	59,418,636	45,376,083	(1,556,318)	47,890
Impairment charge and loss on disposals of intangible assets	24,443,901	117,120,403	-	77,280
Employee benefit obligations24	33,108,756	25,966,426	2,612,029	3,284,612

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statements of Cash Flows (Continued)

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

Notes	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Changes in operating assets and liabilities:</b>				
Trade and other receivables	(573,863,748)	(596,444,087)	(337,617,707)	(35,700,865)
Inventories	(91,033,969)	(564,647,717)	80,079	(1,044,653)
Land and real estates project for sales	737,894,565	1,191,417,138	-	-
Other current assets	(179,439,610)	(38,749,578)	2,714,081	(2,799,898)
Other non-current assets	(1,241,341,105)	(171,636,727)	(5,085,435)	(13,975,605)
Trade and other payables	476,846,764	416,215,890	78,471,090	17,796,918
Other current liabilities	(105,906,736)	(112,926,349)	(2,449,143)	(5,287,076)
Other non-current liabilities	46,583,388	116,565,285	4,082,248	(4,260,018)
<b>Cash generated from operating activities</b>	<b>5,632,987,161</b>	<b>5,093,551,690</b>	<b>(383,103,253)</b>	<b>(31,138,498)</b>
Interest paid	(1,077,374,560)	(827,611,914)	(674,905,446)	(596,157,854)
Income tax paid	(509,780,736)	(608,215,914)	(15,494,976)	(17,482,026)
<b>Net cash generated from (used in) operating activities</b>	<b>4,045,831,865</b>	<b>3,657,723,862</b>	<b>(1,073,503,675)</b>	<b>(644,778,378)</b>

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statements of Cash Flows (Continued)

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

Consolidated			Company		
Notes	2012 Baht	2011 Baht	2012 Baht	2011 Baht	
Cash flows from investing activities					
Cash paid from loans to related parties	14	(175,377,884)	(138,987,900)	(2,891,068,616)	(1,764,643,915)
Cash received from settlement loans to related parties	14	36,584,645	37,497,375	-	-
Increase in loan to other companies		(489,844,450)	(86,581,810)	-	-
Payments for additional investments in subsidiaries, associates and joint venture	13	(123,485,935)	(918,665,032)	(205,955,288)	(346,736,371)
Acquisition of subsidiaries, net cash acquired	35	(1,279,130,411)	(2,520,549,496)	-	-
Cash received from capital returned from subsidiary	13	15,486,920	-	52,053,390	1,390,035,298
Interest received		83,107,813	28,723,524	727,794,129	653,836,566
Dividends received	13	274,917,575	197,984,293	1,792,080,197	407,035,108
Cash invested in long-term investments	12	(300,562,297)	(27,797,214)	(100,000,000)	(97,898)
Cash received from sales of long-term investment		-	312,500	-	-
Payments for land and project under development		(986,993,625)	(547,779,486)	-	-
Payments for investment properties	16	(115,059,776)	(10,246,529)	-	-
Purchases of property, plant and equipment		(3,224,756,312)	(2,319,348,116)	(74,755,222)	(116,452,251)
Proceeds from disposals of property, plant and equipment		156,323,395	98,543,461	3,141,140	46,075
Purchases of intangible assets		(244,223,366)	(175,985,536)	(13,046,312)	(6,385,563)
Proceeds from disposals of intangible assets and prepaid rents		43,963,613	-	-	-
Net cash from (used in) investing activities		(6,329,050,095)	(6,382,879,966)	(709,756,582)	216,637,049

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.



# Statements of Cash Flows (Continued)

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Cash flows from financing activities</b>					
(Decrease) increase in short-term borrowings from related parties	14	-	-	(101,047,057)	173,221,341
Receipts from short-term borrowings from financial institutions	21	7,170,469,335	2,658,299,350	5,960,000,000	580,000,000
Repayments of short-term borrowings from financial institutions	21	(7,351,605,975)	(2,185,045,800)	(6,540,000,000)	-
Repayments of financial lease liabilities		(120,870,234)	(132,919,134)	-	-
Receipts from long-term borrowings from financial institutions	21	2,945,642,361	5,273,868,884	-	-
Repayments of long-term borrowings from financial institutions	21	(2,392,416,829)	(3,831,820,641)	(60,000,000)	(1,236,000,000)
Receipts of debentures	21	6,000,000,000	2,300,000,000	6,000,000,000	2,300,000,000
Redemptions of debentures	21	(1,840,000,000)	(1,000,000,000)	(1,840,000,000)	(1,000,000,000)
Issue of additional ordinary shares	26	863,289,075	90,198,251	863,289,075	90,198,251
Advance for shares subscription		48,803,886	-	48,803,886	-
Cash received from non-controlling interests from increase in share capital of a subsidiary		9,667,464	-	-	-
Dividends paid to non-controlling interests		(5,627,830)	(12,382,315)	-	-
Dividends paid	34	(493,239,440)	(490,413,269)	(493,238,951)	(490,413,269)
<b>Net cash receipts from financing activities</b>		<b>4,834,111,813</b>	<b>2,669,785,326</b>	<b>3,837,806,953</b>	<b>417,006,323</b>

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Statements of Cash Flows (Continued)

Minor International Public Company Limited  
For the years ended 31 December 2012 and 2011

Notes	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Net increase (decrease) in cash and cash equivalents	2,550,893,583	(55,370,778)	2,054,546,696	(11,135,006)
Cash and cash equivalents, opening balance	1,138,648,208	1,154,232,290	160,384,206	171,519,212
Gain on exchange rate	1,216,431	39,786,696	-	-
Cash and cash equivalents, closing balance	3,690,758,222	1,138,648,208	2,214,930,902	160,384,206

## Cash and cash equivalents as at 31 December

Notes	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash and deposits with banks	7 3,702,393,557	1,145,782,127	2,214,930,902	160,384,206
Bank overdrafts	21 (11,635,335)	(7,133,919)	-	-
	3,690,758,222	1,138,648,208	2,214,930,902	160,384,206

## Supplementary information for cash flows

### Non-cash transaction

Significant non-cash activities for the years ended 31 December 2012 and 2011 are as follows:

Notes	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Acquisition of property, plant and equipment, and land held for future development and projects under development by payable	271,149,751	227,186,732	199,045	3,131,522
Payable arisen from purchase of investment in a subsidiary	31,775,700	5,170,784	-	-
Stock dividend (Note 34)	328,825,114	-	328,825,114	-
Receivable arisen from disposal of investment in a subsidiary	3,570,000	-	3,570,000	-

The notes to the consolidated and Company financial statements on pages 77 to 178 form an integral part of the financial statements.

# Notes to the Consolidated and Company Financial Statements

**Minor International Public Company Limited**  
**For the years ended 31 December 2012 and 2011**

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## **1 General information**

Minor International Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The addresses of the Company’s registered offices are as follows:

Bangkok: 16<sup>th</sup> Floor, Berli Jucker House, 99 Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Thailand.

Pattaya: 218/2-4 Moo 10 Beach Road, Nongprue, Banglamung, Chonburi, Thailand.

The Company is listed on the Stock Exchange of Thailand in October 1988. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The Group engages in investment activities, hotel, restaurant operations, and distribution and manufacturing. The Group mainly operates in Thailand and also has operations in other countries such as Singapore, People’s Republic of China, Republic of Maldives, The United Arab Emirates, Sri Lanka, and Australia, etc.

These consolidated and Company financial statements were authorised for issue by the Board of Directors on 21 February 2013.

## **2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and Company financial statements are set out below:

### **2.1 Basis for preparation**

The consolidated and Company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and Company financial statements have been prepared under the cost convention except some investments which are carried at fair value as disclosed in the accounting policies below.



## 2.1 Basis for preparation (Cont'd)

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and Company financial statements are disclosed in Note 4.

Comparative figures have been adjusted to conform with adjustments from the completion of the measurement period for a business combination as mentioned in Note 5 - Restatement and in Note 8 - Trade account receivables. The restatement does not impact the consolidated statement of financial position at 1 January 2011 therefore the Group does not present the comparative consolidated statement of financial position.

An English version of the consolidated and Company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards

- a) New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards that are not yet effective and have not been early adopted by the Group:

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

## 2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards (Cont'd)

TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. The Group is assessing the impact of deferred tax.

TAS 21 (Revised 2009) requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Currency other than functional currency of an entity is foreign currency. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The standard permits the presentation currency of a reporting entity to be any currencies. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The management is currently assessing the impact of applying this standard.

TFRS 8 requires a management approach under which segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision makers. The new standard will have an impact on disclosure.

### Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The above TFRIC and TSIC are not relevant to the Groups operations except for TFRIC 13 which clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. The management is currently assessing the impact of applying this interpretation.

## 2.3 Investments in subsidiaries, associates and interests in joint ventures

### (1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Company's principal subsidiaries is set out in Note 13a).



## 2.3 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

### (2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### (3) Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Joint ventures are the entities which the Group has interests in jointly control.

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.14 for the impairment of assets including goodwill.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate and joint venture equals or exceeds its interest in the associate and joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

## 2.3 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates and joint ventures are recognised in the income statement.

In the Company's separate financial statements, investments in associates and joint venture are accounted for using the cost method.

A list of the Group's principal associates and joint ventures is set out in Note 13b) - 13c).

## 2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using its local currency. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The statements of comprehensive income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and statement of financial position are translated at the exchange rates ruling on the end of reporting period. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to other component of shareholders' equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

## 2.5 Segment reporting

Segment information is presented by business segments and geographical areas of the Group's operations.

## **2.6 Cash and cash equivalents**

In the consolidated and Company statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less and bank overdrafts.

In the consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

## **2.7 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the income statement within administrative expenses.

## **2.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the moving average method for food and beverage, finished goods and raw materials for manufacturing and spa products and by first-in, first-out method for fashion and cosmetic products. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## **2.9 Land and real estates project for sales**

Land and real estates project are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The project cost consists of cost of land, development cost, construction cost, miscellaneous expenses of the project and interest expenses. Capitalisation of interest will be discontinued when the construction completes.

## 2.10 Other investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following three categories: available-for-sale investments, held-to-maturity investments and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments in non-marketable equity securities are classified as general investments.

All categories of investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that such investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, an impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined by weighted average carrying amount of the total holding of the investment.



## 2.11 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated on the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvement	lease period
Buildings and building improvement	lease period and 20 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

## 2.12 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has the obligation to do so.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

## 2.12 Property, plant and equipment (Cont'd)

Land is not depreciated. Depreciation on other assets is calculated on the straight-line method of depreciation to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvement	lease period, 5 years, 20 years and 30 years
Building and fitting equipment	lease period, 5 years, 10 years, 20 years, 30 years and 40 years
Building improvement	lease period and 10 years
Machinery and equipment	5 - 15 years
Furniture, fixtures and office equipment	4 years, 5 years, 10 years and 15 years
Other equipment	4 years, 5 years and 10 years
Motor vehicles	4 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Hotel operating equipment is stated at cost less accumulated depreciation. Additions are recorded as hotel operating equipment and expensed on issue or use.

Operating equipment and kitchen supplies for restaurant operations are recorded at cost upon purchases and are depreciated on first issue or use. The depreciation is calculated on the straight-line method with the estimated useful life of 5 years. When new items are issued to replace the operating equipment, the replacement cost of operating equipment and kitchen supplies are recognised as expense when issued.

When existing outlets are re-modernised, the related expenditures will be capitalised as buildings improvements or leasehold improvements and will be depreciated using the straight-line method over the shorter of the remaining lease term and the estimated useful life of 3 - 7 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the income statement.

## 2.13 Intangible assets

### Management letting rights

Management letting rights (“MLRs”) are recognised at cost less any accumulated amortisation and any accumulated impairment losses. The cost of the rights is amortised over the life of the building with which it is associated not less than 40 years.

MLRs are not revalued in the accounts as they are not traded in an active market. The amortisation period and amortisation method are reviewed at each statement of financial position date.

### Intellectual property

Intellectual property is measured at purchased cost and represents ownership rights of the systems used by the Group to efficiently manage and operate its MLRs portfolio and in-house developed recipes and equipments that give the Group a relative advantage over its competitors.

Intellectual property is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is measured by assessing the recoverable amount of the cash generating unit to which the intellectual property relates and where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. Such losses are not subsequently reversed.

Intellectual property is considered to have an indefinite life and is therefore not subject to amortisation.

### Franchise development cost

Costs incurred on development of franchises relating to the design of restaurants and the testing of new products are recognised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial launch of the franchise on a straight-line method over the period of its expected benefit, generally over 3 - 20 years. Capitalised development cost is not revalued. Its carrying amount is reviewed annually for impairment where it is considered necessary.

## 2.13 Intangible assets (Cont'd)

### Initial franchise fees

Expenditure on acquired patents, trademarks and licences relating to restaurant franchises is capitalised and amortised using the straight-line method over the related agreement periods, generally over 10 - 20 years. The intangible assets are not revalued. The carrying amount of intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associates and joint ventures undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of financial position. Goodwill on acquisitions of associates and joint ventures is included in investments in associates and joint ventures and is tested for impairment as part of the overall balance.

Goodwill is tested annually for impairment and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

### Brand

Trademarks, trade names, service marks, collective marks and brand name that has achieved consumer awareness and recognition through continuous use in commerce is not subject to amortisation; however, its carrying amount is annually tested for impairment where it is considered necessary.

### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives during 3 - 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:



## 2.13 Intangible assets (Cont'd)

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs are recognised as assets are amortised over their useful lives, which does not exceed 3 - 10 years.

## 2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.15 Leases - where the Group company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

## **2.15 Leases - where the Group company is the lessee (Cont'd)**

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the present value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit and loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### **Leases - where the Group company is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

## **2.16 Borrowings**

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective yield method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

## **2.17 Provisions**

Provisions, which exclude the provisions relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

## **2.18 Employee benefits**

The Group has both defined benefit and defined contribution plans. A defined benefit plan is a legal severance pay that is not a defined contribution plan. Typically defined benefit plans define an amount of employee benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of legal severance pay is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

A defined contribution plan, the Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

## **2.19 Income taxes**

The Group does not recognise income taxes payable or receivable in future periods in respect of temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on plant and equipment, provision for impairment of receivables, allowance for inventory obsolescence, provision for impairment loss, provision for employee benefits, tax losses carried forward and the difference between the fair values of the net assets acquired and their tax base.

## 2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid including directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

## 2.21 Warrants

### **Warrants to subscribe for ordinary shares issued to existing shareholders**

Warrants are issued to existing shareholders to subscribe for ordinary shares. Proceeds from issuing warrants are shown net of related expenses under the caption of "Warrants" in shareholders' equity when the warrants are issued.

### **Warrants to subscribe for ordinary shares by the directors and employees of the Company and/or its subsidiaries**

Certain employees and executive management of the Group are rewarded through entitlement to receive warrants to subscribe for ordinary shares. When such warrants are granted, no compensation cost is recognised in the statement of income. When the warrants are exercised the proceeds received net of any transaction costs are credited to share capital.

## 2.22 Revenue recognition

Revenue from hotel operations consists of room sales, food and beverage sales and revenue from auxiliary activities which is recognised when the service is rendered.

Revenue from accommodation rentals is recognised when the rental period is commenced at which time it is brought to account over the rental period on a straight line basis. The fixed portion of management rights revenue is recognised on a pro rata basis over the course of the management rights agreement. The variable portion of income arising from management rights is recognised as it is earned through either the sale of goods as they are supplied or through the provision of services as they are performed.

Revenue from sales of foods and beverages is recognised upon delivery and service rendered, and presented net of sales taxes and discounts.



## 2.22 Revenue recognition (Cont'd)

Rental income from property business is recognised as revenue at the amount as specified under the related lease agreements. Rental received in advance is recognised as revenue evenly over the period of the lease.

Revenue from entertainment operations is recognised as revenue when the show is presented.

Revenue from spa services is recognised upon delivery and service rendered, and presented net of sales taxes and discounts.

Revenue from sales of real estate under finance lease contracts and sales of furniture and fixtures are recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from sales of time sharing resort is recognised when the Group completely transfers significant risks and rewards of ownership of such right to the buyers and the construction of the resort is completed and ready for use. The Group will not recognise revenue from sales if the resort is not ready for use.

Revenue from distribution and manufacturing is recognised as revenue when the goods are delivered to customers. Sales of goods to department stores are recognised as revenue only when the goods are sold to end customers. All revenues are shown net of sales taxes and discounts.

Revenue from management service is recognised as revenue when the service is rendered.

Other revenues earned by the Group are recognised on the following bases:

- |                                  |  |
|----------------------------------|--|
| - Royalty and franchise fee      | - on an accrual basis in accordance with the substance of the relevant agreements. |
| - Interest and commission income | - as it accrues unless collectibility is in doubt.                                 |
| - Dividend income                | - when the shareholder's right to receive payment is established.                  |

## 2.23 Dividend distribution

Annual dividends are recorded in the consolidated and Company financial statements in the period in which they are approved by the shareholders meetings of the Company and subsidiaries.

Interim dividends are recorded in consolidated and Company financial statements in the period in which they are approved by the board of directors meetings of the Company and subsidiaries.

### **3 Risk management**

#### **3.1 Financial risk management**

The Group's activities expose it to a variety of financial risks including currency risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as cross currency swap contracts, forward foreign exchange contracts and interest rate swap contracts to hedge certain exposures.

Risk management is carried out by a central group treasury department. The central group treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Group follows written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments. The Group does not have policy to use financial instruments for speculative or trading purposes.

##### **3.1.1 Cross currency swap contracts**

Cross currency swap contracts are recognised at the inception date.

In cross currency swap contracts, the Group agrees with a counterparty to exchange their respective currency and interest rate positions between an agreed pair of currencies. An exchange of principal in the different currencies occurs at the inception of the cross currency swap contracts at a predetermined exchange rate, with an equal but opposite exchange of principal during interim periods and at the maturity of the contracts. The cross currency receivable/payable under these contracts is translated at the period-end exchange rate and the unrealised gains or losses are recognised in the statement of income. Each party also pays and receives interest on a predetermined amount of principal in different currencies over the contract periods. Any differential to be paid or received on the cross currency swap contracts is recognised as a component of interest income or expenses over the period of the contracts.

### **3.1 Financial risk management (Cont'd)**

#### **3.1.2 Forward foreign exchange contracts**

Foreign exchange forward contracts are recognised at the inception date.

Forward foreign exchange contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the foreign exchange forward contract. The gains and losses on the derivative instruments are offset for financial reporting purposes. The Group do not oblige to pay any fee upon entering forward foreign exchange contract.

#### **3.1.3 Interest rate swap contracts**

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest expense over the period of the agreement.

#### **3.1.4 Credit risk**

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

### **3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### **3.3 The seasonality of the tourism industry risk management**

Hotel business has unpredictable and uncontrollable risks on tourism industry such as political situation, terrorism, epidemic concern, natural disaster including unrest situation in the country. The Group has strategy in coping with seasonality of tourism industry by the geographical diversification of its hotels throughout the country, the policy in optimising revenues between the hotel room and hotel food and beverages, the policy to increase number of domestic customers and expand foreign customer base to cover more countries. Moreover, the Group has a strategy to expand the food business to reduce the risk of seasonality of hotel business which is generally more certainty and less seasonality than hotel business.

## **4 Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **4.1 Impairment of receivable**

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

### **4.2 Impairment of goodwill and investments in subsidiaries**

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.14, including investments in subsidiaries. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates by management.

### **4.3 Plant and equipment and intangible assets**

Management determines the estimated useful lives for the Group's plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.



#### 4.4 Employee benefits obligations

The present value of employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefits obligations. In determining the appropriate discount rate, the Group considers the interest rate of government bond that is denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms at the related employee benefits liability.

Other key assumptions for the provision for employee benefits are based in part on current market conditions.

#### 5 Restatements

As described in Note 35 regarding the acquisition of OAKS in May 2011, during the second quarter of 2012, the Group remeasured the fair value of identifiable assets acquired and liabilities assumed of Oaks Hotels & Resorts Limited to comply with the measurement period for a business combination referred in TFRS 3 (Revised 2009) that the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date and the measurement period shall not exceed one year from the acquisition date.

The effect to the statement of financial position as at 31 December 2011 was presented as follows:

	<b>Consolidated Baht</b>
<b>Statement of financial position as at 31 December 2011</b>	
Decrease in other non-current assets (Note 20)	(176,885,045)
Decrease investment properties, net (Note 16)	(4,683,714)
Decrease in property, plant and equipment, net (Note 17)	(223,436,554)
Increase in intangible assets, net (Note 18) (including goodwill of Baht 619,791,454)	1,162,445,647
Increase in other non-current liabilities (Note 25)	757,440,334

The Group did not retrospectively adjust the comparative figure of the income statements and statements of comprehensive income since the impact approximately of Baht 0.1 million was not material.

## 6.1 Financial information by business segments

The Group operates in several business segments. Financial information by segment for the consolidated financial statements is as follows:

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## 6.1 Financial information by business segments (Cont'd)

	Hotel																																															
	Hotel and related services operations				Property rental business				Entertainment operations				Spa services				Food and beverage for sales				Real estates for sales				Distribution				Manufacturing				Management operations				Investing in other companies				Eliminated				Total			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011												
Projects under development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Property, plant and equipment	14,855	13,409	50	22	194	142	19	26	2,677	2,371	43	424	268	236	175	127	30	21	73	80	(195)	56	18,189	16,914	37,647	34,015	(43,512)	(40,275)	31,482	24,676	50,975	41,623	50,975	41,623	50,975	41,623												
Other assets	12,385	12,106	1,066	1,272	22	29	396	343	9,127	6,323	5,287	3,204	1,030	955	354	123	7,680	6,581	37,647	34,015	(43,512)	(40,275)	31,482	24,676	37,647	34,015	(43,512)	(40,275)	31,482	24,676	31,482	24,676	31,482	24,676	31,482	24,676												
Total assets	27,240	25,515	1,116	1,294	216	171	415	369	11,804	8,694	6,634	3,661	1,298	1,191	529	250	7,710	6,602	37,720	34,095	(43,707)	(40,219)	50,975	41,623	37,720	34,095	(43,707)	(40,219)	50,975	41,623	50,975	41,623	50,975	41,623	50,975	41,623												

## 6 Segment information (Cont'd)

### 6.2 Financial information by geographical segments

The Group's business segments are managed on a worldwide basis and, they operate in main geographical areas as follows:

Thailand is the home country of the parent company which is also the main operation. The areas of operation are principally hotel operations, entertainment operations, food and beverage operations, real estates for sales, distribution, manufacturing, property rental business, spa services and management operations.

Australia - The Group operates hotel operations and food and beverage operations.

Singapore - The Group operates food and beverage operations.

Republic of Maldives - The main activities are hotel operations and spa.

People's Republic of China - The predominant activity is food and beverage operations and spa services.

Others - The main activities are hotel operations and spa. Other countries in which the Group operates are Sri Lanka, The United Arab Emirates, etc.

	Baht Million					
	Revenues		Segment results		Total assets	
	2012	2011	2012	2011	2012	2011
Thailand	25,207	21,423	14,554	11,984	56,445	49,591
Australia	4,908	2,601	1,743	1,374	14,180	12,622
Singapore	2,321	2,200	2,031	1,657	8,952	7,377
Republic of Maldives	1,105	749	719	473	2,356	2,435
People's Republic of China	449	495	296	330	420	292
Sri Lanka	62	104	38	62	414	200
The United Arab Emirates	46	26	46	23	-	-
Others	118	93	94	73	11,915	9,325
Eliminated	(2,906)	(1,554)	(2,001)	(1,107)	(43,707)	(40,219)
	<b>31,310</b>	<b>26,137</b>	<b>17,520</b>	<b>14,869</b>	<b>50,975</b>	<b>41,623</b>



7 Cash and cash equivalents

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash on hand	123,000,764	112,955,845	10,727,442	7,279,953
Cash at bank	3,579,392,793	1,032,826,282	2,204,203,460	153,104,253
Total cash and cash equivalents	<u>3,702,393,557</u>	<u>1,145,782,127</u>	<u>2,214,930,902</u>	<u>160,384,206</u>

The average effective interest rate of deposits with banks was 0.1% to 3.3% per annum (2011: 0.1% to 3.5% per annum).

8 Trade and other receivables

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b><u>Current</u></b>				
Trade receivables - third parties, gross	1,447,130,149	1,289,892,466	23,041,315	18,801,728
<u>Less</u> Provision for impairment of trade receivables	(92,779,969)	(88,811,024)	(12,567)	(260)
Trade receivables - third parties, net	1,354,350,180	1,201,081,442	23,028,748	18,801,468
Prepayments	479,464,220	380,583,358	12,427,732	7,995,801
Receivables from others	878,761,353	540,315,564	14,602,817	5,178,129
Receivables from related parties (Note 14)	242,243,252	222,342,378	449,310,546	711,157,062
Total trade and other receivables	<u>2,954,819,005</u>	<u>2,344,322,742</u>	<u>499,369,843</u>	<u>743,132,460</u>

8 Trade and other receivables (Cont'd)

Outstanding trade accounts receivable - third parties as at 31 December can be analysed as follows:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Not yet due	1,047,754,600	887,571,050	22,333,756	16,254,018
Overdue				
Under 90 days	213,001,216	211,078,013	644,723	2,543,682
91 days to 180 days	125,260,866	88,921,121	62,836	2,726
181 days to 365 days	29,024,469	70,011,610	-	1,302
Over 365 days	32,088,998	32,310,672	-	-
Trade receivables - third parties	1,447,130,149	1,289,892,466	23,041,315	18,801,728
<u>Less</u> Provision for impairment of trade receivables	(92,779,969)	(88,811,024)	(12,567)	(260)
Trade receivables - third parties, net	1,354,350,180	1,201,081,442	23,028,748	18,801,468

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Non-current</b>				
Trade receivables long-term contracts	1,402,507,902	399,278,697	-	-
<u>Less</u> Unearned interest income	(329,753,768)	(142,784,164)	-	-
<u>Less</u> Provision for impairment of trade receivables	(8,849,557)	(7,974,413)	-	-
Trade receivables long-term contracts, net	1,063,904,577	248,520,120	-	-

9 Inventories

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Food and beverage	102,764,034	97,448,205	2,751,100	2,978,666
Finished goods (net with allowance)	465,933,656	350,588,967	-	-
Raw materials (net with allowance)	661,149,736	694,406,774	-	-
Work in process	50,016,864	16,005,115	-	-
Goods in transit	98,989,264	99,803,200	-	-
Supplies and others	237,257,354	207,701,234	3,589,190	3,441,704
Total inventories	1,616,110,908	1,465,953,495	6,340,290	6,420,370

The cost of inventories recognised as expense and included in cost of sales amounted to Baht 8,056 million (2011: Baht 6,920 million).

During 2012, Baht 60 million was reversed from the income statement for allowance for obsolete and damaged inventories (2011: Expense of Baht 66 million).

10 Land and real estates project for sales

Land and real estates project for sales comprise:

	Consolidated	
	2012 Baht	2011 Baht
Residential units		
Land	31,633,736	31,633,736
Land under lease agreement	454,313,183	455,214,701
Construction cost	2,042,991,539	1,828,114,044
Furniture and fixtures	577,603,902	685,010,777
Interest capitalised	158,731,872	158,736,008
Others	50,159,055	38,530,650
Sub-total	3,315,433,287	3,197,239,916
<u>Less</u> Cost of sales - accumulated	(2,412,732,107)	(1,623,143,927)
Residential units	902,701,180	1,574,095,989
Time sharing resort	143,871,819	21,722,282
Total land and real estates project for sales	1,046,572,999	1,595,818,271

10 Land and real estates project for sales (Cont'd)

As at 31 December 2012, the Group has commitment relating to the construction contracts of real estates project for sales of Baht 1.1 million (2011: Baht 0.9 million).

11 Other current assets

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Prepaid income tax	240,724,748	144,980,057	15,494,976	17,493,362
Advance for construction	6,329,721	118,589,611	2,211,626	20,614,005
Current portion of loans to other companies	11,656,651	13,139,237	-	-
Others	682,349,682	529,579,300	60,558,715	45,779,433
Total other current assets	941,060,802	806,288,205	78,265,317	83,886,800

12 Long-term investments

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Available-for-sale investments				
Other companies	238,504,987	133,849	160,604	121,849
Related companies	116,913,436	159,853,851	-	-
Total available-for-sale investments	355,418,423	159,987,700	160,604	121,849
Held-to-maturity investment	100,000,000	-	100,000,000	-
General investments, net	14,176	13,224	-	-
Total other long-term investments	100,014,176	13,224	100,000,000	-
Total long-term investments	455,432,599	160,000,924	100,160,604	121,849



12 Long-term investments (Cont'd)

a) Available-for-sale investments in other companies

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Opening net book amount	133,849	656,315	121,849	24,765
Additions	200,562,298	97,898	-	97,898
Disposals	-	(625,000)	-	-
Changes in fair value of investments	37,808,840	4,636	38,755	(814)
Ending net book amount	238,504,987	133,849	160,604	121,849

Available-for-sale investments in other companies as at 31 December comprises:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Available-for-sale investment in other companies, cost	200,669,830	107,532	105,933	105,933
Changes in fair value of investments	37,835,157	26,317	54,671	15,916
Available-for-sale investments in other companies, net	238,504,987	133,849	160,604	121,849

b) Available-for-sale investments in related companies

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Opening net book amount	159,853,851	1,914,936,740	-	1,804,523,000
Additions	-	27,699,316	-	-
Transfer to investment in associate	-	(1,804,523,000)	-	(1,804,523,000)
Change in fair value of investments	(42,940,415)	21,740,795	-	-
Ending net book amount	116,913,436	159,853,851	-	-

## 12 Long-term investments (Cont'd)

Available-for-sale investments in related companies as at 31 December comprises:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Available-for-sale investment in related companies, cost	71,658,763	71,658,763	-	-
Changes in fair value of investments	45,254,673	88,195,088	-	-
Available-for-sale investments in related companies, net	116,913,436	159,853,851	-	-

## c) Held-to-maturity investments

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Opening net book amount	-	-	-	-
Additions	100,000,000	-	100,000,000	-
Ending net book amount	100,000,000	-	100,000,000	-

Held-to-maturity investment at 31 December 2012 represented investment in subordinated debenture with fixed interest rate and is due for maturity within 2022.

## d) General investments

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Opening net book amount	13,224	13,224	-	-
Additions	952	-	-	-
Ending net book amount	14,176	13,224	-	-

12 Long-term investments (Cont'd)

General investments as at 31 December comprise:

	Consolidated	
	2012	2011
	Baht	Baht
General investments, cost	2,164,526	2,163,574
<u>Less</u> Provision for impairment	(2,150,350)	(2,150,350)
General investments, net	14,176	13,224

13 Investments in subsidiaries, associates and interests in joint ventures

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Subsidiaries	-	-	5,808,901,033	5,658,569,135
Associates	4,013,919,808	3,829,126,710	2,150,195,880	2,150,195,880
Interests in joint ventures	197,120,062	96,003,822	24,284,460	24,284,460
Total investments in subsidiaries, associates and interests in joint ventures	4,211,039,870	3,925,130,532	7,983,381,373	7,833,049,475

a) Investments in subsidiaries

	Company	
	2012	2011
	Baht	Baht
At 1 January	5,658,569,135	6,629,390,044
Additions	205,955,288	1,063,491
Disposal	(3,570,000)	-
Capital returned from subsidiary	-	(928,262,396)
Decapitalisation in property fund	(52,053,390)	(43,622,004)
At 31 December	5,808,901,033	5,658,569,135

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

All investments in subsidiaries included in the consolidated financial statements are investments in ordinary shares of subsidiaries and units in property funds as follows:

Company	Company - 31 December			
	Nature of business	Country of incorporation	Investment portion (%)	
			2012	2011
Chao Phaya Resort Limited	Hotel operation and shopping mall	Thailand	81.24	81.24
Hua Hin Resort Limited	Hotel operation	Thailand	100	100
Maerim Terrace Resort Limited	Hotel operation	Thailand	45.30 <sup>(1)</sup>	45.30 <sup>(1)</sup>
Royal Garden Development Limited	In liquidation process	Thailand	100	100
Samui Resort and Spa Limited	Hotel operation	Thailand	100	100
Rajadamri Hotel Public Company Limited	Hotel operation	Thailand	99.22	98.91
MI Squared Limited	Hotel operation	Thailand	100	100
Hua Hin Village Limited	Hotel operation	Thailand	100	100
Baan Boran Chiangrai Limited	Hotel operation	Thailand	100	100
Samui Village Limited	Hotel operation	Thailand	100	100
Coco Palm Hotel & Resort Limited	Hotel operation	Thailand	100	100
Coco Recreation Limited	Hotel operation	Thailand	100	100
Samui Beach Club Owner Limited	Hotel operation & rent of property	Thailand	100	100
The Minor Food Group Public Company Limited ("MFG")	Sales of food and beverage	Thailand	99.72	99.72
Royal Garden Plaza Limited	Shopping mall	Thailand	100	100
M Spa International Limited ("MST")	Spa services	Thailand	51 <sup>(2)</sup>	51 <sup>(2)</sup>
Samui Beach Residence Limited	Sales of property	Thailand	100	100
Coco Residence Limited	Sales of property	Thailand	100	100
Minor Hotel Group Limited	Hotel management	Thailand	100	100
RNS Holding Limited	Management	Thailand	100	100
Minor Global Solutions Limited	Management	Thailand	100	100
Chao Phaya Resort and Residence Limited	Hotel operation & sales of property	Thailand	100	100

## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Company	Company - 31 December			
	Nature of business	Country of incorporation	Investment portion (%)	
			2012	2011
Minor Corporation Public Company Limited ("MINOR")	Distribution	Thailand	91.35 <sup>(3)</sup>	91.35 <sup>(3)</sup>
RGR International Limited	Management	British Virgin Islands	100	100
R.G.E. (HKG) Limited	Management	Hong Kong	100	100
M&H Management Limited	Management	Republic of Mauritius	100	100
Lodging Investment (Labuan) Limited	Holding investment	Malaysia	100	100
Minor International (Labuan) Limited	Hotel operation	Malaysia	100	100
AVC Club Developer Limited	Sales of point for right-to-use in time sharing resort	Republic of Mauritius	100	100
AVC Vacation Club Limited	Sales of point for right-to-use in time sharing resort	Republic of Mauritius	100	100
Thai Project Property Fund	Property investment	Thailand	99.90	99.90
Sub Thawee Property Fund	Property investment	Thailand	-	99.86
Thai Assets Management Property Fund	Property investment	Thailand	-	100
Phuket Beach Club Owner Limited	Management	Thailand	100	100
MHG Phuket Limited	Hotel operation	Thailand	100	-
Minor Sky Rider Limited	Entertainment operation	Thailand	49 <sup>(4)</sup>	-

(1) Investment portion of 45.30% represents direct holding in Maerim Terrace Resort Limited. Another 25.84% indirect holding is invested through subsidiary.

(2) Investment portion of 51% represents direct holding in MST. Another 49% indirect holding is invested through subsidiary.

(3) Investment portion of 91.35% represents direct holding in MINOR. Another 8.57% indirect holding is invested through subsidiary.

(4) Investment portion in Minor Sky Rider Limited is 49% but the Company has voting right at 66.67%.



## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Companies under subsidiaries included in the preparation of the consolidated financial statements are:

Company	Nature of business	Country of incorporation	Investment portion (%)	
			31 December 2012	31 December 2011
<u>MFG's subsidiaries</u>				
Swensen's (Thai) Limited	Sales of food and beverage	Thailand	100	100
Minor Cheese Limited	Manufacturing and sales of cheese	Thailand	100	100
Minor Dairy Limited	Manufacturing and sales of ice-cream	Thailand	100	100
Minor DQ Limited	Sales of food and beverage	Thailand	100	100
Catering Associates Limited	Catering service	Thailand	51	51
Burger (Thailand) Limited	Sales of food and beverage	Thailand	95	95
International Franchise Holding (Labuan) Limited	Franchise owner	Malaysia	100	100
SLRT Limited	Sales of food and beverage	Thailand	100	100
Primacy Investment Limited	Holding investment	Republic of Mauritius	100	100
The Coffee Club (Thailand) Limited	Sales of food and beverage	Thailand	100	100
<u>International Franchise Holding (Labuan) Limited's subsidiaries</u>				
Franchise Investment Corporation of Asia Ltd.	Franchise owner	British Virgin Islands	100	100
The Minor Food Group (China) Limited	Sales of food and beverage	People's Republic of China	100	100

## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Companies under subsidiaries included in the preparation of the consolidated financial statements are:

			Investment portion (%)	
Company	Nature of business	Country of incorporation	31 December 2012	31 December 2011
<u>Primacy Investment Limited's subsidiaries</u>				
Delicious Foodstuff (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Beverage (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Food Holding (Singapore) Pte. Ltd.	Holding investment	Singapore	100	100
ThaiExpress Concepts Pte. Ltd.	Holding investment	Singapore	100	100
MFG International Holding (Singapore) Pte. Ltd.	Holding investment	Singapore	100	-
<u>MFG International Holding (Singapore) Pte. Ltd.'s subsidiary</u>				
Over Success Enterprise Pte. Ltd.	Holding investment	Singapore	49*	-
*Investment portion in Over Success Enterprise Pte. Ltd. is 49% but the Group has voting right at 66.67%.				
<u>Delicious Food Holding (Singapore) Pte. Ltd.'s subsidiaries</u>				
Delicious Food Holding (Australia) Pte. Ltd.	Holding investment	Australia	100	100
Delicious Food Australia Finance Pty. Ltd.	Management	Australia	100	100
MHG Hotel Holding Australia Pty. Ltd.	Holding investment	Australia	100	100
<u>MHG Hotel Holding Australia Pty. Ltd.'s subsidiary</u>				
Oaks Hotels & Resorts Limited ("OAKS")	Providing services for accommodation	Australia	100	100

## 13 Investments in subsidiaries, associates and joint ventures (Cont'd)

Company	Nature of business	Country of incorporation	Investment portion (%)	
			31 December 2012	31 December 2011
<u>M Spa International Limited's subsidiaries</u>				
MSpa Ventures Limited	Spa services	British Virgin Islands	100	100
MSpa Enterprise Management (Shianghai) Limited	Spa services	People's Republic of China	100	100
<u>Minor Hotel Group Limited's subsidiaries</u>				
Hospitality Investment International Limited	Holding investment	British Virgin Islands	100	100
MHG International Holding (Singapore) Pte. Ltd	Management	Singapore	100	-
MHG IP Holding (Singapore) Pte. Ltd.	Management	Singapore	100	-
<u>Hospitality Investment International Limited's subsidiaries</u>				
Lodging Management (Labuan) Limited	Hotel management	Malaysia	100	100
Lodging Management (Mauritius) Limited	Hotel management	Republic of Mauritius	100	100
PT Lodging Management (Indonesia) Limited	Hotel management	Indonesia	93.3	93.3
Jada Resort and Spa (Private) Limited	Hotel operation	Sri Lanka	80.1	80.1
Elewana Investment Limited	Holding investment	Republic of Mauritius	100	100
<u>MI Squared Limited's subsidiaries</u>				
Rajadamri Residence Limited	Sales of property	Thailand	100	100
Rajadamri Lodging Limited	Hotel operation	Thailand	100	100
<u>AVC Vacation Club Limited's subsidiaries</u>				
Anantara Vacation Club (HK) Limited	Marketing services	Hong Kong	100	100
AVC Vacation Club (Singapore) Pte. Ltd.	Sales & marketing services	Singapore	100	-

## 13 Investments in subsidiaries, associates and joint ventures (Cont'd)

			Investment portion (%)	
		Country of	31 December	31 December
Company	Nature of business	incorporation	2012	2011
<u>AVC Club Developer Limited's subsidiaries</u>				
PT MHG Indonesia Limited	Sales & marketing services	Indonesia	-*	-
PT MHG Bali Limited	Hotel and property development	Indonesia	-*	-

\* The Group provided loans to 2 directors of PT MHG Indonesia Limited and PT MHG Bali Limited. These 2 directors have used the companies' ordinary shares as collateral and granted the share purchase option to the Group. In substance, the Group has control over these companies; therefore, these companies are identified as the subsidiaries of the Group.

**Jada Resort and Spa (Private) Limited's subsidiary**

Paradise Island Resorts (Private) Limited	Hotel operation	Sri Lanka	80.1	-
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**Anantara Vacation Club (HK) Limited's subsidiaries**

Sanya Anantara Consulting Limited	Consulting services	People's Republic of China	100	-
Sanya Anantara Real Estate Limited	Hotel operation	People's Republic of China	100	-

## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Company	Nature of business	Country of incorporation	Investment portion (%)	
			31 December 2012	31 December 2011
<u>ThaiExpress Concepts Pte. Ltd.'s subsidiaries</u>				
BBZ Design International Pte. Ltd.	Sales of food and beverage	Singapore	100	100
NYS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
PS07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
TES07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
XWS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Concepts Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Heeren Pte. Ltd.	Sales of food and beverage	Singapore	100	100
The Bund Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Lotus Sky Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
Thai Express Malaysia Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
<u>BBZ Design International Pte. Ltd.'s subsidiary</u>				
Element Spice Cafe Pte. Ltd.	Sales of food and beverage	Singapore	100	100
<u>MINOR's subsidiaries</u>				
Armin Systems Limited	Distribution - kitchen utensils, garment and shoes	Thailand	100	100
NMT Limited	Manufacturing services - consumer products	Thailand	100	100
Minor Development Limited	Property development	Thailand	100	100
Minor Consultants & Services Limited	Distribution - cosmetics and luggage	Thailand	100	100
Red Earth Thai Limited	Distribution - cosmetics and perfume	Thailand	100	100
Esmido Fashions Limited	Distribution - garments	Thailand	90.8	90.8
Amore Pacific (Thailand) Limited	Distribution - cosmetics and perfume	Thailand	-	51
Marvelous Wealth Limited	Holding investment	British Virgin Islands	100	100
MCL International Holding (Singapore) Pte. Ltd.	Holding investment	Singapore	100	-



## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

			Investment portion (%)	
Company	Nature of business	Country of incorporation	31 December 2012	31 December 2011
<b><u>OAKS's subsidiaries</u></b>				
Boathouse Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Calypso Plaza Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Concierge Apartments Australia Pty. Ltd.	Providing services for accommodation	Australia	100	100
Goldsborough Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
IMPROPERTY Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (Qld) Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (NSW) Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (NSW) No. 1 Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (NSW) No. 2 Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (SA) Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (VIC) Pty. Ltd	Providing services for accommodation	Australia	100	100
Queensland Accommodation Corporation Pty. Ltd.	Providing services for accommodation	Australia	100	100
Seaforth Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
183 on Kent Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
187 Kent Pty. Ltd.	Providing services for accommodation	Australia	100	100
361 Kent Pty. Ltd.	Providing services for accommodation	Australia	100	100
Pacific Hotel Market Street Pty. Ltd.	Providing services for accommodation	Australia	100	100
Pacific Blue Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Queen Street Property Management Pty. Ltd	Providing services for accommodation	Australia	100	100
The Oaks Resort & Hotel Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Furniture Services Australia Pty. Ltd.	Providing services for accommodation	Australia	100	100
Brisbane Apartment Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Housekeepers Pty. Ltd.	Providing services for accommodation	Australia	100	100
Kent Street Sydney Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts NZ Ltd.	Providing services for accommodation	New Zealand	100	100
187 Cashel Apartments Ltd.	Providing services for accommodation	New Zealand	100	100

## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Company	Nature of business	Country of incorporation	Investment portion (%)	
			31 December 2012	31 December 2011
<u>OAKS's subsidiaries</u> (Cont'd)				
Cashel Management Ltd.	Providing services for accommodation	New Zealand	100	100
Oaks Hotels & Resorts JLT Ltd.	Providing services for accommodation	The United Arab Emirates	100	100
Oaks Hotels & Resorts Investments Pty. Ltd.	Investment Holding	Australia	100	100
The Grand Hotel, Gladstone (Note 35)	Hotel operation	Australia	80	-
Oaks Broome Sanctuary Resort Pty. Ltd. (Note 35)	Providing services for accommodation	Australia	80	-
Mon Komo Management Pty. Ltd.	Providing services for accommodation	Australia	80	-
Oaks Oasis, Caloundra	Providing services for accommodation	Australia	80	-
Regis Tower, Sydney (Note 35)	Providing services for accommodation	Australia	80	-
<u>Over Success Enterprise's subsidiaries</u>				
Beijing Qian Bai Ye Investment Counsultation Ltd.	Holding investment	People's Republic of China	49	-
Beijing Riverside & Courtyard Investment Management Ltd.	Holding investment	People's Republic of China	49	-
Beijing Riverside & Courtyard Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Longkai Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Three Two One Fastfood Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing JiangShang Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Red Matches Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Yunyu Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Jianshan Rundai Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Xiejia Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Dejianhua Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-
Beijing Sanrenxing Huixin Restaurant	Sales of food and beverage	People's Republic of China	49	-
Shanghai Riverside& Courtyard Ltd.	Sales of food and beverage	People's Republic of China	49	-
Shanghai Riverside& Courtyard & Gongning Catering Ltd.	Sales of food and beverage	People's Republic of China	49	-

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

a) Investments in subsidiaries (Cont'd)

Changes in investments in subsidiaries for the year ended 31 December 2012 comprise:

**Amore Pacific (Thailand) Limited**

During the first quarter of 2012, a subsidiary of the Group disposed its entire investment in Amore Pacific (Thailand) Limited amounting to Baht 12.05 million, with the net liabilities of Baht 3.52 million, to Amore Pacific Global Operations Limited. Consequently, the Group recognised gain on sale of investment of Baht 15.57 million.

**Sub Thawee Property Fund**

On 5 April 2012, Sub Thawee Property Fund, a subsidiary of the Company, registered to liquidate according to terms and conditions of Announcement No. Tor Nor 23/2009 from Capital Market Supervisory Board. The closure of this fund did not have the impact to the financial statements because the Company recorded it as secured borrowing (Note 17 and 21).

**Rajadamri Hotel Public Company Limited**

During the second quarter and the third quarter of 2012, the Company acquired additional shares of 138,721 shares and 1,200 shares, respectively, totalling amounting to Baht 8,955,288 from minority shareholders of Rajadamri Hotel Public Company Limited. The investment portion increased from 98.91% to 99.22% and recognised discount from additional investment in this subsidiary amounting to Baht 943,957 in the shareholders' equity in consolidated financial statements.

**MHG Phuket Limited**

During the second quarter of 2012, the Company acquired ordinary shares of MHG Phuket Limited, a new established company, of 1,900,000 ordinary shares with a par value of Baht 100, totalling Baht 190 million, representing 100% of this company's paid-up shares.

**Minor Sky Rider Limited**

During the second quarter of 2012, the Company acquired ordinary shares of Minor Sky Rider Limited, a new established company, of 70,000 ordinary shares with a par value of Baht 100, totalling Baht 7 million, representing 100% of this company's paid-up shares.

During the fourth quarter of 2012, the Company sold ordinary shares in Minor Sky Rider Limited of 35,700 shares with a par value of Baht 100, totalling Baht 3.6 million. The investment portion then decreased to 49% but the Company had voting right at 66.67%.

**MHG International Holding (Singapore) Pte. Ltd.**

During the second quarter of 2012, a subsidiary of the Group acquired ordinary shares of MHG International Holding (Singapore) Pte. Ltd., a new established company, of 1 ordinary share with a par value of SGD 1, representing 100% of this company's paid-up shares.

**MHG IP Holding (Singapore) Pte. Ltd.**

During the second quarter of 2012, a subsidiary of the Group acquired ordinary shares of MHG IP Holding (Singapore) Pte. Ltd., a new established company, of 1 ordinary share with a par value of SGD 1, representing 100% of this company's paid-up shares.

**MCL International Holding (Singapore) Pte. Ltd.**

During the second quarter of 2012, a subsidiary of the Group acquired ordinary shares of MCL International Holding (Singapore) Pte. Ltd., a new established company, of 1 ordinary share with a par value of SGD 1, representing 100% of this company's paid-up shares.

**MFG International Holding (Singapore) Pte. Ltd.**

During the third quarter of 2012, a subsidiary of the Group acquired ordinary shares of MFG International Holding (Singapore) Pte. Ltd., a new established company, of 1,000 ordinary shares with a par value of SGD 1, representing 100% of this company's paid-up shares.

**AVC Vacation Club (Singapore) Pte. Ltd.**

During the third quarter of 2012, a subsidiary of the Group acquired ordinary shares of AVC Vacation Club (Singapore) Pte. Ltd., a new established company, of 1,000 ordinary shares with a par value of SGD 1, representing 100% of this company's paid-up shares.

**Sanya Anantara Consulting Limited**

During the third quarter of 2012, a subsidiary of the Group acquired ordinary shares of Sanya Anantara Consulting Limited, a new established company, of USD 500,000, representing 100% of this company's paid-up shares. The Group paid 20% of registered shares.

**Sanya Anantara Real Estate Limited**

During the fourth quarter of 2012, a subsidiary of the Group acquired ordinary shares of Sanya Anantara Real Estate Limited, a new established company, of USD 2,400,000, representing 100% of this company's paid-up shares. The Group paid 20% of registered shares.

**Thai Assets Management Property Fund**

On 25 December 2012, Thai Assets Management Property Fund, a subsidiary of the Company, registered to liquidate according to terms and conditions of Announcement No. Tor Nor 23/2009 from Capital Market Supervisory Board. The closure of this fund did not have the impact to the financial statements because the Company recorded it as secured borrowing (Note 17 and 21).

**b) Investments in associates**

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
At 1 January	3,829,126,710	1,521,253,975	2,150,195,880	-
Additions	-	353,832,580	-	345,672,880
Transfer from other long-term investment	-	1,804,523,000	-	1,804,523,000
Share of profit of investments in associates	441,698,473	263,715,181	-	-
Dividends received	(256,905,375)	(114,198,026)	-	-
At 31 December	4,013,919,808	3,829,126,710	2,150,195,880	2,150,195,880



13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Companies under associates comprise:

Consolidated - 31 December				
Company	Nature of business	Country of incorporation	Investment portion (%)	
			2012	2011
Arabian Spa (Dubai) (LLC)	Spa services	United Arab Emirates	49	49
Eutopia Private Holding Limited	Hotel operation	Republic of Maldives	50	50
Tanzania Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	50	50
Zanzibar Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	50	50
The Coffee Club Holdings Pty. Ltd.	Holding investment	Australia	50	50
Sizzler China Pte. Limited	Franchise owner	Singapore	50	50
Select Service Partner Limited	Sales of food and beverage	Thailand	51	51
Harbour View Corporation Limited	Hotel operation	Vietnam	30.4	30.4
Zuma Bangkok Limited	Sales of food and beverage	Thailand	51 <sup>(1)</sup>	51 <sup>(1)</sup>
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	31.3	31.3

(1) Investment portion in Zuma Bangkok Limited is 51% but the Group has voting right only at 35%.

Company - 31 December				
Company	Nature of business	Country of incorporation	Investment portion (%)	
			2012	2011
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	31.3	31.3

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

b) Investments in associates (Cont'd)

The Group's share of the results of its principal associates and its share of the assets and liabilities are as follows:

	Assets Baht	Liabilities Baht	Revenues Baht	Profit/(loss) Baht
<b>Year ended 31 December 2012</b>				
Hotel operation and related services	1,164,721,633	821,728,777	697,828,754	45,305,789
Sales of food and beverage	1,947,813,486	1,012,504,000	3,780,794,201	396,392,684
	<u>3,112,535,119</u>	<u>1,834,232,777</u>	<u>4,478,622,955</u>	<u>441,698,473</u>
	Assets Baht	Liabilities Baht	Revenues Baht	Profit/(loss) Baht
<b>Year ended 31 December 2011</b>				
Hotel operation and related services	1,380,404,419	1,177,445,749	801,122,313	58,227,960
Sales of food and beverage	1,620,439,494	827,985,669	2,996,094,424	205,437,221
	<u>3,000,843,913</u>	<u>2,005,431,418</u>	<u>3,797,216,737</u>	<u>263,715,181</u>

## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Companies under associates comprise:

Consolidated - 31 December				
Company	Nature of business	Country of incorporation	Interests portion as a Group (%)	
			2012	2011
<u>Tanzania Tourism and Hospitality Investment Limited's subsidiaries</u>				
Elewana Afrika (T) Limited	Hotel operation	United Republic of Tanzania	50	50
Elewana Afrika Limited	Holding Investment	Kenya	50	50
<u>Zanzibar Tourism and Hospitality Investment Limited's subsidiaries</u>				
Elewana Afrika (Z) Limited	Hotel operation	United Republic of Tanzania	50	50
The Grande Stone Town Limited	Holding Investment	United Republic of Tanzania	50	50
<u>Elewana Afrika Limited's subsidiaries</u>				
Flora Holding Limited	Holding Investment	Kenya	50	50
Rocky Hill Limited	Hotel operation	Kenya	50	50
Sand River Eco Camp Limited	Hotel operation	Kenya	50	50
<u>Flora Holding Limited's subsidiary</u>				
Parrots Limited	Hotel operation	Kenya	50	50
<u>The Grande Stone Town Limited's subsidiary</u>				
Parachichi Limited	Hotel operation	United Republic of Tanzania	50	50
<u>Select Service Partner Limited's subsidiary</u>				
Select Service Partner (Cambodia) Limited	Sale of food and beverage	The Kingdom of Cambodia	51	51

## 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

## b) Investments in associates (Cont'd)

Consolidated - 31 December				
Company	Nature of business	Country of incorporation	Interests portion as a Group (%)	
			2012	2011
<u>The Coffee Club Holdings Pty. Ltd.'s subsidiaries</u>				
Espresso Pty. Ltd.	Property investment	Australia	50	50
The Coffee Club Investment Pty. Ltd.	Franchise owner	Australia	50	50
The Coffee Club Franchising Company Pty. Ltd.	Franchise business	Australia	50	50
The Coffee Club (NSW) Pty. Ltd.	Property investment	Australia	50	50
The Coffee Club (Vic) Pty. Ltd.	Property investment	Australia	50	50
The Coffee Club (Properties) Pty. Ltd.	Property investment	Australia	50	50
The Coffee Club Properties (NSW) Pty. Ltd.	Property investment	Australia	50	50
The Coffee Club Pty. Ltd. (as trustee for The Coffee Club Unit Trust)	Franchise owner	Australia	50	50
The Coffee Club (International) Pty. Ltd.	Franchise owner	Australia	50	50
The Coffee Club (Korea) Pty. Ltd.	Franchise owner	Australia	50	50
The Coffee Club (Mena) Pty. Ltd.	Franchise owner	Australia	50	50
The Coffee Club (NZ) Pty. Ltd.	Franchise owner	Australia	50	50
First Avenue Company Pty. Ltd.	Sale of food and beverage	Australia	50	50
Ribs and Rumps Holding Pty. Ltd.	Sale of food and beverage	Australia	50	50
<u>Ribs and Rumps Holding Pty. Ltd.'s subsidiaries</u>				
Ribs and Rumps Operating Company Pty. Ltd.	Sales of food and beverage	Australia	50	-
Ribs and Rumps Property Pty. Ltd.	Sales of food and beverage	Australia	50	-
Ribs and Rumps International Pty. Ltd.	Sales of food and beverage	Australia	50	-

## Select Service Partner Limited

Investment in Select Service Partner Limited is classified as associated company in the consolidated financial statements because the Group does not have control over this company although the Group holds equity interest of 51%. The equity method of accounting is applied to this investment in the consolidated financial statements.

## c) Interests in joint ventures

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
At 1 January	96,003,822	14,605,306	24,284,460	24,284,460
Additions	114,530,647	81,298,782	-	-
Share of profit of interests in joint ventures	4,597,793	99,734	-	-
Dividends received	(18,012,200)	-	-	-
At 31 December	197,120,062	96,003,822	24,284,460	24,284,460

The jointly controlled entities are:

Consolidated - 31 December				
Company	Nature of business	Country of incorporation	Investment portion (%)	
			2012	2011
Maikhao Vocation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	50	50
Thaisale.co.th Limited	Distribution	Thailand	50.1	50.1
Harbour Residences Oaks Ltd.	Providing services for accommodation	New Zealand	50	-
Tidal Swell Pty. Ltd	Providing services for accommodation	Australia	50	25



13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Company - 31 December				
Company	Nature of business	Country of incorporation	Investment portion (%)	
			2012	2011
Maikhao Vocation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	50	50

The following amounts represent the Group's share of the assets and liabilities and sales and results of the joint ventures and are included in the statement of financial position and income statements:

	Consolidated	
	2012 Baht	2011 Baht
Non-current assets	349,384,258	161,324,559
Current assets	138,513,408	23,136,256
Total assets	487,900,666	184,460,815
Non-current liabilities	(220,466,464)	-
Current liabilities	(46,357,973)	(123,779,495)
Total liabilities	(266,824,437)	(123,779,495)
Net assets	221,076,229	60,681,320
Revenues	77,337,278	13,205,635
Expenses	(72,739,485)	(13,105,901)

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Changes in interests in joint ventures for the year ended 31 December 2012 comprises:

**Harbour Residences Oaks Ltd.**

During the first quarter of 2012, a subsidiary of the Group acquired 50% ordinary shares of Harbour Residences Oaks Ltd., a new established company, totalling AUD 0.4 million or Baht 12.1 million.

### 13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

#### Thaisale.co.th Limited

During the third quarter of 2011, a subsidiary of the Group acquired ordinary shares of Thaisale.co.th Limited of 150,298 shares with a par value of Baht 100. As at 31 December 2011, the ordinary shares were paid-up 50%.

During the second quarter of 2012, this company called for the remaining share capital of 50% ordinary shares. Total investment for this company was Baht 15 million.

#### Tidal Swell Pty. Ltd.

During the fourth quarter of 2012, a subsidiary of the Group acquired additional 25% interest in Tidal Swell Pty. Ltd. The investment portion increased from 25% to 50% and the Group continues to have joint control.

#### d) Provision for investment in associate

As at 31 December 2012, the Group had provision for investment in associate amounting to USD 0.75 million (2011: USD 0.75 million).

### 14 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Company is the ultimate parent company.

The Minor Food Group Public Company Limited ("MFG") and Minor Corporation Public Company Limited ("MINOR") are subsidiaries. Therefore, the companies under MFG and MINOR are considered as related parties of the Group.

## 14 Related party transactions (Cont'd)

The following transactions were carried out with related parties:

### 14.1 Sales of goods and services

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
<b>Sales of food and beverage</b>				
Associates	106,974,275	84,228,626	-	-
Total sales	106,974,275	84,228,626	-	-
<b>Sales of real estates</b>				
Related parties	-	136,457,250	-	-
Total sale of real estates	-	136,457,250	-	-
<b>Rental income</b>				
Subsidiaries	-	-	43,733,664	43,049,477
Joint ventures	66,826	-	-	-
Related parties	558,547	462,977	-	-
Total rental income	625,373	462,977	43,733,664	43,049,477
<b>Management fee income</b>				
Subsidiaries	-	-	184,225,428	206,805,183
Associates	152,217,301	148,589,614	832,000	-
Joint ventures	2,653,577	648,150	-	-
Related parties	3,501,345	7,343,444	-	600,000
Total management fee income	158,372,223	156,581,208	185,057,428	207,405,183

Management fee income is mainly from hotel, information system and finance management.

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Dividends income</b>				
Subsidiaries	-	-	1,076,593,632	409,147,880
Associates	256,905,375	114,198,026	130,547,607	-
Joint ventures	18,012,200	-	-	-
Related parties	-	83,784,050	-	83,784,050
Total dividends income	274,917,575	197,982,076	1,207,141,239	492,931,930
<b>Interest income</b>				
Subsidiaries	-	-	711,950,861	647,232,838
Associates	15,272,205	13,048,268	-	-
Total interest income	15,272,205	13,048,268	711,950,861	647,232,838
<b>Other income</b>				
Subsidiaries	-	-	4,204,208	7,263,814
Associates	4,834,919	6,434,340	29,925	180,536
Total other income	4,834,919	6,434,340	4,234,133	7,444,350
<b>Gain from capital return</b>				
Subsidiary	-	-	-	418,150,898
Total gain from capital return	-	-	-	418,150,898

14 Related party transactions (Cont'd)

14.2 Purchase of goods and services

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
<b>Purchases</b>				
Associates	50,341,839	11,586,630	-	-
Related parties	-	37,170,477	-	-
Total purchases	50,341,839	48,757,107	-	-
<b>Rental expenses</b>				
Subsidiaries	-	-	77,130,648	65,631,410
Related parties	15,536,808	13,683,088	-	-
Total rental expenses	15,536,808	13,683,088	77,130,648	65,631,410
<b>Management fee expenses</b>				
Subsidiaries	-	-	56,832,838	66,879,391
Related parties	2,818,717	-	-	-
Associates	-	-	-	157,433
Total management fee expenses	2,818,717	-	56,832,838	67,036,824
<b>Royalty fee</b>				
Subsidiaries	-	-	987,333	646,456
Total royalty fee expenses	-	-	987,333	646,456
<b>Interest expenses</b>				
Subsidiaries	-	-	35,015,262	27,028,995
Total interest expenses	-	-	35,015,262	27,028,995
<b>Other expenses</b>				
Subsidiaries	-	-	193,424	55,819
Related parties	25,399,886	23,561,198	12,134,645	8,094,123
Total other expenses	25,399,886	23,561,198	12,328,069	8,149,942



**Management remuneration**

Management benefit expenses of the Group and the Company for the year ended 31 December 2012 Baht 171,481,171 and Baht 77,439,762, respectively (2011: Baht 148,049,646 and Baht 81,208,366, respectively). Management remuneration comprised short-term benefits such as salaries, bonus and other allowances.

**14.3 Outstanding balances arising from sales/purchases of goods/services**

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Receivables from:</b>				
Subsidiaries	-	-	424,190,223	640,911,198
Associates	239,866,221	213,278,135	24,912,726	70,236,720
Joint ventures	400,946	8,307,106	-	-
Related parties	1,976,085	757,137	207,597	9,144
Total receivables from related parties	242,243,252	222,342,378	449,310,546	711,157,062
<b>Payables to:</b>				
Subsidiaries	-	-	24,461,615	4,588,935
Associates	7,122,417	19,748,474	52,025	5,172
Joint ventures	-	610,858	-	-
Related parties	18,258,837	11,088,121	183,741	1,994,714
Total payables to related parties	25,381,254	31,447,453	24,697,381	6,588,821

**14.4 Loans to related parties**

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Long-term loans to related parties:</b>				
Subsidiaries	-	-	17,724,254,808	14,833,186,192
Associates	627,571,218	507,373,802	-	-
Joint ventures	1,963,938	-	-	-
Total long-term loans to related parties	629,535,156	507,373,802	17,724,254,808	14,833,186,192

## 14 Related party transactions (Cont'd)

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Subsidiaries</b>				
At 1 January	-	-	14,833,186,192	13,068,542,277
Additions	-	-	2,891,068,616	1,764,643,915
At 31 December	-	-	17,724,254,808	14,833,186,192
<b>Associates</b>				
At 1 January	507,373,802	384,728,630	-	-
Additions	160,111,785	138,987,900	-	-
Settlements	(23,282,475)	(37,497,375)	-	-
Translation adjustment	(16,631,894)	21,154,647	-	-
At 31 December	627,571,218	507,373,802	-	-
<b>Joint ventures</b>				
At 1 January	-	-	-	-
Additions	15,266,097	-	-	-
Settlement	(13,302,169)	-	-	-
At 31 December	1,963,938	-	-	-

Long-term loans to related parties are unsecured and denominated in Thai Baht and foreign currency. They carry interest rate at the market interest with reference to the interest rate quoted by commercial banks. The loans are due for repayment at call but the Group will not call the loans for settlement within the next 12 months.

## 14.5 Borrowings from related parties

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Short-term loans from related parties:</b>				
Subsidiaries	-	-	1,448,554,317	1,549,601,374

14 Related party transactions (Cont'd)

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Subsidiaries</b>				
At 1 January	-	-	1,549,601,374	1,376,380,033
Additions	-	-	-	173,221,341
Settlement	-	-	(101,047,057)	-
At 31 December	-	-	1,448,554,317	1,549,601,374

Short-term borrowings from subsidiaries are unsecured and denominated in Thai Baht. They are due at call and carry interest rate at the market interest with reference to the interest rate quoted by commercial banks.

15 Land and projects under development

	Consolidated	
	2012 Baht	2011 Baht
Opening net book amount	33,097,764	2,390,494
Additions:		
Construction and other related costs	1,239,294,462	24,626,975
Borrowing cost	31,201,583	6,080,295
Total land and projects under development	1,303,593,809	33,097,764

	Consolidated Baht Million
Commitments in respect of construction contracts and purchases of assets as at 31 December 2012	165.2
Commitments in respect of construction contracts and purchases of assets as at 31 December 2011	1

## 16 Investment properties

	Consolidated		
	Land and land improvement Baht	Buildings and building improvement Baht	Total Baht
<b>At 1 January 2011</b>			
Cost	356,642,414	1,452,978,101	1,809,620,515
<u>Less</u> Accumulated depreciation	(1,453,900)	(858,037,560)	(859,491,460)
Net book amount	<u>355,188,514</u>	<u>594,940,541</u>	<u>950,129,055</u>
<b>For the year ended 31 December 2011</b>			
Opening net book amount	355,188,514	594,940,541	950,129,055
Additions	-	10,246,529	10,246,529
Acquisition from investment in OAKS - as previously reported	-	57,412,511	57,412,511
Adjustment of fair value of assets from investment in OAKS (Note 5)	-	(4,683,714)	(4,683,714)
Depreciation	(115,647)	(84,796,432)	(84,912,079)
Translation adjustment	-	596,459	596,459
Closing net book amount	<u>355,072,867</u>	<u>573,715,894</u>	<u>928,788,761</u>
<b>As at 31 December 2011</b>			
Cost	356,642,414	1,516,560,343	1,873,202,757
<u>Less</u> Accumulated depreciation	(1,569,547)	(942,844,449)	(944,413,996)
Net book amount	<u>355,072,867</u>	<u>573,715,894</u>	<u>928,788,761</u>
Fair value			<u>1,824,186,050</u>

	Consolidated		
	Land and land	Buildings	Total
	improvement	and building	
	Baht	improvement	Baht
		Baht	Baht
<b>For the year ended 31 December 2012</b>			
Opening net book amount	355,072,867	573,715,894	928,788,761
Additions	-	115,059,776	115,059,776
Disposals, net	-	(281,841)	(281,841)
Transfer to other accounts	-	(3,740,294)	(3,740,294)
Depreciation	(115,647)	(79,558,989)	(79,674,636)
Impairment charge	-	(54,615,805)	(54,615,805)
Translation adjustment	-	(739,952)	(739,952)
Closing net book amount	<u>354,957,220</u>	<u>549,838,789</u>	<u>904,796,009</u>
<b>As at 31 December 2012</b>			
Cost	356,642,414	1,626,736,460	1,983,378,874
<u>Less</u> Accumulated depreciation	(1,685,194)	(1,022,281,866)	(1,023,967,060)
<u>Less</u> Provision for impairment	-	(54,615,805)	(54,615,805)
Net book amount	<u>354,957,220</u>	<u>549,838,789</u>	<u>904,796,009</u>
Fair value			<u>1,499,186,050</u>

The fair value is measured by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

A subsidiary of the Group has mortgaged freehold apartment amounting to AUD 5.4 million or equivalent to Baht 172 million (2011: AUD 1.8 million or equivalent to Baht 58 million) to secure loans with foreign banks (Note 21).



16 Investment properties (Cont'd)

Amount recognised in profit and loss which relates to investment property is as follows:

	2012 Baht	2011 Baht
Rental income	370,894,088	350,601,220
Direct operating expense arise from investment property that generated rental income	81,535,854	87,078,697

**Capital commitments**

As at 31 December 2012, the Group has no commitment for purchase of investment property (2011: AUD 0.7 million or equivalent to Baht 23 million).

	Consolidated - Baht								
	Land and land improvement	Building and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
At 1 January 2011									
Cost	1,249,128,558	9,021,349,107	4,198,934,735	4,830,483,675	2,043,930,747	231,154,941	507,479,517	58,311,535	22,140,772,815
Less Accumulated depreciation	(150,884,195)	(3,939,025,633)	(2,312,530,204)	(3,563,885,926)	(1,509,736,401)	(156,813,351)	(231,359,183)	-	(11,864,234,893)
Less Provision for impairment	-	-	(150,058)	(29,313,333)	(14,543,463)	-	-	-	(44,006,854)
Net book amount	1,098,244,363	5,082,323,474	1,886,254,473	1,237,284,416	519,650,883	74,341,590	276,120,334	58,311,535	10,232,531,068
For the year ended 31 December 2011									
Opening net book amount	1,098,244,363	5,082,323,474	1,886,254,473	1,237,284,416	519,650,883	74,341,590	276,120,334	58,311,535	10,232,531,068
Additions	256,221,518	111,835,091	192,183,293	313,215,534	148,343,655	26,506,181	93,704,145	1,196,098,349	2,338,107,766
Adjustment of fair value of assets from investment in subsidiary	121,075,203	(20,297,175)	-	-	-	-	-	-	100,778,028
Acquisition from investment in OAKS	-	684,344,296	145,013,371	620,296,440	-	-	132,260,161	40,374,667	1,622,288,935
- as previously reported	-	(223,436,554)	-	-	-	-	-	-	(223,436,554)
Adjustment of fair value of assets from investment in OAKS (Note 5)	-	(5,841)	(37,733,055)	(21,039,533)	(705,533)	(3)	(18,381,613)	(1,275,700)	(79,141,278)
Disposals, net	-	(10,128,238)	(24,045,084)	(8,809,446)	(522,233)	(75,513)	(461,196)	(306,449)	(44,348,159)
Write-offs, net	-	74,537,641	388,233,840	444,857,893	35,140,444	14,649,493	(27,356,159)	(930,148,152)	-
Reclassification	85,000	2,676,349,857	-	381,370,832	-	-	-	-	4,587,061,754
Transferred from project under development	1,529,341,065	-	1,782,946	8,426,345	(14,022)	-	(40,156,431)	(1,826)	(62,023,854)
Transfer from (to) other accounts	(32,060,866)	-	(408,990,953)	(523,062,685)	(123,513,078)	(27,526,902)	(46,346,617)	-	(1,660,417,553)
Depreciation charge	(78,825,983)	(452,151,335)	(11,797,945)	(576,563)	14,454,886	-	(574,522)	-	(20,437,679)
Impairment reversal (charge)	-	(21,943,535)	17,167,893	17,457,444	3,458,280	31,276	2,514,720	426,806	122,973,650
Translation adjustment	75,079,400	6,837,831	-	-	-	-	-	-	-
Closing net book amount	2,969,159,700	7,908,265,512	2,148,068,779	2,469,420,677	596,293,282	87,926,122	371,322,822	363,479,230	16,913,936,124
At 31 December 2011									
Cost	3,201,388,531	12,300,825,434	4,612,340,496	6,658,868,569	2,202,728,885	271,052,899	802,555,922	363,479,230	30,413,239,966
Less Accumulated depreciation	(232,228,831)	(4,370,616,387)	(2,452,323,714)	(4,159,557,996)	(1,606,347,025)	(183,126,777)	(430,658,578)	-	(13,434,859,308)
Less Provision for impairment	-	(21,943,535)	(11,948,003)	(29,889,896)	(88,578)	-	(574,522)	-	(64,444,534)
Net book amount	2,969,159,700	7,908,265,512	2,148,068,779	2,469,420,677	596,293,282	87,926,122	371,322,822	363,479,230	16,913,936,124

Depreciation expense of Baht 1,120,512,299 (2011: Baht 1,021,798,968) has been charged in cost of sales and services, Baht 650,115,764 (2011: Baht 606,114,287) in selling expenses and Baht 49,317,535 (2011: Baht 32,504,298) in administrative expenses.

	Company - Baht								
	Land and land improvement	Buildings and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
At 1 January 2011									
Cost	10,011,983	615,303,393	73,041,687	383,040,595	30,833,006	25,284,874	16,803,540	11,355,864	1,165,674,942
Less Accumulated depreciation	(181,064)	(366,993,368)	(33,874,949)	(252,813,387)	(17,843,769)	(19,660,274)	(11,375,527)	-	(702,742,338)
Net book amount	9,830,919	248,310,025	39,166,738	130,227,208	12,989,237	5,624,600	5,428,013	11,355,864	462,932,604
For the year ended 31 December 2011									
Opening net book amount	9,830,919	248,310,025	39,166,738	130,227,208	12,989,237	5,624,600	5,428,013	11,355,864	462,932,604
Additions	-	225,000	1,345,836	8,999,474	1,242,254	14,000,000	293,841	71,282,419	97,388,824
Disposals, net	-	-	-	(93,965)	-	-	-	-	(93,965)
Reclassification	-	3,166,715	21,596,440	13,145,127	42,005,459	-	144,720	(80,058,461)	-
Depreciation charge	(71,655)	(34,210,271)	(9,987,823)	(27,889,263)	(5,392,072)	(4,296,395)	(856,584)	-	(82,704,063)
Closing net book amount	9,759,264	217,491,469	52,121,191	124,388,581	50,844,878	15,328,205	5,009,990	2,579,822	477,523,400
At 31 December 2011									
Cost	10,011,983	618,695,065	95,984,006	404,421,096	74,080,720	39,284,874	17,242,101	2,579,822	1,262,299,667
Less Accumulated depreciation	(252,719)	(401,203,596)	(43,862,815)	(280,032,515)	(23,235,842)	(23,956,669)	(12,232,111)	-	(784,776,267)
Net book amount	9,759,264	217,491,469	52,121,191	124,388,581	50,844,878	15,328,205	5,009,990	2,579,822	477,523,400
For the year ended 31 December 2012									
Opening net book amount	9,759,264	217,491,469	52,121,191	124,388,581	50,844,878	15,328,205	5,009,990	2,579,822	477,523,400
Additions	-	-	3,743,299	9,912,592	9,649,872	-	30,919	66,888,441	90,225,123
Disposals, net	-	-	-	(37,330)	-	(1,547,492)	-	-	(1,584,822)
Depreciation charge	(66,113)	(34,206,955)	(9,768,383)	(25,267,993)	(10,685,310)	(3,958,953)	(462,972)	-	(84,416,679)
Closing net book amount	9,693,151	183,284,514	46,096,107	108,995,850	49,809,440	9,821,760	4,577,937	69,468,263	481,747,022
At 31 December 2012									
Cost	10,011,983	618,695,066	99,727,305	414,156,030	83,658,543	33,630,668	17,273,021	69,468,263	1,346,620,879
Less Accumulated depreciation	(318,832)	(435,410,552)	(53,631,198)	(305,160,180)	(33,849,103)	(23,808,908)	(12,695,084)	-	(864,873,857)
Net book amount	9,693,151	183,284,514	46,096,107	108,995,850	49,809,440	9,821,760	4,577,937	69,468,263	481,747,022

## 17 Property, plant and equipment (Cont'd)

During 2002 to 2003, certain subsidiaries have entered into sale and leaseback agreements with the Thai Assets Management Property Fund and Sub Thawee Property Fund with the first right of repurchase. The Property Funds are consolidated in the consolidated financial statements of the Group. The sale and leaseback transactions have been accounted for as secured borrowings (Note 21). There is no accounting entries relating to property, plant and equipment required to record in the consolidated financial statements. As at 31 December 2012, there was no outstanding borrowing secured by fixed assets of these subsidiaries (2011: Baht 841 million) due to the closure of those two property funds.

A subsidiary of the Group has mortgaged building amounting to AUD 40.5 million or equivalent to Baht 1,286 million (2011: AUD 21 million or equivalent to Baht 687 million) to secure loans with foreign banks (Note 21).

### Capital commitments

	Consolidated		Company
	Baht Million	AUD Million	Baht Million
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2012	45.6	23.3	-
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2011	145.8	16.0	4.6



	Consolidated - Baht								
	Management letting rights	Intellectual property right	Franchise development expenses	Initial franchise fees	Goodwill	Brand	Computer software	Computer software under installation	Total
At 1 January 2011									
Cost	-	-	164,727,049	140,643,090	3,640,255,553	560,030,233	451,922,456	133,668,735	5,091,247,116
Less Accumulated amortisation	-	-	(161,527,416)	(97,441,547)	(391,808,039)	-	(140,453,053)	-	(791,230,055)
Less Provision for impairment	-	-	-	-	-	-	(1,250,130)	-	(1,250,130)
Net book amount	-	-	3,199,633	43,201,543	3,248,447,514	560,030,233	310,219,273	133,668,735	4,298,766,931
For the year ended 31 December 2011									
Opening net book amount	-	-	3,199,633	43,201,543	3,248,447,514	560,030,233	310,219,273	133,668,735	4,298,766,931
Additions	38,637	-	-	3,368,054	-	-	41,810,863	114,834,066	160,051,620
Adjustment of fair value of assets from investment in subsidiary	-	-	-	-	(80,723,201)	-	-	-	(80,723,201)
Acquisition from investment in OAKS									
- as previously reported	2,683,739,077	16,329,234	-	-	645,924,770	-	11,819,716	-	3,357,812,797
Adjustment of fair value of assets from investment in OAKS (Note 5)	224,051,193	-	-	-	619,791,454	318,603,000	-	-	1,162,445,647
Disposals, net	-	-	-	-	-	-	(136,568)	-	(136,568)
Write-offs, net	-	-	-	-	-	-	(729,241)	(323,951)	(1,053,192)
Reclassification	-	-	-	-	-	-	112,108,452	(112,108,452)	-
Transfer from other account	-	-	-	-	-	-	4,271,402	41,516,411	45,787,813
Amortisation charge	(43,869,558)	-	(250,538)	(4,971,339)	-	-	(77,967,395)	-	(127,058,830)
Impairment charge	-	-	-	-	(115,808,680)	-	(101,834)	-	(115,910,514)
Translation adjustment	25,696,178	172,619	59,279	547,370	320,971	-	1,714,200	-	28,510,617
Closing net book amount	2,889,655,527	16,501,853	3,008,374	42,145,628	4,317,952,828	878,633,233	403,008,868	177,586,809	8,728,493,120
At 31 December 2011									
Cost	3,421,315,140	16,501,853	164,727,049	144,079,938	4,825,569,547	878,633,233	723,978,225	177,586,809	10,352,391,794
Less Accumulated amortisation	(444,790,202)	-	(161,718,675)	(101,934,310)	(391,808,039)	-	(319,617,393)	-	(1,419,868,619)
Less Provision for impairment	(86,869,411)	-	-	-	(115,808,680)	-	(1,351,964)	-	(204,030,055)
Net book amount	2,889,655,527	16,501,853	3,008,374	42,145,628	4,317,952,828	878,633,233	403,008,868	177,586,809	8,728,493,120

Consolidated - Baht									
	Management letting rights	Intellectual property right	Franchise development expenses	Initial franchise fees	Goodwill	Brand	Computer software	Computer software under installation	Total
<b>For the year ended 31 December 2012</b>									
Opening net book amount	2,889,655,527	16,501,853	3,008,374	42,145,628	4,317,952,828	878,633,233	403,008,868	177,586,809	8,728,493,120
Additions	87,501,322	4,649,071	70,180	2,161,815	-	-	32,032,152	110,950,096	237,364,636
Acquisition from investment in subsidiary (Note 35)	147,432,721	452,454,360	-	-	494,306,539	357,250,011	-	-	1,451,443,631
Disposal of subsidiary	-	-	-	-	-	-	134,027	-	134,027
Disposals, net	-	-	-	(8,456,544)	-	-	(906,296)	-	(9,362,840)
Write-offs, net	(39,809,052)	-	-	-	-	-	(362,145)	(4,585,361)	(44,756,558)
Reclassification	-	-	-	-	-	-	99,387,170	(99,387,170)	-
Transfer from (to) other account	-	-	-	-	-	-	(252,211)	1,563,374	1,311,163
Amortisation charge	(78,713,492)	(385,496)	(192,182)	(3,852,906)	-	-	(84,729,991)	-	(167,874,067)
Impairment reversal (charge)	-	-	-	(1,855,372)	(13,174,397)	-	491,962	-	(14,537,807)
Translation adjustment	(30,344,770)	(194,187)	(28,429)	(371,526)	(3,073,157)	-	275,678	-	(33,736,391)
Closing net book amount	2,975,722,256	473,025,601	2,857,943	29,771,095	4,796,011,813	1,235,883,244	449,079,214	186,127,748	10,148,478,914
<b>At 31 December 2012</b>									
Cost	3,569,431,456	473,025,601	165,120,576	138,535,821	5,316,802,929	1,235,883,244	845,264,612	186,127,748	11,930,191,987
Less Accumulated amortisation	(510,401,744)	-	(162,262,633)	(106,909,354)	(391,808,039)	-	(395,325,396)	-	(1,566,707,166)
Less Provision for impairment	(83,307,456)	-	-	(1,855,372)	(128,983,077)	-	(860,002)	-	(215,005,907)
Net book amount	2,975,722,256	473,025,601	2,857,943	29,771,095	4,796,011,813	1,235,883,244	449,079,214	186,127,748	10,148,478,914

Amortisation of Baht 100,604,816 (2011: Baht 63,605,018) has been charged in the cost of sales and services, Baht 19,703,018 (2011: Baht 20,115,932) in selling expenses and Baht 47,566,233 (2011: Baht 43,337,880) in administrative expenses.

	Company - Baht		
	Computer software	Computer software under installation	Total
<b>At 1 January 2011</b>			
Cost	30,814,505	-	30,814,505
<u>Less</u> Accumulated amortisation	(20,930,911)	-	(20,930,911)
Net book amount	<u>9,883,594</u>	<u>-</u>	<u>9,883,594</u>
<b>For the year ended 31 December 2011</b>			
Opening net book amount	9,883,594	-	9,883,594
Additions	3,176,267	3,209,296	6,385,563
Write-offs, net	(77,280)	-	(77,280)
Amortisation charge	(4,500,305)	-	(4,500,305)
Closing net book amount	<u>8,482,276</u>	<u>3,209,296</u>	<u>11,691,572</u>
<b>At 31 December 2011</b>			
Cost	33,913,492	3,209,296	37,122,788
<u>Less</u> Accumulated amortisation	(25,431,216)	-	(25,431,216)
Net book amount	<u>8,482,276</u>	<u>3,209,296</u>	<u>11,691,572</u>
<b>For the year ended 31 December 2012</b>			
Opening net book amount	8,482,276	3,209,296	11,691,572
Additions	78,290	12,968,022	13,046,312
Reclassification	5,110,027	(5,110,027)	-
Amortisation charge	(4,550,374)	-	(4,550,374)
Closing net book amount	<u>9,120,219</u>	<u>11,067,291</u>	<u>20,187,510</u>
<b>At 31 December 2012</b>			
Cost	39,101,809	11,067,291	50,169,100
<u>Less</u> Accumulated amortisation	(29,981,590)	-	(29,981,590)
Net book amount	<u>9,120,219</u>	<u>11,067,291</u>	<u>20,187,510</u>

A subsidiary of the Group has mortgaged management letting rights amounting to AUD 86.6 million or equivalent to Baht 2,752 million (2011: AUD 83 million or equivalent to Baht 2,666 million) to secure loans with foreign banks (Note 21).

As at 31 December 2012, the Group has commitments for acquisition of management lettering rights amounting to AUD 5.1 million or equivalent to Baht 161.2 million (2011: AUD 1.91 million or equivalent to Baht 61.5 million).

## 18 Intangible assets (Cont'd)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Hotel and related services operation	Spa services	Food and beverage	Management operations
Gross margin <sup>1</sup>	50% - 64%	71% - 75%	56%	100%
Growth rate <sup>2</sup>	3% - 33%	9% - 15%	5%	9%
Discount rate <sup>3</sup>	10.00%	9.93%	10.00%	9.46%

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

	Consolidated Baht	Company Baht
<b>At 1 January 2011</b>		
Cost	3,646,284,291	18,690,531
<u>Less</u> Accumulated amortisation	(1,798,526,085)	(13,706,558)
Net book amount	<u>1,847,758,206</u>	<u>4,983,973</u>
<b>For the year ended 31 December 2011</b>		
Opening net book amount	1,847,758,206	4,983,973
Additions	70,444,611	-
Write-offs, net	(20,127)	-
Transfer from other account	31,803,447	-
Amortisation charge	(125,204,832)	(623,017)
Translation adjustment	16,052,603	-
Closing net book amount	<u>1,840,833,908</u>	<u>4,360,956</u>
<b>At 31 December 2011</b>		
Cost	3,728,549,255	18,690,531
<u>Less</u> Accumulated amortisation	(1,887,715,347)	(14,329,575)
Net book amount	<u>1,840,833,908</u>	<u>4,360,956</u>
<b>For the year ended 31 December 2012</b>		
Opening net book amount	1,840,833,908	4,360,956
Acquisition from investment in subsidiary (Note 35)	28,389,100	-
Additions	427,438,055	-
Write-offs, net	(272,653)	-
Amortisation charge	(133,598,127)	(623,019)
Translation adjustment	(11,981,566)	-
Closing net book amount	<u>2,150,808,717</u>	<u>3,737,937</u>
<b>At 31 December 2012</b>		
Cost	4,067,476,445	18,690,531
<u>Less</u> Accumulated amortisation	(1,916,667,728)	(14,952,594)
Net book amount	<u>2,150,808,717</u>	<u>3,737,937</u>

Amortisation of Baht 55,438,471 (2011: Baht 55,784,697) has been charged in the cost of sales and services, Baht 65,945,282 (2011: Baht 57,068,881) in selling expenses and Baht 12,214,374 (2011: Baht 12,351,254) in administrative expenses.

20 Other non-current assets

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Loans to other companies	749,867,501	73,442,573	-	-
Deposits	706,213,426	685,021,679	7,889,855	7,549,462
Deferred charges	162,495,600	187,107,037	31,235,624	39,505,774
Others - as restated (Note 5)	38,828,124	32,733,486	-	-
Total other non-current assets	1,657,404,651	978,304,775	39,125,479	47,055,236

Loans to other companies carry interest at Minimum Lending Rate.

21 Borrowings

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Current</b>				
Bank overdrafts	11,635,335	7,133,919	-	-
Short-term borrowings from banks	898,743,760	1,090,213,600	-	580,000,000
Sub-total	910,379,095	1,097,347,519	-	580,000,000
Borrowing from related parties (Note 14)	-	-	1,448,554,317	1,549,601,374
Current portion of long-term borrowings				
Finance lease liabilities	64,867,334	141,235,490	-	-
Borrowing from financial institutions	295,311,214	218,453,609	-	60,000,000
Other borrowings	-	163,710,640	-	-
Sub-total	360,178,548	523,399,739	-	60,000,000
Current portion of debentures	2,000,000,000	1,840,000,000	2,000,000,000	1,840,000,000
Total current borrowings	3,270,557,643	3,460,747,258	3,448,554,317	4,029,601,374
<b>Non-current</b>				
Finance lease liabilities	34,911,743	80,061,460	-	-
Borrowing from financial institutions	6,497,324,691	5,898,400,380	-	-
Other borrowings	-	24,900,000	-	-
Debentures	14,360,000,000	10,360,000,000	14,360,000,000	10,360,000,000
Total non-current borrowings	20,892,236,434	16,363,361,840	14,360,000,000	10,360,000,000
<b>Total borrowings</b>	<b>24,162,794,077</b>	<b>19,824,109,098</b>	<b>17,808,554,317</b>	<b>14,389,601,374</b>



## 21 Borrowings (Cont'd)

The movement in borrowings (excluded bank overdraft and finance lease liabilities) can be analysed as below:

	Consolidated Baht	Company Baht
<b>For the year ended 31 December 2012</b>		
Opening amount	19,595,678,229	14,389,601,374
Addition	16,116,111,696	11,960,000,000
Repayments	(11,584,022,804)	(8,541,047,057)
Amortisation of underwriting fees	9,670,708	-
Disposal of subsidiary	(3,000,000)	-
Translation adjustment	(83,058,164)	-
Closing amount	<u>24,051,379,665</u>	<u>17,808,554,317</u>

### Borrowing from financial institutions

As at 31 December 2012, long-term borrowings from banks in the consolidated financial statements information totalling Baht 6,793 million comprise:

- a) The Company had unsecured loan from a local bank of Baht 60 million. The borrowing carried interest rate of 12 months fixed deposit rate of a local bank plus a margin and was due for repayment in 10 semi-annual installments of Baht 60 million per installment with the first repayment from November 2007. The loan was subject to certain conditions which the Company had to comply throughout the loan period.

During the second quarter of 2012, the Company fully repaid this loan of Baht 60 million.

- b) A subsidiary has unsecured loan from a foreign bank (Thailand Branch) of USD 2.24 million. The loan carries interest rate of LIBOR plus a margin and is due for repayment in 9 semi-annual installments of USD 2.22 million per installment with the first repayment in May 2009. The loan is subject to certain conditions which the subsidiary has to comply throughout the loan period.

As at 31 December 2012, the Group has outstanding cross currency swap and interest rate swap contracts which convert the above loan of USD 2.24 million into of AUD 2.56 million with a fixed interest rate. Moreover, the Group also entered into a foreign currency forward contract to convert the AUD payment obligation into THB which has outstanding of Baht 63.67 million.

## 21 Borrowings (Cont'd)

### Borrowing from financial institutions (Cont'd)

- c) A subsidiary has unsecured loan from local bank of USD 26.5 million. The loan carries interest rate of 6 months SIBOR plus a margin and is due for repayment between 2012 and 2016. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

As at 31 December 2012, the Group has outstanding interest rate swap contracts with a financial institution for the above loan of USD 19.3 million which converts floated interest rates of SIBOR to fixed rate and which is effective from 15 June 2010 to 15 December 2016.

- d) A subsidiary has unsecured loan from local bank AUD 59.4 million. The loan carries interest rate of LIBOR plus a margin and is due for repayment in 2013. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

During the third quarter of 2012, a subsidiary fully repaid loans of AUD 59.4 million.

- e) A subsidiary has secured loan from local bank (Singapore Branch) of AUD 104.5 million. The loan carries interest rate of Bank Bill Swap Reference Rate plus a margin and is due for repayment between 2012 and 2019. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

- f) A subsidiary has secured loans from a foreign bank of AUD 77.6 million. The loans carry interest rates of Bank Bill Swap Reference Rate plus a margin and are due for repayment in the limit of AUD 2 million per quarter for 5 years. The loans are subject to certain conditions which the subsidiary has to comply with throughout the loans period and use the subsidiary's investment properties, building and management letting rights as collateral (Note 16 to 18).

As at 31 December 2012, the Group has outstanding interest rate swap contract for the above loan from the foreign bank of AUD 28.5 million which converts Bank Bill Swap Reference Rate to fixed interest rate which is effective from 3 January 2012 to 30 August 2016.

## 21 Borrowings (Cont'd)

- g) A subsidiary's secured loans from foreign bank of USD 4.8 million. The loans carry interest rates of 3 month LIBOR plus a margin and is due for repayment in 18 quarterly installments of USD 0.27 million per installment with the first repayment in June 2013. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

### Other borrowings

As at 31 December 2012, the Group has no outstanding other borrowing while prior year balance amounting to Baht 189 million represented borrowings by the two property funds. These two property funds held sub-lease rights and legal titles in the Group's property with the book value of Baht 841 million as collateral. These two property funds were due for maturity in 2012 (Note 13).

### Debentures

Debentures comprise:

Issued date	Due date	Period (Years)	Consolidated and Company		Interest rate	Condition
			2012 Baht Million	2011 Baht Million		
Sep 2007	Sep 2012	5	-	1,840	Fixed	Unsecured, senior and without a debenture holders' representative
Sep 2007	Sep 2014	7	2,060	2,060	Fixed	Unsecured, senior and without a debenture holders' representative
Jul 2009	Jul 2013	4	2,000	2,000	Fixed	Unsecured, senior and with a debenture holders' representative
May 2010	May 2015	5	2,500	2,500	Fixed	Unsecured, senior and with a debenture holders' representative
Dec 2010	Dec 2015	5	500	500	Fixed	Unsecured, senior and with a debenture holders' representative
Dec 2010	Dec 2017	7	1,000	1,000	Fixed	Unsecured, senior and with a debenture holders' representative
Mar 2011	Mar 2018	7	1,500	1,500	Fixed	Unsecured, senior and with a debenture holders' representative
Oct 2011	Oct 2021	10	300	300	Fixed	Unsecured, senior and without a debenture holders' representative
Oct 2011	Oct 2018	7	500	500	Fixed	Unsecured, senior and without a debenture holders' representative
Aug 2012	Aug 2017	5	1,800	-	Fixed	Unsecured, senior and without a debenture holders' representative
Aug 2012	Aug 2022	10	2,700	-	Fixed	Unsecured, senior and without a debenture holders' representative
Dec 2012	Dec 2017	5	1,500	-	Fixed	Unsecured, senior and without a debenture holders' representative
Total debenture			16,360	12,200		

All of the above debentures have certain terms and conditions of the debentures holders' rights and contain certain covenants, including the maintenance of a certain debt to equity ratio, and limits on the payment of cash dividends and the disposal and transfer of certain operating assets of the Company which are used in its main operations, etc.

## 21 Borrowings (Cont'd)

At the annual general meeting of the shareholders of the Company held on 25 April 2008, the shareholders passed a resolution to approve issuance of no more than fifteen-year unsubordinated debentures not exceeding Baht 15,000 million, to be used for working capital, business expansion and/or refinance of existing loans and debentures of the Company. As at 31 December 2012, all debentures have been issued under this shareholders' resolution.

At the annual general meeting of the shareholders of the Company held on 1 April 2011, the shareholders passed a resolution to approve issuance of non more than fifteen-year unsubordinated debentures not exceeding Baht 15,000 million to be used for working capital business expansion and/or refinance of existing loans and debentures of the Company. As at 31 December 2012, a total of Baht 300 million debentures have been issued under this shareholders' resolution.

The carrying amounts of long-term bank borrowings as of 31 December 2012 approximate to their fair values.

The carrying amounts and fair values of debentures of the Group as at 31 December are as follows:

	Carrying amounts		Fair values	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Debentures	16,360,000,000	12,200,000,000	16,588,812,956	12,382,350,744

The fair values are based on discounted cash flows using discount rates based upon market yield rates which are quoted by The Thai Bond Market Association at date of statement of financial position.

The interest rate exposure on the borrowings of the Group and the Company is as follows:

	Consolidated		Company	
	2012 Baht Billion	2011 Baht Billion	2012 Baht Billion	2011 Baht Billion
Borrowings:				
- at fixed rates	18	13	16	12
- at floating rates	6	7	2	1
Total borrowings	24	20	18	13

## 21 Borrowings (Cont'd)

The effective interest rates at the statement of financial position date were as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	%	%	%	%
Bank borrowings	5.75	6.13	-	3.94
Debentures	4.51	4.58	4.51	4.58

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statement of financial position date. The carrying amounts of short-term borrowings and lease obligations approximate their fair values.

Maturity of long-term borrowings can be analysed as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Next year	295,311,214	382,164,249	-	60,000,000
Between 2 and 5 years	4,421,735,950	5,923,300,380	-	-
After 5 years	2,075,588,741	-	-	-
Total long-term borrowings	6,792,635,905	6,305,464,629	-	60,000,000

### Borrowing facilities

The Group and the Company have the following undrawn committed long-term borrowing facilities:

	31 December 2012		
	Consolidated		Company
	Baht Million	AUD Million	Baht Million
Floating interest rate			
- expiring within one year	-	4	-
- expiring beyond one year	3,000	-	3,000
	3,000	4	3,000

21 Borrowings (Cont'd)

	31 December 2011		
	Consolidated		Company
	Baht	AUD	Baht
	Million	Million	Million
Floating interest rate			
- expiring within one year	6,515	23	5,000
- expiring beyond one year	3,000	-	3,000
	<u>9,515</u>	<u>23</u>	<u>8,000</u>

22 Trade and other payables

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Trade payables - third parties	1,549,780,615	1,265,804,693	8,774,537	7,825,829
Trade payables - related parties (Note 14)	14,568,712	5,762,571	17,668,014	3,426,684
Amounts due to related parties (Note 14)	10,812,542	25,684,882	7,029,367	3,162,137
Accrued expenses	2,057,671,498	1,818,974,429	289,292,179	235,081,559
Account payable - contractor	227,727,248	194,578,748	199,045	3,131,522
Other payables	779,304,355	681,559,164	28,572,359	23,431,172
	<u>4,639,864,970</u>	<u>3,992,364,487</u>	<u>351,535,501</u>	<u>276,058,903</u>
Total trade and other payables				

23 Other current liabilities

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Booking deposits	283,873,759	261,660,104	3,853,306	6,151,862
Provision for onerous contracts	64,666,287	94,950,874	-	-
Sales of residence received in advance	42,100,000	129,390,853	-	-
Provisions for contingent considerations	22,973,700	23,768,400	-	-
Payable from purchase of investment	31,775,700	5,170,784	-	-
Others	331,379,785	365,839,938	10,495,451	10,646,041
Total other current liabilities	<u>776,769,231</u>	<u>880,780,953</u>	<u>14,348,757</u>	<u>16,797,903</u>



## 24 Provision for employee benefits

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Present value of funded obligations	-	-	-	-
Present value of unfunded obligations	182,392,957	154,000,043	23,492,062	20,976,066
Unrecognised actuarial gains	(2,613,337)	(2,613,337)	(9,438,377)	(9,438,377)
Liability in the statement of financial position	179,779,620	151,386,706	14,053,685	11,537,689

The movement in the defined obligation over the year is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
At 1 January	151,386,706	117,336,321	11,537,689	18,007,894
Current service cost	27,829,767	23,841,832	2,172,198	2,559,501
Interest cost	5,278,989	2,124,594	439,831	725,111
Actuarial gains	-	(2,613,337)	-	(9,438,377)
Acquisition from investment in subsidiary	-	12,355,416	-	-
Benefits paid	(4,715,842)	(1,658,120)	(96,033)	(316,440)
At 31 December	179,779,620	151,386,706	14,053,685	11,537,689
The amount recognised in income is as follows				
Current service cost	27,829,767	23,841,832	2,172,198	2,559,501
Interest cost	5,278,989	2,124,594	439,831	725,111
Total (included in staff costs)	33,108,756	25,966,426	2,612,029	3,284,612

Of the total charge, Baht 33,108,756 (2011: Baht 25,966,426) were included in administrative expenses.

24 Provision for employee benefits (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated and Company	
	2012	2011
Discount rate	4%	4%
Inflation rate	3%	3%
Retirement age	60	60
Future salary increases	3.5% - 9%	3.5% - 9%
Mortality table	TMO08	TMO08

25 Other non-current liabilities

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Deferred income	144,506,264	132,929,268	-	4,976
Rental deposits	126,671,791	135,808,985	875,435	505,435
Accrued land rental	430,677,735	398,372,385	-	-
Accrued decommissioning	73,357,941	71,355,189	-	-
Others	841,895,894	848,194,245	5,690,195	1,876,936
Total other non-current liabilities	1,617,109,625	1,586,660,072	6,565,630	2,387,347

26 Share capital and premium on share capital

	Consolidated			
	Number of ordinary shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 1 January 2011	3,262,339,373	3,262,339,373	3,133,793,954	6,396,133,327
Issue of shares	12,885,207	12,885,207	81,531,962	94,417,169
At 31 December 2011	3,275,224,580	3,275,224,580	3,215,325,916	6,490,550,496
Issue of shares (Note 27)	82,716,994	82,716,994	780,572,081	863,289,075
Issue of dividend (Note 34)	328,825,114	328,825,114	-	328,825,114
At 31 December 2012	3,686,766,688	3,686,766,688	3,995,897,997	7,682,664,685

	Company			Total Baht
	Number of ordinary shares	Ordinary shares Baht	Share premium Baht	
At 1 January 2011	3,262,339,373	3,262,339,373	3,108,141,578	6,370,480,951
Issue of shares	12,885,207	12,885,207	81,531,962	94,417,169
At 31 December 2011	3,275,224,580	3,275,224,580	3,189,673,540	6,464,898,120
Issue of shares (Note 27)	82,716,994	82,716,994	780,572,081	863,289,075
Issue of stock dividend (Note 34)	328,825,114	328,825,114	-	328,825,114
At 31 December 2012	<u>3,686,766,688</u>	<u>3,686,766,688</u>	<u>3,970,245,621</u>	<u>7,657,012,309</u>

As at 31 December 2012, the registered shares comprise 4,063,046,327 ordinary shares with par value of Baht 1 per share (2011: 3,666,519,673 shares). The issued and fully paid-up shares comprise 3,686,766,688 ordinary shares (2011: 3,275,224,580 shares).

At the Annual General Meeting of the Shareholders of the Company held on 2 April 2012, the shareholders passed a resolution to approve the increment of the Company's share capital from 396,526,654 shares with a par value of Baht 1 each, totalling Baht 396,526,654 to be paid out as stock dividend of up to 362,717,849 shares and to be a reserve of up to 33,808,805 shares for the adjustment of exercise ratio that results from the issue of stock dividend. The authorised share capital after this increment is Baht 4,063,046,327 which are common shares of 4,063,046,327 shares.

## Warrants

The Group had issued warrants to subscribe for ordinary shares to existing shareholders, directors and employees of the Company and its subsidiaries, which have been approved by shareholders' meeting.

The Group does not recognise warrant compensation costs for the fair value or intrinsic value of the warrant granted in these financial statements (Note 2.21).

Issued by	Allotted to	Approval date	Determined exercising date		Outstanding warrant	Decrease during the year						Outstanding warrant	As at 31 December 2012	
			First exercise	Last exercise		Unit	Expire Unit	Exercise Unit	Exercise ratio for ordinary shares per 1 warrant*	Issue of ordinary shares during the period Share	Exercise price*			
											Baht			Amount
The Company	Directors and employees of the Company and its subsidiary No. 3	14 November 2007	31 January 2008	17 December 2012	6,392,347	(3,031,187)	(1,873,720)	1.10	2,060,500	8.918	18,375,539	-		
					-	(1,487,440)	1.21	1,793,300	8.107	14,578,818				
	Directors and employees of the Company and its subsidiary No. 5	6 March 2009	30 October 2009	21 October 2013	44,801,650	-	(11,298,600)	1.00	11,298,600	7.650	86,434,290	23,587,050		
					-	(9,916,000)	1.10	10,902,500	6.955	75,826,887				
	Directors and employees of the Company and its subsidiary (MINT - W)	6 March 2009	30 June 2009	12 June 2014	1,522,777	-	(185,000)	1.00	185,000	8.080	1,494,800	1,109,355		
					-	(228,422)	1.10	251,100	7.346	1,844,581				
	Former shareholders (MINT - W4)	26 April 2010	30 June 2010	18 May 2013	325,379,540	-	(265,358)	1.00	265,358	13.000	3,449,654	274,245,419		
					-	(50,868,763)	1.10	55,955,636	11.818	661,284,506				
Total issue by the Company					378,096,314	(3,031,187)	(76,123,303)		82,716,994		863,289,075	298,941,824		

\* Exercise ratio and exercise price of warrants are revised according to the stock dividend payment at the ratio of 10 existing shares to 1 new share as described in Note 33.

	Consolidated and Company	
	2012	2011
	Baht	Baht
At 1 January	367,799,113	367,799,113
Appropriation during the year	38,510,000	-
At 31 December	406,309,113	367,799,113

Under the Public Limited Company Act, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. The reserve is non-distributable.

	Consolidated						
	Discount on business combination under common control Baht	Unrealised gain on dilution of investment Baht	Discount on additional in investment in subsidiary Baht	Remeasuring available-for-sale investment Baht	Translation Adjustment Baht	Actuarial gain Baht	Total Baht
At 1 January 2011	(755,412,590)	4,992,405	-	1,120,285,109	(339,219,687)	-	30,645,237
Discount on addition in investment in subsidiary	-	-	(32,750,744)	-	-	-	(32,750,744)
Revaluation	-	-	-	21,746,245	-	-	21,746,245
Transfer due to changing status of investment	-	-	-	(1,053,812,318)	-	-	(1,053,812,318)
Actuarial gains	-	-	-	-	-	2,613,337	2,613,337
Currency translation difference	-	-	-	-	75,398,741	-	75,398,741
At 31 December 2011	(755,412,590)	4,992,405	(32,750,744)	88,219,036	(263,820,946)	2,613,337	(956,159,502)
At 1 January 2012	(755,412,590)	4,992,405	(32,750,744)	88,219,036	(263,820,946)	2,613,337	(956,159,502)
Sales of investment in subsidiary	-	(4,992,405)	-	-	-	-	(4,992,405)
Decrease in non-controlling interests as a result of investment in subsidiary	-	-	(943,957)	-	-	-	(943,957)
Revaluation	-	-	-	(5,131,575)	-	-	(5,131,575)
Currency translation difference	-	-	-	-	(50,294,074)	-	(50,294,074)
At 31 December 2012	(755,412,590)	-	(33,694,701)	83,087,461	(314,115,020)	2,613,337	(1,017,521,513)



29 Other component of equity (Cont'd)

	Company			
	Discount on business combination under common control Baht	Remeasuring of available-for-sale investment Baht	Actuarial gains Baht	Total Baht
At 1 January 2011	(587,397,515)	1,053,828,236	-	466,430,721
Revaluation	-	(2)	-	(2)
Transfer due to changing status of investment	-	(1,053,812,318)	-	(1,053,812,318)
Actuarial gains	-	-	9,438,377	9,438,377
At 31 December 2011	(587,397,515)	15,916	9,438,377	(577,943,222)
At 1 January 2012	(587,397,515)	15,916	9,438,377	(577,943,222)
Revaluation	-	38,755	-	38,755
At 31 December 2012	(587,397,515)	54,671	9,438,377	(577,904,467)

30 Other income

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Compensation for insurance claim	149,722,127	-	-	-
Management income	123,324,258	27,832,119	-	-
Premium sales income	95,330,088	110,948,280	-	-
Freight charges	90,255,616	90,221,975	-	-
Rental income	59,800,802	21,447,644	40,373,664	39,689,477
Subsidy income	49,156,957	48,444,026	-	-
Sales of raw material to franchisees	4,235,845	3,761,217	-	-
Gain from fair value adjustment of investments	-	1,257,036,173	-	1,053,811,504
Gain on capital returned from subsidiary	15,572,662	-	-	418,150,898
Others	568,557,723	245,033,438	8,762,534	22,677,429
Total other income	1,155,956,078	1,804,724,872	49,136,198	1,534,329,308

### 31 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at operating profit:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Depreciation on investment properties (Note 16)	79,674,636	84,912,079	-	-
Impairment of investment property	54,615,805	-	-	-
Depreciation on property, plant and equipment (Note 17)	1,819,945,598	1,660,417,553	84,416,679	82,704,063
Impairment of property, plant and equipment (Reversal) (Note 17)	(6,209,253)	20,437,679	-	-
Impairment charge and loss (gain) on disposals and write-off of property, plant and equipment	4,802,831	45,376,083	(1,556,318)	47,890
Amortisation of intangible assets (Note 18)	167,874,067	127,058,830	4,550,374	4,500,305
Amortisation of prepaid rents (Note 19)	133,598,127	125,204,832	623,019	623,017
Doubtful account (Reversal)	12,425,424	7,706,314	12,306	(187,901)
Staff costs	7,174,695,110	5,809,196,729	488,827,704	407,459,832
Damaged inventories and tangible assets from flood	-	237,828,024	-	-

#### Flooding in Thailand in 2011

The flooding in Thailand impacted the operations of the Group. The retail trading business had some inventories stocked at a third-party warehouse located in Ayutthaya. A few retail trading outlets had also been closed due to the floods. The restaurant business was experiencing impact from the flooding including the relocation of one main distribution center and the flooding of a few outlets. In our hotel business the floods had minimum impact on our properties outside Bangkok. Our three Bangkok properties were not flooded; however, the drop in Thai tourism impacted their revenues. Finally, a subsidiary of the Group temporarily suspended its household consumer product manufacturing activities due to the flooding situation in the area. Some of the factory equipment, raw materials, finished goods and office equipment in the aforementioned facility were damaged by the flood. In all instances highlighted, the Group had the damage from this event approximately of Baht 238 million.

### 31 Expenses by nature (Cont'd)

Part of the above exposure will be covered by several insurance policies, including Industrial All Risk Insurance and Business Interruption Insurance. The Group will not recognise the insurance recovery until it is virtually certain that the future economic benefits will flow to the Group.

During 2012, the Group received the compensation for insurance claim of Baht 149.7 million (Note 30).

### 32 Income tax

	Consolidated		Company	
	2012 %	2011 %	2012 %	2011 %
Income tax rate	0 - 30	0 - 30	23	30

The new corporate income tax rate of 20% will be effective from 2013 to 2014.

Reconciliation of income tax expense and the result of the accounting profit multiplied by the income tax rate of the country where the Group is domiciled are presented due to

#### Company financial statements

- Revenues which are not subject to income tax, which is mainly dividends income, gain from fair value adjustment of investment in associate and gain on capital returned from subsidiary
- Non-deductible tax expenses

#### Consolidated financial statements

- Effect of the different tax rates
- Free income tax in some countries
- Revenues and expenses incurred within the Group which are subject to income tax but are eliminated in preparation of consolidated financial statements
- Revenues which are not subject to income tax
- Non-deductible tax expenses
- Use of accumulated tax losses

## 33

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has warrants in issue (Note 27).

A calculation is performed to determine the potential number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the year) based on the outstanding warrants to determine the number of potential ordinary shares would have been additionally issued. The potential shares are added to the ordinary shares outstanding but no adjustment is made to net profit.

For the calculation of the diluted earnings per share, the weighted average number of shares assuming conversion of all dilutive potential ordinary shares as at 31 December 2012 is 89,079,985 shares (2011: 17,540,971 shares).

	Consolidated and Company	
	For the years ended 31 December	
	2012	2011
	Shares	Shares
Weighted average number of ordinary shares in issue, net	3,635,390,058	3,599,704,185
Effect of dilutive potential ordinary shares		
Warrants	89,079,985	17,540,971
Dilutive potential ordinary shares	89,079,985	17,540,971
Weighted average number of ordinary shares for diluted earnings per share	3,724,470,043	3,617,245,156

	Consolidated	
	For the years ended 31 December	
	2012	2011
	Baht	Baht
Profit attributable to ordinary shareholders of the Company	3,408,551,666	2,880,142,740
Basic earnings per share	0.9376	0.8001
Diluted earnings per share	0.9152	0.7962

### 33 Earnings per share (Cont'd)

	Company	
	For the years ended 31 December	
	2012	2011
	Baht	Baht
Profit attributable to ordinary shareholders of the Company	1,033,121,130	1,899,270,392
Basic earnings per share	0.2842	0.5276
Diluted earnings per share	0.2774	0.5251

### 34 Dividend

From the Annual General Meeting of the Shareholders of the Company held on 2 April 2012, it was resolved to approve the dividend payment as follows:

- 34.1 Cash dividend of Baht 0.15 per share (2011: Baht 0.15 per share) to existing shareholders and shareholders who convert the convertible securities, totalling not exceeding Baht 544.1 million (2011: Baht 542.5 million).
- 34.2 Stock dividend at the ratio of 10 existing shares to 1 new ordinary share at the price of Baht 1 per share to existing shareholders and shareholders who convert the convertible securities not exceeding, 362.7 million shares or Baht 362.7 million.

Those dividends totalling Baht 822 million which comprised cash dividend and stock dividend amounting to Baht 493 million and Baht 329 million, respectively, were paid to shareholders on 30 April 2012. An increase in the authorised capital and an adjustment of exercise ratio were a result of share dividend (Note 26).

### 35 New acquisition

#### Current period

#### The Grand Hotel, Gladstone

On 16 January 2012, OAKS acquired the business of The Grand Hotel, Gladstone in the total investment amount of AUD 12.2 million or equivalent to Baht 400 million.

During the fourth quarter of 2012, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of The Grand Hotel, Gladstone. In consideration of fair value of asset, the Group determined the measurement of the identifiable asset and considered the possibility that the Group received economic benefit reasonably.

### 35 New acquisition (Cont'd)

Details of the acquisition are as follows:

	Baht
Purchase price considerations	400,346,625
Net carrying value of net assets under interest acquired	(348,859,919)
Goodwill	<u>51,486,706</u>

Carrying value of assets and liabilities acquired as part of The Grand Hotel, Gladstone acquisition is as follows:

	Baht
Land	130,116,750
Property and equipment, net	218,743,169
Net carrying value of net assets	<u>348,859,919</u>

#### Oaks Broome Sanctuary Resort Pty. Ltd.

On 22 February 2012, OAKS acquired the business of Oaks Broome Sanctuary Resort Pty. Ltd. in the total investment amount of AUD 2.4 million or equivalent to Baht 80 million, representing 80% interest.

Details of the acquisition are as follows:

	Baht
Purchase price considerations	79,524,288
Net carrying value of net assets under interest acquired	(60,558,554)
Purchase price over net assets (presented in goodwill)	<u>18,965,734</u>



35 New acquisition (Cont'd)

Carrying value at 80% interest of assets and liabilities acquired as part of Oaks Broome Sanctuary Resort Pty. Ltd. acquisition is as follows:

	Baht
Property, plant and equipment, net	20,381,469
Management letting rights	79,023,890
Other liability	(23,707,167)
Net carrying value of net assets	<u>75,698,192</u>
Interest acquired	80%
Net carrying value of net assets under interest acquired	<u>60,558,554</u>

Regis Towers, Sydney

On 1 August 2012, OAKS acquired the business of Regis Towers, Sydney in the total investment amount of AUD 2.4 million or equivalent to Baht 79 million, representing 80% interest.

Details of the acquisition are as follows:

	Baht
Purchase price considerations	79,315,200
Net carrying value of net assets under interest acquired	(62,897,086)
Purchase price over net assets (presented in goodwill)	<u>16,418,114</u>

Carrying value at 80% interest of assets and liabilities acquired as part of Regis Towers, Sydney acquisition is as follows:

	Baht
Property, plant and equipment, net	30,734,640
Management letting rights	68,408,831
Other liability	(20,522,114)
Net carrying value of net assets	<u>78,621,357</u>
Interest acquired	80%
Net carrying value of net assets under interest acquired	<u>62,897,086</u>

### 35 New acquisition (Cont'd)

#### Paradise Island Resorts (Private) Limited

On 12 September 2012, Jada Resort and Spa (Private) Limited, a subsidiary of the Group at 80.1% interest, acquired the business of Paradise Island Resorts (Private) Limited in the total investment amount of LKR 161 million or equivalent to Baht 38.3 million.

Details of the acquisition are as follows:

	<u>Baht</u>
Purchase price considerations	38,302,138
Net carrying value of net assets under interest acquired	<u>(31,487,317)</u>
Purchase price over net assets (presented in goodwill)	<u>6,814,821</u>

Carrying value at 80.1% interest of assets and liabilities acquired as part of Paradise Island Resorts (Private) Limited acquisition is as follows:

	<u>Baht</u>
Land	29,023,800
Construction in progress	10,294,452
Other liabilities	<u>(8,243)</u>
Net carrying value of net assets	<u>39,310,009</u>
Interest acquired	80.1%
Net carrying value of net assets under interest acquired	<u>31,487,317</u>

#### Over Success Enterprise Pte. Ltd.

On 17 December 2012, MFG International Holding (Singapore) Pte. Ltd. acquired the business of Over Success Enterprise Pte. Ltd. in the total investment of RMB 159 million or equivalent to Baht 781 million, representing 49% of this company's paid-up shares.

### 35 New acquisition (Cont'd)

Details of the acquisition are as follows:

	<u>Baht</u>
Purchase price considerations	780,700,256
Net carrying value of net assets under interest acquired	<u>(413,593,421)</u>
Purchase price over net assets (presented in goodwill)	<u>367,106,835</u>

Carrying value at 49% interest of assets and liabilities acquired as part of Over Success Enterprise Pte. Ltd. acquisition is as follows:

	<u>Baht</u>
Cash and cash equivalents	66,755,996
Property, plant and equipment, net	21,172,629
Intangible assets, net	843,218,700
Other assets	36,034,917
Other liabilities	<u>(123,114,036)</u>
Net carrying value of net assets	<u>844,068,206</u>
Interest acquired	49%
Net carrying value of net assets under interest acquired	<u>413,593,421</u>

Net assets from these acquisitions are recognised according to the book value as of the acquisition date. The Group is currently in the process of identifying fair value of tangible assets and intangible assets which will result in an adjustment of the assets to fair value. The difference between the carrying value and fair value will lead to the adjustment of goodwill.

The goodwill is attributable to the above companies' strong position and profitability in hotel and accommodation business, and synergies expected to arise after the Group's acquisition of the new subsidiaries. None of the goodwill is expected to be deductible for tax purposes.

### 35 New acquisition (Cont'd)

#### Prior period

#### Fair value allocation of OAKS

During May 2011, a subsidiary of the Group acquired ordinary shares of Oaks Hotels & Resorts Limited ("OAKS") of 173,831,898 ordinary shares with AUD 0.52 per share, totalling AUD 90,392,587 or Baht 2,880 million, representing 100% of OAKS paid-up shares.

As described in Note 5, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of OAKS during the second quarter of 2012. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition are as follows:

	<u>Baht</u>
Cash paid	2,692,045,419
Fair value of previously held equity interest	<u>187,889,520</u>
Sub-total	2,879,934,939
100% of identifiable net assets acquired and liabilities assumed	<u>(1,614,218,715)</u>
Goodwill - as restated	1,265,716,224
Goodwill - as previously reported	<u>(645,924,770)</u>
Restatement (Note 5)	<u><u>619,791,454</u></u>

### 35 New acquisition (Cont'd)

On acquisition date, the fair value of identifiable assets acquired and liabilities assumed in Oaks Hotels & Resorts Limited are as follows:

	<u>Baht</u>
Cash and cash equivalents	150,989,989
Trade and other receivables	577,267,841
Inventories	84,989,301
Other current assets	58,539,596
Investment properties	52,728,797
Property, plant and equipment	1,398,852,382
Intangible assets	3,254,542,220
Trade and other payables	(653,386,278)
Long-term borrowing	(1,897,986,000)
Finance lease liabilities	(350,510,782)
Accrued expenses and other liabilities	(1,061,808,351)
Fair value of net assets acquired	<u>1,614,218,715</u>

### 36 Financial instruments

#### Financial risk management policies

The financial risk management policies are standard sets of guidelines that the Group use in managing, but not limited to, liquidity risks, interest rate risks, foreign exchange risks and credit risks with the key objectives of managing and mitigating such risks without any means of speculation.

#### Liquidity risk

The Group manages its liquidity risks by, for example, maintaining sufficient cash and cash equivalent to support its working capital requirements, securing long term funding in advance and diversifying funding sources.

**Interest rate risk**

The interest rate risks arise from the volatility of market interest rates, which may have a negative impact on the Group's cashflow. The Group manages such risks in accordance with its policy to reduce the Group's exposure to adverse changes in interest rates and the prevailing financial market condition. The Group generally maintains the majority of debt borrowings in fixed interest rate. Interest rate swap is one of the key financial derivatives that the Group uses to manage interest rates volatility by converting floating interest rate borrowing to fixed rate borrowings.

As at 31 December 2012, the Group has entered into the interest rate swap contracts as follows:

- a) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 2.24 million, which will swap interest at a float interest rate to a fixed interest rate. The contract will expire on 2 May 2013.
- b) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 9.5 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2015.
- c) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 9.75 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2016.
- d) Interest rate swap contract for loan from financial institution in AUD currency with principal amount of AUD 28.5 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2016.

**Foreign currency risk**

The Groups' exposure to foreign currency risk relates primarily to the purchase or sales of goods and service, borrowing and lending in foreign currency and investments in foreign subsidiaries and associates. In order to manage the risk arising from fluctuations in currency exchange rates, the Group uses the derivative, cross currency swap contracts and forward foreign exchange contracts, to manage the risk as follows:



Cross currency swap contracts

As at 31 December 2012, the Group has outstanding cross currency swaps contracts as follows;

- a) Loan from financial institution (Note 21) converting a fixed USD loan amount of USD 2.24 million to an equivalent fixed AUD loan amount of AUD 2.56 million. Moreover, the Group has subsequently entered into a services of foreign exchange forward contracts converting AUD loan amount of AUD 2.56 million to Baht loan at exchange rate of (1) Baht 26.75 per AUD for the amount of AUD 1.28 million and (2) Baht 22.95 per AUD for the amount of AUD 1.28 million. All above contracts will expire on 1 May 2013.
- b) Debenture of Baht 1,500 million with fixed interest rate converting to an equivalent fixed amount of USD 48.88 million with fixed interest rate.

Foreign exchange forward contracts

Foreign exchange forward contracts are used for managing exposure to fluctuations in foreign currency exchange rates for the purchase of goods. As at 31 December 2012, the Group has outstanding foreign exchange forward contracts, with maturity less than 6 months as follows (2011: Nil):

	Consolidated	
	2012 Baht	2011 Baht
USD 145,248 (Baht 30.681 - 30.810/1 USD)	4,467,052	-
EUR 59,796 (Baht 40.63 - 40.665 /1 EUR)	2,429,765	-
SGD 298,890 (Baht 25.12/1 SGD)	7,508,117	-

**Credit risk**

The Group is exposed to normal credit risk primarily with respect to trade accounts receivable. However, due to the large number of entities comprising the Group's customer base, the Group does not anticipate material losses from its debt collection.

## 36 Financial instruments (Cont'd)

### Fair value

The fair value of the open cross currency swap contracts and foreign exchange forward contracts for loan as at 31 December 2012 is unfavourable amounting to Baht 96,657,868 (2011: favourable amounting to Baht 531,052).

The fair value of the open foreign exchange forward contracts for the purchase of goods as at 31 December 2012 is favourable amounting to Baht 62,449 (2011: Nil).

## 37 Commitments

As at 31 December 2012, the Group has commitments as follows:

### The Company

- The Company has entered into a franchise agreement with an overseas company. The Company is committed to pay a franchise fee and an international marketing fee based on a percentage of gross room revenues, as specified in the agreement. The agreement will expire in June 2013.
- The Company has entered into an agreement to lease the land on which its hotel building is built for 30 years, ending in 2018. The Company is committed to pay rental fees at a certain percentage of gross revenue (which is to be increased annually until it reaches a specified rate) or at a minimum rental fees stipulated in the agreement, whichever is higher. As at 31 December 2012, the Company's future payment commitments according to the minimal rental fees stipulated in the agreement is approximately Baht 30 million.
- The Company has entered into rental and service agreements with a subsidiary relating to its opening of restaurant. The Company is committed to pay rental and service fees under the agreements of approximately Baht 7.3 million. In addition, the Company is committed to pay fees for the area used in the sale of food and beverages to this subsidiary, at a percentage of the Company's food and beverage revenues stipulated in the agreements, ending in 2014.
- The Company has entered into a trademark agreement with a subsidiary. The Company has obligation to pay trademark fee at certain percentages of revenue generated as indicated in the agreement. The agreement is valid for 10 years and will be terminated in 2017.

- The Company has entered into a hotel management agreement with a subsidiary who will manage the Company's hotel. The Company is committed to pay fees at a certain percentage of revenue as stipulated in the agreement. The agreement is valid for 10 years and will be terminated in 2016.
- Under two agreements for technical assistance and the use of trademarks and trade names which the Company has entered into with an overseas company, fees are payable calculated at a percentage of gross sales as specified in the agreements. One of them was for four years up to 1998, but is automatically renewed at its expiry date for three times, five years each. The other will be terminated during December 2014.

#### Subsidiaries

##### **Management and services agreements**

- A subsidiary has entered into a license and royalty agreement with an overseas company. The subsidiary is committed to pay royalty fees and management hotel fees at the rate, terms and basis as specified in the agreement for 20 years up to 2021 and can be renewed at its expiry date for 10 years.
- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective for the period from September 2006 to June 2024.
- A subsidiary has entered into a hotel management agreement with an overseas company including international management and right of trademark use. The subsidiaries are committed to pay fees at a certain percentage of total room revenue as stipulated in the agreement. The agreement will expire in June 2013.
- Under advertising, licensing and restaurant management agreements with overseas companies, a subsidiary is committed to pay fees at a percentage of the gross sales of each restaurant in the hotel as stipulated in the agreements, ending in 2015.
- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective from January 2006 to December 2017 and are renewable after expiry date for 20 years.

- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from February 2007 to January 2027 and are renewable after expiry date for another two periods of 20 years and 10 years, respectively.
- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from 22 December 2005 to 25 June 2013 and are renewable after expiry date for another two periods of 15 years each.
- A subsidiary has entered into consulting agreement regarding hotel operation with two companies, whereby the subsidiary has been provided hotel operating and marketing services, right of trademark use, technical knowledge, and other related right. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from April 2011 to December 2031.
- A subsidiary has entered into residential license marketing agreement regarding residential operation with a company, whereby the subsidiary has been provided residential operating and marketing services, right of trademark use, technical knowledge, and other related right. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates as specified in the agreements. All agreement is effective from June 2007 to May 2037.
- A subsidiary entered into the service agreements with a company with regards to consultation, installation, repair and maintenance of computer system, computer software and information technology system. The subsidiary is committed to pay the fees following the rates, terms and basis as specified in the agreements. The agreements are for the period of 10 years and effective from December 2007.

**Rental agreements**

- Four subsidiaries have entered into separate land lease agreements for periods between 30 to 42 years, effective on 1 August 1982, 8 May 1987, 25 January 1989 and 2 July 1994, respectively. The subsidiaries are committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2012, the subsidiaries' future payment commitments in accordance with the minimal rental fees stipulated in the agreements are approximately Baht 114 million (2011: Baht 127 million).

In 2010, a subsidiary has extended land lease agreements for periods of 30 years, effective on 25 January 2019. The subsidiary is committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2012, the subsidiary's future payment commitments in accordance with the minimal rental fees and special remuneration stipulated in the agreements are approximately Baht 1,132 million (2011: Baht 1,182 million).

- A subsidiary has entered into the sublease land agreement of Kihavah Huravlihu Island for 23 years from 23 October 2007 for the construction of a new hotel. As at 31 December 2012, a subsidiary has commitment to pay rental fee as stipulated in the lease agreement approximately of USD 17.3 million.
- A subsidiary has entered into lease agreements covering the land where the hotel is situated. Under the lease agreement, the subsidiary has transferred the ownership of the hotel buildings and improvements to the landlord. The subsidiary is committed to pay rental at the rates specified in the lease agreements. The lease agreement are for a period of thirty years up to the year 2013 and are renewable after the expiry date for another two periods of fifteen years each. As at 31 December 2012, the subsidiary has commitment to pay minimal rental fees as stipulated in the agreement as follows:

<u>Year</u>	<u>Baht Million</u>
Next year	18.20
Between 2 and 5 years	159.04
After 5 years	2,214.75
	<u>2,391.99</u>

### 37 Commitments (Cont'd)

- On 3 July 2007, a subsidiary entered into an agreement to construct and lease the land and completed building with the Privy Purse Bureau. Under this agreement, the Privy Purse Bureau agrees and permits the subsidiary to undertake building construction, and the subsidiary agrees to construct a residential and hotel building situated on the land owned by the Privy Purse Bureau. The building construction permit is to be under the name of the Privy Purse Bureau and the ownership of the building and other constructions on this land are to be transferred to the landlord. In addition, the subsidiary is to pay all expenses with respect to the construction of the building until its completion. The construction period is 4 years from the date of receipt of the permit to construct the building from the Bangkok Metropolitan Authority. As the construction of building is completed, the Privy Purse has agreed with the subsidiary to lease the land and building which is constructed for the residential, hotel and related commerce for the period of 30 years as from 1 March 2011. As at 31 December 2012, the subsidiary has commitment to pay land and building rental fee to the Privy Purse Bureau at the rates stipulated in the agreement amounting to Baht 512 million by which the subsidiary has recorded a part of the rental fee as accrued project cost in the statement of financial position amounting to Baht 265 million.

As at 31 December 2012, the subsidiary has commitments with regard to the agreement as the construction is completed, the subsidiary is obliged to pay a monthly rental fee and related expenses to the Privy Purse Bureau at the rate specified in this agreement. The rental payable as from 1 January 2013 to the end of this agreement amounts to approximately Baht 503.6 million.

- One of the subsidiaries has entered into a land rental agreement of which the location is on timeshare residence. The particular subsidiary has a commitment to pay the rental fees as stated in the agreement. The agreement lasts 30 years and will end in January 2039. As at 31 December 2012, the subsidiary has commitment to pay Baht 133 million as stipulated, by which Baht 43 million has been included as accrued project cost in the statement of financial position.
- As at 31 December 2012 and 2011, there were lease commitments for the lease and service agreements for restaurant outlets, office spaces, shops, motor vehicles, computer equipment, and office equipment committed by subsidiaries for the period ranging from 1 year to 30 years payable as follows:

	2012 Baht Million	2011 Baht Million
Next year	928	807
Between 2 and 5 years	871	1,066
After 5 years	81	107
Total	1,880	1,980

In addition to these sums, restaurant rental fees are payable based on a percentage of either gross or net sales as specified in the relevant agreements.



## 37 Commitments (Cont'd)

- The Group has entered into lease agreement for period ranging from 5 years to 10 years. As at 31 December 2012, the Group has committed to pay for rental in respect of the agreement as follows:

	AUD Million
Payment due - within 1 year	17
- between 2 - 5 years	49
- over 5 years	3
Total operating lease commitments	69

### Trademark, franchise and license agreements

- Four subsidiaries have entered into a number of franchise agreements in order to obtain rights to operate food restaurants. According to the agreements, those subsidiaries must pay franchise fees based on a percentage of sales and must comply with certain terms and conditions. The payments of franchise fees are included in selling expenses.
- During 1999 to 2007, six subsidiaries of distribution and manufacturing business have entered into distribution agreement, franchise agreement and to use trademarks and to receive marketing technical assistance with overseas companies. These agreements have terms of 2 - 10 years and can be renewed unless terminated by either party. The agreements are subject to certain conditions which the subsidiaries have to comply throughout the agreement periods.
- Under a one year license agreement ending in 2008 to operate a theatre with an overseas company on a yearly renewal basis, a subsidiary is committed to pay certain fees as specified in the agreement. The agreement is automatically renewed at its expiry date for one year.
- A subsidiary has entered into the license agreement with an overseas company in order to obtain rights to sell the residences. According to the agreement, a subsidiary must pay franchise fees based on a percentage of sales and must comply with certain terms and conditions.

### 38 Guarantees

Guarantees in the normal courses of business are as follows:

		31 December 2012						
		Consolidated				Company		
		Baht Million	US\$ Million	AUD Million	Yuan Million	Baht Million	US\$ Million	AUD Million
Letters of guarantees issued by bank on behalf of the Group		494.7	8.2	10.9	63.0	161.3	0.6	-
Guarantee given by the Group to financial institution to guarantee for credit facilities		3,763.1	86.1	108.0	250.0	2,189.5	85.6	108.0
		31 December 2011						
		Consolidated				Company		
		Baht Million	US\$ Million	AUD Million	Yuan Million	Baht Million	US\$ Million	AUD Million
Letters of guarantees issued by bank on behalf of the Group		224.5	6.9	9.5	63.0	152.0	-	-
Guarantee given by the Group to financial institution to guarantee for credit facilities		4,372.9	116.9	188.0	200.0	1,720.1	115.5	188.0

### 39 Provident fund

The Group and permanent employees have jointly registered a provident fund scheme under the Provident Fund Act, B.E. 2530. The fund receives contributions on a monthly basis from both the employees and the Group at the rate of 5% to 7.5% and 5% to 10 % respectively of basic salaries. The fund is managed by Kasikorn Asset Management Company Limited, Bangkok Bank Public Company Limited and Tisco Asset Management Company Limited.

## 40 Post statement of financial position event

### 40.1 Acquisition

In February 2013, a subsidiary of the Group had the acquisition of Vietnam Hotel Project B.V. in the total investment amount of USD 16 million or equivalent to Baht 480 million.

### 40.2 Dividends and decrease in share capital

At the Board of Director's Meeting of the Company held on 21 February 2013, the board passed a resolution to approve the following matters:

- a) Approved to propose that the Shareholders' Annual General Meeting consider and approve a dividend payment for the year 2012 performance as cash dividend in the amount of 0.30 Baht per share for existing shareholders and shareholders who convert the convertible securities to no more than 4,000,895,908 common shares, thus totalling the cash dividend to be paid in the amount of not exceeding Baht 1,200.27 million.
- b) Approved to propose that the Shareholders' Annual General Meeting consider and approve the reduction of the registered capital from Baht 4,063,046,327 to Baht 4,018,326,091 divided into 4,018,326,091 shares each at a par value of Baht 1, through reduction of unpaid registered capital of Baht 44,720,236 divided into 44,720,236 ordinary shares each at a par value of Baht 1.

# Management Discussion and Analysis

## Overview

### 4Q12 and 2012 Performance

2012 was another successful year for Minor International Public Company Limited (“MINT”) with a number of notable achievements, from the expansion of hotel and restaurant businesses in completely new markets, e.g. Malaysia and Egypt, to the acquisition of a luxury hotel in Phuket and a popular local restaurant chain in China. As the two acquisitions were completed in the second half of the year, most of the growth in 2012 was from organic expansion, underscoring the positive business outlook. From the first quarter of 2012, MINT posted record quarterly revenues and net profit and it continued to show strong performance throughout the second and third quarters of 2012. MINT ended the year with healthy 4Q12 revenues and profit of Baht 8,860 million and Baht 1,184 million, representing y-y growth of 21% and 151% respectively. Even though 4Q11 was a low base for comparison due to some one-time write-off expenditures from flooding in Thailand, most of the growth in 4Q12 was still attributable to the actual improved performances of all businesses. Among all three businesses, hotel & mixed-use, restaurant and retail trading & contract manufacturing, the latter one reported the highest revenue growth primarily as contract manufacturing plant, Navasi (“NMT”), was closed down for the whole quarter as a result of flooding in 4Q11. Nevertheless, hotel and restaurant businesses, which experienced much less impact from the flood, posted double-digit revenue growth y-y in 4Q12. Following the outstanding performance in 2012, MINT’s Board of Directors approved to pay cash dividend in the amount of Baht 0.30 per share, subject to the approval of MINT’s shareholders at the Annual General Meeting of Shareholders to be held on April 3<sup>rd</sup>, 2013.

Hotel & mixed-use business contributed 52% of total revenue in 4Q12. Restaurant business accounted for 38% while retail trading and contract manufacturing contributed the remaining 10% in 4Q12.

### Revenue Breakdown

Unit: Baht million	4Q12	4Q11	% Chg
Restaurant Services	3,406	2,954	15%
Hotel & Mixed-Use	4,549	3,875	17%
Retail Trading & Contract Manufacturing	905	516	75%
<b>Total Revenue</b>	<b>8,860</b>	<b>7,345</b>	<b>21%</b>

MINT reported 2012 total revenues of Baht 32,993 million, an increase of 21% from the same period last year (excluding Baht 1,054 million one-time gain on fair value adjustment of investment in S&P Syndicate Pcl. ("S&P")). The growth was due mainly to strong performance of all businesses, together with the full 12-months consolidation of Oaks Hotels & Resorts ("Oaks") in Australia in 2012 compared to 7-months consolidation in 2011, and low base comparison in 4Q11. Excluding Oaks, MINT's 2012 revenues increased by 10% y-y.

With the strong performance of the business and contribution from Oaks, hotels & mixed-use businesses accounted for 50% of total revenues in 2012. Restaurant business contributed 40% and retail trading and contract manufacturing contributed another 10%.

### Revenue Breakdown

Unit: Baht million	2012	2011	% Chg
Restaurant Services	13,192	11,697	13%
Hotel & Mixed-Use	16,390	12,657	29%
Retail Trading & Contract Manufacturing	3,412	2,923	17%
<b>Total Revenue*</b>	<b>32,993</b>	<b>27,278</b>	<b>21%</b>

\* Including share of profit from investments in associates and joint ventures but excluding one-time gain on fair value adjustment of S&P investment of Baht 1,054 million

Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

In 4Q12, MINT reported EBITDA of Bt 2,021m, a 48% growth over the same period last year. The increase was due primarily to the strong growth of both hotel & mixed-use and restaurant businesses, together with retail trading & contract manufacturing's loss in 4Q11 as a result of flood-related write-off expenditures compared to positive EBITDA in 4Q12.

Hotel & mixed-use and restaurant businesses accounted for 67% and 29% of total EBITDA in 4Q12, respectively. Retail trading & contract manufacturing contributed the remaining 3% of total EBITDA.

### EBITDA Breakdown

Unit: Baht million	4Q12	4Q11	% Chg
Restaurant Services	592	492	20%
Hotel & Mixed-Use	1,360	1,050	30%
Retail Trading & Contract Manufacturing	69	-173	N/M
<b>Total EBITDA</b>	<b>2,021</b>	<b>1,369</b>	<b>48%</b>
<b>EBITDA Margin</b>	<b>23%</b>	<b>19%</b>	

MINT's 2012 EBITDA grew by 35% to Baht 7,063 million. The increase in EBITDA was a result of 1) improvement of all three business units, 2) profit generated from the two-year-old business, Anantara Vacation Club and 3) the full 12-months consolidation of Oaks in 2012 compared to 7-months consolidation in 2011. 2012 EBITDA margin increased to 21% as a result of better operating leverage and Anantara Vacation Club turning loss to profit.

Hotel & mixed-use business represented 64% of total EBITDA in 2012, while restaurant business accounted for 32%. Retail trading and contract manufacturing business accounted for the remaining 4%.

### EBITDA Breakdown

Unit: Baht million	2012	2011	% Chg
Restaurant Services	2,238	1,923	16%
Hotel & Mixed-Use	4,535	3,313	37%
Retail Trading & Contract Manufacturing	289	4	N/M
<b>Total EBITDA*</b>	<b>7,063</b>	<b>5,240</b>	<b>35%</b>
<b>EBITDA Margin*</b>	<b>21%</b>	<b>19%</b>	

\* Excluding one-time gain on fair value adjustment of S&P investment of Baht 1,054 Million netted off with one-time impairment charge of China business of Baht 93 million

Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

MINT reported net profit of Bt 1,184m in 4Q12, up 151% y-y due primarily to the strong performances of all businesses while in part due to the low-base comparison in 4Q11. As a result, 4Q12 net profit margin improved significantly from 6% in 4Q11 to 13% this quarter. 2012 net profit was Baht 3,409 million, a growth of 78% y-y, and net profit margin increased from 7% in 2011 to 10% in 2012.

### Net Profit

Unit: Baht million	4Q12	4Q11	% Chg
Total net profit	1,184	472	151%
<b>Net Profit Margin</b>	<b>13%</b>	<b>6%</b>	
	2012	2011	% Chg
Total net profit*	3,409	1,919	78%
<b>Net Profit Margin*</b>	<b>10%</b>	<b>7%</b>	

\* Excluding one-time gain on fair value adjustment of S&P investment of Baht 1,054 million, netted off with one-time impairment charge of China business of Baht 93 million



## Major Developments in 4Q12

	Developments
Restaurant	<ul style="list-style-type: none"> <li>• Successfully acquired Beijing Riverside &amp; Courtyard (“Riverside”), a distinctive chain of casual-concept restaurants in China, specializing in Sichuan barbecue fish in late December 2012</li> <li>• Opened 77 outlets, net q-q, 21 of which are the newly acquired Riverside outlets and another 24 are Dairy Queen’s franchised outlets in Thailand</li> </ul>
Hotel & Mixed-Use	<ul style="list-style-type: none"> <li>• Took over the management of Golden Palm Tree Iconic Resort &amp; Spa in Sepang, Malaysia, to be rebranded Avani later in 2013, and added the newest Serengeti Pioneer Camp to the Elewana Collection of lodges, camps and hotels in Tanzania</li> <li>• Rebranded Kani Lanka Resort &amp; Spa, Sri Lanka, which was acquired in 2010, to Avani Kalutara, commencing in 4Q12</li> <li>• Transferred and recorded 4Q12 revenues for 5% of total sellable area of St. Regis Residences and sold additional one unit of the Estates Samui in 4Q12</li> </ul>
Retail Trading	<ul style="list-style-type: none"> <li>• All Bloom points of sales were closed down during 4Q12 after the brand owner/principal in Australia decided to discontinue the brand</li> </ul>
Corporate	<ul style="list-style-type: none"> <li>• Issued a total of Bt 1.5bn 5-year debenture in December 2012 with interest rate of 4.2%.</li> </ul>

## Segment Performance

### Restaurant Business

At the end of 2012, MINT’s total restaurants reached 1,381 outlets, comprising 760 equity-owned outlets (55% of total), and 621 franchised outlets (45% of total). Of total, 914 outlets (66% of total) are in Thailand, while the remaining 467 outlets (34% of total) are in Australia, New Zealand, Singapore, China, Middle East, Maldives, Egypt and other countries in Asia. Eighty six outlets were opened in 4Q12, while nine outlets were closed. The acquisition of Riverside in China added 21 outlets to MINT’s restaurant portfolio. Dairy Queen continued to accelerate its domestic franchising by adding another 24 franchised outlets during the quarter.

## Restaurant Outlets by Owned Equity and Franchise

	4Q12	Chg (q-q)	Chg (y-y)
Owned Equity	760	34	49
- Thailand	641	12	25
- Overseas	119	22	24
Franchise	621	43	75
- Thailand	273	32	58
- Overseas	348	11	17
<b>Total Outlets</b>	<b>1,381</b>	<b>77</b>	<b>124</b>

## Restaurant Outlets by Brand

	4Q12	Chg (q-q)	Chg (y-y)
The Pizza Company	292	6	15
Swensen's	281	9	14
Sizzler	45	1	0
Dairy Queen	309	27	46
Burger King	29	2	2
The Coffee Club	313	14	26
Ribs and Rumps	12	0	5
Thai Express	64	-3	-5
Riverside	21	21	21
Others*	15	0	0
<b>Total Outlets</b>	<b>1,381</b>	<b>77</b>	<b>124</b>

\* Others include restaurants at the airport under MINT's 51% JV, Select Service Partner

## Brand Performance Analysis

In 4Q12, Swensen's, Sizzler and Burger King reported impressive strong double-digit same store sales growth as a result of the launch of marketing programs and popular products, e.g. Swensen's Happy Sundae, Sizzler's introduction of special new menu and Burger King's relaunch of the famous Angus burger, that successfully captured the celebration season in the fourth quarter and drove customer growth. For The Pizza Company, same store sales performance was attributable to the high base in 4Q11, as more deliveries were ordered during the flood because many households were restrained from home cooking. For Ribs and Rumps, the brand continues to undergo the improvement of operational system post acquisition to be in accordance with Minor Food Group's high standard of practice. In addition, some outlets temporarily closed for renovation during 2012.

With the outlet expansion of 9.9% y-y, total system sales growth was 11.4% in 4Q12.

## Restaurant Business Performance by Brand

	Same Store Sales (% chg y-y)			
	4Q12	4Q11	2012	2011
The Pizza Company	-0.8	11.3	5.9	11.7
Swensen's	14.2	-0.3	10.7	3.6
Sizzler	14.6	5.0	6.1	11.8
Dairy Queen	9.1	20.7	17.5	16.7
Burger King	18.2	16.9	10.2	21.8
The Coffee Club	2.3	5.5	3.1	8.8
Ribs and Rumps	-0.8	N/A	-0.5	N/A
Thai Express	1.8	-3.7	-0.4	-1.6
<b>Average</b>	<b>4.6</b>	<b>6.5</b>	<b>5.5</b>	<b>9.0</b>

	Total System Sales (% chg y-y)			
	4Q12	4Q11	2012	2011
The Pizza Company	4.2	18.2	14.6	15.6
Swensen's	22.2	8.6	18.9	11.8
Sizzler	12.6	8.3	7.0	14.5
Dairy Queen	27.5	30.8	30.2	23.8
Burger King	19.5	6.9	10.8	17.1
The Coffee Club	8.7	13.7	10.3	15.8
Ribs and Rumps	46.5	N/A	N/A	N/A
Thai Express	4.2	-0.3	5.2	0.9
<b>Average</b>	<b>11.4</b>	<b>12.7</b>	<b>15.1</b>	<b>14.1</b>

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

## Financial Performance Analysis

4Q12 total restaurant revenues grew by 15% y-y, mainly driven by modest comparable growth, continued outlet expansion and increased share of profit from investment. MINT's franchise fee in 4Q12 grew by 30% y-y attributable to the strong expansion of domestic franchising. 4Q12 EBITDA expanded by 20% y-y, a higher rate compared to revenue growth from the increase in asset-light business, together with higher efficiency from the operating leverage. EBITDA margin therefore improved slightly from 16.6% to 17.4% in 4Q12.

2012 total restaurant revenues grew by 13% y-y from the continuous strong comparable and total system sales from the favorable domestic consumption environment throughout the year, together with MINT's effective marketing campaigns. 2012 restaurant EBITDA expanded by 16% y-y. As a result of improved operating leverage and increased stake in S&P, EBITDA margin increased slightly to 17% in 2012.

## Revenue Breakdown

Unit: Baht million	4Q12	4Q11	% Chg
Revenues from Operation	3,283	2,859	15%
Franchise Fee	123	94	30%
Total Revenues	3,406	2,954	15%
EBITDA	592	492	20%
EBITDA Margin (%)	17%	17%	
	4Q12	4Q11	% Chg
Revenues from Operation*	12,767	11,349	12%
Franchise Fee	425	348	22%
Total Revenues	13,192	11,697	13%
EBITDA **	2,238	1,923	16%
EBITDA Margin (%)**	17%	16%	

\* Includes share of profit and other income, but excluding one-time gain on fair value adjustment of S&P investment of Baht 1,054 million

\*\* Excludes one-time gain on fair value adjustment of S&P investment of Baht 1,054 million and one-time impairment charge of China business of Baht 93 million

## Hotel & Mixed-Use Business

### Hotel Business

At the end of 4Q12, MINT owns twenty eight hotels and manages fifty four hotels and serviced suites in twelve countries. Altogether, these properties have 10,348 hotel rooms and serviced suites, including 3,145 that are equity-owned and 7,203 that are purely-managed by the Company and its subsidiary, Oaks. Of the total, 3,087 rooms in Thailand accounted for 30%, while the remaining 7,261 rooms or 70% are located in Australia, New Zealand, Maldives, Indonesia, Sri Lanka, Vietnam, China, Tanzania, Kenya, Malaysia and the United Arabs Emirates.

## Hotel Rooms by Owned Equity and Management

	4Q12	Chg (q-q)	Chg (y-y)
Equity-owned*	3,145	0	-142
- Thailand	2,229	0	-142
- Overseas	916	0	0
Management	7,203	266	669
- Thailand	858	20	20
- Overseas	6,345	246	649
<b>Total Hotel Rooms</b>	<b>10,348</b>	<b>266</b>	<b>527</b>

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

## Hotel Rooms by Brand

	4Q12	Chg (q-q)	Chg (y-y)
Anantara	2,681	20	326
Four Seasons	505	0	0
Marriott	563	0	-219
Oaks	5,295	-79	18
Avani	510	315	315
Others	794	10	87
<b>Total Hotel Rooms</b>	<b>10,348</b>	<b>266</b>	<b>527</b>

## Hotel Brand Performance Analysis

In 4Q12, Minor Hotel Group's average occupancy improved by 3% to 71%, due to the increases in every group, except for Oaks. Four Seasons group showed the most improvement in occupancy as its largest hotel with the most number of rooms, Four Seasons Bangkok, exhibited one of its best quarterly occupancy in 4Q12, compared to low 4Q11 occupancy as a result of the flooding in Bangkok. Although all four hotels increased their room rates in 4Q12 y-y, the Four Seasons' group average daily rate ("ADR") declined by 9%. Four Seasons Bangkok yields the lowest average daily rate among the four Four Seasons hotels because of its regular room types, compared to other Four Seasons hotels in Thailand that offer villas and larger room space. With the highest increase in number of rooms sold being Four Seasons Bangkok, the hotel pulled down the Four Seasons group's average daily rate. Nevertheless, the group's RevPar increased as much as 53% y-y. Excluding Four Seasons Bangkok, the group would report a 5% growth in their average daily rates.

Anantara group also reported strong growth in occupancy despite addition of new hotels during the year, due in part to the continued improvement in Anantara Riverside since its rebranding in November 2011, compared to low-base from flooding impact in 4Q11 as well. The increase in number of rooms sold at Anantara Riverside (at relatively low rates compared to other Anantara hotels) led to the decline in Anantara group's average daily rate by 5% y-y. Excluding Anantara Riverside, the group's average daily rate increased by 1% y-y in the quarter. For Oaks, the occupancy remains in the high seventies level. Despite 2% decline in occupancy rate, its average daily rate increased by 4%. Hence, RevPar expanded moderately by 2% in 4Q12.

For 2012, all brands, except Oaks, reported improvements in average occupancies. Oaks' occupancy declined slightly to 77% as a result of the temporary change in regulations in Sydney which affected Oaks' properties in 3Q12.

2012 average daily rate for all groups except Anantara and Four Seasons, also showed an improvement. The decline in average daily rates of Anantara and Four Seasons groups, especially earlier in the year, was more than offset by the increase in occupancies as part of the revenue management strategy and in part due to the reasons mentioned earlier. RevPar of all brands expanded in 2012.

#### Hotel Business Performance by Brand

	Occupancy (%)			
	4Q12	4Q11	2012	2011
Marriott	83	65	75	67
Anantara	60	58	57	52
Four Seasons	71	42	64	50
Oaks	77	79	77	79
Others	58	44	55	45
<b>Average</b>	<b>71</b>	<b>68</b>	<b>69</b>	<b>65</b>
MINT's Portfolio in Thailand	70	54	65	56
Industry Average in Thailand	65	56	61	58

Source for Industry Average: Bank of Thailand



	ADR (Baht/night)			
	4Q12	4Q11	2012	2011
Marriott	4,359	4,029	4,047	3,643
Anantara	6,906	7,239	6,554	6,829
Four Seasons	9,068	9,970	8,455	8,660
Oaks	5,071	4,880	5,138	4,977
Others	5,983	5,302	6,075	4,925
<b>Average</b>	<b>5,740</b>	<b>5,483</b>	<b>5,589</b>	<b>5,385</b>
MINT's Portfolio in Thailand	5,029	4,808	4,819	4,640
Industry Average in Thailand	1,996	1,894	1,895	1,843

Source for Industry Average: Bank of Thailand

	RevPar (Baht/night)			
	4Q12	4Q11	2012	2011
Marriott	3,607	2,614	3,050	2,450
Anantara	4,167	4,178	3,752	3,526
Four Seasons	6,426	4,197	5,374	4,325
Oaks	3,917	3,856	3,945	3,917
Others	3,449	2,335	3,315	2,193
<b>Average</b>	<b>4,075</b>	<b>3,737</b>	<b>3,871</b>	<b>3,479</b>

### Hotel Performance Analysis

Because of improved performance of all hotels in the portfolio compared to low-base 4Q11 from Bangkok flooding, 4Q12 revenues from hotel operation increased by 19% despite the permanent closure of Hua Hin Marriott Resort & Spa in June 2012. Management fees, on the other hand, declined by 25% in 4Q12 y-y as there were year-end adjustments which resulted in higher than normal quarterly management fees in 4Q11. Nonetheless, full year 2012 management fees increased by 8% y-y.

2012 revenues from hotel operations grew by 40% due mainly to the improvement of the overall hotel portfolio and the full 12-months consolidation of Oaks in 2012 compared to 7-months consolidation since June 2011 in 2011. Excluding Oaks, revenues from hotel operations for 2012 still grew by solid 21% y-y.

## Mixed-Use Business & Performance Analysis

MINT's spa business is operated under Anantara, Mandara and Elemis brands. At the end of 4Q12, MINT owns and manages 34 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, India, Egypt and Korea. In 4Q12, MINT reported a healthy 11% increase in revenues from spa services to Baht 86 million, while its spa revenues in 2012 increased by 8% to Baht 323 million, in line with the improvement in the hotel operations.

MINT's real estate 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. Another real estate development operation launched in December 2010 is MINT's point-based vacation club under its own brand, Anantara Vacation Club. As at 4Q12, Anantara Vacation Club has total inventory of 46 units, comprising of 20 purpose-built properties adjacent to Anantara Bophut, Samui, two villas in Phuket, three units in Queenstown, New Zealand, three units in Bangkok and eighteen units in Bali. Anantara Vacation Club has been increasingly popular and its sales more than doubled in 4Q12 compared to 4Q11. Anantara Vacation Club has become profitable in 2012, only into its second year of operations. Together with the residential sales, real estates business continues to be a major contributor of the hotel and mixed use business, with 4Q12 sales of Baht 971 million, an increase of 21% y-y. For 2012, sales of real estate development totaled Bt 3,109m, an increase of 9% y-y.

Another mixed-use business of MINT 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) Royal Garden Plaza Bangkok. In addition, MINT is the operator of eight entertainment outlets, 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) surreal journey Scream in the Dark; and two new additions (7) Ripley's Sky Rider; (8) Ripley's The Vault. In 4Q12, revenues from plaza and entertainment business increased by 9% y-y to Bt 145m, in line with the improved traffics to MINT's hotels and against the low base in 4Q11 where Royal Garden Plaza Bangkok was affected by the concern over flooding. 2012 revenues from plaza and entertainment business also increased by 4%.

## Overall Hotel & Mixed-Use Financial Performance Analysis

All hotel and mixed-use businesses reported healthy revenue growth in 4Q12. Revenues from real estate development continued to exhibit the strongest growth of 21% from the increased popularity of Anantara Vacation Club. Hotel operations also saw significant growth driven mainly by improved operations. As a result, hotel group's 4Q12 EBITDA expanded by 30% and its EBITDA margin increased to 30%.

For 2012, total hotel and mixed use revenues increased by 29%, mainly attributable to increase in revenue from hotel operations, from the better performance of the overall hotel portfolio, as well as the full consolidation of Oaks, and improved real estate business. The group's EBITDA expanded by a larger extent of 37%, primarily from the better profitability of the hotel operations, as well as Anantara Vacation Club becoming profitable in 2012. As a result, EBITDA margin of hotel & mixed use business increased to 28% in 2012, compared to 26% in 2011.

## Revenue Breakdown

Unit: Baht million	4Q12	4Q11	% Chg
Hotel operations*	3,251	2,736	19%
Management fee	96	127	-25%
Spa services	86	77	11%
Plaza & entertainment	145	134	9%
Real estate development**	971	801	21%
Total Revenues	4,549	3,875	17%
EBITDA	1,360	1,050	30%
EBITDA Margin (%)	30%	27%	

Unit: Baht million	2012	2011	% Chg
Hotel operations*	11,991	8,587	40%
Management fee	355	330	8%
Spa services	323	298	8%
Plaza & entertainment	611	589	4%
Real estate development**	3,109	2,853	9%
Total Revenues	16,390	12,657	29%
EBITDA	4,535	3,313	37%
EBITDA Margin (%)	28%	26%	

\* Includes share of profit and other income

\*\* Includes rental income from the Estate Samui

## Retail Trading and Contract Manufacturing Business

At the end of 4Q12, MINT had 235 retail trading points of sales. During 4Q12, the Company opened 11 new outlets under Esprit, Bossini, Pedro and Red Earth brands. However, all 13 outlets of Bloom were closed down after the owner/principal in Australia decided to discontinue the brand. MINT remains the distributor of the cosmetics brand, Red Earth. MINT expects Red Earth to continue to grow throughout the contract term.

Of total 235 retail trading outlets at year-end 2012, 86% are operated under fashion brands such as Esprit, Bossini, GAP, Charles & Keith, Tumi and Pedro, while another 9% are operated under Red Earth.

## Retail Trading's Outlet Breakdown

	4Q12	Chg q-q	Chg y-y
Fashion	202	8	19
Cosmetics	20	-10	-29
Others	13	0	-2
Total Outlets	235	-2	-12

In 4Q12, retail trading and contract manufacturing business reported significant revenue growth of 75%, compared to the same period last year. In 4Q11, NMT contract manufacturing plant was affected by the flood and was closed down for the whole quarter. Retail trading business also saw a healthy revenue growth of 23% from the expansion of points of sale, despite the closure of La Neige, Smashbox and Bloom cosmetics. As a result, retail trading and contract manufacturing businesses reported EBITDA of Baht 69 million with an EBITDA margin of 8% in 4Q12.

Revenues from retail trading and contract manufacturing in 2012 grew by 17%, although NMT did not resume its full operation since the flooding until June 2012 and the points of sale of three cosmetics were closed down. 2012 EBITDA increased significantly to Baht 289 million as NMT received the flood insurance claim in 1Q12 and 3Q12. 2012 EBITDA margin stood at 8%.

### Retail Trading and Contract Manufacturing's Revenue

Unit: Baht million	4Q12	4Q11	% Chg
Retail Trading	575	466	23%
Manufacturing	330	50	N/M
Total Revenues	905	516	75%
EBITDA	69	-173	N/M
EBITDA Margin (%)	8%	-33%	

Unit: Baht million	2012	2011	% Chg
Retail Trading	2,207	1,898	16%
Manufacturing	1,205	1,025	18%
Total Revenues	3,412	2,923	17%
EBITDA	289	4	N/M
EBITDA Margin (%)	8%	0%	

### Balance Sheet & Cash Flows

At the end of 2012, MINT reported total assets of Baht 50,975 million, an increase of Baht 9,352 million from Baht 41,623 million at the end of 2011. The increase was primarily the result of:

1. Baht 2,557 million increase in cash and cash equivalent mainly from improved operations, management fees received from managed properties and proceed from debenture issuance of Baht 6,000 million
2. Baht 815 million increase in trade receivables long- term contract corresponding with the significant growth of Anantara Vacation Club's sales
3. Baht 2,521 million increase in property, plant and equipment, of which, the majority is from the acquisition of Bundarika Hotels and Suites and the adjacent land in Phuket and Oaks' acquisition of 3 properties in Australia; Grand Hotel in Gladstone, Oaks Oasis in Caloundra and Oaks Castlereagh in Sydney and the acquisition of Riverside restaurant chain in China

4. Baht 1,420 million increase in intangible assets mainly from Oaks' acquisition of additional Management Letting Right ("MLR") and goodwill from the investment in Oaks' subsidiaries, in addition to the goodwill from the acquisition of Riverside in China
5. Baht 679 million increase in non-current assets due in part to the convertible loan to Riverside

MINT reported total liabilities of Baht 31,628 million at the end of 2012, an increase of Baht 4,940 million from Baht 26,688 million at the end of 2011, as a result of the issuance of Baht 6,000 million debenture to repay some existing debentures that are nearing maturity, to repay short-term borrowing and to finance any future expansion, netted off with partial repayments of trade payables and other short term liabilities.

Shareholders' equity increased by Baht 4,412 million to Baht 19,347 million at the end of 2012 from Baht 14,935 million at the end of 2011 owing mainly to net profit of Baht 3,409 million the exercise of rights-offering and ESOP warrants of Baht 912 million, netted off with net dividend payment of Baht 499 million.

For the 12 months of 2012, MINT and its subsidiaries reported cash flows from operations of Baht 4,046 million, an increase of Baht 388 million y-y. Cash flow paid for investing activities was Baht 6,329 million, due primarily to (1) the acquisitions under Oaks of Baht 878 million (2) investment in the hotel and land in Phuket of approximately Baht 1,000 million and (3) investment in Riverside of Baht 1,200 million and 4) normal capital expenditures for hotel, restaurant and other businesses of Baht 2,449 million. The Company reported net cash received from financing activities of Baht 4,834 million, comprising primarily of (1) net proceeds from borrowings and debenture issuance of Baht 4,411 million to finance the investment in Bundarika Hotel and Suite, Oak's Grand Hotel and Riverside and repay some existing debentures upon maturity (2) increased capital from conversion of rights-offering and ESOP warrants of Baht 912 million, netted off with (3) cash dividend payment of Baht 499 million. As a result, MINT's net cash and cash equivalents increased by Baht 2,552 million in 2012.

## Financial Ratio Analysis

MINT's gross profit margin increased to 60.2% in 2012 compared to 60.0% in 2011 (excluding net one-time gain) from the improved gross profit margins of restaurant and real estate businesses. Net profit margin improved to 10.3% in 2012 from 7.0% in 2011 mainly from the improved profitability of all businesses, low-base comparison from the flood-related write-off expenses in 4Q11 and the profit generated from Anantara Vacation Club.

Return on equity increased to 19.9% in 2012 from 13.4% in 2011. Correspondingly, return on assets was up to 7.4% in 2012 from 5.2% in 2011. The increase of both ratios was a result of significantly improved net profit.

Collection days decreased to 16 in 2012, compared to 17 in 2011 due to the increased receivables corresponding with revenues growth of NMT and Anantara Vacation Club. Inventory days were maintained at 50 and accounts payable days declined slightly to 41.

Current ratio increased to 1.2x in 2012 from 0.9x at the end of 2011 due mainly to the repayment of current portion of long-term borrowings. Despite the issuance of new debenture, net interest bearing debt/equity declined to 1.1x in 2012 as shareholders' equity increased from the stock dividend payment and conversions of rights-offering and ESOP warrants, together with 2012 net profit. Nevertheless, interest coverage ratio decreased to 5.1x in 2012 from 5.5x in 2011 due mainly to the increased interest expenses.

## Financial Ratio Analysis

<b>Profitability Ratio</b>	<b>31 Dec 12</b>	<b>31 Dec 11</b>
Gross Profit Margin (%)	60.18%	59.97%
Net Profit Margin (%)*	10.33%	7.04%
Return on Equity (%)*	19.89%	13.38%
<b>Efficiency Ratio</b>	<b>31 Dec 12</b>	<b>31 Dec 11</b>
Return on Assets (%)*	7.36%	5.16%
Collection Period (days)	16	17
Inventory Days	50	50
Accounts Payable Days	41	43
<b>Liquidity Ratio</b>	<b>31 Dec 12</b>	<b>31 Dec 11</b>
Current Ratio (x)	1.15	0.86
<b>Leverage &amp; Financial Policy</b>	<b>31 Dec 12</b>	<b>31 Dec 11</b>
Interest Bearing Debt/Equity (x)	1.25	1.33
Net Interest Bearing Debt/Equity (x)	1.06	1.25
	<b>31 Dec 12</b>	<b>31 Dec 11</b>
Interest Coverage (x)*	5.09	5.54

\* Excluding one-time gain on fair value adjustment of S&P investment of Baht 1,054 million, netted off with one-time impairment charge of China business of Baht 93 million

## Management's Outlook

With the number of tourist arrival to Thailand expected to grow by 10% in 2013 and gross domestic product of Thailand expected to expand by 5%, MINT is committed to sustaining the operational and financial growth momentum. It has set a clear vision to establish strong footprints in existing and new markets. A number of new initiatives has been planned to ensure consistent growth in revenues, profit and cash flows. MINT's long-term strategies still focus on "asset-right strategy", a combination of investment in own assets and leverage on own brands to franchise/manage other people's assets to maximize the profitability on the back of strong fundamentals.

To better highlight the asset-right strategy, MINT invested in Beijing Riverside & Courtyard, a restaurant chain of sizzling fish dishes in China in late 2012. The investment does not only enhance the diversification and double the number of MINT's restaurants in China, but it will also generate immediate earnings, thus transforming the food business in China operationally and financially in 2013. On the other hand, in early 2013, MINT has partnered with Dubai-based company for its first managed property in Dubai, which will be part of the internationally renowned Anantara Hotels, Resorts & Spas portfolio. Anantara Dubai Palm Jumeirah Resort & Spa is a five star resort on Dubai's iconic Palm Jumeirah, and will open in September 2013. It will offer a total of 293 guest rooms and suites, a private beach, six themed restaurants and bars, which will be a great complement to Anantara's three existing properties in Abu Dhabi. The management of these four world's top luxurious hotels in the Middle East under the Anantara brand certainly reflects the credibility of MINT's brand and management team, which have over time attracted hotel owners.

Looking forward, the strength of MINT's brands is a key to drive solid expansion. A well established brand not only leads to higher business volume for own hotels/restaurants but also an increase in the management/franchised pipeline as hotel/restaurant owners prefer to join a system with strong brands that have the established support, thus resulting in higher margins and profitability. MINT continues to internationalize its brands in order to remain competitive in domestic and overseas markets and to meet the dynamic demand of consumers across different regions. Although each and every one of MINT's brands has their own unique appeal and quality, they can also be expanded out of their origin country as they are all able to meet high international standards. This achievement is also due to the fact that the Company has developed strong international teams to study and determine the optimal business models for each market corresponding with the market appetite as well as risks inherent in each specific market.

In addition to brand strength, efficient operating system is also an important factor to appeal to potential partners, both equity joint venture and hotel/restaurant owners. Given the intensified competition by increasing number of players in the market, business partners often seek to partner with the operators who have proven record of success and equipped support system. MINT has not only invested in one of the world's top technology and infrastructure, but it has also developed its own Minor Plus Card community that will ensure repeated customers. MINT believes that its operational excellence will be a key differentiator that sets the Company and its brands apart from other players.

As MINT looks ahead to 2013 and beyond, it remains well positioned to maintain its market leading position. The Company is confident that it can continue to deliver strong results year after year on the back of a highly motivated management team and employees as well as in-depth knowledge and connections within its core businesses. MINT is looking forward to another successful year in 2013.



# Connected Transactions

Connected Persons	Type of Business	Transaction Size 2012 (Million baht)	Necessity and Rationale
<b>1. MJET Limited (MJET)</b> <b>Relationship:</b> Common directors	MJET provided air chartered flight services to MINT and its subsidiaries, recorded as other expenses by the following companies: - MINT - MFG	22.36 3.04	MINT and subsidiaries used air chartered flights for management to visit their project sites. The services were provided at market rates and conditions. Audit Committee had an opinion that the transactions were fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to MJET and received monthly service fee, which was based on type and quantity of service.	1.52	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental fee from MJET.	0.37	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted in lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
<b>2. Maikhao Vacation Villas Limited (MVVL)</b> <b>Relationship:</b> A joint venture holds 50% by MINT and common directors	Minor Global Solutions Limited, MINT's subsidiary, provided accounting services. The fee was charged according to the type and amount of services provided.	0.60	As Minor Global Solutions Limited had specialized staff in providing consultant and management services and in order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was reasonable.
<b>3. Select Service Partner Limited (SSP)</b> <b>Relationship:</b> MFG holds 51% stake and common directors	MINT's subsidiaries sold their respective products to SSP and recorded sales by the following companies: - MFG - Minor DQ Limited - Burger (Thailand) Limited - Swensen's (Thai) Limited	8.69 11.98 85.12 1.18	SSP, MINT's subsidiary sold product at market prices and conditions. Audit Committee had an opinion that the transactions were fair and reasonable.
	MFG, MINT's subsidiary, provided management and financial services to SSP and recorded management fee income.	1.64	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MFG, MINT's subsidiary invests in SSP's securities and received dividend income.	40.80	Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>4. Eutopia Private Holding Limited (Eutopia)</b> <b>Relationship:</b> MINT holds indirectly 50% shareholding and common directors.	MINT's subsidiary - RGR International Limited provided long-term loan to Eutopia according to joint venture agreement. The loan has interest rate as agreed by both parties which was determined based on market rate.	176.13	The loan was provided according to joint venture agreement and interest was determined based on market rate. Audit Committee had an opinion that the transaction was reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
	RGR International Limited recorded interest income received from Eutopia according to joint venture agreement.	5.95	The loan was provided according to joint venture agreement and interest was determined based on market rate. Audit Committee had an opinion that the transaction was reasonable.
	Lodging Management (Labuan) Limited provided hotel management service to Eutopia and recorded management fee income.	139.17	Lodging Management (Labuan) Limited had specialized and experienced staffs in hotel management and sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to Eutopia and received computer fee which was based on type and quantity of service.	1.09	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Hotel Group, MINT's subsidiary provided hotel management service to Eutopia and received management fee which was based on type and quantity of service.	1.19	Minor Hotel Group had specialized and experienced staffs in hotel management and sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
	MINT provided management service to Eutopia and received management fee which was based on type and quantity of service.	0.83	MINT had specialized and experienced staffs in hotel management and sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
	MINT arranged sources of fund services to Eutopia and recorded other income for service charge.	4.66	The arranging sources of fund to Eutopia were according to joint venture agreement. Audit Committee had an opinion that the transaction was reasonable.
<b>5. Harbour View Corporation</b> <b>Relationship:</b> MINT holds indirectly 30.39% shareholding and common directors.	MINT's subsidiary - RGR International Limited provided long-term loan to Harbour View Corporation proportionately to shareholding. The loan agreement has definite interest rate, terms and conditions agreed by both parties where the interest rate was determined based on market rate.	12.67	The loan was provided proportionately to percentage of shareholding. Audit Committee had an opinion that the transaction was fair and reasonable.
	RGR International Limited recorded interest income received from Harbour View Corporation according to joint venture agreement.	0.06	The loan was provided proportionately to percentage of shareholding. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
	Minor Hotel Group Limited provided hotel management service to Harbour View Corporation and recorded management fee income.	2.18	Minor Hotel Group Limited had specialized and experienced staffs in hotel management and sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to Harbour View Corporation and received computer fee which was based on type and quantity of service.	0.06	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
<b>6. Tanzania Tourism and Hospitality Investment Limited</b> <b>Relationship:</b> MINT indirectly holds 50% shareholding	MINT's subsidiary - Hospitality Investment International Limited provided long-term loan to Tanzania Tourism and Hospitality Investment Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	136.58	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Tanzania Tourism and Hospitality Investment Limited in accordance to joint venture agreement.	3.43	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>7. Zanzibar Tourism and Hospitality Investment Limited</b> <b>Relationship:</b> MINT indirectly holds 50% shareholding	MINT's subsidiary - Hospitality Investment International Limited provided long-term loan to Zanzibar Tourism and Hospitality Investment Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	14.44	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
	Hospitality Investment International Limited recorded interest income received from Zanzibar Tourism and Hospitality Investment Limited in accordance to joint venture agreement.	0.36	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>8. Rocky Hill Limited</b> <b>Relationship:</b> MINT indirectly holds 50% shareholding	MINT's subsidiary - Hospitality Investment International Limited provided long-term loan to Rocky Hill Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	85.16	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Rocky Hill Limited in accordance to joint venture agreement.	0.57	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>9. Sand River Eco Camp Limited</b> <b>Relationship:</b> MINT indirectly holds 50% shareholding	MINT's subsidiary - Hospitality Investment International Limited provided long-term loan to Sand River Eco Camp Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	49.65	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Sand River Eco Camp Limited in accordance to joint venture agreement.	2.35	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
<b>10. Elewana Afrika Limited</b> <b>Relationship:</b> MINT indirectly holds 50% shareholding	MINT's subsidiary - Hospitality Investment International Limited provided long-term loan to Elewana Afrika Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	79.61	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Elewana Afrika Limited in accordance to joint venture agreement.	2.55	The loan was provided in accordance with joint venture agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>11. Harbour Residence Oaks Ltd.</b> <b>Relationship:</b> Oaks Hotel & Resort Ltd. directly holds 50% shareholding.	MINT's subsidiary - Oaks Hotel & Resort Ltd. provided loan to Harbour Residence Ltd. in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	1.96	The loan was provided in accordance with agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>12. Zuma Bangkok Ltd.</b> <b>Relationship:</b> MINT directly holds 51% shareholding and common directors.	MINT's subsidiary - Rajdamri Lodging Limited. provided loan to Zuma Bangkok Ltd. in accordance with agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	73.34	The loan was provided in accordance with agreement where term was determined based on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>13. Arabian Spa (Dubai) (LLC)</b> <b>Relationship:</b> MINT indirectly holds 49% shareholding and common directors.	MSpa Venture Limited - MINT's subsidiary provided spa management to Arabian Spa (Dubai) (LLC) and recorded management fee income.	6.05	MSpa Venture Limited had specialized and experienced staffs in spa management and sharing the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable.



Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
	MSpa Venture Limited - MINT's subsidiary invests in Arabian Spa (Dubai) (LLC) securities and received dividend income.	14.90	Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>14. Sribhathana Garden Limited</b> <b>Relationship:</b> Common major shareholders (Minor Holdings (Thai) Limited) and common directors.	Maerim Terrace Resort Limited leased Sribhathana Garden Limited's land as a site to operate Four Seasons Resort Hotel Chiangmai and recorded rental expenses.	15.54	The land lease for hotel operation was normal business transaction. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, provided accounting, tax management and financial services to Sribhathana Garden Limited. The fee was charged monthly according to the type and amount of services provided.	0.60	As Minor Global Solutions Limited had specialized staff in providing accounting services and in order to share and maximize the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable and in order to maximize benefit of the Company.
<b>15. Minor Holding (Thai) Limited (MHT)</b> <b>Relationship:</b> Major shareholder of MINT holds 16.77% and common directors.	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to MHT and received monthly service fee, which was based on type and quantity of service.	0.76	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental from MHT.	0.03	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted in lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
<b>16. Phuket Vessel Holding Limited</b> <b>Relationship:</b> Common directors	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to Phuket Vessel Holding Limited and received monthly service fee, which was based on type and quantity of service.	0.05	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
<b>17. Hua Hin Condominium Limited</b> <b>Relationship:</b> Common directors	Minor Global Solutions Limited, MINT's subsidiary provided legal management service to Hua Hin Condominium Limited and received monthly service fee, which was based on type and quantity of service.	0.06	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
<b>18. S&amp;P Syndicate Pcl. (S&amp;P)</b> <b>Relationship:</b> MINT holds 31.32%.	<p>MINT invested in S&amp;P's securities and received dividend income.</p> <hr/> <p>MINT's subsidiaries purchased products from S&amp;P who are producer and distributor of dairy products, and frozen foods. The subsidiaries recorded as purchase of goods by following companies:</p> <ul style="list-style-type: none"> <li>- MFG</li> <li>- Swensen's (Thai) Limited</li> <li>- SLRT Limited</li> <li>- Minor DQ Limited</li> </ul> <hr/> <p>MINT's subsidiaries received product expire claim from S&amp;P who are producer and distributor of dairy products, and frozen foods. The subsidiaries recorded as purchase of goods.</p>	<p>130.55</p> <hr/> <p>25.62</p> <p>11.20</p> <p>5.43</p> <p>8.09</p> <hr/> <p>0.13</p>	<p>Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.</p> <hr/> <p>The transaction is normal business and purchase price was at market price. Audit Committee had an opinion that the transaction was fair and reasonable.</p> <hr/> <p>The transaction is normal business and purchase price was at market price. Audit Committee had an opinion that the transaction was fair and reasonable.</p>

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
<b>19. Minor Aircraft Holding Limited</b> <b>Relationship:</b> Common directors	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to Minor Aircraft Holding Limited and received monthly service fee, which was based on type and quantity of service.	0.08	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental fee from MJET.	0.03	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted in lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>20. MJETS Maintenance Limited</b> <b>Relationship:</b> Common directors	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to MJETS Maintenance Limited and received monthly service fee, which was based on type and quantity of service.	0.42	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental fee from MJETS Maintenance Limited.	0.13	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted in lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>21. Thaisale.co.th Limited</b> <b>Relationship:</b> Minor Corporation Pcl., MINT's subsidiary holds 50%.	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to MJETS Maintenance Limited and received monthly service fee, which was based on type and quantity of service.	0.38	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2012 (Million Baht)	Necessity and Rationale
	Minor Corporation Pcl., MINT's subsidiary, provided management services to Thaisale.co.th Limited and received monthly service fee, which was based on type and quantity of service.	1.74	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
<b>22. The Coffee Club Holdings Pty.Ltd.</b> <b>Relationship:</b> MINT's subsidiary, Delicious Food Holdings (Australia) holds 50%.	DFHA, MINT's subsidiary invests in SSP's securities and received dividend income.	70.66	Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>23. Tidal Swell Pty.Ltd.</b> <b>Relationship:</b> Oaks Hotel & Resort Ltd. directly holds 50% shareholding.	Oaks Hotel & Resort Ltd. - MINT's subsidiary invests in Tidal Swell Pty. Ltd. securities and received dividend income.	18.01	Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.
<b>24. InsurExcellence Insurance Brokers Ltd.</b> <b>Relationship:</b> Common director	MINT and its subsidiaries paid insurance premium to InsurExcellence Insurance Brokers Ltd. The price was market prices same as third parties.	15.00	It is market price and under normal conditions. Audit Committee had an opinion that the transaction was reasonable and in order to maximize benefit of the Company.
<b>25. Weerawong, Chinnavat &amp; Peangpanor Ltd.</b> <b>Relationship:</b> Common director	MINT and its subsidiaries paid legal consulting fee to Weerawong, Chinnavat & Peangpanor Ltd. The price was market prices same as third parties.	2.82	It is market price and under normal conditions. Audit Committee had an opinion that the transaction was reasonable and in order to maximize benefit of the Company.

## Connected transaction approval procedure

All connected transactions are evaluated by the relevant work units in two respects; firstly, their benefit contribution to the Company, and secondly, they being done on a fair price basis. If necessary, external advisors or experts shall be engaged in order to provide independent opinion on the transactions. The Company then proposes the transactions for internal approval process where directors or employees possess conflict of interest must not participate in approval process. The Company also has its Audit Committee certify the fair value of the connected transactions.

In case the transactions fall under the relevant rules and regulations of the Stock Exchange of Thailand, the Company observes that all relevant rules and regulations are being adhered to strictly by the Company as well as its subsidiaries.

## Future policy on connected transactions

The Audit Committee and the Company will jointly consider and review any connected transactions that may arise in the future to ensure their necessity and fair price basis.

Pricing Policies	
Sales and purchases	Prices normally charged to third parties
Sales from real estate development operations	Prices normally charged to third parties
Rental income	Agreed prices which approximate to prices normally charged to third parties
Franchise fee	Agreed prices which approximate to prices normally charged to third parties
Management income and other income	Agreed prices which approximate to prices normally charged to third parties
Interest income	Rate as mutually agreed by shareholders and rate determined with reference to the interest rate quoted by commercial banks
Rental expenses	Agreed prices which approximate to prices normally charged by third parties
Management expenses	Agreed prices which are costs plus administrative expenses
Royalty fee	Agreed prices which approximate to prices normally charged by third parties
Interest expenses	Rate determined with reference to the interest rate quoted by commercial banks
Professional Fee	Agreed prices which approximate to prices normally charged by third parties
Other expenses	Agreed prices which approximate to prices normally charged by third parties

# Nature of Business

Minor International Public Company Limited (MINT) is a global company focused on three primary businesses including restaurants, hotels and lifestyle brands distribution. MINT is one of Asia's largest restaurant companies with over 1,300 outlets operating system wide in 17 countries under The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Thai Express, The Coffee Club, Ribs & Rumps and Riverside brands. MINT is also a hotel owner, operator and investor with a portfolio of 42 hotels and 40 serviced suites under the Anantara, Oaks, Avani, Four Seasons, St. Regis, Marriott, Elewana and Minor International brands in Thailand, Australia, New Zealand, the Maldives, Vietnam, Tanzania, Kenya, the Middle East, Sri Lanka, Malaysia, China and Indonesia. In addition, MINT operates mixed-use businesses, which are complimentary to the hotel business. These include real estate business, comprising sale of residential and Anantara Vacation Club, spa business, retail and property business, and entertainment business. MINT is one of Thailand's largest distributors of lifestyle brands focusing primarily on fashion and cosmetics. Its brands include GAP, Esprit, Bossini, Charles & Keith, Pedro, Red Earth, Tumi, Zwilling J.A. Henckels, ETL Learning and Thaisale, an online shopping website. MINT is also a contract manufacturer of household and personal care products, with its own manufacturing plant.

## Revenue Structure

In the year 2012, the Company and its subsidiaries operated in main business segments as follows:

(1) Food and Beverage	37.18%
(2) Hotel Operation	36.18%
(3) Retail and Property Business	1.33%
(4) Entertainment Operation	0.46%
(5) Spa Services	0.98%
(6) Real Estates	8.79%
(7) Distribution and Manufacturing	9.98%
(8) Other Income	5.1%

# Major Events in 2012

- January**
  - Closed down all cosmetics points of sale under Laneige brand as investment in AmorePacific was divested to redefine the focus of retail trading brands
- March**
  - Acquired additional Management Letting Rights (MLR) contracts in Broome and Monkomo, Australia through Oaks Hotels & Resorts Ltd.
  - Launched the Singapore-based footwear brand, Pedro, at Central Festival Pattaya. Pedro offers a wide range of modern luxury footwear and accessories
- June**
  - Acquired 95% of Bundarika Villas & Suites, a luxury hotel in Phuket on 23 rai of land on Layan Beach, together with a 32 rai of land adjacent to the hotel, suitable to be developed into an Anantara residence in the future
  - Opened Anantara Eastern Mangroves in Abu Dhabi, UAE, a purely-managed hotel by Anantara, with 222 rooms
  - Opened Anantara Uluwatu in Bali, Indonesia, a purely-managed hotel by Anantara, with 77 rooms
  - Closed Hua Hin Marriott Resort & Spa as the leasehold agreement ended
  - Acquired 18 units of Anantara Vacation Club's inventories in Bali and additional 3 units in Bangkok
  - Opened the first two Swensen's equity-owned outlets in the Maldives at both domestic and international terminals of the airport
- July**
  - Opened the first Coffee Club franchised outlet in Egypt
  - Acquired 80% of Oasis Resort Caloundra, a 158-room and 9-apartment property in Queensland, Australia through Oaks Hotels & Resorts Ltd.
- August**
  - Issued Baht 1,800 million unsecured senior debentures with 5-year tenor at coupon rate of 4.25% per annum
  - Issued Baht 2,700 million unsecured senior debentures with 10-year tenor at coupon rate of 4.75% per annum
  - Acquired Management Letting Rights (MLR) for Regis Towers in Sydney, Australia through Oaks Hotels & Resorts Ltd.
  - Extended Four Seasons Bangkok leasehold rights for an additional 30 years



- September**
- Acquired 80.1% of Paradise Island Resorts (Private) Ltd., a 6 rai plot of prime beachfront land in Ambalangoda town along the Southwest Coast of Sri Lanka, suitable to be developed into an Avani in the future
  - Opened Oaks Sathorn in Bangkok, a purely-managed hotel by Oaks, with 115 rooms
  - Closed down all points of sale under Smashbox brand, upon the expiration of the distribution agreement with the principal
- October**
- Soft-launched Avani Sepang Gold Coast in Malaysia, a purely-managed hotel by Avani, with 315 rooms
  - Rebranded Kani Lanka into Avani Kalutara as the second Avani property in Sri Lanka
- November**
- Opened Anantara Sanya in China, a purely-managed hotel by Anantara, with 122 rooms
  - Acquired an additional 25% stake in Tidal Swell, increasing Oaks Hotels & Resorts Ltd. shareholding to 50%. Tidal Swell is a holding company of four properties in Queensland which are managed under the Oaks brand
- December**
- Acquired 49% of Beijing Riverside & Courtyard, a distinctive chain of casual-concept restaurants in China, specializing in Sichuan barbecue fish
  - Opened Serengeti Pioneer Camp in Tanzania, a purely-managed hotel by Elewana with 10 rooms
  - Opened two new attractions under Ripley's World of Entertainment Pattaya, Ripley's Sky Rider, Thailand's first helium balloon from France which offers scenic view above the city of Pattaya and Ripley's The Vault, a laser maze challenge
  - Issued Baht 1,500 million unsecured senior debentures with 5-year tenor at coupon rate of 4.20% per annum

# Risk Factors

Conducting businesses carries a level of risks and uncertainties. Such risks may lead to fluctuation in revenues, profits, asset values, liquidity, and share price.

In addition to the risks stipulated below, some risks are not yet known to the Company and some that the Company does not currently believe to be material can later turn out to be material. All stakeholders should acknowledge the impact and the likelihood of occurrence and carefully consider all other associated factors not limited to general and the specific risks contained in this document.

## **1. Risk of business disruption resulting from the economic and political instability, natural disasters and catastrophe**

The Company's revenues, profitability and development plans are dependent upon discretionary spending by consumers and tourist confidence, which can be adversely affected by several external and uncontrollable events, e.g. recession, political unrest, epidemics and Tsunami, etc. Although these risks are common for every business operator, the Company employs various risk mitigation methodologies to minimize the possible adverse impacts on the Company's operations and financial results, including but not limited to;

- Optimizing sales mix between different types of businesses; hotel & mixed-use, restaurant, retail trading and contract manufacturing
- Widening geographical coverage across Southeast Asia, Australia, China, India and the Middle East in order to reduce the reliance on any single country
- Expanding through fee-based business models of hotel management contracts and franchising, especially in new or unfamiliar markets
- Preparing adaptive contingency plans, while unexpected events in the past have helped improve our recovery capabilities

## **2. Risk from the Competition in Core Businesses**

### **2.1 Competition in Hospitality Business**

Increase in luxury hotel supplies in the markets the Company serves may result in price competition, pressuring its revenues and profits, especially during the low season due to the seasonality as well as high operating leverage nature of the hotel business. The Company's focus on the quality of the services has ensured that the Company's properties are ranked at the top among competitors in each of the markets. In addition, to mitigate such risks, the Company continues to enhance its diversification, in terms of geographical coverage, classes of hotel properties as well as nationalities of feeder markets. In addition to its own upscale brands, Anantara, Avani and Oaks, the Company also hires world-class hoteliers, Four Seasons Hotels & Resorts Asia Pacific Pte. Ltd., the Hotel Licensing Corporation under the Marriott group and Starwood Asia Pacific Hotels & Resorts Pte. Ltd. to manage its hotels under Four Seasons, JW Marriott and St. Regis brands, as well as manages a hotel under a franchise license with Marriott. While most of Anantara and Avani hotels are

located in Asia and the Middle East, Oaks properties have prominent presence in domestic markets of Australia and New Zealand, in which the business is not as cyclical. Moreover, having other complimentary businesses, e.g. spa, retail properties & entertainment allows the Company to provide a full range of services.

## **2.2 Competition in Restaurant Business**

Restaurant business is highly competitive due to lower barrier to entry, unlike hospitality business. The Company competes in Thailand and international markets with many food service companies. Nevertheless, the Company aims to stay on top of the competition by continually improving existing products, developing and launching new products, and actively responding to consumer preferences and changing trends. As a result, the Company is able to maintain its leading position with prominent market share, on the back of strong financial resources and economies of scale. In addition, the Company diversified product offerings includes Western concepts, e.g. pizza, steak, hamburger and ice cream and other concepts, e.g. Thai, Chinese, Japanese and coffee. The increased geographical footprint results in better coverage of consumers' diverse demand, offering greater diversification and growth for the business.

## **2.3 Competition in Retail Trading Business**

Retail trading business, which includes the distribution of fashion products and cosmetics, has a fairly competitive environment. Although there are many new global fast fashion retailers entering the market, they are concentrated mainly in Bangkok and other major cities. The brands that the Company carries are more penetrated in both Bangkok and upcountry, which is seeing higher consumption growth. The Company's retail trading portfolio continues to be one of the biggest among independent distributors in Thailand. In addition, with retail trading being the first business of Minor Group, the Company is able to leverage on its extensive management expertise and connection. The Company actively keeps up with consumption trend to better address consumer needs. The new online distribution channel, [www.thaisale.co.th](http://www.thaisale.co.th), was successfully launched in response to dynamic consumer behaviors.

## **3. Risks from Making New Investments**

As the Company intends to continue expansion of both domestic and international operations, it is exposed to risks inherent in making any new investments, particularly foreign investment, such as fluctuation in investment value, the success of project initiation, contractual obligation, licensing and laws & regulations, in addition to the generic country risks. The Company closely monitors the development of any new projects through various tools, e.g. thorough due diligence, standard protocols, prudent investment criteria, etc. Local industry experts and legal/accounting professionals are also engaged to work with the Company's specialist teams to ensure its ability to complete the development/acquisition, operate new businesses on a profitable basis and comply with all related rules and regulations. In addition, for countries that the Company has no presence, the Company will joint venture with business partners who have local knowledge and expertise in order to learn the market, industry landscape and business operations. Until the Company is confident with the operations in that particular country will the Company increase its shareholding. This is reflected in the investments in Africa, Maldives, Sri Lanka, Singapore and Australia.

#### **4. Risk from Not Being Able to Secure Desired Locations for the Business**

Some of the Company's hotel properties are on leased land. The Company has the right to renew the lease agreements, with rental fees to be agreed upon, unless the Company voluntarily declines to extend the lease. The Company has been in compliance with all terms and conditions and has maintained excellent relationship with the landlords, and therefore does not foresee such risk arising in the near term.

For restaurant and retail trading businesses, securing prime location is one of the key success factors. Risks include the possibility that rent contracts cannot be renewed or terms and conditions may be changed. Nevertheless, with the scale of its restaurant and retail trading portfolio, together with the strength of the products which helps attract traffic into the shopping center, the Company generally has negotiation power with the landlords, thus allowing it to secure long-term rental agreements.

#### **5. Risk from Non-Renewal and Significant Change of Agreement's Terms and Conditions of Franchise and Distribution Business**

Some of the restaurant brands under the Company's operations are franchised from abroad. There is a risk of contract renewal or changes in terms and conditions of the contracts. To control such risk, the Company requests for renewal well in advance with contract terms of 10 - 20 years (subject to types of agreement). In addition, the Company's reliance on the franchised brands will be reduced, with its goal to increase the brands under its ownership in addition to the existing ones, which are The Pizza Company, Thai Express group, The Coffee Club, Ribs and Rumps and recently acquired Beijing Riverside & Courtyard.

For retail trading business, securing exclusive distribution agreements is crucial. Two types of agreements are automatic renewal and defined term of maturity. There is a risk on the renewal in case of agreements with defined term of maturity, leading to a possible decline in revenues from retail trading. Nonetheless, its compliance with terms and conditions and its long and established relationship with the manufacturers enable the Company to successfully renew its contracts, unless the Company voluntarily declines to do so. In addition, should there be any modifications in the agreements especially on the fee structure, the Company shall negotiate to reach mutual benefits for both parties.

#### **6. Risk from Termination of Hotel Management Contract and Manufacturing Contract**

The Company has increasingly leveraged on its own Anantara and Avani brands to manage non-own hotels in exchange for management fees. Fee structure can be categorized into two phases; a technical service and advisory fee prior to the hotel opening and the management fee once the hotel commences its operations. The management fee is based on the sharing structure of hotel's revenues and profits. Generally, the contract term lasts 10 - 20 years. Should the hotel owners terminate the contract prior to maturity, the Company is entitled to cancellation fees. With many years of experience in hotel management, Anantara is known for its adaptation to local culture and is gaining recognition and trust by international travelers. As at 31 December 2012, the Company has entered into 34 hotel management contracts in Thailand and overseas, diversifying the hotel business both in terms of locations and partners. Of 34 hotel management contracts, 15 hotels are in operation, while the remaining are under construction, and are expected to be opened over the next 3 - 4 years.

One of the Company's subsidiaries, NMT Ltd., conducts contract manufacturing business for global fast moving consumer goods. While barrier to entry is relatively high due to the limited licensed manufacturers, price and product quality play a prominent role in securing orders. With over 20 years of experience, the Company emphasizes on production quality at the appropriate price. Moreover, consistent improvement of production line enables cost reduction. These result in long-term orders from global and regional customers.

## **7. Financial Risks**

### **7.1 Risk from Fluctuation in Exchange Rate**

The Company and its subsidiaries in Thailand receive certain portion of revenues, such as franchise income, hotel management income and income from foreign travel agencies and other foreign sources, in non-Thai Baht currencies. These revenues fluctuate according to the exchange rates against Thai Baht. However, they are naturally hedged, partially, against non-Thai Baht expenses, e.g. franchise expenses, hotel management expenses and costs of retail trading products. The Company and its subsidiaries also reduce the foreign exchange risk exposure by quoting all room rates of domestic hotels in Thai Baht, instead of foreign currency, in order to match Thai Baht revenues and Thai Baht expenses. In terms of funding, financing are generally sourced in the same currency of the assets being financed, thereby establishing natural currency hedge to the extent possible.

As at 31 December 2012, 70% of the Company and its subsidiaries' total liabilities is denominated in Thai Baht, while the remaining 30% is in foreign currencies.

### **7.2 Risk from Interest Rate**

The interest rate risks arise from the volatility of market interest rates, which may have a negative impact on the Company's cash flow. The Company and its subsidiaries manage such risks in accordance with its policy to reduce the Company's exposure to adverse changes in interest rates and the prevailing financial market condition. The Company and its subsidiaries generally maintain the majority of debt borrowing in fixed interest rate.

### **7.3 Risk from Financial Stability and Ability to Borrow and Satisfy Debt Covenants**

In addition to business expansion through asset-light strategy, capital is still required to fund direct investment, development, initiatives and acquisitions. As a result, the Company and its subsidiaries must maintain sufficient liquidity to support its working capital requirements, secure long-term funding in advance and diversify funding sources. The Company and its subsidiaries' strong financial positions ensure compliance with all financial covenants. As of 31 December 2012, the interest bearing debt to shareholders' equity ratio stood at 1.25x.

## 8. Risk from Changing Technology

The Company is reliant upon technology platforms not only for back-of-the-house operations but also for selling and marketing activities. Failing to keep pace with new technology and changing consumer preferences may put the Company at a competitive disadvantage. The Company recognizes the importance of information technology and incorporates it as part of the Company's long-term strategies. Backed by strong financial resources and economy of scale, the Company is able to remain competitive by making necessary investments in new technologies and systems, with a number of key initiatives rolled out in 2012. For example, Anantara's central reservation system improves the visibility of live inventory, promotes rate parity, takes bookings in multiple languages, improves yield management and guest profiling. The new platform of The Pizza Company's website has improved the customer journey, reduced average online ordering time and allowed customers to track their delivery order online.

The Company sees the importance of possible impacts arising from the above risks, and therefore has appointed its internal audit department to periodically evaluate all associated risk factors and effectiveness of risk mitigations. Each business unit performs self assessment exercise to identify possible risks and cooperates with the internal audit department to analyze the impact and likelihood, and to formulate risk-mitigation procedures. Follow ups and re-evaluation are conducted on a continuing basis. Formal Group Risk Management Policy and Procedure is in place and being followed by all business units. The effectiveness of risk management is reported to the Audit Committee and Senior Management on a quarterly basis.

# Good Corporate Governance

The Board of Directors (the Board) of Minor International Public Company Limited (the Company) realizes the importance of Good Corporate Governance, a critical factor for the Company to achieve its long term sustainable growth objectives.

The Board has approved the Good Corporate Governance Guidelines (the Guidelines) for all the Company's business operations and for its directions, management and employees. The Guidelines will be reviewed and modified annually in order to adapt to the changes in business operations, the regulatory environment, and applicable laws.

## 1. Shareholders' Right

The Board values the rights of shareholders and defines a policy in the Guidelines to ensure the Equitable Treatment of all Shareholders and Institutional Shareholders and to encourage them to exercise their rights under the standard legal practices:

- 1.1 All statutory rights of shareholders and Institutional Shareholders that include, voting right, right to receive dividends, right to sell, buy or transfer shares, right to attend shareholders' meetings, and right to receive information that is sufficient, timely, and in a form suitable to allow for the formation of decisions
  - 1.2 The rights to elect and remove directors, and to approve the appointment of independent auditors
  - 1.3 The rights to the division in the profits
  - 1.4 The rights to receive board resolution regarding detailed information of the Board resolution, and the Annual General Meeting (AGM) agendas in advance, not less than 30 days prior to the AGM date via the Company's website in both Thai and English languages
  - 1.5 The rights to receive an invitation notice for the AGM, identifying the date, time and location of the Meeting, detailed information of agenda items, rules and procedures to attend the meeting and issues for consideration. The Meeting will be held on date, time and location that is convenient to shareholders
- In 2012, the Annual General Meeting of the Company was held on 2 April 2012, time 14:00 hrs., at Astor Ballroom, 14<sup>th</sup> Floor, The St. Regis, Bangkok, whereas the invitation notice was sent to all shareholders in advance, not less than 14 days before the meeting.
- 1.6 The Company allows shareholders and Institutional Shareholders to send their questions to the Company prior to the meeting date via the Company's website.



## 2. Equitable Treatment of Shareholders

The Board values the importance of Equitable Treatment to Shareholders and Institutional Shareholders and has established policies to supervise, protect and promote the shareholders' rights to ensure that all shareholders will be treated fairly and equally. Furthermore, the policy relating to the Equitable Treatment to Shareholders must be in accordance with the guidelines, rules and regulations of the SET, and the SEC, as well as related laws. The key policies that have been established to ensure the equitable and fair treatment of shareholders are:

### 2.1 To grant shareholders and Institutional Shareholders the opportunity to propose AGM agenda items of the Meeting in advance.

Shareholders have the right to propose additional items to the agenda of the AGM in advance, so that all shareholders have equal opportunity to pose questions, request explanations, and express their views to the Board and the AGM as appropriate. All criteria required to propose AGM agenda items are disclosed on the Company's website.

In AGM 2013, the Company has granted shareholders the opportunity to nominate the qualified candidates for directorship in advance of the meeting. The nominee must have all the qualifications of the Directors according to the Company's criteria for the nomination of directors. The process of Director's nomination consideration will be in accordance with the written criteria as disclosed on the Company's website.

### 2.2 To grant all shareholders and Institutional Shareholders who cannot vote in person, be able to vote by proxy

2.2.1 In case shareholders and Institutional Shareholders cannot attend the Meeting, the Company has provided 3 proxy forms prescribed by the Department of Commercial Registration, Ministry of Commerce to be used in any shareholders' meeting in order to facilitate the proxy. The shareholders may select any form of the three provided.

2.2.2 The granter may select the Company's independent director to facilitate the proxy. The Company has attached the independent director's profile with the proxy form.

### 2.3 Equitable Treatment at the AGM

2.3.1 Shareholders have the right to vote in the meeting according to the number of shares owned by each shareholder, where one share is entitled to one vote.

2.3.2 Before commencing the Meeting, the Chairman of the Meeting will explain the voting procedures and vote-counting procedures to shareholders.

2.3.3 The Chairman of the Board and the Chairman of the Committees will attend the Meeting in order to provide shareholders the opportunity to ask issues relevant to the agenda or the Company's operation.

2.3.4 The Company allows shareholders to elect directors on individual basis.

2.3.5 The Chairman of the Meeting conducts the Meeting in the sequence as given in the agenda as stated in the invitation notification. No additions to the agenda or alteration of sequence of agenda items will be made, except for appropriate reasons.

2.3.6 In order to ensure the transparency and compliance with auditing standards, the Company uses voting cards for all agenda items in AGM. In addition, to permit accurate and timely reporting, the Company uses technology of barcode system and electronic PDAs in registration and vote-counting. For the clear and transparent voting results, the Company arranges independent party to monitor the vote-counting.

2.4 After AGM, the Company will prepare the minutes of the Meeting according to agenda with voting results of each agenda item specifying affirmative, negative and abstention vote counts, and details of important matters discussed. The minutes of the Meetings will be disclosed on the Company and the SET's website within 14 days of AGM date.

## 2.5 Policy and Measures on Inside Information

The Company has established an explicit policy and measurement to prevent all directors and management from using inside information for their own interests. Directors and senior management are to notify the Corporate Secretary of every transaction they make regarding the trading of the Company's securities prior to submitting the Securities Holding Report to the SEC. The Company also asks for cooperation of all directors and senior management to refrain from trading the Company's securities during period with sensitive and material information that would impact the Company's security price. The Company will send written notifications to all directors and senior management to abstain from trading the Company's securities at least 30 days before the disclosure to the public.

## 3. Roles of Stakeholders

The Company realizes the importance of ensuring that all stakeholders' rights are properly observed. Pertinent procedures are carried out in line with the rules and regulations of the SET, the SEC as well as the related laws.

### Shareholders

The Company does not only ensure that all shareholders are entitled to all basic rights of shareholders; i.e., the right to attend shareholders' meeting, the right to express opinions in the meeting, the right to propose agenda in advance, etc., but the Company is also committed to creating long-term growth and returns to the shareholders and conducting its business in the transparent manner.

### Customers

The Company is committed to continuously developing better quality of goods and services, taking safety issue into consideration, in order to maximize the benefit and satisfaction of its customers. The Company focuses on managing end-to-end customer experience to ensure that the customers receive 100% satisfaction. The Company starts to get involved in other aspects of customers' experience with the Company beyond the normal customer interactions. For example, Minor Food Group initiated a program to include the telephone number and email of the brands' customer relations team at the bottom of receipts so customers can reach out to them when needed. The Company also supervises that responsible media is created when communicating to the customers without controversial or incorrect contents.

<b>Partners</b>	The Company treats all partners equally and fairly, taking into consideration mutual benefits. The Company is committed to developing relationships which will maximize all parties' benefits.
<b>Creditors</b>	The Company treats creditors fairly, and observes and complies strictly to all agreed terms and conditions of payments and all of the obligations to creditors.
<b>Competitors</b>	The Company abides by the framework of fair competition and will not damage the reputation of competitors through false accusations.
<b>Employees</b>	<p>The Company considers its employees a valuable asset and treats them fairly with regards to work opportunities, remuneration, and quality of working environment. The Company also provides all employees with professional and career development training by promoting high standards, operational excellence, ethical conduct, efficient evaluation systems and continuous improvement programs, while at the same time, encourages entrepreneurial thinking.</p> <p>The Company provides training courses in relevant areas such as sales, marketing, accounting, leadership, software program and English literacy, as well as softer skills such as grooming and personal hygiene.</p> <p>Apart from salary and provident fund that are fundamental returns for Company's management and employees, the Company also provides annual medical benefits. In addition, the Company has a reward policy where incentive bonus is paid when the Company's performance target is met.</p> <p>Regarding human rights, the Company is committed to treating all employees fairly, with dignity and with respects. All employees are entitled to work in an environment without verbal, physical and sexual harassment.</p> <p>The Company conducts business with a commitment to avoid corruption of all forms, and institutes a risk management process and scrutiny to prevent and control corruption and malfeasance. Also, the Company encourages the company culture where people are firmly committed to integrity and ethics.</p>
<b>Society and Environment</b>	The Company is committed to conducting businesses that benefit the economy and society, taking into consideration the preservation of environment. The Company has established the Corporate Social Responsibility (CSR) Department to instill corporate culture and promote to the Company's staff the importance of taking care of, developing and supporting the society, environment, and all stakeholders, in harmony with the Company's sustainable growth objectives through various campaigns and activities.

In terms of social development, the Company operates many projects that promote the quality of life of disadvantaged children and people in various fields; i.e., education, career opportunities and health. In addition, the Company provides emergency relief at times of natural disaster to help the community.

Caring deeply about the community and the environment, the Company encourages the employees and customers to be concerned about environmental protection through a “rethink, reduce, reuse and recycle” life style. The Company continuously operates projects and activities with strategies to conserve energy, reduce waste, save the wildlife and the environment and increase participation in the local communities.

Details of Company’s environmental and social activities in the year 2012 are available in Sustainable Development Report (SD Report).

#### **Whistle-blower Service:**

The Company supports whistle-blower service by encouraging stakeholders to request information, or notify any claims and violations relating to financial reports, internal control system, human rights or business ethics through the Company by sending an e-mail to independent directors or the Audit Committee through e-mail: [complaintMINT@minor.net](mailto:complaintMINT@minor.net). The internal auditor will review these communications and advise the Audit Committee. All communications regarding claims and violations will be protected, and kept confidential. The Audit Committee will investigate these matters, recommend corrective actions (if any) and will address the outstanding concerns to Board.

## **4. Disclosure**

### **4.1 Investor Relations**

The Board stresses on the importance of disclosure of both quantitative and qualitative information in a sufficient, accurate and timely manner. As part of the strategic planning unit which reports to the Chairman and Chief Executive Officer, the Investor Relations Department has developed and established yearly Investor Relations plan. The Investor Relations Department also ensures efficient communication process and channels to communicate information including the Company’s vision, mission statements, strategies, financial and operational information to shareholders, equity analysts, target investors and fund managers. Last year, the Company successfully delivered the Company’s information through various tools including news releases, conference calls, quarterly presentations, local and international investor road shows, IR website, Annual Reports, fact sheets, IR materials, and announcements through the SET and the SEC.

The Company regularly keeps analysts, investors and employees informed by holding analyst meetings, road shows, conference calls and investor conferences. The Company also participates in various SET events organized for both institutional and retail investors. In addition, interested parties can arrange company visits to meet with Company’s management to obtain information regarding the Company’s operations at their convenient time.

Details of Investor Relations activities in the year 2012 are as listed in the table:

Activity	2012 (Times)
Domestic road shows (Both institutional and retail investors)	10
International road shows	17
Analyst meetings	4
Company visit/conference calls	88
Joint activities with SET and other agencies to meet investors (Combination of domestic and international roadshows)	7
Site visits	2

In addition, the Company disseminates information regarding business activities and project updates, and addresses questions and coordinates with the press for the public.

The Company provides a central point of investor contact, Mr. Chaiyapat Paitoon, VP of Strategic Planning.

#### 4.2 Corporate Governance Guidelines

The Board sees the importance in the monitoring of Corporate Governance Guidelines, which are necessary for long term sustainable growth. These written guidelines are reviewed annually. The guidelines define rights and equitable treatment of shareholders, vision, mission, and principal responsibilities of the Board, business principles, integrity and business control, conflict of interest, CSR guidelines, workplace environment, disclosure, and policies involving stakeholders including customers, and community. The Board also approves the policy on business ethics for employees, as working principles, to promote transparency and stipulate reporting channels in case of illegal behavior or violation of established guidelines.

Annually, directors, the management, and related parties are required to prepare report of interests as basic information for the Company to monitor and manage vested interests at the levels of directors and the senior management. The directors and the management are required to report such matter every year and whenever there is any change. The Corporate Secretary is to keep, compile, and submit the copy to the Chairman of the Board and the Chairman of the Audit Committee.

All Company directors and management, including their spouses and children not yet of legal age, must report any changes in their Company share ownership to SEC under Article 59 of the Securities and Exchange Act B.E. 2535 (1992) within three days from the date of sale, purchase, disposal or receipt of such shares, and at the end of each quarter and each year.

#### 4.3 Report of the Board of Directors

The Board is responsible for the consolidated financial statements of the Company and its Subsidiaries, and the financial information shown in the Annual Report. The Company has effective internal control system, in order to ensure that financial statements are accurate and sufficient as per appropriate accounting policy according to accounting standards in Thailand, and to ensure the proper disclosure of financial information.

The Board has appointed members of the Audit Committee, which comprises of independent directors, to be responsible for the oversight of financial reporting and internal control. The Opinion Report of the Audit Committee is shown in the Annual Report.

#### 4.4 Remuneration of Directors and Management

The Company sets the remuneration of directors and senior management based on relevant industry practices in order to maintain its competitiveness to attract and retain key personnel. The remuneration for directors are meeting fees and fixed fees, whereas remuneration for senior management are salary and bonuses. In addition, the Company has ESOP warrants and Employee Joint Investment Program (EJIP), with vesting terms of up to 4 - 5 years in order to motivate management to create the long-term growth. The Compensation Committee, which comprises independent directors and non-executive directors, will approve the salaries and bonuses of executive directors, and determine the allocations under the ESOP and EJIP program.

##### 4.4.1 Directors' Remuneration

2012 remuneration paid to directors and senior management were as follows;

Directors	Attendance/ BOD Meeting	Fee for each Meeting (Baht)					
		Board	AC	CC	NCG	Fee from Subsidiaries	Total
1. Mr. William E. Heinecke	6/6	200,000	-	-	-	180,000	380,000
2. Mr. Paul C. Kenny	6/6	200,000	-	-	-	-	200,000
3. Mr. Kenneth L. White	6/6	1,200,000	440,000	100,000	125,000	-	1,865,000
4. Mr. Weerawong Chittmittrapap	6/6	1,200,000	-	-	125,000	-	1,325,000
5. Mr. Anil Thadani	5/6	1,175,000	-	100,000	125,000	180,000	1,580,000
6. Khunying Jada Wattanasiritham	6/6	1,200,000	260,000	100,000	-	-	1,560,000
7. Mr. Emmanuel Jude Dillipraj Rajakarier	6/6	200,000	-	-	-	180,000	380,000
8. Mr. Michael David Selby*	1/6	25,000	-	-	-	-	25,000
9. Mr. Patee Sarasin**	5/6	950,000	140,000	-	-	-	1,090,000
10. Ms. Chantana Sukumanont***	1/6	250,000	40,000	-	-	-	290,000

\* Appointed on 21 February 2012

\*\* Appointed on 2 April 2012

\*\*\* Resigned after the completion of her terms of office on 2 April 2012

**Note:** AC = Audit Committee CC = Compensation Committee NCG = Nominating and Corporate Governance Committee

In addition to the remuneration, directors also received director privileges, whose value is equivalent to Baht 25,000 per property per year for the Director and his or her immediate family.

##### 4.4.2 Management Remuneration

In 2012, the Company paid remuneration of totally Baht 171 million.

## 4.5 Committee's Functions

The Board has set and appointed members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Compositions of each committee are detailed in the shareholders' structure and management section.

### 4.5.1 Summary of the Committees' Meeting Attendance

Directors	Attendance/ Audit Committee Meetings	Attendance/ Compensation Committee Meetings	Attendance/NCG Committee Meetings
1. Mr. Kenneth L. White	4/4	1/1	2/2
2. Khunying Jada Wattanasiritham	4/4	1/1	-
3. Mr. Patee Sarasin*	1/4	-	-
4. Mr. Weerawong Chittmittrapap	-	-	2/2
5. Mr. Anil Thadani	-	0/1	1/2
6. Ms. Chantana Sukumanont**	1/4	-	-

\* Appointed on 25 May 2012, attending the first meeting at meeting No. 3/2012

\*\* Resigned after the completion of her terms of office on 2 April 2012

## 4.6 Policy on Corporate Social Responsibilities

The Board realizes the importance for the Company to conduct its business in a manner that provides benefits to the economy, society, and the environment. The Company established the Corporate Social Responsibility Department to instill corporate culture and promoted to the Company's staffs the importance of taking care of, developing and supporting the society, environment, and all stakeholders in harmony with the Company's sustainable growth objectives. The CSR activities in 2012 are detailed in Corporate Social Responsibilities Section and Sustainable Development Report (SD Report).

## 5. Responsibilities of the Board

### 5.1 The Composition of the Board and Committees

#### 5.1.1 Composition and Qualification of Directors

5.1.1.1 The Board consists of at least five members, but not more than eleven. No fewer than half of these board members must be based within the Kingdom. The board members must have the qualifications as stipulated by the Public Company Limited Act, and related laws.



As of 31 December 2012, the composition of the Board of Directors of the Company is as follows:

- 6 Non-executive directors (66.67% of the Board)
- 3 Executive directors (33.33% of the Board)
- 4 Independent directors (44.44% of the Board)

The Board should have diverse skill mix, including industry knowledge, accounting and finance, management skills, international markets, business strategy, crisis management, corporate governance and legal. The diversity also includes in gender, nationality, education, ethnic group, age, marital status, political opinion and religion.

5.1.1.2 There are at least three independent directors, and not less than one-third of the Board size. All independent directors must have the qualifications under the Company's independent director definition, the SEC Announcement and the SET Notification.

5.1.1.3 Directors must possess knowledge, capabilities and experience which can benefit the Company's business operations. Nominate and Corporate Governance Committee will consider the qualifications of the director candidates through transparent pre-selection procedures and propose to the Board for final consideration. The director candidates who are selected by the Board will be included in AGM agenda. All directors' information will be disclosed in the Annual Report and on the Company's website.

5.1.1.4 The Company's director must not serve on more than five boards of Thai listed public companies.

5.1.1.5 In each year, the Nominating and Corporate Governance Committee will screen candidates for directorship, taking into consideration the nomination by minority shareholders, as well as other external sources, such as Thai Institute of Directors, etc. The Nominating and Corporate Governance Committee will make preliminary selections and recommendations to the Board. The recommendations are based on Director Qualifications as defined in the Corporate Governance Guideline.

#### 5.1.2 Balance of Power of Directors

As of 31 December 2012, the Board comprises of 9 members, with 6 non-executive directors, representing more than 50% of the board size.

#### 5.1.3 Aggregation or Segregation of Positions

The Chairman of the Board and the Chief Executive Officer is the same person and is not in dependent. Nevertheless, the current board structure maintains an appropriate check and balance system because majority of Board members are non-executive directors.

#### 5.1.4 The Committees

The Board has established three committees which are Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

5.1.4.1 Audit Committee comprises of a minimum of three independent directors. All members must be independent directors under the Company's definition, the SEC Announcement and the SET Notification.

5.1.4.2 Compensation Committee and Nominating and Corporate Governance Committee comprise directors, of which at least half must be independent directors.

5.1.4.3 The Chairman and members of all committees must not be the Chairman of the Board.

**Note:** Please see details of each committee, definition of Independent Director and scope of responsibility of each committee in Shareholders' structure and Management section.

#### 5.1.5 Corporate Secretary

The Company has assigned the Corporate Secretary to be in charge of the following responsibilities;

5.1.5.1 Prepare and file Board and Shareholder documents, including directors' share registration records, notices of Board's and Shareholders' meetings, minutes of Board's and Shareholders' meetings, and the Company's Annual Report and quarterly financial reports

5.1.5.2 File reports related to the conflict of interest of directors and management

5.1.5.3 Advise on the rules and regulations relevant to the director's functions and responsibilities

5.1.5.4 Administer other activities as directed

## 5.2 Roles, duties and responsibilities of the Board

#### 5.2.1 Leadership and Vision

Each individual director has leadership characteristics, vision and is independent in decision making, and participates in defining the Company's goals, vision, mission, strategies, business targets, business plans and budgets. The Board also monitors that management implements the business plans efficiently and independently, in order to maximize the economic value of the business, and the shareholders' value.

#### 5.2.2 Segregation of Roles, duties and responsibilities between the Board and management

The Board and Management have clearly segregated roles, duties and responsibilities. The Board will consider and approve the policies such as vision, mission, strategies, Corporate Governance guidelines, and overall financial objectives, whereas management will manage the business operations under policies defined by the Board. Roles, duties and responsibilities of the Board and Management are detailed in Shareholder's structure and management section.

#### 5.2.3 Policy on Corporate Governance

The Board takes a serious interest and fully supports the Corporate Governance principles and practices with written Corporate Governance guidelines for all operations within the Company and its affiliated companies. The Company also issued a policy on business ethics for employees, as working principles, to promote transparency and stipulate reporting channels in case of illegal behavior or violation of established guidelines. The Board has assigned the NCG Committee to supervise directors, management and employees to perform their duties under the Guidelines. The NCG Committee will review the Guidelines annually, in order to respond to changing situations and the guidelines of the SET, the SEC and other organizations prescribing corporate best practices.

#### 5.2.4 Policy on Conflict of Interest

In order to avoid any conflicts of interest, the Management and the Board has established a written policy and approval process for any connected transactions or conflict of interest persons.

For any transactions that are related to any director of the Company, that particular director does not have the right to vote or participate in the Board discussion on such transactions. The Board also has established a policy that prohibits management and staff from utilizing the Company's information for personal use.

Directors, management and executives have a blackout period whereby they are prohibited to buy, sell or transfer MINT's shares 30 days before the disclosure of Financial Statements.

#### 5.2.5 Internal Control System

The Company stresses the importance of strong internal control throughout the organization. Written responsibilities, authority delegation, and management controls have been adopted to create transparency for utilization of the Company's resources. The duties of staff, controllers and evaluators have been established in order to ensure that proper verification, monitoring and balancing of power processes are in place.

The Company has an Internal Audit Department to verify and balance the management control process. Internal Audit Department reports directly to the Audit Committee in order to ensure that tasks and financial activities are performed according to the guidelines and that the Company is in compliance with all regulations.

#### 5.2.6 Risk Management System

Certain aspects of its business operation may expose the Company to both internal and external risks. The Company recognizes the importance of controlling these risks and minimizing the possibility of any negative impact to the Company. The Company has assigned Internal Audit Department to assess and monitor these risks. In assessing risks, every department has to identify risk factors that may arise from its operations such as risks from business production, management, finance and compliance. The Internal Audit Department and other departments that identified these risk factors will together collect information and assess risk exposure in order to take action to prevent or minimize the negative impacts. The Company has established a formal risk management policy and procedure and reviews it annually.

#### 5.2.7 Board of Directors' Meeting

To ensure attendance of the Board meetings, Corporate Secretary has informed directors' schedule meetings for the year 2012 in advance. Directors can propose the agenda items to the Chairman of the Board (CEO). The Corporate Secretary will send Board notices with the agenda to all directors at least seven days before the meeting.

For the year 2012, there are a total of 6 Board meetings. The Corporate Secretary sent notices to the Board at least 7 days before the Meetings. The Chairman of the board attended all 6 Board meetings. During the Meetings, the Chairman of the Board appropriately allocated time for directors to carefully review and discussed all relevant information. Written minutes

are also made available for verification and approved by the Board. In addition, the Company regularly sends monthly performance summary to the Board.

For the year 2013, the Company will follow the aforesaid meeting procedures.

At the Board meeting, any director or executive who may have vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.

MINT Executives are allowed to attend the Board's meetings to provide useful information to the Board, and to learn directly about the Board's initiatives and policies for effective implementation.

### **5.3 Board of Directors' Self Assessment**

The Board and sub-committees conduct annual self assessments to determine how well the committee performs its duties and finds ways to improve the efficiency of the Board going forward. Moreover, the Nominating and Corporate Governance Committee reviews the comments and suggestions from the Board and all committees to improve each of the committee's performance and enhance their efficiency.

For the self assessment of 2012, the Board agreed to apply the assessment form of 2011. The form is a survey of 8 topics in 2 areas, which are Importance Topics to the Board and Board Performance. The result of the survey showed that the survey topics are important and the practice of the Board is in accordance with the Board guideline.

### **5.4 Board and Management Development**

#### **5.4.1 Board and Management Training**

The Company encourages and facilitates training and self development for all directors and management in relation to the Company's business operations and strategies, and Corporate Governance Guidelines. New directors are provided with orientation programs as well as handbooks that cover roles, authorities and responsibilities of directors, Corporate Governance policies, memorandum of associations, articles of associations, the Company's vision, mission, and framework of business operations. New directors also attended meetings in regards of strategic plan formulation.

#### **5.4.2 Succession Plan**

The Board will annually approve and maintain a Succession Plan for the CEO and management.

# Shareholders' Structure and Management

The Board structure consists of the Board of Directors, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

## Board of Directors

On 31 December 2012, the Board of Directors comprised of 9 directors as follows;

1. Mr. William E. Heinecke	
<b>Positions</b>	<ul style="list-style-type: none"> <li>Chairman (Elected 1979)</li> <li>Chief Executive Officer</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>64 years (Born in 1949)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>Honorable Doctoral Degree of Business Administration in Management, Yonok College</li> <li>International School of Bangkok</li> <li>Director Certificate Program, Thai Institute of Directors Association</li> </ul>
<b>Other Current Positions</b>	<ul style="list-style-type: none"> <li>Chairman of Minor International Pcl.'s subsidiaries</li> <li>Chairman of Minor Corporation Pcl. and its subsidiaries</li> <li>Chairman of the Minor Food Group Pcl. and its subsidiaries</li> <li>Director of Rajadamri Hotel Pcl. and its subsidiaries</li> <li>Independent Director of Indorama Ventures Pcl.</li> <li>Director of Everest Worldwide Ltd.</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>Director of Sermisuk Pcl.</li> <li>Director of S&amp;P Syndicate Pcl.</li> <li>Director of Saatchi &amp; Saatchi Limited</li> <li>Chairman and Managing Director of Ogilvy &amp; Mather (Thailand) Limited</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>MINT: 605,000,572 shares or 16.41% of paid up shares</li> <li>MINT-W4: 47,261,446 units</li> </ul>
2. Mr. Kenneth Lee White	
<b>Positions</b>	<ul style="list-style-type: none"> <li>Independent Director (Elected in 1998)</li> <li>Chairman of the Audit Committee</li> <li>Chairman of the Compensation Committee</li> <li>Member of the Nominating and Corporate Governance Committee</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>66 years (Born in 1946)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>Master of Business Administration, University of Puget Sound</li> <li>Director Certification Program, Thai Institute of Directors Association, Fellow Member IOD</li> </ul>

<b>Other Current Positions</b>	<ul style="list-style-type: none"> <li>• Managing Director of Pacific Siam Strategic Consulting Co., Ltd.</li> <li>• Director of Finansia Pcl.</li> <li>• Director of Finansia Asset Management Limited</li> <li>• Director and Audit Committee member of Goodyear Pcl.</li> <li>• Past Governor of the American Chamber of Commerce</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>• General Manager of The Chase Manhattan Bank N.A.</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: 76,025 shares or 0.00% of paid up shares</li> <li>• MINT-W4: 6,911 units</li> </ul>
<b>3. Khunying Jada Wattanasiritham</b>	
<b>Positions</b>	<ul style="list-style-type: none"> <li>• Independent Director (Elected in 2008)</li> <li>• Member of the Audit Committee</li> <li>• Member of the Compensation Committee</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 68 years (Born in 1945)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• M.A. Economic Development, Williams College, Massachusetts</li> <li>• B.A. Natural Sciences &amp; Economics, Cambridge University</li> <li>• M.A. Natural Sciences &amp; Economics, Cambridge University</li> </ul>
<b>Other Current Positions</b>	<ul style="list-style-type: none"> <li>• Independent Director and Member of the Corporate Social Responsibility Committee, and Member of the Nomination, Compensation, and Corporate Governance Committee, the Siam Commercial Bank, Pcl.</li> <li>• Chairman, Thai Institute of Directors (IOD)</li> <li>• Chairman, SCB Life Assurance Pcl.</li> <li>• Chairman, Siam Commercial Samaggi Insurance Pcl.</li> <li>• Chairman, Siam Paragon Development Co., Ltd.</li> <li>• Director, Siam Piwat Co., Ltd.</li> <li>• Expert Member, Government Pension Fund and Chairman of the Audit Committee and Member of the Performance Assessment and Remuneration Committee, Government Pension Fund</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>• Department of Economic Research, Bank of Thailand</li> <li>• President and CEO, The Siam Commercial Bank, Pcl.</li> <li>• Chairman and Chairman of the Compensation Committee, Thai Assets Management Corporation</li> <li>• Independent Director and Chairman of the Audit Committee, PTT Pcl.</li> <li>• Director and Chairman of the Audit Committee, The Stock Exchange of Thailand</li> <li>• Chairman, the Thai Bankers' Association</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: -None-</li> <li>• MINT-W4: -None-</li> </ul>
<b>4. Mr. Patee Sarasin</b>	
<b>Positions</b>	<ul style="list-style-type: none"> <li>• Independent Director (Elected in 2012)</li> <li>• Member of the Audit Committee</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 51 years (Born in 1962)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• Master Degree in Mass Communication Film and Video, American University, Washington, D.C., USA</li> </ul>

<p><b>Other Current Positions Experiences</b></p> <p><b>% of Shareholding as of 31 December 2012</b></p>	<ul style="list-style-type: none"> <li>• Bachelor Degree in Business Administration and Computer Science, Clark University, Massachusetts, USA</li> <li>• Kings School, Canterbury, England</li> <li>• CEO of Nok Airlines Co., Ltd.</li> <li>• CEO of Bates Advertising Thailand, a JV between SPA and Bates World wide</li> <li>• General Manager of Multi Media Orbit Co., Ltd.</li> <li>• Management Committee and Creative Liaison Officer of SPA Advertising</li> <li>• The Creative &amp; Production with NBC, The U.S. Television Network</li> <li>• Research Manager of Lintas</li> <li>• MINT: -None-</li> <li>• MINT-W4: -None-</li> </ul>
<p><b>5. Mr. Weerawong Chittmittrapap*</b></p>	
<p><b>Positions</b></p> <p><b>Age</b></p> <p><b>Educational Credentials</b></p> <p><b>Other Current Positions</b></p> <p><b>% of Shareholding as of 31 December 2012</b></p>	<ul style="list-style-type: none"> <li>• Independent Director (Elected in 2011)</li> <li>• Chairman of the Nominating and Corporate Governance Committee</li> <li>• 55 years (Born in 1958)</li> <li>• LL.M., University of Pennsylvania, USA</li> <li>• LL.B., Chulalongkorn University, Thailand</li> <li>• Director Certification Program, Thai Institute of Directors Association</li> <li>• Chairman, Weerawong, Chinnavat &amp; Peangpanor Ltd.</li> <li>• Independent Director and Member of Audit Committee, Thai Airways International Pcl.</li> <li>• Independent Director and Chairman of the Audit Committee, Golden Land Property Development Pcl.</li> <li>• Independent Director, National Power Supply Pcl.</li> <li>• Independent Director and Member of Audit Committee, SCB Life Assurance Pcl.</li> <li>• Independent Director and Member of Audit Committee, GMM Grammy Pcl.</li> <li>• Independent Director and Member of Audit Committee, Berli Jucker Pcl.</li> <li>• MINT: -None-</li> <li>• MINT-W4: -None-</li> </ul>
<p><b>6. Mr. Michael David Selby</b></p>	
<p><b>Positions</b></p> <p><b>Age</b></p> <p><b>Educational Credentials</b></p> <p><b>Other Current Positions</b></p>	<ul style="list-style-type: none"> <li>• Director (Elected in 2012)</li> <li>• 59 years (Born in 1954)</li> <li>• M.A. International Law &amp; Finance, George Washington University - National Law Center, USA</li> <li>• B.A., George Washington University, USA</li> <li>• Associate Electrical Engineering - Cornell University, USA</li> <li>• Director of CPB Equity Co., Ltd.</li> <li>• Director of CPB Property Co., Ltd.</li> <li>• Director of Kempin Siam Co., Ltd.</li> <li>• Director of Nok Airlines Co., Ltd.</li> <li>• Chairman of the NCG Committee of Kempinski AG</li> <li>• Executive Director of AEA - SOS International</li> </ul>



<b>Experiences</b>	<ul style="list-style-type: none"> <li>• Director of Government Pharmaceutical Organization - Merieux Biology</li> <li>• Director of Sri Jul Sup Co., Ltd.</li> <li>• Director of PTT Gas Co., Ltd.</li> <li>• Director of Christiani &amp; Nielsen (Thai) Pcl.</li> <li>• Director of Rajadamri Hotel Pcl.</li> <li>• Director of SCB Life Insurance Pcl.</li> <li>• Director of AON Risk Services (Thailand) Limited</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: -None-</li> <li>• MINT-W4: -None-</li> </ul>
<b>7. Mr. Anil Thadani</b>	
<b>Positions</b>	<ul style="list-style-type: none"> <li>• Director (Elected in 1998)</li> <li>• Member of the Nominating and Corporate Governance Committee</li> <li>• Member of the Compensation Committee</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 66 years (Born in 1946)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration, University of California, Berkeley, USA</li> <li>• Master of Science, University of Wisconsin, Madison, USA</li> </ul>
<b>Other Current Positions</b>	<ul style="list-style-type: none"> <li>• Director of Rajadamri Hotel Pcl.</li> <li>• Founder and Chairman of Symphony Investment Managers Limited</li> <li>• Founder and Director of Symphony International Holdings Limited (listed on London Stock Exchange)</li> <li>• Member of Board of Trustees of the Singapore Management University</li> <li>• Chairman of SMU Enterprise Board, The Institute of Innovation and Entrepreneurship, Singapore Management University</li> <li>• Member of International Institute for Strategic Studies</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: 63,457,752 or 1.72% of paid up shares</li> <li>• MINT-W4: 2,521,323 units</li> </ul>
<b>8. Mr. Paul Charles Kenny</b>	
<b>Positions</b>	<ul style="list-style-type: none"> <li>• Director (Elected in 1997)</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 64 years (Born in 1949)</li> </ul>
<b>Education Credentials</b>	<ul style="list-style-type: none"> <li>• General Management Program, Ashridge Management College, England</li> <li>• Director Certificate Program, Thai Institute of Directors Association</li> </ul>
<b>Other Current Positions</b>	<ul style="list-style-type: none"> <li>• Chief Executive Officer and Director of The Minor Food Group Pcl. and Directors of its subsidiaries</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: 7,350,185 shares or 0.19% of paid up shares</li> <li>• MINT-W4: 434,627units</li> </ul>

## 9. Mr. Emmanuel Jude Dillipraj Rajakarier

<b>Positions</b>	<ul style="list-style-type: none"> <li>• Director (Elected in 2008)</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 48 years (Born in 1965)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration, UK</li> <li>• Degree in Computer Systems Analysis &amp; Design, Sri Lanka</li> <li>• Director Certificate Program, Thai Institute of Directors Association</li> </ul>
<b>Other Current Positions</b>	<ul style="list-style-type: none"> <li>• CEO &amp; Director of Minor International Pcl.'s subsidiaries</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>• Deputy Chief Financial Officer of Orient-Express Hotels, Trains &amp; Cruises</li> <li>• Group Financial Controller of Easi Solutions Pcl.</li> <li>• Financial Controller of Le Piaf Restaurants</li> <li>• Financial Controller of Desert Express Ltd. T/A Monte's, London</li> <li>• Financial Controller/Group Accountant of London Wine Bars Ltd.</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: 1,857,630 shares or 0.05% of paid up shares</li> <li>• MINT-W4: 37,000 units</li> </ul>

### Note:

\* According to the Board of Directors meeting no. 1/2012, on 21 February 2012, the Board has unanimously approved the waiver of one of the qualifications of Mr. Weerawong Chittmittrapap, an independent director, that is not in compliance with the SEC's criteria in providing professional services including legal advice which received a service fee higher than two million baht per year from the Company. This was due to the fact that the Company has engaged Weerawong, Chinnavat and Peangpanor Ltd. ("WCP"), which Mr. Weerawong Chittmittrapap is the Chairman, as legal counsel. The Board approved the waiver of the said qualification based on the following reasons:

1. Since Mr. Weerawong has a good knowledge of the Company's businesses and the authorities' rules and regulations relating to the Company's businesses or affecting the Company and/or its business operation so that he could assist the Company to be well prepared and properly and immediately comply with the said rules and regulations as well as to proceed with any prevention for any negative effect which may occur. It is therefore necessary for the Company to retain Mr. Weerawong as an independent director;
2. The Board of Directors opines that this engagement of WCP does not affect the performance and duty of Mr. Weerawong in rendering his opinion independently.
3. The Company shall disclose this engagement and waiver in the Invitation to the shareholders' meeting in the Agenda on considering and re-electing Mr. Weerawong as an independent director of the Company.

The Board of Directors is responsible for setting policy, planning, controlling, and making decision about the Company's operations and new business investments, except those required by law to be passed by resolution from a shareholders meeting.

## Audit Committee

On 31 December 2012, the Audit Committee comprised of 3 directors as follows;

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| 1. Mr. Kenneth Lee White*         | Chairman and Independent Director |
| 2. Khunying Jada Watthanasiritham | Member and Independent Director   |
| 3. Mr. Patee Sarasin              | Member and Independent Director   |

\* Audit Committee member who is experienced in reviewing financial statement.

### Audit Committee Scope of Responsibilities

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare the committee's report which must be signed by the audit committee's chairman and consist of at least the following information;
  - an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - an opinion on the adequacy of the Company's internal control system,
  - an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - an opinion on the suitability of an auditor,
  - an opinion on the transactions that may lead to conflicts of interests,
  - the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors;
7. In the case that it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the audit committee shall report it to the board of directors for rectification within the period of time that the audit committee, as deemed appropriated:
  - a transaction which causes a conflict of interest,
  - any fraud, irregularity, or material defect in an internal control system, or
  - an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.
8. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

(The details of roles and responsibilities of Audit Committee is shown in the Audit Committee charter, prescribed in the Company's website)

## Definition of Independent Directors

The Board of Directors has determined the definition of “Independent Director” as follows:

1. Holding shares of not more than 1% of total voting rights of the company, parent company, subsidiaries, associates, major shareholder or the company controlling person. The number of held shares shall be inclusive of shares held by any related persons of independent director.
2. Not being or having been an executive director, employee, staff member, advisor who receives a regular salary or being a controlling person of the company, parent company, subsidiaries, associates, subsidiaries which have the same parent company, major shareholder or the company controlling person except where such relationship was terminated for at least two years before appointment as an independent director.
3. Not being a person who is related by blood or registration under laws, including mother, father, spouses, sibling and children and spouse of children of management, major shareholder, controlling person or a person to be nominated as management or controlling person of the company or subsidiaries.
4. Not having or having had a business relationship with the company, parent company, subsidiaries, associates, major shareholders or the company controlling person which may compromise independence. In addition, independent directors may not be or have been a significant shareholder, or controlling person who had a business relationship with the company, parent company, subsidiaries, associates, or major shareholder or the company controlling person, except where such relationship was terminated for at least two years before appointment as an independent director.

The relationships mentioned in the first paragraph include normal business transactions, transactions regarding rental or lease of immovable assets, transactions related to assets and services, transactions regarding financial assistance including lending, borrowing, guarantees, or providing assets to pledge or mortgage loans or any other similar action, which have transaction values of higher than 3% of net tangible assets or 20 million baht, whichever is lower. The calculation will include the transaction value taking place with the same person who has business relationship during 12 months period prior to the day of the decision to enter into the transaction and will be subject to the Capital Market Advisory Board Re: Rules on Connected Transactions.

5. Not being or having been an independent auditor of the company, parent company, subsidiaries, associates, major shareholders, or the company controlling person, and not being a significant shareholder, controlling person or partner of the audit firm which has provided independent auditor services to the company, parent company, subsidiaries, associates, major shareholder or the company controlling person except where such relationship was terminated at least two years period before appointment as an independent director.
6. Not providing or having been providing professional services including legal advice, financial advice in consideration of service fees that are higher than two million baht per year from the company, parent company, subsidiaries, associates, major shareholder or the company controlling person and not being a significant shareholder, controlling person or partner of the independent service provider except such relationship was terminated for at least two years before the appointment as an independent director.
7. Not being a director who was appointed as a representative of a director of the company, major shareholder or shareholder who is related to the major shareholder of the company.
8. Not providing the same services as the company and not being competitors of the company and subsidiaries or not being a significant partner in a partnership or being an executive director, staff, employee, consultant who receives regular payroll, or holding over 1% of voting rights of other company which operates the same business and competes with the company and subsidiaries.

9. Not having any other conflicts, that prevent independent directors from giving independent opinions to the company.

## Compensation Committee

On 31 December 2012, Compensation Committee comprised of 3 directors as follows;

- |                                  |          |
|----------------------------------|----------|
| 1. Mr. Kenneth L. White          | Chairman |
| 2. Khunying Jada Wattanasiritham | Member   |
| 3. Mr. Anil Thadani              | Member   |

### Compensation Committee Scope of Responsibilities

Consider remuneration of the senior executives. (The details of roles and responsibilities of Compensation Committee is shown in the Compensation Committee Charter, prescribed in the Company's website.)

## Nominating and Corporate Governance Committee

On 31 December 2012, Nominating and Corporate Governance Committee comprised of 3 directors as follows;

- |                                 |          |
|---------------------------------|----------|
| 1. Mr. Weerawong Chittmittrapap | Chairman |
| 2. Mr. Kenneth L. White         | Member   |
| 3. Mr. Anil Thadani             | Member   |

### Nominating and Corporate Governance Committee Scope of Responsibilities

1. Consider and select qualified delegates to fill the vacant position of the Company's director.
2. Review and recommend to Annual General Meeting of Shareholders the remuneration of the Company's directors.
3. Review and recommend to the Board the Corporate Governance Guidelines in order to comply with the Good Corporate Governance Principals, specified by the Stock Exchange of Thailand, Securities Exchange and Commissions, and Thai Institute of Directors Association.
4. Ensure the Company's operation to comply with the Company's Corporate Governance Guidelines.
5. Report the Corporate Governance to the Board.

(The details of roles and responsibilities of Nominating and Corporate Governance Committee is shown in the Nominating and Corporate Governance Committee Charter, prescribed in the Company's website.)

## Executive Management

As of December 31, 2012, 5 Management are as follows;

- |                            |                                      |
|----------------------------|--------------------------------------|
| 1. Mr. William E. Heinecke | Chief Executive Officer              |
| 2. Ms. Trithip Sivakriskul | Corporate Chief Financial Officer    |
| 3. Mr. Chaiyapat Paitoon   | Vice President, Strategic Planning   |
| 4. Ms. Somsri Rachdaponkul | Vice President, Corporate Finance    |
| 5. Mr. Woon How Chin       | Vice President, Strategic Management |

Biography of Mr. William E. Heinecke is presented under “Board of Directors” section. The biographies of remaining 4 executive managements are presented as follows:

1. Ms. Trithip Sivakriskul	
<b>Positions</b>	<ul style="list-style-type: none"> <li>• Corporate Chief Financial Officer</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 46 years (Born in 1966)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• MBA, Sasin Graduate Institute Business Administration of Chulalongkorn University</li> <li>• Capital Market Academy Leadership Program, Capital Market Academy (CMA) Class 9/2009</li> <li>• Successful Formulation and Execution the Strategy Class 3/2009 (SFE3), Thai Institute of Directors (IOD)</li> <li>• TLCA Executive Development Program Class 2 (EDP 2), Thai Listed Companies Association</li> <li>• Corporate Secretary Development Program, Thai Listed Companies Association</li> <li>• Director Accreditation Program (DAP) Class 31/2005, Thai Institute of Directors (IOD)</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>• Chief Financial Officer, Ratchaburi Electricity Generating Holding Pcl.</li> <li>• Executive Vice President-Corporate Finance, IRPC Pcl.</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: 200,000 shares or 0.00% of paid up shares</li> <li>• MINT-W4: 100,000 units</li> </ul>
2. Mr. Chaiyapat Paitoon	
<b>Positions</b>	<ul style="list-style-type: none"> <li>• Vice President, Strategic Planning</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 42 years (Born in 1971)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• M.B.A., Finance and International Business, University of Notre Dame, Indiana, United States of America</li> <li>• Bachelor of Accountancy, Chulalongkorn University</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>• Senior Vice President-Division Head-Investor Relations; and Division Head-Equity Investment Management, Siam Commercial Bank</li> <li>• Investment Representative, Morgan Stanley</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: -None-</li> <li>• MINT-W4: -None-</li> </ul>

### 3. Ms. Somsri Ruchdaponkul

<b>Positions</b>	<ul style="list-style-type: none"> <li>• Vice President, Corporate Finance</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 48 years (Born in 1964)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• M.B.A. - Accounting, University of The Thai Chamber of Commerce</li> <li>• Bachelor of Accountancy, Bangkok University</li> <li>• TLCA Executive Development Program (EDP), 7<sup>th</sup>/2011 The Stock Exchange of Thailand, Thai Listed Companies Association, and Capital Market Academy</li> <li>• Chief Financial Officer Certification Program, 10<sup>th</sup>/2009 Federation of Accounting Professions</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>• Senior Finance Manager, Central Pattana Public Company Limited</li> <li>• Accounting Manager, Ericson Thai Network Limited</li> <li>• Accounting Manager, Siam Steel Group Public Company Limited</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: 41 shares or 0.00% of paid up shares</li> <li>• MINT-W4: -None-</li> </ul>

### 4. Mr. Woon How Chin

<b>Positions</b>	<ul style="list-style-type: none"> <li>• Vice President, Strategic Management</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• 39 years (Born in 1974)</li> </ul>
<b>Educational Credentials</b>	<ul style="list-style-type: none"> <li>• Master Degree, Business Administration, Manchester Business School, University of Manchester, UK</li> <li>• Bachelor Degree, Electrical and Electronic Engineering, Nanyang Technological University, Singapore</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>• 15 years working experience in IT, business management, strategy development and strategy execution consultancy</li> </ul>
<b>% of Shareholding as of 31 December 2012</b>	<ul style="list-style-type: none"> <li>• MINT: -None-</li> <li>• MINT-W4: -None-</li> </ul>

**Corporate Secretary** Ms. Saranya Soontaros

**Investor Relations** Mr. Chaiyapat Paitoon  
Mrs. Jutatip Adulbhan



## Number of Corporate Securities Held by Directors and Executive Management as of 31 December 2012

Name/Title	No. of Securities Held at 31 December 2012			No. of Increase (Decrease)		
	Common Share	ESOP*	MINT-W4	Common Share	ESOP*	MINT-W4
1. Mr. William E. Heinecke Chairman and CEO	605,000,572	250,000	47,261,446	242,158,950	(725,800)	24,927,255
2. Mr. Paul Charles Kenny Director	7,350,185	250,000	434,627	1,179,107	(1,650,000)	-
3. Mr. Michael David Selby Director	-	-	-	-	-	-
4. Mr. Kenneth Lee White Independent Director	76,025	-	6,911	6,911	-	-
5. Mr. Weerawong Chittmittrapap Independent Director	-	-	-	-	-	-
6. Mr. Anil Thadani Director	63,457,752	-	2,521,323	5,768,886	-	(3,033,834)
7. Khunying Jada Wattanasiritham Independent Director	-	-	-	-	-	-
8. Mr. Emmanuel Jude Dillipraj Rajakarier Director	1,857,630	250,000	37,000	(307,770)	(575,000)	(30,000)
9. Mr. Patee Sarasin Independent Director	-	-	-	-	-	-
10. Ms. Trithip Sivakrskul Corporate Chief Financial Officer	200,000	-	100,000	200,000	-	100,000
11. Mr. Chaiyapat Paitoon VP of Strategic Planning	-	-	-	-	-	-
12. Ms. Somsri Ruchdaponkul VP of Corporate Finance	41	131,500	-	41	131,500	-
13. Mr. Woon How Chin VP of Strategic Management	-	-	-	-	-	-

\* ESOP: Warrants allotted to Employees and Directors of the Company and/or subsidiaries.

## Top 10 Major Shareholders as of 7 February 2013

Name of shareholders	Number of shares	Proportion of shareholding
1. Group of Mr. William Ellwood Heinecke <sup>1</sup>	1,206,450,766	32.5%
a. Minor Holding (Thai) Limited	601,460,895	16.2%
b. Mr. William Ellwood Heinecke	604,985,572	16.3%
c. Mrs. Kathleen Ann Heinecke	4,299	0.0%
2. Mr. Nithi Osathanugrah	284,987,685	7.7%
3. Thai NVDR Co., Ltd.	256,632,338	6.9%
4. UBS AG Singapore Branch	180,603,385	4.9%
5. Symphony Capital Partners Limited	123,519,000	3.3%
6. State Street Bank Europe Limited	99,563,791	2.7%
7. State Street Bank and Trust Company	98,649,156	2.7%
8. His Majesty King Bhumibol Adulyadej	79,717,947	2.1%
9. CPB Equity Co.,Ltd	76,692,126	2.1%
10. HSBC (Singapore) Nominees Pte. Ltd.	68,244,741	1.8%

**Source:** The Thailand Securities Depository Co., Ltd.

**Remark:** <sup>1</sup> This list of shareholder is grouped under the Notification of SEC Kor Chor 17/2551 dated 15 December 2008, not Section 258 of the Public Limited Companies Act, B.E. 2535 (1992)

# Subsidiaries, Associated and Affiliated Companies

## Hotel Group

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Chao Phaya Resort Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation and shopping mall Anantara Bangkok Riverside Resort and Spa Royal Garden Plaza - Bangkok	12,000,000	9,748,672	81.2%
<b>Hua Hin Resort Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation	2,000,000	1,999,998	100.0%
<b>Maerim Terrace Resort Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation Four Seasons Resort Chiang Mai	3,000,000	1,359,370 (% included held by Rajadamri Hotel Plc. 781,250 shares)	71.4%
<b>Royal Garden Development Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	In liquidation process	7,000,000	6,999,994	100.0%
<b>Samui Resort and Spa Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation Anantara Bophut Resort and Spa, Koh Samui	100,000	99,998	100.0%
<b>Rajadamri Hotel Public Company Limited</b> 155 Rajadamri Road, Bangkok 10330 Tel. +66 (0) 2250 0754 Fax +66 (0) 2253 9195	Hotel operation Four Seasons Hotel Bangkok	45,000,000	44,650,714	99.2%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>MI Square Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation Anantara Phuket Villas JW Marriott Phuket	100,000	99,998	100.0%
<b>Rajadamri Residence Limited</b> 155 Rajadamri Road, Bangkok 10330 Tel. +66 (0) 2250 0754 Fax +66 (0) 2253 9195	Hotel and sales of property Project Development - St. Regis	5,000,000	4,999,998	100.0% (100.0% held by MI Square Limited)
<b>Rajadamri Lodging Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation St. Regis Hotel Bangkok	300,000	299,998	100.0% (100.0% held by MI Square Limited)
<b>Zuma Bangkok Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Sales of food and beverage	160,000	81,598	51.0% (51.0% held by Rajadamri Lodging Limited)
<b>Hua Hin Village Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation Anantara Hua Hin Resort and Spa Hua Hin	500,000	499,998	100.0%
<b>Baan Boran Chiangrai Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation Anantara Golden Triangle Resort & Spa, Chiang Rai Four Seasons Tented Camp Chiangrai	1,650,000	1,649,998	100.0%
<b>Samui Village Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation Four Seasons Resort - Koh Samui	375,000	374,994	100.0%
<b>Coco Palm Hotel and Resort Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation	1,730,000	1,729,994	100.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Coco Recreation Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation	10,000	9,993	100.0%
<b>Samui Beach Club Owner Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation & rent of property	10,000	9,998	100.0%
<b>Royal Garden Plaza Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Shopping mall Royal Garden Plaza Shopping Mall - Pattaya Turtle Village Shopping Plaza - Phuket	750,000	749,997	100.0%
<b>MSpa International Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Spa services	410,000 (% included held by HILL 200,900 shares)	209,099	100.0%
<b>MSpa Ventures Limited</b> East Asia Chambers, P.O. Box 901 Road Town, Tortola, British Virgin Islands	Spa services in Eastern Asia	50,000 (100.0% held by MSpa International Limited)	50,000	100.0%
<b>Mspa Enterprise Management (Shanghai) Limited</b> Suite 03, 12/F, Block A, 18 Tao Lin Road Pudong New Area, Shanghai, China	Spa services in China	140,000 (100.0% held by MSpa Ventures Limited)	140,000	100.0%
<b>Arabian Spas (Dubai) (LLC)</b> P.O. Box 88, Dubai, UAE	Spa services in UAE	300 (49.0% held by MSpa Ventures Limited)	147	49.0%
<b>Samui Beach Residence Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Sales of property in Koh Samui	10,000	9,999	100.0%
<b>Coco Residence Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Sales of property	10,000	9,998	100.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Minor Hotel Group Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel management	170,000	169,997	100.0%
<b>Hospitality Investment International Limited ("HIIL")</b> East Asia Corporate Services (BVI) Limited East Asia Chambers, P.O. Box 901 Road Town, Tortola, British Virgin Islands	Holding investment	1,000 (100.0% held by Minor Hotel Group Limited)	1,000	100.0%
<b>Lodging Management (Labuan) Limited</b> Level 15 (A2), Main Office Tower Financial Park labuan, Jalan Merdeka 87000 Labuan FT, Malaysia	Hotel management	1,000 (100.0% held by HIIL)	1,000	100.0%
<b>Lodging Management (Mauritius) Limited</b> C/O DTOS Limited, 10 <sup>th</sup> Floor, Raffles Tower, 19 Cyber City, Ebene Republic of Mauritius	Hotel management	1,000 (100.0% held by HIIL)	1,000	100.0%
<b>PT Lodging Management (Indonesia) Limited</b> Graha Niaga, 24 <sup>th</sup> Floor, Jalan Jenderal Sudirman, Kav.58 Jakarta Indonesia 12190	Hotel management	150,000 (93.3% held by HIIL and 6.7% by LIL)	150,000	100.0%
<b>Jada Resort and Spa (Private) Limited</b> <b>Formerly Cyprea Lanka (Private) Limited</b> KANI LANKA RESORT & SPA No. 272, ST. Sabastian Road, Katukurunda, Kaluthara	Hotel operation	102,384,759 (80.1% held by HIIL)	82,010,192	80.1%
<b>Paradise Island Resorts (Private) Limited</b> Hemas House 75, Level 9, Braybrooke Place, Colombo 02	Hotel operation	6,000,000 (100.0% held by Jada Resort and Spa (Private) Limited)	6,000,000	100.0%
<b>Elewana Investment Limited</b> C/O DTOS Limited, 10 <sup>th</sup> Floor, Raffles Tower, 19 Cyber City, Ebene Republic of Mauritius	Holding investment	1,000 (100.0% held by HIIL)	1,000	100.0%
<b>Tanzania Tourism and Hospitality Investment Limited ("TTHIL")</b> Akara Building, 24 De Castro Street Wickhams Cay 1, P.O. Box 3136 Road Town, Tortola, British Virgin Islands	Holding investment	2 (50.0% held by HIIL)	1	50.0%
<b>Elewana Afrika (T) Limited</b> 99 Serengeti Road, Sopa Plaza, P.O. Box 12814, Arusha, Tanzania	Hotel operation	2,500 (100.0% held by TTHIL)	2,500	100.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Elewana Afrika Limited</b> New Rehema House, Phapta Road, P.O. Box 67486-00200 Nairabi, Kenya	Holding investment	2 (100.0% held by TTHIL)	2	100.0%
<b>Flora Holding Limited</b> New Rehema House, Phapta Road, P.O. Box 67486-00200 Nairabi, Kenya	Hotel invesment	10,000 (100.0% held by Elewana Afrika Limited)	10,000	100.0%
<b>Parrots Limited</b> LR No.13603, Mombasa South, Diani Beach Road, Ukunda, Kenya	Hotel operation	2 (100.0% held by Flora Holding Limited)	2	100.0%
<b>Rocky Hill Limited</b> P.O. Box 67486-00200 Nairabi, Kenya	Hotel operation	2 (100.0% held by Elewana Afrika Limited)	2	100.0%
<b>Sand River Eco Camp Limited</b> P.O. Box 67486-00200 Nairabi, Kenya	Hotel operation	100 (100.0% held by Elewana Afrika Limited)	100	100.0%
<b>Zanzibar Tourism and Hospitality Investment Limited ("ZTHIL")</b> Akara Building, 24 De Castro Street Wickhams Cay 1, P.O. Box 3136 Road Town, Tortola, British Virgin Islands	Holding investment	2 (50.0% held by HIIL)	1	50.0%
<b>Elewana Afrika (Z) Limited</b> Peponi Plaza, Peponi Road, P.O. Box 726300, 00200 Nairabi, Kenya	Hotel operation	202 (100.0% held by ZTHIL)	202	100.0%
<b>The Grande Stone Town Limited</b> P.O. Box 12814, Arusha, Tanzania	Hotel investment	100,000 (100.0% held by ZTHIL)	100,000	100.0%
<b>Parachichi Limited</b> P.O. Box 3998, Dar es Salaam, Tanzania	Hotel operation	10,000 (100.0% held by The Grande Stone Town Limited)	10,000	100.0%
<b>MHG IP Holding (Singapore) Pte. Ltd.</b> 80 Robinson Road #02-00 Singapore (068898)	Hotel management	1 (100.0% held by Minor Hotel Group Limited)	1	100.0%
<b>MHG International Holding (Singapore) Pte. Ltd.</b> 80 Robinson Road #02-00 Singapore (068898)	Management consultant services	1 (100.0% held by Minor Hotel Group Limited)	1	100.0%

**Note:** The Company holding by THIILL, ZTHIL, Elewana Afrika Limited, Flora Holding Limited, The Grande Stone Town Limited will be held 50% by HIIL



	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>RNS Holdings Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Management	262,515	262,513	100.0%
<b>Minor Global Solutions Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Management	200,000	199,998	100.0%
<b>Chao Phraya Resort &amp; Residence Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation & sales of property	10,000	9,993	100.0%
<b>RGR International Limited</b> East Asia Chambers, P.O. Box 901 Road Town, Tortola, British Virgin Islands	Management	100,000	100,000	100.0%
<b>Eutopia Private Holding Limited</b> 39, Orchid Magu, Maafannu Male, Maldives	Hotel operation	1,000,000	499,998 (50.0% held by RGR International Limited)	50.0%
<b>Harbour View Limited</b> 4 Tran Phu Street Hai Phong, Vietnam	Hotel operation Harbour View Hotel & Office Tower Haiphong - Vietnam	11,000,000	3,342,900 (30.4% held by RGR International Limited)	30.4%
<b>R.G.E. (HKG) Limited</b> Level 28, Three Pacific Place, 1 Queens Road East, Hong Kong	Management	100,000	99,999	100.0%
<b>M &amp; H Management Limited</b> C/O DTOS Limited, 4 <sup>th</sup> Floor, IBL House, Caudan, Port Louis Republic of Mauritius	Management	1,000	1,000	100.0%
<b>Lodging Investment (Labuan) Limited ("LIL")</b> Level 15 (A2), Main Office Tower Financial Park Labuan, Jalan Merdeka 87000 Labuan FT, Malaysia	Holding investment	1,000	1,000	100.0%
<b>Serendib Hotel Limited</b> 2 <sup>nd</sup> Floor, AA Building, 40, Sir Mohamed Macan Markar Mawatha Colombo 03	Hotel	111,525,794	22,128,756 (19.9% held by LIL) shares consist of voting and non-voting shares	19.9%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Minor International (Labuan) Limited</b> Level 15 (A2), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan FT, Malaysia	Hotel operation	1,000	1,000	100.0%
<b>AVC Club Developer Limited</b> c/o DTOS Ltd. 10 <sup>th</sup> Floor, Raffles Tower 19 Cybercity, Ebene, Mauritius	Sales of point for right-to-use in time sharing resort Marriott Phuket Beach Club	1,000	1,000	100.0%
<b>AVC Vacation Club Limited</b> c/o DTOS Ltd. 10 <sup>th</sup> Floor, Raffles Tower 19 Cybercity, Ebene, Mauritius	Sales of point for right-to-use in time sharing resort Marriott Phuket Beach Club	1,000	1,000	100.0%
<b>Anantara Vacation Club (HK) Limited</b> Level 28, Three Pacific Place 1 Queen's road east Wanchai Hong Kong	Marketing services Hong Kong	10,000 (100.0% held by AVC Vacation Club Limited)	10,000	100.0%
<b>Sanya Anantara Consulting Limited</b> Room 100, No. 6 Building, Xiao Donghai Rd., Sanya	Consulting services	Registered Capital USD 500,000 (100.0% held by AVC Vacation Club (HK) Limited)		100.0%
<b>Sanya Anantara Real Estate Limited</b> Room 101, No. 6 Xiaodonghai Road, Sanya	Hotel operation	Registered Capital USD 2,400,000 (100.0% held by AVC Vacation Club (HK) Limited)		100.0%
<b>AVC Vacation Club (Singapore) Pte. Ltd.</b> 80 ROBINSON ROAD #02-00 SINGAPORE (068898)	Sales & marketing services	100 (100.0% held by AVC Vacation Club Limited)	100	100.0%
<b>Thai Project Property Fund</b> <b>The Mutual Fund Public Company Limited</b> 30 <sup>th</sup> -32 <sup>nd</sup> Floor, Lake Rajada Building 193-195 Ratchadaphisek Road. Klongtoey, Bangkok 10110	Property investment	7,477,508	7,477,451	100.0%
<b>Phuket Beach Club Owner Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Management	10,000	9,998	100.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Maikhao Vacation Villas Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Sales of right-to-use in time sharing resort Marriott Phuket Beach Club	400,000	199,998	50.0%
<b>MHG Phuket Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor Soi Rubia, Sukhumvit 42 Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation	1,899,997	1,900,000	100.0%
<b>Minor Sky Rider Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Entertainment operation	34,300	70,000	49.0%
<b>Boathouse Management Pty. Ltd.</b> Level 5, 26 Duporth Ave Maroochydore Qld 4558	Providing services for accommodation	3,058,996 (100.0% held by Oaks Hotels & Resorts Limited)	3,058,996	100.0%
<b>Calypso Plaza Management Pty. Ltd.</b> Level 5, 26 Duporth Ave Maroochydore Qld 4558	Providing services for accommodation	9,420,142 (100.0% held by Oaks Hotels & Resorts Limited)	9,420,142	100.0%
<b>Concierge Apartments Australia Pty. Ltd.</b> Level 5, 26 Duporth Ave Maroochydore Qld 4558	Providing services for accommodation	3,479,414 (100.0% held by Oaks Hotels & Resorts Limited)	3,479,414	100.0%
<b>Goldsborough Management Pty. Ltd.</b> Level 5, 26 Duporth Ave Maroochydore Qld 4558	Providing services for accommodation	14,433,119 (100.0% held by Oaks Hotels & Resorts Limited)	14,433,119	100.0%
<b>IMPROPERTY Pty. Ltd.</b> Level 5, 26 Duporth Ave Maroochydore Qld 4558	Providing services for accommodation	1 (100.0% held by Oaks Hotels & Resorts Limited)	1	100.0%
<b>Oaks Hotels &amp; Resorts (Qld) Pty. Ltd.</b> Level 5, 26 Duporth Ave Maroochydore Qld 4558	Providing services for accommodation	2,912,614 (100.0% held by Oaks Hotels & Resorts Limited)	2,912,614	100.0%
<b>Queen Street Property Management Pty. Ltd.</b> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	2 (100.0% held by Oaks Hotels & Resorts (Qld) Pty. Ltd.)	2	100.0%
<b>Mon Komo Management Pty. Ltd.</b> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	80 (80.0% held by Oaks Hotels & Resorts (Qld) Pty. Ltd.)	64	80.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<a href="#">Oaks Oasis, Caloundra</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	80 (80.0% held by Oaks Hotels & Resorts (Qld) Pty. Ltd.)	64	80.0%
<a href="#">Oaks Hotels &amp; Resorts (NSW) No. 1 Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	8,979,457 (100.0% held by Oaks Hotels & Resorts Limited)	8,979,457	100.0%
<a href="#">Oaks Hotels &amp; Resorts (NSW) No. 2 Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	14,830,219 (100.0% held by Oaks Hotels & Resorts Limited)	14,830,219	100.0%
<a href="#">Oaks Hotels &amp; Resorts (NSW) Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	49,309 (100.0% held by Oaks Hotels & Resorts (NSW) No. 2 Pty. Ltd.)	49,309	100.0%
<a href="#">Pacific Blue Management Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	2 (100.0% held by Oaks Hotels & Resorts (NSW) No. 2 Pty. Ltd.)	2	100.0%
<a href="#">183 on Kent Management Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	2 (100.0% held by Oaks Hotels & Resorts (NSW) Pty. Ltd.)	2	100.0%
<a href="#">187 Kent Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	2 (100.0% held by Oaks Hotels & Resorts (NSW) Pty. Ltd.)	2	100.0%
<a href="#">Kent Street Sydney Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	10 (100.0% held by Oaks Hotels & Resorts (NSW) Pty. Ltd.)	10	100.0%
<a href="#">361 Kent Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	10 (100.0% held by Kent Street Sydney Pty. Ltd.)	10	100.0%
<a href="#">Oaks Hotels &amp; Resorts (SA) Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	10,513,471 (100.0% held by Oaks Hotels & Resorts Limited)	10,513,471	100.0%
<a href="#">Oaks Hotels &amp; Resorts (VIC) Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	1,871,380 (100.0% held by Oaks Hotels & Resorts Limited)	1,871,380	100.0%
<a href="#">Oaks Broome Sanctuary Resort Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	80 (80.0% held by Oaks Hotels & Resorts (VIC) Pty. Ltd.)	64	80.0%
<a href="#">Pacific Hotel Market Street Pty. Ltd.</a> Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	2 (100.0% held by Oaks Hotels & Resorts (VIC) Pty. Ltd.)	2	100.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
Queensland Accommodation Corporation Pty. Ltd. Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	6 (100.0% held by Oaks Hotels & Resorts Limited)	6	100.0%
Seaforth Management Pty. Ltd. Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	4,041,019 (100.0% held by Oaks Hotels & Resorts Limited)	4,041,019	100.0%
The Oaks Resort & Hotel Management Pty. Ltd. Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	8,606,418 (100.0% held by Oaks Hotels & Resorts Limited)	8,606,418	100.0%
Furniture Services Australia Pty. Ltd. Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	120 (100.0% held by Oaks Hotels & Resorts Limited)	120	100.0%
Brisbane Apartment Management Pty. Ltd. Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	1 (100.0% held by Oaks Hotels & Resorts Limited)	1	100.0%
Housekeepers Pty. Ltd. Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Providing services for accommodation	2 (100.0% held by Oaks Hotels & Resorts Limited)	2	100.0%
Oaks Hotels & Resorts Investments Pty. Ltd. Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Investment holding	100 (100.0% held by Oaks Hotels & Resorts Limited)	100	100.0%
Tidal Swell Pty. Ltd. PJT Accountants, Level 2, 20 Innovation Parkway Bokarina 4575	Providing services for accommodation	2 (50.0% held by Oaks Hotels & Resorts Investments Pty. Ltd.)	1	50.0%
The Grand Hotel, Gladstone Level 5, 26 Duporth Ave, Maroochydore Qld 4558	Hotel operation	80 (80.0% held by Oaks Hotels & Resorts No.4 Pty. Ltd.)	64	80.0%
S & P Syndicate Public Company Limited 457-457/6 Soi Sukhumvit 55 (Soi Thonglor), Sukhumvit Road, Khlong Ton Nua, Wattana Bangkok	Sale of food and beverage	98,081,673	30,717,084	31.3%

# Food Group

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>The Minor Food Group</b> <b>Public Company Limited ("MFG")</b> 99 Berli Jucker House, 15 <sup>th</sup> , 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42 Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Sales of food and beverage	32,730,684	32,640,629	99.7%
<b>Swensen's (Thai) Limited</b> 99 Berli Jucker House, 15 <sup>th</sup> , 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381-5118-9	Sales of food and beverage Ice cream Parlour - Swensen's	1,000,000	999,998 (100.0% held by MFG)	100.0%
<b>Minor Cheese Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Manufacturing and sales of cheese	600,000	599,997 (100.0% held by MFG)	100.0%
<b>Minor Dairy Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Manufacturing and sales of ice-cream	600,000	599,997 (100.0% held by MFG)	100.0%
<b>Minor DQ Limited</b> 99 Berli Jucker House, 15 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Sales of food and beverage Kiosk-Dairy Queen DQ Grill & Chill	160,000	159,998 (100.0% held by MFG)	100.0%
<b>Catering Associates Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Catering services	50,000	25,495 (51.0% held by MFG)	51.0%
<b>Burger (Thailand) Limited</b> 99 Berli Jucker House, 15 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Sales of food and beverage Restaurant - Burger King	1,000,000	949,899 (95.0% held by MFG)	95.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>International Franchise Holding (Labuan) Limited ("IFH")</b> Level 7 (E), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, F.T. Labuan, Malaysia Tel. (087) 443 118/188 Fax (087) 441 288	Franchise owner	1,800,000 (100.0% held by MFG)	1,800,000 (Regist.Capital USD 4 million but only USD 1.8 million paid up)	100.0%
<b>Franchise Investment Corporation of Asia Limited ("FICA")</b> Citco Building, Wickhams Cay, P.O. Box 662 in Road Town, Tortola, British Virgin Islands	Franchise owner	16,000,000 (100.0% held by IFH)	16,000,000	100.0%
<b>The Minor Food Group (China) Limited</b> 4/F, Sichuan Building Annex, Beilishi Rd., Xicheng, Beijing, China	Sales of food and beverage Franchisee of Lejazz, Pizza and Sizzler in Beijing	RMB 70 million (100.0% held by FICA)		100.0%
<b>Sizzler China Pte. Ltd.</b> 3 Anson Road # 27-01 Springleaf Tower 19, Cybercity, Ebene, Mauritius	Franchise owner Restaurant - Sizzler in China	2 (50.0% held by IFH)	1	50.0%
<b>SLRT Limited</b> 99 Berli Jucker House, 12 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Sales of food and beverage Restaurant - Sizzler	4,000,000 (100.0% held by MFG)	3,999,998	100.0%
<b>Primacy Investment Limited ("Primacy")</b> DTOS Limited, 4 <sup>th</sup> Floor, IBL House Caudan, Port Louis, Mauritius	Holding investment	1,000 (100.0% held by MFG)	1,000	100.0%
<b>Delicious Foodstuff (Labuan) Limited</b> Level 15 (A2), Main Office Tower Financial Park Labuan, Jalan Merdeka 87000 Labuan FT, Malaysia	Holding investment	1,000 (100.0% held by Primacy)	1,000	100.0%
<b>Delicious Beverage (Labuan) Limited</b> Level 15 (A2), Main Office Tower Financial Park Labuan, Jalan Merdeka 87000 Labuan FT, Malaysia	Holding investment	1,000 (100.0% held by Primacy)	1,000	100.0%
<b>Delicious Food Holding (Singapore) Pte. Ltd. ("DFHS")</b> 8 Cross Street # 11-00 PWC Building, Singapore 048424	Holding investment	1,000 (100.0% held by Primacy)	1,000	100.0%
<b>Delicious Food Holding (Australia) Pte. Ltd. ("DFHA")</b> Home Wilkinson Lowry, Level 2, 500 Queen Street, Brisbane, QLD 4000	Holding investment	1,000 (100.0% held by DFHS)	1,000	100.0%



	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<a href="#">The Coffee Club Holdings Pty. Ltd. ("TCCA")</a> 336 - 338 Montague Road, West End QLD Australia 4101	Holding investment	46,000,000 (50.0% held by DFHA)	23,000,000	50.0%
<a href="#">Expresso Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Property investment	100 (100.0% held by TCCA)	100	100.0%
<a href="#">The Coffee Club Investment Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise owner	28,616,600 (100.0% held by TCCA)	28,616,600	100.0%
<a href="#">The Coffee Club Franchising Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise business	17,282,200 (100.0% held by TCCA)	17,282,200	100.0%
<a href="#">The Coffee Club (NSW) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Property investment	2 (100.0% held by TCCA)	2	100.0%
<a href="#">The Coffee Club (Vic) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Property investment	2 (100.0% held by TCCA)	2	100.0%
<a href="#">The Coffee Club (Properties) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Property investment	100 (100.0% held by TCCA)	100	100.0%
<a href="#">The Coffee Club Properties (NSW) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Property investment	2 (100.0% held by TCCA)	2	100.0%
<a href="#">The Coffee Club Pty. Ltd. (as trustee for the Coffee Club Unit Trust)</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise owner	2 (100.0% held by TCCA)	2	100.0%
<a href="#">The Coffee Club (International) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise owner	100 (100.0% held by TCCA)	100	100.0%
<a href="#">The Coffee Club (Korea) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise owner	100 (100.0% held by TCCA)	100	100.0%
<a href="#">The Coffee Club (Mena) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise owner	100 (100.0% held by TCCA)	100	100.0%

**Note:** The Company holding by TCCA will be held 50% by DFHA

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<a href="#">The Coffee Club (NZ) Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise owner	100 (100.0% held by TCCA)	100	100.0%
<a href="#">First Avenue Company Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Sale of food and beverage	100 (100.0% held by TCCA)	100	100.0%
<a href="#">Ribs and Rumps Holding Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Holding investment	1 (100.0% held by TCCA)	1	100.0%
<a href="#">Ribs and Rumps Operating Company Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Sale of food and beverage	1 (100.0% held by Ribs and Rumps Holdings)	1	100.0%
<a href="#">Ribs and Rumps Property Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Property investment	1 (100.0% held by Ribs and Rumps Holdings)	1	100.0%
<a href="#">Ribs and Rumps International Pty. Ltd.</a> 336 - 338 Montague Road, West End QLD Australia 4101	Franchise owner	1 (100.0% held by Ribs and Rumps Holdings)	1	100.0%
<a href="#">Delicious Food Australia Finance Pty. Ltd.</a> HWL EBSWorth Level 23 'Riverside Center' 123 Eagle Street Brisbane QLD 4000	Management	100 (100.0% held by DFHS)	100	100.0%
<a href="#">MHG Hotel Holding Australia Pty. Ltd. ("MHH")</a> HWL EBSWorth Level 23 'Riverside Center' 123 Eagle Street Brisbane QLD 4000	Holding investment	100 (100.0% held by DFHS)	100	100.0%
<a href="#">Oaks Hotels &amp; Resorts Ltd.</a> Level 5, 26 Duporth Avenue Maroochydore, QLD 4558	Providing services for accommodation	173,831,898 (100.0% held by MHH)	173,831,898	100.0%
<a href="#">Thai Express Concepts Pte. Ltd. ("ThaiExpress")</a> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Holding investment	300,000 (100.0% held by Primacy)	300,000	100.0%
<a href="#">BBZ Design International Pte. Ltd.</a> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%

Note: The Company holding by TCCA will be held 50% by DFHA

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>NYS Pte. Ltd.</b> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%
<b>PS07 Pte. Ltd.</b> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%
<b>TES07 Pte. Ltd.</b> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	500,000 (100.0% held by ThaiExpress)	500,000	100.0%
<b>XWS Pte. Ltd.</b> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%
<b>Shokudo Concepts Pte. Ltd.</b> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%
<b>Shokudo Heeren Pte. Ltd.</b> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238-0525 Fax (65) 6238-7018	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%
<b>The Bund Pte. Ltd.</b> 2 Alexandra road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%
<b>Lotus Sky Sdn Bhd</b> 1 <sup>st</sup> Ground Floor, Unit G-838, 1 Borneo Hypermall Jalan Sulaman, 88400 Kota Kinabalu, Sabah, Malaysia	Sale of food and beverage	100,000 (100.0% held by ThaiExpress)	100,000	100.0%
<b>ThaiExpress Malaysia Sdn Bhd</b> LG 311, 1 Utama Shopping Centre 1, Lebuhr Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia	Sale of food and beverage	2 (100.0% held by Thai Express)	2	100.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Element Spice Café Pte. Ltd.</b> 2 Alexandra Road, #05-04/05 Delta House Singapore 159919 Tel. (65) 6238 0525 Fax (65) 6238 7018	Sale of food and beverage	400,000	400,000	100.0% (100.0% held by BBZ Design International Pte. Ltd.)
<b>MFG International Holding (Singapore) Pte. Ltd. ("MFGIH")</b> 80 Robinson Road, #02-00 Singapore	Holding investment	1,000	1,000	100.0% (100.0% held by Primacy)
<b>Over Success Enterprise Pte. Ltd. ("Over Success")</b> 8 Temasek Boulevard # 14-03A, Suntec Tower Three, Singapore 038988	Holding investment	Registered Capital USD 10,000 (49.0% held by MFG International Holding (Singapore) Pte. Ltd. with voting rights 66.7%)		49.0%
<b>Beijing Qian Bai Ye Investment Counsultation Co. Ltd.</b> Room BR001-A, No. 19 Building, Yu Quan Hui Gu Qing Hua Ke Ji Yuan, No. 3 Min Zhuang Road, Hai Dian District, Beijing	Holding investment	Registered Capital RMB 629,300 (100.0% held by Over Success)		100.0%
<b>Beijing Riverside &amp; Courtyard Investment Management Co., Ltd.</b> Room 1002, 10 <sup>th</sup> Floor, Taixing Tower, No. 11, Huayuangdong Road Haidian District, Beijing	Holding investment	Registered Capital RMB 7,000,000 (100.0% held by Over Success)		100.0%
<b>Beijing Riverside &amp; Courtyard Ltd.</b> Room 101, 1 <sup>th</sup> Floor, Building 2, No. 16 Minzudaxuebei Road, Weigongcun, Haidian District, Beijing	Sale of food and beverage	Registered Capital RMB 2,030,000 (100.0% held by Over Success)		100.0%
<b>Beijing Longkai Catering Co. Ltd.</b> A1-106, Building 33, No. 2, Huayuan Road, Haidian District, Beijing	Sale of food and beverage	Registered Capital RMB 100,000 (100.0% held by Over Success)		100.0%
<b>Beijing Three Two One Fastfood Co. Ltd.</b> Jia 28-4, Xinxu Road, Haidian District, Beijing	Sale of food and beverage	Registered Capital RMB 100,000 (100.0% held by Over Success)		100.0%
<b>Beijing JiangShang Catering Co. Ltd.</b> 2 <sup>nd</sup> Floor, No. 8, Weigongchun Street, Haidian District, Beijing	Sale of food and beverage	Registered Capital RMB 100,000 (100.0% held by Over Success)		100.0%
<b>Beijing Red Matches Catering Co. Ltd.</b> 1-2, 1 <sup>st</sup> Floor, Building 123, Huizhongli, Chaoyang District, Beijing	Sale of food and beverage	Registered Capital RMB 100,000 (100.0% held by Over Success)		100.0%

**Note:** The Company holding by Over Success will be held 49% by MFGIH

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<a href="#">Beijing Yunyu Catering Co. Ltd.</a> 1 <sup>st</sup> , 2 <sup>nd</sup> Floor, and part of Basement, Building 206, Jixiangli, Chaoyang District, Beijing	Sale of food and beverage	Registered Capital RMB 1,000,000 (100.0% held by Over Success)		100.0%
<a href="#">Beijing Jianshan Rundai Catering Co. Ltd.</a> 1 <sup>st</sup> , 2 <sup>nd</sup> Building and 3, No. 15, Jiuxianquuo Road, Chaoyang District, Beijing	Sale of food and beverage	Registered Capital RMB 500,000 (100.0% held by Over Success)		100.0%
<a href="#">Beijing Xilejia Catering Co. Ltd.</a> 1 <sup>st</sup> Floor, no. 11, Majiapuxi Road, Fengtai District, Beijing	Sale of food and beverage	Registered Capital RMB 500,000 (100.0% held by Over Success)		100.0%
<a href="#">Beijing Dejianhua Catering Co. Ltd.</a> Building 12, Fangqunyuan No. 2, Fangzhuang, Fengtai District, Beijing	Sale of food and beverage	Registered Capital RMB 50,000 (100.0% held by Over Success)		100.0%
<a href="#">Beijing Sanrenxing Huixin Restaurant</a> B3-202, 2 <sup>nd</sup> Floor, No. 11, Huixingdong Street, Chaoyang District, Beijing	Sale of food and beverage	Registered Capital RMB 100,000 (100.0% held by Over Success)		100.0%
<a href="#">Shanghai Riverside&amp; Courtyard Co. Ltd.</a> Unit 301, No. 569, Jinlingdong Road, Huangpu District, Shanghai	Sale of food and beverage	Registered Capital RMB 2,000,000 (100.0% held by Over Success)		100.0%
<a href="#">Shanghai Riverside&amp; Courtyard &amp; Gongning Catering Co. Ltd.</a> Daning International Plaza, No. 2008, 4 <sup>th</sup> Floor, Building 12, Gonghexin Road, Zhabei District, Shanghai	Sale of food and beverage	Registered Capital RMB 100,000 (100.0% held by Over Success)		100.0%
<a href="#">The Coffee Club (Thailand) Limited</a> 99 Berli Jucker House, 15 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Sale of food and beverage	20,000	19,998	100.0% (100.0% held by MFG)
<a href="#">Select Service Partner Limited ("SSP")</a> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Sale of food and beverage Restaurant-Bangkok, Chiang Mai Phuket, Had Yai, Krabi, Phanom Penh, Siem Reap Airports	450,000	229,494	51.0% (51.0% held by MFG)
<a href="#">Select Service Partner (Cambodia) Limited</a> Phnom Penh International Airport, National Road, No. 4, Sangkat Kakap, Khan Dangkor, Phnom Penh,	Sale of food and beverage	1,000	1,000	100.0% (100.0% held by SSP)

**Note:** The Company holding by Over Success will be held 49% by MFGIH  
The Company holding by SSP will be held 51% by MFG

# Retail Group

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<b>Minor Corporation Public Company Limited ("MINOR")</b> 99 Berli Jucker House, 16 <sup>th</sup> , 18 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Distribution	489,770,722	447,411,869	91.4%
<b>Armin Systems Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5780-5 Fax +66 (0) 2381 4369	Distribution - Zwilling products, "Zwilling J.A. Henckels", Fashion apparel "Gap", "Bossini" and ladies footwear and handbags "Charles & Keith"	1,100,000	1,099,997 (100.0% held by MINOR)	100.0%
<b>NMT Limited</b> 60/158 Moo 19 Phaholyothin Road, Khlong 1, Khlongluang, Prathumthani Tel. +66 (0) 2520 3637-42 Fax +66 (0) 2520 3643	Manufacturing services-consumer products	100,000	99,998 (100.0% held by MINOR)	100.0%
<b>Minor Development Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> , 18 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Property development	40,000	39,993 (100.0% held by MINOR)	100.0%
<b>Minor Consultants &amp; Services Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2712 2345 Fax +66 (0) 2712 2346	Distribution-cosmetics and luggage	700,000	369,599 (% included held by Red Earth Thai Limited 330,400 shares)	100.0%
<b>Red Earth Thai Limited</b> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, rakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2712 2345 Fax +66 (0) 2712 2346	Distribution-cosmetics and perfume	350,000	349,997 (100.0% held by MINOR)	100.0%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<a href="#">Esmido Fashions Limited</a> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2712 2345 Fax +66 (0) 2712 2346	Distribution fashion apparel “Esprit”	13,000,000	11,799,995 (90.8% held by MINOR)	90.8%
<a href="#">Marvelous Wealth Limited</a> East Asia Chambers. P.O. Box 901 Road Town, Tortola, British Virgin Islands	Holding investment	1	1 (100.0% held by MINOR)	100.0%
<a href="#">MCL International Holding (Singapore) Pte. Ltd.</a> 1 Marina Boulevard, #28-00 One Marina Boulevard Singapore 018989	Holding investment	1	1 (100.0% held by MINOR)	100.0%
<a href="#">Thaisale.co.th Limited</a> 99 Berli Jucker House, 16 <sup>th</sup> Floor, Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2712 2345 Fax +66 (0) 2712 2346	Distribution	300,000	150,298 (50.1% held by MINOR)	50.1%



# Corporate Information

## Principal Activities

Food and Beverages, Retail Trading, Hotelier and Retail Property Owner, Developer, Operator and Investments in related fields.

## Registered Office

Company Register Number : 0107536000919  
(Previous number : Bor Mor Jor 165)  
99 Berli Jucker Building, 16<sup>th</sup> Floor,  
Soi Rubia, Sukhumvit 42 Road,  
Prakanong Sub District, Klongtoey District,  
Bangkok 10110  
Tel.: +66 (0) 2381 5151  
Fax: +66 (0) 2381 5777-8  
Home Page: <http://www.minorinternational.com>

## Share Capital as of 31 December 2012

### Registered

Baht 4,063,046,327 divided to 4,063,046,327 ordinary shares at par value of Baht 1 each

### Issued and fully paid

Baht 3,686,766,688 divided to 3,686,766,688 ordinary shares of Baht 1 each

## Company Registrar

### Share Capital

Thailand Securities Depository Co., Ltd.  
The Stock Exchange of Thailand Building  
62 Rachadapisek Road, Klongtoey,  
Bangkok 10110  
Tel.: +66 (0) 2229 2800  
Fax: +66 (0) 2359 1259

### Debenture

MINT No. 1/2007 tranche 2  
Thai Military Bank Public Company  
3000 Phaholyothin Road, Ladyao,  
Chatuchak, Bangkok 10900

MINT No. 1/2009, No. 1/2010, No. 2/2010  
tranche 1 and 2, No. 1/2011, No. 1/2012  
tranche 1 and 2

Kasikorn Bank PCL,  
Securities Services Department  
Head Office Phaholyothin, 11<sup>th</sup> Floor,  
400/22 Phaholyothin Road,  
Samsaennai, Phayathai,  
Bangkok 10400

MINT No. 2/2011 tranche 1 and 2  
Bank of Ayudhya PCL  
1222 Rama III Road, Bang Phongphang,  
Yannawa, Bangkok 10120

MINT No. 2/2012  
Siam Commercial Bank PCL  
9 Ratchadapisek Road, Chatuchak,  
Bangkok 10900

## Auditors

### PricewaterhouseCoopers ABAS Limited

By Mr. Pisit Thangtanagul and/or Mr. Kajornkiet  
Aroonpirodkul and/or Ms. Sakuna Yamsakul  
Certified Public Accountant (Thailand)  
No. 4095, 3445 and 4906 respectively  
15<sup>th</sup> Floor, Bangkok City Tower,  
179/74-80 South Sathorn Road, Bangkok 10120  
Tel.: +66 (0) 2286 9999  
Fax: +66 (0) 2286 5050

### Siam City Law Offices Limited

Rajanakarn Building, 20<sup>th</sup> Floor,  
183 South Sathorn Road, Yannawa,  
Sathorn, Bangkok 10120, Thailand  
Tel.: +66 (0) 2676 6667-8  
Fax: +66 (0) 2676 6188

### Baker & McKenzie Ltd.

25<sup>th</sup> Floor, Abdulrahim Place,  
990 Rama IV Road,  
Bangkok 10500  
Tel.: +66 (0) 2636 2000  
Fax: +66 (0) 2636 2111

## Solicitors

### Dulayapab Law Office

25<sup>th</sup> Floor, The Trendy Office Building,  
10/186 Sukhumvit Soi 13,  
Sukhumvit Road, Klong Toey Nua,  
Wattana, Bangkok 10110  
Tel.: +66 (0) 2168 7688-92  
Fax: +66 (0) 2168 7693











**MINOR INTERNATIONAL PUBLIC COMPANY LIMITED**

99 Berli Jucker House, 16<sup>th</sup> Floor, Soi Rubia,  
Sukhumvit 42 Rd., Bangkok 10110, Thailand

Tel. : +66 (0) 2365 6117

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