MINOR INTERNATIONAL

February 27, 2020 **Minor International Public Company Limited**

Management Discussion and Analysis

Overview

4Q19 and 2019 Performance

Summary: Minor International Public Company Limited ("MINT") announced 4Q19 core revenue and core EBITDA of Baht 33,646 million and Baht 6,968 million, increasing by 7% and 10% y-y respectively, attributable to all three business units. MINT reported core net profit of Baht 2,909 million in 4Q19, an increase of 53% y-y, higher than growth rates of revenue and EBITDA, primarily from lower depreciation of hotel business and lower financial costs, with MINT's pro-active balance sheet management in an effort to reduce the debt level as well as lower interest rate.

For 2019, core revenue remarkably surged by 57% y-y due to full-year consolidation of NH Hotel Group and improved organic revenue performance of the three business units. Core EBITDA grew by 42%, slower than revenue growth, primarily from the consolidation of NH Hotel Group which has structurally lower profitability than MINT in general because of its lease structure, together with pressure on profitability of restaurant and lifestyle businesses amidst domestic consumption slowdown. Core net profit grew by 23%, at a slower rate than core revenue and core EBITDA, as a result of higher full-year interest expense in 2019 from the full year financing of the NH Hotel Group acquisition, higher effective tax rate of NH Hotel Group, and, FX headwinds.

In addition to improved operational performance, MINT implemented its asset rotation strategy in 4Q19 with the sale of three joint venture hotels in the Maldives, Anantara Veli, Anantara Dhigu and Naladhu Private Island. The cash proceeds were used to repay existing debt, and the gain on sale of such assets further solidified its equity base. As a result, MINT's leverage position continued to improve, with its debt-to-equity ratio falling to 1.3x as at end of 2019. The transaction improved MINT's balance sheet, while MINT continues to manage the properties, which remain under its brands and continue to generate ongoing management fees.

Note that 4Q18 and 2018 profit and loss statement has been restated for NH Hotel Group's IAS 29 hyperinflation which was previously booked through income statement but was subsequently rectified to be recorded through equity amounting of Baht 229 million. In addition, the purchase price of NH Hotel Group has been adjusted according to TFRS 3 Business Combination within the one year period after the acquisition, where the gain on fair value adjustment has been adjusted down by Baht 708 million.

In addition, MINT recorded non-core accounting-related items in 2018 and 2019, which are detailed in the table on page 2-3. Including non-core items, MINT's 4Q19 reported revenue was Baht 35,127 million and reported net profit was Baht 3,768 million, demonstrating growth of 11% and 569% y-y respectively. For 2019, MINT's reported revenue rose 65% y-y to Baht 129,889 million while reported net profit more than doubled to Baht 10,698 million, compared to last year.

Restatement in 4Q18 and 2018 (Reported)

Bt million	**4Q18**	**2018**
As Previously Reported		
Reported Revenue	32,233	79,328
Reported Net Profit	1,500	5,445
Restated		
Reported Revenue	31,525	78,620
Reported Net Profit	563	4,508

Restatement in 4Q18 and 2018 (Core)*

Bt million	4Q18	2018
As Reported in 2018 Financials		
Core Revenue	31,525	78,499
Core Net Profit	2,133	5,957
Restated		
Core Revenue	31,525	78,499
Core Net Profit	1,904	5,728

* Exclude non-core items as detailed in the table on page 2-3

Financial Performance

Bt million	4Q19	4Q18 Restated	%Chg
As Reported			
Total Revenue	35,127	31,525	11
Total EBITDA	7,760	4,971	56
EBITDA Margin	**22.1**	**15.8**	
Total Net Profit	3,768	563	569
Net Profit Margin	**10.7**	**1.8**	
Core*			
Total Revenue	33,646	31,525	7
Total EBITDA	6,968	6,359	10
EBITDA Margin	**20.7**	**20.2**	
Total Net Profit	2,909	1,904	53
Net Profit Margin	**8.6**	**6.0**	

* Exclude non-core items as detailed in the table on page 2-3

Financial Performance

Bt million	2019	2018 Restated	%Chg
As Reported			
Total Revenue	129,889	78,620	65
Total EBITDA	26,283	14,634	80
EBITDA Margin	**20.2**	**18.6**	
Total Net Profit	10,698	4,508	137
Net Profit Margin	**8.2**	**5.7**	
Core*			
Total Revenue	123,385	78,499	57
Total EBITDA	22,634	15,901	42
EBITDA Margin	**18.3**	**20.3**	
Total Net Profit	7,061	5,728	23
Net Profit Margin	**5.7**	**7.3**	

* Exclude non-core items as detailed in the table on page 2-3

Performance Breakdown by Business*

2019	% Core Revenue Contribution	% Core EBITDA Contribution	% Core Profit Contribution
Hotel & Mixed-use	76	83	82
Restaurant Services	20	16	17
Retail trading & Contract Manufacturing	4	1	1
Total	**100**	**100**	**100**

* Exclude non-core items as detailed in the table on page 2-3

Non-Recurring Items

Period	Amount (Bt million)	Business Unit	Non-recurring Items
2Q18	121	Minor Food	Fair value adjustment on the investment in Benihana
4Q18	708 Reported in 4Q18 0 Restated	Minor Hotels	Gain on fair value adjustment on the investment in NH Hotel Group *(other income)*
	-800	Minor Hotels	Loss from changing status of investment in NH Hotel Group *(SG&A expenses)*
	-96	Minor Hotels	Impairment charge of Oaks Grand Gladstone *(SG&A expenses)*
	-280 pre-tax -232 post-tax	Minor Hotels	Impairment charge of Rani Investment *(SG&A expenses)*
	-126	Minor Food	Impairment charge of Grab *(SG&A expenses)*
	-87	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap *(SG&A expenses)*
1Q19	50	Minor Food	Gain from the divestment of Bread Talk Thailand (Revenue)
	132 pre-tax 91 post-tax	Minor Hotels	Capital gain from asset rotation of NH Hotel Group (Revenue)
	-191	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)
2Q19	-48 pre-tax -38 post-tax	Minor Hotels / Minor Food / Minor Lifestyle	Provision expenses for employee retirement benefits to adhere to the new labor law (SG&A expense allocated to each business unit)
	62 revenue 44 net profit	Minor Hotels	Capital gain from asset rotation of NH Hotel Group (Revenue)
	-320	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)
3Q19	4,743 revenue 3,512 net profit	Minor Hotels	Gain from Tivoli asset sales
	35 revenue -1 net profit	Minor Hotels	Non-recurring revenue and expenses of NH

	-46	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)
	-322	Minor Hotels / Minor Food	Expenses and provisions related to Corbin & King, Ribs & Rumps, certain brands in Singapore hub (SG&A expenses)
4Q19	1,350 revenue 935 net profit	Minor Hotels	Gain from Maldives asset sales
	131 revenue 55 net profit	Minor Hotels	Non-recurring items of NH Hotel Group
	-131	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)

Major Developments in 4Q19

	Developments
Restaurant	• Acquired Bonchon Chicken restaurants in Thailand • Added 80 outlets, net q-q, majority of which were Bonchon, The Pizza Company, Riverside and Burger King • Entered Mexico for the first time through Benihana's franchised store expansion
Hotel & Mixed-Use	• Sold three joint-ventured hotels in the Maldives: Anantara Veli, Anantara Dhigu and Naladhu Private Island, but retained them in portfolio under management contracts • Opened a total of 5 new hotels - Anantara: Anantara Desaru Coast (owned hotel) in Malaysia, and Anantara Tozeur (managed hotel) in Tunisia - NH: NH Cancun (leased hotel) in Mexico - nhow: nhow London (managed hotel) in UK - Avani: Avani Ibn Battuta Dubai (managed hotel) in UAE
Corporate	• Entered into 7-year bilateral loan of EUR 74 million to take out the remaining bridge facilities associated with NH Hotel Group acquisition

Segment Performance

Restaurant Business

At the end of 4Q19, MINT's total restaurants reached 2,377 outlets, comprising of 1,198 equity-owned outlets (50% of total) and 1,179 franchised outlets (50% of total). 1,578 outlets (66% of total) are in Thailand, while the remaining 799 outlets (34% of total) are in 25 other countries in Asia, Oceania, Middle East, Europe, Canada and Mexico.

Restaurant Outlets by Owned Equity and Franchise

	4Q19	Chg q-q	Chg y-y
Owned Equity	1,198	55	39
- Thailand	962	49	13
- Overseas	236	6	26
Franchise	1,179	25	68
- Thailand	616	18	65
- Overseas	563	7	3
Total Outlets	**2,377**	**80**	**107**

Restaurant Outlets by Brand

	4Q19	Chg q-q	Chg y-y
The Pizza Company	570	18	42
Swensen's	322	1	6
Sizzler	65	-1	-1
Dairy Queen	522	2	19
Burger King	121	6	12
The Coffee Club	481	-1	19
Thai Express	90	3	-5
Riverside	91	10	21
Benihana	19	0	-1
Bonchon	46	46	46
Others*	50	-4	-51**
Total Outlets	**2,377**	**80**	**107**

* Others include restaurants at the airport under MINT's 51% JV, "Select Service Partner" and restaurants in the UK under "Patara" brand
** The decrease in numbers of outlets was mainly due to the divestment of Breadtalk Thailand JV

Hub Performance Analysis

In 4Q19, total-system-sales (including sales from franchised outlets) increased by 7.3% y-y, supported by 4.7% outlet expansion which includes the consolidation of Bonchon in the portfolio. All Minor Food's hubs including Thailand, China and Australia delivered positive total-system-sales growth in the quarter. Overall same-store-sales declined slightly by 0.8% y-y, an improving trend from a decrease of

4.0%, 3.6% and 3.7% y-y in 1Q19, 2Q19 and 3Q19, respectively on the back of same-store-sales recovery in Thailand and Australia.

Thailand hub in 4Q19 reported total-system-sales growth of 7.6% y-y, attributable to continuous selective store expansion of 5.2%, which includes the addition of Bonchon brand. 4Q19 same-store-sales, however, dipped only slightly by 1.0% y-y, an improving trend sequentially throughout the year. Although competition remained high in Bangkok and domestic consumption was weak in the provinces of Thailand, the improving trend of same-store-sales was fueled by better performance of Minor Food's hot chain brands, which reported positive same-store-sales growth in 4Q19. Burger King showed continuous improvement, achieving 6.5% same-store-sales growth in the quarter. This was driven by new products including Cheesy Truffle Fries and Rice Menu, effective marketing campaigns such as Baht 99 Whopper, together with rising delivery sales, which further led to a growth in both customer counts and average spending per ticket. Meanwhile, Sizzler has been successful with its revamped brand story, which emphasizes on healthiness. In addition, Sizzler used data analytics to help revive its core product menu and launched a new tactical marketing approach, resulting in growth in number of customers and consequently same-store-sales in 4Q19. For The Pizza Company, the brand's new menus of Bacon and Cheesy Sausage Pizza, Super Cheese Pizza and Pizza Khoom Set, as well as, the brand's delivery initiatives drove same-store-sales growth. Thailand hub will continue to promote new product pipeline to create excitement to existing customers while also expanding customer base, building exceptional dine-in customer experience, strengthening brand equity and enhancing communication channels via loyalty and digital marketing rewards programs. Furthermore, Minor Food will drive its take-away channel and in parallel bolster its delivery channel through both home-grown 1112 Delivery application and third-party aggregators.

China hub's total-system-sales increased by 12.7% y-y in 4Q19. Store expansion of the Riverside brand remained key driver, offseting a slight decline in same-store-sales of 1.7% y-y. Going forward, more emphasis will be placed on customer relationship management to improve overall traffic and build effective customer loyalty and rewards program. Loyalty program would further help Minor Food China to better understand customers' consumption and spending behaviors, leading to more effective personalized marketing activities. Additionally, Minor Food will continue to rationalize its unprofitable stores in China, particularly Sizzler and Thai Express brands.

Total-system-sales of Australia hub rose modestly by 1.0% y-y in 4Q19, as a result of an increase of 1.0% in same-store-sales. Australia hub has been cautious in its store expansion amidst the weak macro backdrop. Same-store-sales of Australia hub in 4Q19, on the other hand, turned positive for the first time in 5 years, attributable to improving domestic operations of The Coffee Club supported by key initiatives implemented throughout the year, including the brand renewal strategy. Same-store-sales growth was also fueled by robust overseas operations and strong sales of coffee volume to supermarkets. To drive its performance further, Australia hub will continue to strengthen its delivery sales through partnership with aggregators, establish effective digital loyalty program, drive product innovation and expand selectively in international markets.

Overall, 2019 group-wide total-system-sales grew by 5.0% y-y. The positive growth of total-system-sales in Thailand and China hubs helped offset a decline from Australia hub. 2019 group-wide same-store-sales decreased by 3.0% y-y due to challenging operating environments across key markets, although quarterly figures showed improving trend throughout the year. Going into 2020, although operation and performance are expected to be temporarily impacted by the novel coronavirus outbreak, MINT is well-prepared to drive its performance when the situation improves to make up for temporary shortfall on the back of its strong fundamental foundation, which is a result of business transformation implemented currently, its disciplined execution both strategically and operationally, as well as, its strong multi-brand portfolio.

Restaurant Business Performance

%	4Q19	4Q18	2019	2018
Average Same-Store-Sales Growth	(0.8)	(4.3)	(3.0)	(3.3)
Average Total-System-Sales Growth	7.3	2.8	5.0	0.2

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

Financial Performance Analysis

4Q19 total core restaurant revenue rose 10% y-y, attributable to all hubs, together with the addition of Bonchon brands. Higher revenue from operations helped offset decreased franchise fee, which fell by 6% y-y in 4Q19. Growth of franchise income from The Pizza Company in both Thailand and overseas helped partially offset lower franchise revenue from The Coffee Club in Australia and Benihana as a result of store rationalization and impact from stronger Thai Baht, together with soft performance of Swensen's. Core EBITDA in 4Q19 grew by 19% y-y, attributable to supply chain cost management initiatives at Thailand hub and operational efficiency improvement in Australia hub. Consequently, core EBITDA margin improved to 13.4% in 4Q19, compared to 4Q18 EBITDA margin of 12.3%.

For 2019, total core restaurant revenue increased by 3% y-y, supported by store expansion in Thailand and China. Nevertheless, 2019 core EBITDA decreased by 3%, compared to the same period of last year. While China hub witnessed stronger profitability as a result of higher sales flow-through and corporate expenses savings during the year, Thailand and Australia hubs reported softer EBITDA performance in the first nine months of 2019, due to same-store-sales contraction amidst weak domestic spending. As a result, core EBITDA margin for the year fell from 15.5% in 2018 to 14.6% in 2019.

Financial Performance*

Bt million	**4Q19**	**4Q18**	**%Chg**
Revenues from Operation**	5,919	5,333	11
Franchise Fee	395	423	-6
Total Revenues	**6,314**	**5,756**	10
EBITDA	**847**	**710**	19
EBITDA Margin	**13.4**	**12.3**	
	2019	**2018**	**%Chg**
Revenues from Operation**	22,605	21,842	3
Franchise Fee	1,629	1,641	-1
Total Revenues	**24,233**	**23,484**	3
EBITDA	**3,527**	**3,647**	-3
EBITDA Margin	**14.6**	**15.5**	

* Exclude non-core items as detailed in the table on page 2-3
** Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 4Q19, MINT owns 379 hotels and manages 156 hotels and serviced suites in 57 countries. Altogether, these properties have 78,360 hotel rooms and serviced suites, including 56,281 rooms that are equity-owned and leased and 22,079 rooms that are purely-managed under the Company's brands including Anantara, Avani, Oaks, Tivoli, NH Collection, NH Hotels, nhow and Elewana Collection. Of the total, 5,009 rooms in Thailand accounted for 6%, while the remaining 73,351 rooms or 94% are located in 56 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	4Q19	**Chg q-q**	**Chg y-y**
Owned Equity*	56,281	807	1,286
- Thailand	3,105	389	389
- Overseas	53,176	418	897
Management	22,079	586	1,833
- Thailand	1,904	178	348
- Overseas	20,175	408	1,485
Total Hotel Rooms	**78,360**	**1,393**	**3,119**

* Owned equity includes all hotels which are majority-owned, leased and joint-venture.

Hotel Rooms by Ownership

	4Q19	**Chg q-q**	**Chg y-y**
Owned Hotels	19,932	702	780
Leased Hotels	34,323	105	506
Joint Ventures	2,026	0	0
Managed Hotels	14,932	482	1,621
MLRs*	7,147	104	212
Total Hotel Rooms	**78,360**	**1,393**	**3,119**

* Properties under management letting rights in Australia and New Zealand

Hotel Performance Analysis

<u>Owned & Leased Hotels</u>

MINT's owned and leased hotels portfolio (including NH Hotel Group) accounted for 80% of core hotel & mixed-use revenues in 4Q19. The owned and leased hotels portfolio reported 4Q19 organic revenue per available room ("RevPar") decrease of 7% y-y in Thai Baht term, primarily from the strengthening of the Thai Baht during the quarter. At constant foreign exchange rate, organic RevPar grew by

3% y-y, mainly supported by solid performance of overseas hotels.

Owned hotels in Thailand saw a decline in organic RevPar of 4% y-y, primarily attributable to the slowdown of inbound tourists. In Bangkok, the increase in room rates of owned hotels helped alleviate the lower occupancy rate which resulted in a slight organic RevPar decline of 2% y-y. Meanwhile, the operation of owned hotels in the provinces of Thailand still faced headwinds with organic RevPar declining by 6% y-y, from both lower average occupancy and room rates.

NH Hotel Group's owned and leased portfolio in 4Q19 delivered organic RevPar growth of 4% y-y in Euro term, solely driven by the increase in room rate. All NH Hotel Group's key markets except Latin America posted positive RevPar growth. Organic RevPar in Italy and Spain continued to deliver positive momentum due to positive trade fair calendar, growing at 6% and 5%, respectively. Benelux achieved organic RevPar growth of 7% y-y in local currency, supported by a continuous recovery story and increase in events in Brussels, as well as, solid performance in Amsterdam. RevPar growth of hotels in Central Europe turned positive in the quarter, on the back of increasing number of trade fair despite a rise of supply particularly in Frankfurt while Latin America continued to be negatively impacted by the currency evolution.

For Minor Hotels' overseas portfolio, hotels in Brazil and Africa reported positive RevPar growth in their local currencies from the successful prize maximization. Portugal and the Maldives, however, saw a temporary slowdown with declining RevPar in both Thai Baht and local currencies during the quarter.

With the inclusion of new hotels, system-wide RevPar of MINT's entire owned and leased hotel portfolio decreased by 7% y-y in 4Q19 in Thai Baht term.

Management Letting Rights

The management letting rights portfolio (MLRs), contributing 6% of 4Q19 core hotel & mixed-use revenues, saw a decline in RevPar by 1% y-y in Australian dollar term, mainly from the lower occupancy rate amid lingering challenging operating environment in Australia from soft demand. With the weakening of the Australian dollar against Thai Baht, the RevPar in Thai Baht term declined by 13%.

Management Contracts

Revenue contribution of management contract to MINT's core hotel & mixed-use revenues was 1% in 4Q19. Organic RevPar of management contract portfolio fell 4% y-y in Thai Baht term but grew 4% at constant foreign exchange rate in the quarter, fueled by robust operations of the hotels in Indonesia, Oman and Qatar.

Overall Hotel Portfolio

In summary, in 4Q19, MINT's organic RevPar of the entire portfolio decreased by 8% y-y in Thai Baht term, mainly due to the strengthening of Thai Baht. Excluding the foreign exchange translation impact, solid performance of NH Hotel Group and managed hotels drove the group's RevPar growth to 2%. Including new hotels, which are still being ramped up, system-wide RevPar of MINT's entire portfolio declined by 9% in Thai Baht term.

In 2019, organic RevPar of MINT's entire portfolio decreased by 6% y-y in Thai Baht term due to the soft performance of non-Bangkok hotels and MLR portfolio, together with the impact of the Thai Baht appreciation on the overseas portfolio. Including new hotels, system-wide RevPar of the entire portfolio decreased by 16% y-y.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	4Q19	**4Q18**	**2019**	**2018**
Owned Hotels	70	71	71	70
Joint Ventures	54	57	52	53
Managed Hotels	64	63	64	63
MLRs*	78	79	77	79
Average	**70**	**70**	**70**	**69**
MINT's Portfolio in Thailand	72	75	75	77
Industry Average in Thailand**	71	71	71	71
(System-wide)	**ADR (Bt/night)**			
	4Q19	**4Q18**	**2019**	**2018**
Owned Hotels*	3,736	3,998	3,846	4,587
Joint Ventures	7,489	8,387	7,909	8,152
Managed Hotels	4,291	4,873	4,389	5,330
MLRs*	3,804	4,332	3,797	4,297
Average	**3,881**	**4,224**	**3,978**	**4,775**
MINT's Portfolio in Thailand	5,175	5,318	4,966	5,048
Industry Average in Thailand**	1,766	1,846	1,721	1,710
(System-wide)	**RevPar (Bt/night)**			
	4Q19	**4Q18**	**2019**	**2018**
Owned Hotels	2,631	2,831	2,729	3,190
Joint Ventures	4,056	4,743	4,136	4,343

Managed Hotels	2,754	3,086	2,823	3,361
MLRs*	2,963	3,411	2,937	3,391
Average	**2,713**	**2,965**	**2,793**	**3,318**
MINT's Portfolio in Thailand	3,713	4,006	3,727	3,889
Industry Average in Thailand**	1,258	1,313	1,229	1,221
(Organic)		**Occupancy (%)**		
	4Q19	**4Q18**	**2019**	**2018**
Owned Hotels	70	71	69	70
Joint Ventures	54	57	52	53
Managed Hotels	66	63	65	63
MLRs*	78	79	77	79
Average	**70**	**70**	**69**	**69**
MINT's Portfolio in Thailand	73	75	76	77
(Organic)		**ADR (Bt/night)**		
	4Q19	**4Q18**	**2019**	**2018**
Owned Hotels	3,737	3,998	4,351	4,587
Joint Ventures	7,489	8,387	7,915	8,152
Managed Hotels	4,476	4,873	5,133	5,330
MLRs*	3,804	4,332	3,797	4,297
Average	**3,906**	**4,224**	**4,473**	**4,775**
MINT's Portfolio in Thailand	5,349	5,318	5,021	5,048
(Organic)		**RevPar (Bt/night)**		
	4Q19	**4Q18**	**2019**	**2018**
Owned Hotels	2,618	2,831	3,005	3,190
Joint Ventures	4,056	4,743	4,138	4,343
Managed Hotels	2,953	3,086	3,331	3,361
MLRs*	2,963	3,411	2,937	3,391
Average	**2,733**	**2,965**	**3,102**	**3,318**
MINT's Portfolio in Thailand	3,906	4,006	3,804	3,889

* Properties under Management Letting Rights in Australia & New Zealand
** Source for Industry Average: Bank of Thailand

Hotel Performance Analysis

In 4Q19, core revenue from hotel and related services operation decreased slightly by 1% y-y. The decline in organic RevPar of owned and leased hotels of 7% during the quarter was partially offset by the new hotel openings during the year. Meanwhile, 4Q19 management income saw a decline of 35% y-y, primarily from the high base in 4Q18 when technical service and termination fee income were recorded. Excluding such fee income in 4Q18, 4Q19 management income grew y-y, primarily from the new openings of managed hotels during the year.

In 2019, core revenue from hotel and related services operations almost doubled from the same period last year, chiefly from the full-year consolidation of NH Hotel Group. Management income in 2019 decreased by 4% y-y primarily from the high base of the technical service and termination fee received in 4Q18.

Mixed-Use Business & Performance Analysis

One of MINT's mixed-use businesses is plaza and entertainment business. The Company owns and operates three shopping plazas in Bangkok, Phuket and Pattaya. In addition, MINT is the operator of seven entertainment outlets in Pattaya, which include the famous Ripley's Believe It or Not Museum and The Louis Tussaud's Waxworks.

MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. MINT has completed the sales of the first two projects, The Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Resort Koh Samui, and St. Regis Residences, with 53 residential units located above The St. Regis Bangkok. The third project is Layan Residences by Anantara in Phuket, with 15 villas next to Anantara Layan Phuket Resort. In addition, MINT launched three joint-venture residential projects. Anantara Chiang Mai Serviced Suites is situated across Anantara Chiang Mai Resort & Spa and consists of 44 condominium units available for sale. Avadina Hills by Anantara is located next to Layan Residences by Anantara in Phuket with 16 luxury villas for sale. Lastly, the Torres Rani in Maputo, Mozambique has six penthouses available for sale. In addition, two new residential development projects are currently under construction, including Anantara Desaru in Malaysia and Anantara Ubud Bali in Indonesia to ensure continuous pipeline of MINT's real estate business in the coming years.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 4Q19, AVC had a total inventory of 247 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. With MINT's sales and marketing efforts, the number of members continued to increase by 18% y-y to 14,535 members at the end of 2019.

Revenue from mixed-use business surged almost three-fold in 4Q19 from the same period last year, driven by real estate sales activities and the continuous positive growth momentum of AVC, which was attributable to an increase in total points sold and price per point. Strong real estate and

AVC sales in the quarter fully mitigated the decline in plaza and entertainment revenues which were impacted by the soft retail business environment.

For 2019, revenue from mixed-use business jumped by 31% y-y due to the real estate sales in 1Q19 and 4Q19, as well as, strong improvement of AVC business in the second half of 2019.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 4Q19, total core revenue of hotel & mixed-use business increased by 6% y-y on the back of strong real estate sales, both residential and AVC. Meanwhile, core EBITDA of hotel & mixed-use business in 4Q19 rose by 8% y-y, primarily from the higher flow-through of mixed-use business. As a result, core EBITDA margin of hotel & mixed-use business increased from 22.7% in 4Q18 to 23.2% in 4Q19.

For 2019, total revenue of hotel & mixed-use business nearly doubled y-y, attributable to the full-year consolidation of NH Hotel Group, as well as the same reasons in 4Q19. Core EBITDA of hotel & mixed-use business in 2019 jumped by 57% y-y, lower growth rate than total revenue due to the consolidation of NH Hotel Group, which has structurally lower margins because of its lease business structure. Consequently, core EBITDA margin of hotel & mixed-use business declined to 20.0% in 2019, compared with 2018 EBITDA of 23.6%.

Going into 2020, MINT expects a short-term impact on its hotel business from COVID-19, and a strong recovery when the situation moderates. Strengthening brand proposition and leveraging on strong global operating platform and sales marketing network as part of the continuous integration plan with NH Hotel Group will be the key performance drivers for Minor Hotels in the medium term.

Financial Performance*

Bt million	4Q19	4Q18 Restated	%Chg
Hotel & related services **	22,693	22,986	-1
Management fee	317	485	-35
Mixed-use	2,922	1,064	175
Total Revenues	**25,932**	**24,535**	6
EBITDA	**6,018**	**5,564**	8
EBITDA Margin	**23.2**	**22.7**	

	2019	2018 Restated	%Chg
Hotel & related services **	86,294	44,168	95
Management fee	1,335	1,396	-4
Mixed-use	6,561	5,013	31
Total Revenues	**94,189**	**50,577**	86
EBITDA	**18,803**	**11,947**	57
EBITDA Margin	**20.0**	**23.6**	

* Exclude non-core items as detailed in the table on page 2-3
** Includes share of profit and other income

Retail Trading & Contract Manufacturing Business

At the end of 4Q19, MINT had 485 retail trading points of sales, a decrease of 5 points of sales from 490 points at the end of 4Q18. Of total 485 retail trading outlets, 83% are operated under fashion brands including Anello, Bossini, Brooks Brothers, Charles & Keith, Esprit, Etam, OVS and Radley, while 17% are operated under home and kitchenware brands including Joseph Joseph, Zwilling J.A. Henckels and Bodum.

Retail Trading's Outlet Breakdown

	4Q19	Chg q-q	Chg y-y
Fashion	402	-8	-7
Home & Kitchenware	83	7	2
Total Outlets	**485**	**-1**	**-5**

In 4Q19, total retail trading & contract manufacturing revenue increased by 13% y-y, solely fueled by retail trading business. Tactical end-of-seasonal promotional campaigns of fashion brands especially Anello and Radley and home & kitchenware, together with store expansion of Bodum drove revenue of retail trading to grow significantly by 24% y-y. However, sales of contract manufacturing business declined by 22% y-y due to lower demand of cleaning products from FMCG customers. The higher sales flow through from a significant jump of revenue, as well as, cost saving initiatives of retail trading business helped offset the weaker margins of contract manufacturing business from sales shortfall and lower operating leverage in the quarter. Consequently, EBITDA of retail trading & contract manufacturing rose 21% y-y while EBITDA margin increased from 6.9% in 4Q18 to 7.4% in 4Q19.

2019 revenue from retail trading & contract manufacturing increased by 12% y-y due to the similar above-mentioned reasons in 4Q19. However, the increase of sales from the marked down clearance sales in retail trading in 9M19 put pressure on the margins earlier in 2019. Together with lower economies of scale of contract manufacturing business throughout the year, EBITDA decreased slightly by 1% y-y in 2019. Therefore, EBITDA margin fell from 6.9% in 2018 to 6.1% in 2019.

Financial Performance*			
Bt million	**4Q19**	**4Q18**	**%Chg**
Retail Trading	1,180	953	24
Manufacturing	220	282	-22
Total Revenues**	**1,400**	**1,234**	**13**
EBITDA	**103**	**85**	**21**
EBITDA Margin	**7.4**	**6.9**	
Bt million	**2019**	**2018**	**%Chg**
Retail Trading	4,025	3,448	17
Manufacturing	937	992	-5
Total Revenues**	**4,962**	**4,439**	**12**
EBITDA	**304**	**307**	-1
EBITDA Margin	**6.1**	**6.9**	

* Exclude non-core items as detailed in the table on page 2-3
** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 2019, MINT reported total assets of Baht 254,184 million, a decrease of Baht 13,897 million from Baht 268,081 million at the end of 2018. The reduction was primarily the result of (1) Baht 9,918 million decrease in property, plant and equipment, and (2) Baht 3,521 million decrease in intangible assets, both are because of the impact of foreign exchange translation with the strengthening of the Thai Baht during the year.

MINT reported total liabilities of Baht 168,316 million at the end of 2019, a decrease of Baht 17,464 million from Baht 185,780 million at the end of 2018. The decrease was mainly due to the decline in net financing of Baht 14,521 million from the repayments of borrowings and debentures and the impact of foreign exchange translation.

Shareholders' equity increased by Baht 3,567 million, from Baht 82,301 million at the end of 2018 to Baht 85,868 million at the end of 2019, owing mainly to 2019 net profit of Baht 10,698 million netted of with dividend payment of Baht 2,123 million, translation adjustment of Baht 3,056 million and interest paid on perpetual bonds of Baht 1,312 million.

For the full-year 2019, MINT and its subsidiaries reported positive cash flows from operations of Baht 14,766 million, an increase of Baht 7,405 million y-y This was mainly from the net increase in 2019 net profit and the net increase related to the foreign exchange translations of Baht 4,091 million.

Cash flow paid for investing activities was Baht 3,781 million, primarily due to capital expenditures of hotel, restaurant, and other businesses including the acquisition of Bonchon operations in Thailand, amounting to Baht 17,240 million, which was partially offset by cash received from the disposal of Tivoli and Maldives properties and other investment's assets of Baht 11,625 million.

The Company reported net cash paid for financing activities of Baht 11,357 million, primarily due to (1) dividends paid to shareholders and non-controlling interests of Baht 2,123 million, (2) interest paid on perpetual debentures of Baht 1,312 million and (3) net cash paid of debentures and borrowings of Baht 7,898 million.

In summary, cash flows from operating, investing and financing activities resulted in a decrease of MINT's net cash and cash equivalents of Baht 373 million in 2019.

Financial Ratio Analysis

MINT's gross profit margin declined from 56.3% in 2018 to 45.2% in 2019, primarily due to softer margins of hotel business from the consolidation of NH Hotel Group which has structurally lower margin than MINT. Consequently MINT reported a decrease in core net profit margin to 5.7% in 2019 from 7.3% in 2018. In addition to the structural difference of NH Hotel Group's lease business model, which commands lower margins, restaurant and retail trading businesses also saw lower net profit margin amidst soft domestic consumption, together with higher interest expense and tax rate related to the acquisition of NH Hotel Group.

Return on equity decreased slightly from 8.6% in 2018 to 8.4% in 2019, as a result of the increase in equity base from the issuance of perpetual debentures to finance the acquisition of NH Hotel Group since end of 2018. Correspondingly, return on assets declined from 3.0% in 2018 to 2.7% in 2019.

Collection days decreased from 58 days in 2018 to 43 days in 2019, mainly from NH Hotel Group consolidation. The provision for impairment as a percentage of gross trade receivables increased slightly from 5.7% in 2018 to 5.9% in 2019, as the rate of decrease in account receivables was higher than the lower amount of provision for impairment. MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant and retail trading & contract manufacturing businesses. Inventory days declined from 44 days in 2018 to 26 days in 2019, mainly from the consolidation of NH Hotel Group given the nature of pure hotel operator with lower inventory level compared to MINT's existing businesses which also consist of food and retail trading operations. Account payable days decreased from 93 days in 2018 to 78 days in 2019, mainly from hotel business.

Current ratio improved to 1.1x at the end of 2019, compared to 0.9x at the end of 2018 driven by the decrease in short-term loans from financial institutions, current portions of long-term borrowings and current portions of debentures, with the refinancing efforts during the year. Interest bearing debt to equity declined from 1.5x at the end of 2018 to 1.3x at the end of 2019, primarily attributable to loan repayment with the proceeds from the asset rotation initiatives, together with earnings contribution to equity. Interest coverage ratio increased from 4.0x in 2018 to 5.2x in 2019 due to the increase in cash flows from operations.

Financial Ratio Analysis

Profitability Ratio	**31 Dec 19**	**31 Dec 18 Restate**
Gross Profit Margin (%)	45.2	56.3
Net Profit Margin (%)	8.2	5.7
Core Net Profit Margin* (%)	5.7	7.3
Efficiency Ratio	**31 Dec 19**	**31 Dec 18 Restate**
Return on Equity* (%)	8.4	8.6
Return on Assets* (%)	2.7	3.0
Collection Period (days)	43	58
Inventory Days	26	44
Accounts Payable Days	78	93
Liquidity Ratio	**31 Dec 19**	**31 Dec 18 Restate**
Current Ratio (x)	1.1	0.9
Leverage & Financial Policy	**31 Dec 19**	**31 Dec 18 Restate**
Interest Bearing Debt/Equity (x)	1.3	1.5
Net Interest Bearing Debt/Equity (x)	1.2	1.4
	31 Dec 19	**31 Dec 18 Restate**
Interest Coverage (x)	5.2	4.0

* Exclude non-core items as detailed in the table on page 2-3

NH Hotel Group

Operating performance of NH Hotel Group in 4Q19 continued to be strong with revenue growth of 7% y-y, supported by robust growth in Europe including Benelux, Italy and Spain, together with integration of the Tivoli portfolio, hotel refurbishments and the openings of new hotels. Excluding Tivoli integration, revenue would have grown by 4% y-y.

NH Hotel Group's 4Q19 recurring EBITDA grew by 10% y-y to EUR 85 million, on the back of solid growth of top line and continuous effective cost control. Consequently, recurring EBITDA margin increased from 18.1% in 4Q18 to 18.5% in 4Q19.

In 4Q19 NH Hotel Group's net recurring profit surged by 96% y-y to EUR 43 million, fueled by business improvement, reduction in financial cost from the partial early redemption of 2023 bond and lower taxes. As a result, net recurring profit margin rose from 5.1% in 4Q18 to 9.4% in 4Q19. Due to a non-recurring provision related to a non-hotel asset in Latin America in the quarter, NH Hotel Group reported net profit at EUR 26 million in 4Q19.

In 2019, NH Hotel Group's revenue increased by 6% y-y, supported by system-wide RevPar growth of 5% in Euro term from strong performance of Europe and contribution of new hotels. Meanwhile, its EBITDA and net recurring profit increased at a faster pace than the revenue with the same reasons as in 4Q19, delivering recurring EBITDA and net profit growth of 12% and 63% y-y, respectively in 2019.

NH Hotel Group successfully achieved its earlier full-year target on recurring EBITDA of EUR 285 million and recurring net profit of EUR 100 million (excluding IFRS 16 and IAS 29). Looking into 2020, despite current challenges also in Europe, the priority is to drive the business and take the actions needed to continue improving the results. Additionally, the portfolio of eight high-end Boscolo hotels in key European cities will further boost NH Hotel Group's growth base.

Financial Performance*

EUR million	**4Q19**	**4Q18 Restate**	**%Chg**
Revenue	461	430	7
Recurring EBITDA	85	78	10
Recurring EBITDA Margin (%)	*18.5*	*18.1*	
Net Recurring Profit	**43**	**22**	**96**
Net Recurring Profit Margin (%)	*9.4*	*5.1*	
Net Profit	26	5	420
Net Profit Margin (%)	*5.7*	*1.2*	
	2019	**4Q18 Restate**	**%Chg**
Revenue	1,718	1,620	6
Recurring EBITDA	294	263	12
Recurring EBITDA Margin (%)	*17.1*	*16.3*	
Net Recurring Profit	**113**	**70**	**63**
Net Recurring Profit Margin (%)	*6.6*	*4.3*	
Net Profit	100	102	-2
Net Profit Margin (%)	*5.8*	*6.3*	

* Exclude IFRS 16 accounting effect, which was implemented on 1 January 2019 in Europe

Management's Outlook

MINT continues to believe in the long term growth potential of its businesses. Through over 50 years of its history, MINT was able to survive many external headwinds, whether it was the financial crisis in 1997, SARS outbreak in 2003, Bangkok political protest and airport closure in 2008, or any other epidemic, natural disasters or economic and political difficulties. Over the past 10 years, MINT demonstrated net profit CAGR of 18%.

Although today, MINT and the rest of the world is facing another wave of challenge, the novel coronavirus, or the COVID-19, MINT believes the impact will be temporary. MINT will yet again be able to maneuver through the challenge and emerge as a stronger company. In the meantime, in addition to proactively manage the operations to minimize the impact from the coronavirus outbreak, MINT continues to build its foundation for growth in the long term.

Proactive and immediate response to the novel coronavirus outbreak

MINT continues to monitor the situation very closely, and works with local health authorities to ensure the health and safety of guests, customers and team members. As a company, the matter has been elevated to the Risk Management Oversight Committee, who is closely monitoring the impact of the novel coronavirus on MINT's business and operations.

Minor Hotels is well-diversified in terms of geographies.In countries with decreasing demand of international travels, Minor Hotels turns to target domestic tourists within each respective countries. Meanwhile, Minor Hotels is undergoing cost savings measures across the portfolio, such as shift rescheduling, primarily for the back-of-house, while ensuring seamless services for guests. More importantly, it is anticipated that there will be a pent up demand once the situation is contained. With its footprint spanning Asia, Australia, the Middle East, Africa, Europe and the Americas, Minor Hotels is well-positioned to capitalize on the eventual rebound.

The majority of Minor Food's restaurant concepts are well-positioned for delivery. In the situation where people avoid public areas, Minor Food can leverage on its platform and focus on the deliver business by adjusting delivery hours in key areas to serve customers' needs. At the same time, cost savings measures will be implemented, and plans of new openings in the tourist areas will be reevaluated. In China, in particular, the majority of the outlets have been temporarily closed for a period of time with some outlets opened for delivery. Strict cost reduction plans have been put in place, including rental relief from landlords, labor cost reduction and extension of payables by suppliers and contractors. China hub continues to monitor the situation closely and assesses its store operations on a daily basis.

Building for long-term growth

In spite of the current temporary business interruption, MINT continues to build on its business and platform in order to ensure the delivery of growth in the long term.

MINT continuously reevaluates its portfolio, with the objective to maximize overall returns. This includes opportunities for organic expansion, acquisitions, streamlining of portfolio and shareholdings, divestments and asset rotations. Following the acquisition, going into 2020 and beyond, Bonchon will be one of the key drivers for Minor Food, given the size of the operations, the growth potential in the chicken and in particular the Asian food market. Additionally, the shareholding increase in

BreadTalk Singapore, will fuel growth with a more established and stronger operating platform. In 2019, MINT has selectively reassessed and divested some of the investments, including GrabThai in the UK and Ribs & Rumps in Australia, together with some of the non-performing brands under Minor Lifestyle such as Save My Bag, which will help elevate the 2020 performance. MINT continues to look for such opportunities in the long term, including the asset rotation strategy similar to the Tivoli sales-and-lease back transaction and the sale of joint-venture of the Maldives hotels.

Realizing synergies through business integrations is one of MINT's priorities. Integration with NH Hotel Group has become Minor Hotels' medium term plan. Both NH Hotel Group and Minor Hotels will continue to build on their initiatives in cross-selling of the customer base, cross-expansion of the brands, and combined loyalty programs, in order to further strengthen the hotel portfolio. In addition, both companies will leverage on each other's strengths to accelerate growth. For example, leveraging on NH Hotel Group's relationship with real estate investors together with Minor Hotels' Anantara luxury brand has led to the successful lease transaction of the prestigious Boscolo hotel portfolio in Europe. With the eight high-end hotels located in prime European cities such as Rome, Venice and Praque, the Boscolo portfolio will be one of NH Hotel Group's growth drivers in 2020 and beyond. For Minor Food, there is a potential for Bonchon to leverage on Minor Food's operating platform, including sourcing through the global supply chain management, expansion through its network team and operational standards with its operational excellence. Furthermore, potentially, Minor Food can explore synergistic benefits between its operations in Singapore and BreadTalk Singapore.

Minor Food's agenda in 2020 is digital transformation. This means the transformation of both the front end and the back office operations. Data analytics will be key to gaining insights into customer behavior, which will result in personalized marketing initiatives and eventually improve customer experience across all touchpoints. With regards to the interface with customers, Minor Food will continue to improve its digital loyalty programs across brands and hubs, excel on its own delivery applications, especially the 1112 Delivery mobile app, as well as strengthen its relationship with third-party delivery aggregators. With its initiatives starting since the second half of 2019, Minor Food started to see positive recovery of the operations, where Australia hub reported positive same-store-sales growth in the fourth quarter, and Thailand hub saw recovery of same-store-sales growth trend in the fourth quarter, up until January of this year, pre-coronavirus outbreak.

As MINT continues to grow, balance sheet management becomes equally important. In addition to maintaining the interest-bearing-debt to equity ratio within its internal target of 1.3x, MINT also ensures the quality of its financing. MINT proactively manages its interest-bearing-debt to extend the average maturities of the portfolio, as well as looks for opportunities to reduce its interest costs when possible. As the company becomes more diversified, its currency risks are also being actively managed, with natural hedge strategy implemented.

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Mr. Chaiyapat Paitoon

Chief Strategy Officer