August 9, 2017 Minor International Public Company Limited

Management Discussion and Analysis

Overview

2Q17 and 1H17 Performance

Minor International Public Company Limited ("MINT") reported revenue growth of 5% in 2Q17 and 8% in 1H17, while net profit increased by 24% in 2Q17 and 19% in 1H17, compared to 2Q16 and 1H16 core revenue and net profit (excluding non-recurring gain of Bt 1,932m from bargain purchase of Tivoli Hotels and Resorts in 1Q16 and gain of Bt 136m from changing status of investment in BreadTalk Group in Singapore, from available-for-sale investment to investment in associate, in 2Q16). The performance was attributable to the strength of MINT's multi-brand portfolio, business diversification and operational excellence which enabled MINT to achieve growth of all business units despite challenging business environments.

In 2Q17, revenue of hotel and mixed-use business grew by 8% y-y, led by the remarkable performance of Thailand and Brazil hotels and strong momentum in sales of Anantara Vacation Club (AVC). Furthermore, the additional revenue from the consolidation of Zambia properties since July 2016 also contributed to the growth. Restaurant business showed revenue growth of 1% from 2Q16 core revenue, mainly supported by resilient performance of Thailand and MINT's smaller development hubs like the Middle East and India, which helped offset slowdown in some of MINT's overseas markets. Lastly, revenue from retail trading & contract manufacturing showed impressive growth of 16% y-y, attributable to growth of fashion and contract manufacturing businesses, together with additional revenue from the new retail brands.

In 2Q17, hotel & mixed-use business accounted for 49% of total revenue. Restaurant business contributed 44% of total revenue, while retail trading and contract manufacturing contributed the remaining 7%.

Revenue Breakdown

Bt million	**2Q17**	**2Q16**	**%Chg**
As Reported			
Restaurant Services	5,823	5,901	-1%
Hotel & Mixed-Use	6,613	6,099	8%
Retail Trading & Contract Manufacturing	919	794	16%
Total Revenue	**13,355**	**12,795**	**4%**
Core*			
Restaurant Services	5,823	5,766	1%
Hotel & Mixed-Use	6,613	6,099	8%
Retail Trading & Contract Manufacturing	919	794	16%
Total Revenue	**13,355**	**12,659**	**5%**

* Core operations exclude non-recurring gain on fair value adjustment of change in status of investment in BreadTalk Group in Singapore of Bt 136m in 2Q16.

In 1H17, MINT reported total revenue of Bt 28,734m, an increase of 8% from 1H16 core revenue. The growth was attributable to solid performance of all business units, including Thailand operations which resumed strong growth after the mourning period in 4Q16 and additional contribution from the two hotels in Zambia.

In terms of revenue breakdown, in 1H17, hotel & mixed-use and restaurant businesses accounted for 52% and 41% of total core revenue, respectively. Retail trading and contract manufacturing contributed another 7%.

Revenue Breakdown

Bt million	**1H17**	**1H16**	**%Chg**
As Reported			
Restaurant Services	11,851	11,743	1%
Hotel & Mixed-Use	15,002	15,109	-1%
Retail Trading & Contract Manufacturing	1,882	1,759	7%
Total Revenue	**28,734**	**28,611**	**0%**
Core*			
Restaurant Services	11,851	11,607	2%
Hotel & Mixed-Use	15,002	13,177	14%
Retail Trading & Contract Manufacturing	1,882	1,759	7%
Total Revenue	**28,734**	**26,543**	**8%**

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

MINT reported EBITDA of Bt 2,129m in 2Q17, a 5% growth from 2Q16 core EBITDA, attributable to restaurant and retail trading & contract manufacturing businesses. EBITDA of restaurant business increased by 15% from 2Q16 core EBITDA, primarily from effective cost control in Thailand, streamlining of support functions in China and increased contribution of Veneziano Coffee Roasters in Australia. By the same token, EBITDA of retail trading & contract manufacturing business showed impressive growth of 34% y-y, mainly due to the higher operating leverage of retail trading business. However, EBITDA of hotel & mixed use business declined by 5% y-y, partly due to the impact from hotel renovations, including related re-launching expenses of the Tivoli portfolio in Portugal. Consequently, 2Q17 EBITDA margin decreased marginally to 15.9% in 2Q17 from core EBITDA margin of 16.1% in 2Q16.

In 2Q17, hotel & mixed-use and restaurant businesses accounted for 50% and 48% of total EBITDA respectively. Retail trading & contract manufacturing contributed the remaining 2%.

EBITDA Breakdown

Bt million	2Q17	2Q16	%Chg
As Reported			
Restaurant Services	1,012	1,012	0%
Hotel & Mixed-Use	1,063	1,117	-5%
Retail Trading & Contract Manufacturing	54	40	34%
Total EBITDA	**2,129**	**2,169**	**-2%**
EBITDA Margin	**15.9%**	**17.0%**	
Core*			
Restaurant Services	1,012	876	15%
Hotel & Mixed-Use	1,063	1,117	-5%
Retail Trading & Contract Manufacturing	54	40	34%
Total EBITDA	**2,129**	**2,033**	**5%**
EBITDA Margin	**15.9%**	**16.1%**	

* Core operations exclude non-recurring gain on fair value adjustment of change in status of investment in BreadTalk Group in Singapore of Bt 136m in 2Q16.

In 1H17, MINT reported EBITDA of Bt 5,905m, an 11% increase from 1H16 core EBITDA, attributable to robust growth of both restaurant and hotel & mixed use businesses. As a result, core EBITDA margin improved from 20.1% in 1H16 to 20.6% in 1H17.

In 1H17, hotel & mixed-use business represented 62% of total EBITDA, while restaurant business accounted for 36%. Retail trading and contract manufacturing business accounted for the remaining 2%.

EBITDA Breakdown

Bt million	1H17	1H16	%Chg
As Reported			
Restaurant Services	2,149	2,063	4%
Hotel & Mixed-Use	3,637	5,223	-30%
Retail Trading & Contract Manufacturing	119	125	-5%
Total EBITDA	**5,905**	**7,411**	**-20%**
EBITDA Margin	**20.6%**	**25.9%**	
Core*			
Restaurant Services	2,149	1,928	12%
Hotel & Mixed-Use	3,637	3,291	11%
Retail Trading & Contract Manufacturing	119	125	-5%
Total EBITDA	**5,905**	**5,344**	**11%**
EBITDA Margin	**20.6%**	**20.1%**	

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

MINT reported net profit of Bt 737m in 2Q17, a 24% growth from 2Q16 core net profit of Bt 596m. The significant increase was mainly supported by the higher operating leverage of AVC after the change of its sales model since 2015, higher profitability of restaurant business following MINT's successful efforts to control cost and streamline operations, as well as higher operating leverage of retail trading business. In addition, MINT also benefitted from various tax saving schemes, namely the implementation of International Headquarter (IHQ) program and tax benefits for depreciation by the Thai Revenue Department since 2016, as well as adjustments of deferred tax liabilities related to Oaks Group as required under Thai Generally Accepted Accounting Principles (Thai GAAP). As a result, core net profit margin increased from 4.7% in 2Q16 to 5.5% in 2Q17.

In 1H17, MINT reported net profit of Bt 2,661m, an increase of 19% from 1H16 core net profit of Bt 2,239m, from solid performance of all business units. As a result, core net profit margin expanded from 8.4% in 1H16 to 9.3% in 1H17.

Net Profit			
Bt million	**2Q17**	**2Q16**	**%Chg**
As Reported			
Total net profit	737	732	1%
Net Profit Margin	**5.5%**	**5.7%**	
Core*			
Total net profit	**737**	**596**	**24%**
Net Profit Margin	**5.5%**	**4.7%**	
	1H17	**1H16**	**%Chg**
As Reported			
Total net profit	2,661	4,307	-38%
Net Profit Margin	**9.3%**	**15.1%**	
Core*			
Total net profit	**2,661**	**2,239**	**19%**
Net Profit Margin	**9.3%**	**8.4%**	

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

Major Developments in 2Q17

	Developments
Restaurant	• Opened 20 outlets, net q-q, majority of which were The Pizza Company and Burger King outlets • Increased shareholding in Riverside from 69% to 85% • Converted loan to 70% equity of Grab Food, MINT's Thai restaurant concept in England.
Hotel & Mixed-Use	• Assumed management of Anantara Guiyang Resort in China • Assumed management letting rights of Metro Suites in Auckland, New Zealand • Debuted Anantara and AVANI brands in Portugal with the rebranding of two Tivoli hotels to Anantara Vilamoura Algarve Resort and AVANI Avenida Liberdade Lisbon Hotel • Transferred and recorded sale of three condominium units of Anantara Chiang Mai Serviced Suites in Thailand • Added nine units of Anantara Vacation Club's inventory in Phuket and Chiang Mai

Segment Performance

Restaurant Business

At the end of 2Q17, MINT's total restaurants reached 2,037 outlets, comprising 1,031 equity-owned outlets (51% of total), and 1,006 franchised outlets (49% of total). 1,294 outlets (64% of total) are in Thailand, while the remaining 743 outlets (36% of total) are in Australia, New Zealand, Singapore, China, India, Middle East, the Maldives, Egypt, England, and other countries in Asia.

Restaurant Outlets by Owned Equity and Franchise			
	2Q17	**Chg q-q**	**Chg y-y**
Owned Equity	1,031	5	52
- Thailand	829	6	42
- Overseas	202	-1	10
Franchise	1,006	15	102
- Thailand	465	5	53
- Overseas	541	10	49
Total Outlets	**2,037**	**20**	**154**

Restaurant Outlets by Brand			
	2Q17	**Chg q-q**	**Chg y-y**
The Pizza Company	423	15	56
Swensen's	331	0	8
Sizzler	62	2	6
Dairy Queen	437	1	27
Burger King	80	3	16
The Coffee Club	463	0	18
Thai Express	95	-1	1
Riverside	54	-3	-1
BreadTalk	38	1	13
Others*	54	2	10
Total Outlets	**2,037**	**20**	**154**

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

Hub Performance Analysis

In 2Q17, total-system-sales (including sales from franchised outlets) increased by 5.7% y-y, due primarily to store expansion of 8% y-y. Same-store-sales decreased slightly by 1.0% y-y, mainly as a result of the industry-wide consumption slowdown in both Thailand and some of

Minor Food's key overseas markets, albeit showing more resilient figures in relative to the industry trend.

In 2Q17, Thailand hub reported total-system-sales growth of 7.3% y-y, mainly attributable to the disciplined outlet expansion of 8% y-y. Same-store-sales declined slightly by 0.9% y-y for the period from the slowdown of domestic consumption and the high base in April 2016, when the government launched personal income tax incentive scheme to boost the economy. The Pizza Company, Burger King, The Coffee Club and BreadTalk were the brands that successfully maintained resiliency and achieved positive same-store-sales growth in 2Q17. The Pizza Company saw increased customer traffic, thanks to its ongoing product innovations such as Jumbo Pizza Puff and Cheesy Burger Crust. Burger King, with significant sales contribution from tourist market, was less impacted by the slowdown of domestic consumption and maintained positive same-store-sales growth by emphasizing on product quality. Lastly, both The Coffee Club and BreadTalk achieved impressive customer growth of more than 20% y-y due to their efforts to continuously launch limited-time product offerings to generate excitement. Although Thailand hub experienced slowdown of its overall same-store-sales, its strong operating platform and operational excellence enabled it to protect profitability in the midst of weak consumption environment in Thailand.

China hub reported total-system-sales growth of 6.1% y-y in 2Q17, supported by outlet expansion of 9% y-y. Same-store-sales, however, declined slightly by 1.0% y-y in 2Q17. Although Riverside continued to report positive same-store-sales growth, Sizzler and Thai Express experienced temporary slowdown. To stay ahead of competition, China hub will focus on enhancing menu offerings and product presentation of its non-Chinese food concepts in order to better serve the local taste and create excitement in the market. In addition, all brands will drive kids' promotions to attract family and increase store traffic. China Hub will also expand its customer base and increase scale by growing Riverside outlets.

Australia hub reported total-system-sales growth of 1.4% y-y in 2Q17, attributable to flat same-store-sales growth and cautious outlet expansion in the midst of weak macro backdrop. The Coffee Club, which is the largest contributor to the hub, reported positive same-store-sales growth despite pressure from the domestic market, by leveraging on the strong growth of its international markets, including New Zealand and the Middle East. To strengthen the performance, Australia hub will focus on improving its supply chain efficiency by leveraging its own coffee roasting business, as well as driving international expansion to capture growth potential of the fast-growing markets.

Singapore hub continued to experience pressure from the macro slowdown and high competition in the restaurant sector. While same-store-sales growth and total-system-sales growth remained negative in 2Q17, same-store-sales growth showed an improving trend from the previous quarter. Given the challenging business environment, Singapore hub will continue to rationalize its current portfolio and leverage on technology to improve operational efficiency, such as replacing manpower with self-ordering iPads. Furthermore, Singapore hub will expand its food delivery business by enhancing delivery menus and packaging to strengthen its performance.

1H17 total-system-sales increased by 7.0% y-y, mainly attributable to disciplined outlet expansion in Thailand, China, Vietnam, Myanmar and the UAE. Although Minor Food is facing challenges in some of its key operating markets, it believes the strong multi-brand portfolio, product and service innovation and operational excellence will ensure resilient performance and sustainable growth.

Restaurant Business Performance

%	2Q17	2Q16	1H17	1H16
Average Same-Store-Sales Growth	(1.0)	2.3	0.1	1.6
Average Total-System-Sales Growth	5.7	9.9	7.0	9.3

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

Financial Performance Analysis

2Q17 total restaurant revenue increased by 1% from 2Q16 core revenue, driven by both revenue from operation and franchise fee. 2Q17 revenue from operation grew by 1% from core revenue from operation in 2Q16, primarily from the expansion of equity outlets by 5% y-y, which helped offset the slowdown in some of MINT's key overseas markets amidst challenging macro conditions. Franchise fee grew by 2% y-y, from continued growth of existing franchising business, especially in the Middle East and Southeast Asia, together with the expansion of franchise outlets. 2Q17 EBITDA rose 15% from 2Q16 core EBITDA, higher than the revenue growth rate, primarily because of improved operational efficiency, effective supply chain management, back office streamlining and cost control in Thailand and China, together with higher contribution from Veneziano Coffee Roasters in Australia. As a result, 2Q17 EBITDA margin grew to 17.4% from core EBITDA margin of 15.2% in 2Q16.

1H17 total restaurant revenue increased by 2% from 1H16 core revenue, from the solid performance of Thailand and China hubs, together with the continued expansion of both owned and franchised outlets. 1H17 EBITDA, which grew faster than revenue, increased by 12% from 1H16 core EBITDA, primarily from the improved profitability of Thailand, China and Australia hubs. As a result, EBITDA margin improved to 18.1% in 1H17 from 1H16 core EBITDA margin of 16.6%.

Revenue Breakdown*

Bt million	**2Q17**	**2Q16**	**%Chg**
Revenue from Operation**	5,415	5,365	1%
Franchise Fee	409	401	2%
Total Revenue	**5,823**	**5,766**	**1%**
EBITDA	**1,012**	**876**	**15%**
EBITDA Margin	**17.4%**	**15.2%**	
	1H17	**1H16**	**%Chg**
Revenue from Operation**	11,005	10,812	2%
Franchise Fee	846	795	6%
Total Revenue	**11,851**	**11,607**	**2%**
EBITDA	**2,149**	**1,928**	**12%**
EBITDA Margin	**18.1%**	**16.6%**	

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

Hotel & Mixed-Use Business

Hotel Business

At the end of 2Q17, MINT owns 69 hotels and manages 86 hotels and serviced suites in 24 countries. Altogether, these properties have 19,896 hotel rooms and serviced suites, including 8,914 that are equity-owned and 10,982 that are purely-managed under the Company's brands including Anantara, AVANI, Oaks, Tivoli and Elewana Collection. Of the total, 4,202 rooms or 21% are in Thailand, while the remaining 15,694 rooms or 79% are located in Australia, New Zealand, the Maldives, China, Indonesia, India, Sri Lanka, Vietnam, Malaysia, Cambodia, Tanzania, Kenya, Mozambique, Botswana, Namibia, Zambia, Lesotho, Qatar, the UAE, Oman, Seychelles, Brazil and Portugal.

Hotel Rooms by Owned Equity and Management

	2Q17	**Chg q-q**	**Chg y-y**
Owned Equity*	8,914	-68	163
- Thailand	2,507	0	29
- Overseas	6,407	-68	134
Management	10,982	170	618
- Thailand	1,695	0	196
- Overseas	9,287	170	422
Total Hotel Rooms	**19,896**	**102**	**781**

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

Hotel Rooms by Ownership

	2Q17	**Chg q-q**	**Chg y-y**
Owned Hotels	7,050	-68	484
Joint Ventures	1,864	0	-321
Managed Hotels	4,619	135	602
MLRs*	6,363	35	16
Total Hotel Rooms	**19,896**	**102**	**781**

* Properties under Management Letting Rights in Australia and New Zealand

Hotel Performance Analysis by Ownership

Owned-hotels portfolio, which accounted for 60% of hotel & mixed-use revenue in 2Q17, reported y-y organic revenue per available room ("RevPar") increase of 12%. Owned hotels in Thailand sustained strong growth momentum on the back of the country's growing tourism, together with effective revenue management, and achieved organic RevPar growth of 13% y-y in 2Q17. Outside of Thailand, organic RevPar of the owned overseas hotels portfolio grew by 11% y-y from the continued RevPar growth of owned hotels in Brazil after the completion of hotels renovation, as well as the turnaround in performance of owned hotels in MINT's other key international markets, including Portugal, the Maldives and Zambia. The Portugal portfolio saw higher average daily rate ("ADR") with the beginning of tourist season in the Algarve region and the completed renovation of selected hotels, resulting in RevPar growth of 7% y-y. The Maldives owned hotel showed sign of performance improvement with RevPar growth turning positive from MINT's successful targeted marketing strategy. Lastly, demand in Zambia increased during its high season, resulting in higher ADR and subsequently RevPar growth of more than 30% y-y. Including new hotel additions, 2Q17 system-wide RevPar of owned hotels increased by 11% y-y.

Oaks, contributing 21% of 2Q17 hotel & mixed-use revenue, continued to see strong demand with occupancy rate of 75%, resulting in RevPar growth of 2% y-y in Australian dollar term. With the weakening of exchange rate, Oaks's RevPar was flat y-y in Thai Baht term in 2Q17.

Revenue contribution of management contract to MINT's hotel & mixed-use revenue was 4% in 2Q17. Organic RevPar of management contract portfolio decreased by 2% y-y in 2Q17, primarily due to soft performance of hotels in China, the UAE and Qatar. Including new hotels, which are still in their ramp-up stage, system-wide RevPar of managed hotels declined by 9% y-y in 2Q17.

In summary, in 2Q17, MINT's overall system-wide RevPar of its entire hospitality portfolio increased by 2% y-y, led by exceptional performance of hotels in Thailand, Brazil and Africa. Excluding new hotel additions, MINT's organic RevPar of the entire portfolio grew by 4% y-y in 2Q17.

In 1H17, system-wide RevPar of MINT's entire portfolio was flat y-y, primarily from the lower RevPar of new hotels during their ramp-up stage compared to the average of MINT's existing hotels. Excluding new hotels, organic RevPar of the entire portfolio grew by 4% y-y.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	2Q17	**2Q16****	**1H17**	**1H16****
Owned Hotels	62	62	60	61
Joint Ventures	48	42	47	44
Managed Hotels	60	59	65	64
MLRs*	75	73	77	75
Average	**65**	**64**	**66**	**66**
MINT's Portfolio in Thailand	74	69	78	75
Industry Average in Thailand**	67	65	N/A	N/A
(System-wide)	**ADR (Bt/night)**			
	2Q17	**2Q16****	**1H17**	**1H16****
Owned Hotels	5,519	5,009	6,109	5,791
Joint Ventures	8,575	9,502	10,493	12,445
Managed Hotels	5,704	6,291	6,419	6,975
MLRs*	4,235	4,327	4,537	4,463
Average	**5,207**	**5,198**	**5,773**	**5,813**
MINT's Portfolio in Thailand	4,255	4,196	4,894	5,016
Industry Average in Thailand**	1,546	1,282	N/A	N/A
(System-wide)	**RevPar (Bt/night)**			
	2Q17	**2Q16****	**1H17**	**1H16****
Owned Hotels	3,445	3,114	3,672	3,550
Joint Ventures	4,085	3,968	4,978	5,414
Managed Hotels	3,417	3,741	4,177	4,483
MLRs*	3,170	3,162	3,479	3,346
Average	**3,388**	**3,327**	**3,821**	**3,817**
MINT's Portfolio in Thailand	3,134	2,884	3,808	3,750
Industry Average in Thailand**	1,043	829	N/A	N/A
(Organic)	**Occupancy (%)**			
	2Q17	**2Q16****	**1H17**	**1H16****
Owned Hotels	63	62	62	61
Joint Ventures	50	42	50	44
Managed Hotels	62	59	67	64
MLRs*	75	73	77	75
Average	66	64	68	66
MINT's Portfolio in Thailand	74	69	78	75
(Organic)	**ADR (Bt/night)**			
	2Q17	**2Q16****	**1H17**	**1H16****
Owned Hotels	5,524	5,009	6,203	5,791
Joint Ventures	8,634	9,502	10,579	12,432
Managed Hotels	5,919	6,291	6,684	6,975
MLRs*	4,235	4,327	4,537	4,463
Average	**5,237**	**5,198**	**5,837**	**5,813**
MINT's Portfolio in Thailand	4,397	4,196	5,061	5,016

(Organic)	RevPar (Bt/night)			
	2Q17	**2Q16****	**1H17**	**1H16****
Owned Hotels	3,501	3,114	3,874	3,551
Joint Ventures	4,328	3,968	5,257	5,413
Managed Hotels	3,667	3,741	4,497	4,483
MLRs*	3,170	3,162	3,479	3,346
Average	**3,473**	**3,327**	**3,963**	**3,818**
MINT's Portfolio in Thailand	3,246	2,884	3,966	3,752

* Properties under Management Letting Rights in Australia & New Zealand

** Performance of owned hotels and join ventures in 2Q16 and 1H16 were restated, following the increased shareholding in the two hotels in Zambia effective from July 2016 onwards.

*** Source for Industry Average: Bank of Thailand

Hotel Performance Analysis

In 2Q17, revenue of hotel and related services increased by 12% y-y. The increase continued to be mainly from the strong performance of hotels in Thailand and Brazil following favorable macro conditions, together with additional revenue from the consolidation of two hotels in Zambia. 2Q17 management income decreased by 5% y-y, partly due to the sale of MINT's 50% investment in PER AQUUM portfolio, which included management of Huvafen Fushi and Desert Palm.

By the same token, 1H17 revenue from hotel and related services grew by 10% from 1H16 core revenue due to the same reasons in 2Q17. At the same time, management income increased by 8% y-y, attributable to the solid performance of managed hotels in Thailand and the Middle East, together with the additional management fee from 15% y-y increase in number of managed rooms.

Mixed-Use Business & Performance Analysis

One of MINT's mixed-use businesses is plaza and entertainment business. The Company owns and operates three shopping plazas, namely; (1) Royal Garden Pattaya, (2) Turtle Village Shopping Plaza Phuket and (3) Riverside Plaza Bangkok. In addition, MINT is the operator of seven entertainment outlets in Pattaya, namely (1) Ripley's Believe It or Not Museum, (2) 12D Moving Theater, (3) Haunted Adventure, (4) Infinity Maze, (5) The Louis Tussaud's Waxworks, (6) Ripley's Scream in the Dark and (7) Ripley's The Vault. 2Q17 revenue from plaza and entertainment business decreased by 3% y-y to Bt 129m, primarily from the soft performance of Royal Garden Pattaya. In 1H17, revenue from plaza and entertainment business decreased by 8% y-y to Bt 243m, due to the same reason in 2Q17.

The other mixed-use business that provides a bigger contribution to MINT's hospitality business is the real estate business, which comprises residential development and vacation club. MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. The first project is the Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Hotel in Samui. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok. To date, 11 villas of the Estates Samui and all units of St. Regis Residences have been sold. The latest project is Layan Residences by Anantara in Phuket, with 15 villas next to Anantara Layan Phuket Resort. To date, nine villas have been sold. In addition, MINT launched two joint-venture residential projects. Anantara Chiang Mai Serviced Suites, a 50% joint-venture project with U City PCL, is situated across Anantara Chiang Mai Resort & Spa and consists of 44 condominium units available for sale. In 2Q17, three condominium units were sold, bringing the total units sold to date to 29 units. Another joint-venture project outside of Thailand, Torres Rani in Maputo, Mozambique was also completed with 187 condominium units. While most of the units are leased out, there are six penthouses available for sale, of which total of two units were sold and transferred to date. Additional residential development projects are being considered to ensure continuous pipeline of MINT's real estate business.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 2Q17, AVC has a total inventory of 174 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. With the successful adjustment of the sales model, AVC continued to achieve exceptional sales growth of 39% y-y in 1H17, mainly from the increase in number of members by 22% y-y to 9,011 members at the end of 1H17.

Overall, revenue from real estate development decreased by 4% y-y in 2Q17, primarily from the absence of sale of Layan

Residences by Anantara project, compared to one unit sold in 2Q16. For 1H17, real estate business reported a revenue growth of 36% y-y due to substantial revenue contribution from residential sales and strong revenue growth of AVC.

Overall Hotel & Mixed-Use Financial Performance Analysis

Total hotel and mixed-use revenue increased by 8% y-y in 2Q17, mainly from robust growth of hotel and related services and AVC. EBITDA dropped by 5% y-y, while EBITDA margin decreased from 18.3% in 2Q16 to 16.1% in 2Q17, mainly attributable to the lower profitability of Portugal operation, which was temporarily affected by hotel renovations and related re-launching expenses. However, MINT expects the hotel operation in Portugal to show strong operational improvement in the third quarter, driven by high tourist season and strong ADR increase after the hotel renovations.

For 1H17, total revenue of hotel and mixed-use business increased by 14% from the core revenues in 1H16, attributable to the growth of hotel & related services, management income, and real estate development. 1H17 EBITDA grew by 11% from 1H16 core EBITDA, slower than revenue growth rate, primarily due to the same reasons in 2Q17. As a result, EBITDA margin declined to 24.2% in 1H17 from core EBITDA of 25.0% in 1H16.

Revenue Breakdown*

Bt million	**2Q17**	**2Q16**	**%Chg**
Hotel & related services**	5,404	4,837	12%
Management fee	260	273	-5%
Plaza & entertainment	129	133	-3%
Real estate development	820	856	-4%
Total Revenue	**6,613**	**6,099**	**8%**
EBITDA	**1,063**	**1,117**	**-5%**
EBITDA Margin	**16.1%**	**18.3%**	
	1H17	**1H16**	**%Chg**
Hotel & related services**	11,247	10,219	10%
Management fee	587	543	8%
Plaza & entertainment	243	263	-8%
Real estate development	2,925	2,153	36%
Total Revenue	**15,002**	**13,177**	**14%**
EBITDA	**3,637**	**3,291**	**11%**
EBITDA Margin	**24.2%**	**25.0%**	

* The table excludes non-recurring gain from bargain purchases of Tivoli Hotels & Resorts of Bt 1,932m in 1Q16.
** Includes share of profit and other income

Retail Trading and Contract Manufacturing Business

At the end of 2Q17, MINT had 339 retail trading points of sales, an increase of 39 points of sales from 300 points at the end of 2Q16. Of total 339 retail trading outlets, 93% are operated under fashion brands including Esprit, Bossini, GAP, Banana Republic, Brooks Brothers, Etam, Radley, Anello, Charles & Keith, and Pedro, while 7% are operated under home and kitchenware brands including Zwilling J.A. Henckels and Joseph Joseph.

Retail Trading's Outlet Breakdown

	2Q17	**Chg q-q**	**Chg y-y**
Fashion	314	9	40
Cosmetics	0	0	-5
Home and Kitchenware	25	1	4
Total Outlets	**339**	**10**	**39**

In 2Q17, total retail trading and contract manufacturing revenue showed significant growth of 16% y-y. Revenue from retail trading business increased by 20% y-y, mainly from the strong performance of fashion brands, especially Charles & Keith and Bossini, together with additional revenue from the new brands. Revenue from contract manufacturing business showed operational improvement and reported revenue growth of 2% y-y. EBITDA of the retail trading and contract manufacturing business increased by 34% y-y in 2Q17, chiefly attributable to the higher operating leverage of retail trading business and improved performance of contract manufacturing. As a result, EBITDA margin improved from 5.1% in 2Q16 to 5.9% in 2Q17.

1H17 revenue from retail trading and contract manufacturing increased by 7% y-y, while 1H17 EBITDA decreased by 5% y-y because of the lower operating leverage of contract manufacturing business and the ramping-up of the recently launched brands earlier in 2017. Consequently, EBITDA margin declined from 7.1% in 1H16 to 6.3% in 1H17.

Retail Trading and Contract Manufacturing's Revenue Breakdown			
Bt million	**2Q17**	**2Q16**	**%Chg**
Retail Trading	707	587	20%
Manufacturing	212	207	2%
Total Revenue*	**919**	**794**	**16%**
EBITDA	**54**	**40**	**34%**
EBITDA Margin	**5.9%**	**5.1%**	
	1H17	**1H16**	**%Chg**
Retail Trading	1,425	1,259	13%
Manufacturing	457	500	-9%
Total Revenue*	**1,882**	**1,759**	**7%**
EBITDA	**119**	**125**	**-5%**
EBITDA Margin	**6.3%**	**7.1%**	

*Includes share of profit and other income

Balance Sheet & Cash Flows

At the end of 2Q17, MINT reported total assets of Bt 110,005m, an increase of Bt 1,552m from Bt 108,453m at the end of 2016. The increase was primarily the result of:

1. Bt 1,107m increase in property, plant and equipment, mainly from expansion of hotel business;
2. Bt 1,939m net increase in MINT's investments, including the recent increase of stake in Riverside, the conversion of loan to 70% stake in Grab Food, MINT's Thai restaurant concept in England and the increase of investments in hotel business in Africa, netted off with;
3. Bt 867m decrease in cash and cash equivalents, partly to repay current portion of long-term borrowings; and
4. Bt 734m decrease in land and real estates project for sales, mainly from reduced inventory of Layan Residences by Anantara in Phuket following sales of the residential units in 1Q17.

MINT reported total liabilities of Bt 69,583m at the end of 2Q17, an increase of Bt 1,927m from Bt 67,656m at the end of 2016. The increase was mainly from (1) the increase in bank overdrafts and short-term borrowings from financial institutions of Bt 3,056m to support the company expansion and investments, netted off with (2) the decrease in deferred tax liabilities of Bt 713m, partly from hotel business and (3) the decrease in trade accounts payable of Bt 622m, primarily from restaurant business.

Shareholders' equity decreased by Bt 375m from Bt 40,797m at the end of 2016 to Bt 40,422m, owing mainly to (1) 1H17 net profit of Bt 2,661m, netted off with (2) the decrease in non-controlling interests amounted to Bt 699m, from additional investments in Riverside in China and (3) dividends paid amounted to Bt 1,544m.

For the first 6 months of 2017, MINT and its subsidiaries reported positive cash flows from operations of Bt 3,405m, an increase of Bt 1,481m y-y. This was partly from (1) the increase in profit before income tax from operations (excluding non-recurring gains) of Bt 313m, (2) the increase in translation adjustments of Bt 569m and (3) the decrease in trade and other payables of Bt 707m, mainly due to hotel and restaurant businesses.

Cash flow paid for investing activities was Bt 5,203m, due primarily to investments in available-for-sale, associates and joint ventures of Bt 2,194m and capital expenditures of hotel, restaurant and other businesses amounted to Bt 2,865m.

The Company reported net cash received from financing activities of Bt 969m, comprising primarily of (1) net cash received from short-term borrowings of Bt 3,099m, (2) net cash received from long-term borrowings of Bt 717m, netted off with (3) dividend payment of Bt 1,544m and (4) payment to non-controlling interest for acquired of investment in subsidiaries of Bt 1,291m from additional investment in Riverside, China.

In summary, cash flows from operating, investing and financing activities resulted in MINT's net cash and cash equivalents' decrease of Bt 829m in 1H17.

Financial Ratio Analysis

MINT's gross profit margin increased from 58.0% in 1H16 to 59.5% in 1H17, due mainly to improved gross margins of all business units. MINT's reported net profit margin decreased from 15.1% in 1H16 to 9.3% in 1H17, due mainly to net bargain purchase of Tivoli Hotels & Resorts and gain from changing status of investment in BreadTalk Group in Singapore in 1H16. Stripping out the non-recurring gains, core net margin improved from 8.4% in 1H16 to 9.3% in 1H17, supported by higher operating leverage of all business units, together with lower effective tax rate from various tax saving benefits from the Thai Revenue Department, including the IHQ regime and tax benefits for depreciation, and adjustments of deferred tax liabilities as required under Thai GAAP in 2Q17.

Annualized return on equity decreased from 23.1% in 1H16 to 13.1% in 1H17. Correspondingly, annualized return on assets declined from 8.6% in 1H16 to 4.9% in 1H17. The decrease of both ratios to the more normalized level was due to reported net profit from operations in 1H17, as opposed to 1H16 reported net profit, which included the aforementioned non-recurring gains.

Collection days decreased from 63 days in 1H16 to 56 days in 1H17, primarily as a result of improved turnover of AVC following the change of its sales model. The provision for impairment as a percentage of gross trade receivables increased from 6.3% at the end of 2016 to 7.1% in 1H17, mainly from restaurant business. MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant, retail trading and contract manufacturing businesses, while hotel business has lower level of inventory because of the nature of its business. Inventory days increased from 48 days in 1H16 to 57 days in 1H17, due mainly to higher inventory of restaurant business to support the expansion and the ramping-up of newly launched brands of retail trading business. Account payable days decreased from 47 days in 1H16 to 42 days in 1H17, primarily due to lower account payable of hotel and restaurant businesses.

Current ratio decreased from 0.9x at the end of 2016 to 0.8x at the end of 2Q17, primarily because of the decrease in land and real estate project for sales following sales of residential units. Interest bearing debt to equity increased from 1.22x at the end of 2016 to 1.32x at the end of 2Q17, partly from the increase in long-term borrowings to support the Company's investment to acquire additional stake in Riverside. MINT expects the return from such increased investment, together with continued improvement in performance overall, to bring the ratio down in coming quarters. Interest coverage ratio increased from 3.9x in 1H16 to 5.3x in 1H17 because of the higher cash flow from operations.

Financial Ratio Analysis

Profitability Ratio (6 months)	**30 Jun 17**	**30 Jun 16**
Gross Profit Margin (%)	59.5%	58.0%
Net Profit Margin – As Reported (%)	9.3%	15.1%
Core Net Profit Margin (%)	9.3%	8.4%
Efficiency Ratio	**30 Jun 17**	**30 Jun 16**
Return on Equity* (%)	13.1%	23.1%
Return on Assets* (%)	4.9%	8.6%
Collection Period* (days)	56	63
Inventory Days*	57	48
Accounts Payable Days*	42	47
Liquidity Ratio	**30 Jun 17**	**31 Dec 16**
Current Ratio (x)	0.8	0.9
Leverage & Financial Policy	**30 Jun 17**	**31 Dec 16**
Interest Bearing Debt/Equity (x)	1.32	1.22
Net Interest Bearing Debt/Equity (x)	1.24	1.11
	30 Jun 17	**30 Jun 16**
Interest Coverage (x) (6 months)	5.3	3.9

Note: *Annualized

Management's Outlook

In today's digital era, MINT believes technology is rapidly transforming every aspect of the company. Reacting to changes is no longer enough to prevent companies from being disrupted. MINT has to look beyond the current operating environment, be obsessed with customers to understand how they are changing and proactively transform its business model and system to adapt and outperform the market. Below highlight some of MINT's initiatives to get ahead of disruption and thrive in today's digital world.

Digital Transformation of Restaurant Business to Drive Productivity and Market Expansion

Minor Food invests in technology to strengthen its restaurant operations, both for dine-in and delivery segments. For the dine-in segment, Minor Food leverages on technology to improve productivity and drive cost control. For example, Thai Express is rolling out self-ordering iPads across its outlets in Singapore to drive operational efficiency in a high-cost environment. The new ordering system provides speedy service and convenience to customers, while reducing order errors, staffing requirements and operating costs.

For the delivery segment, technology and the rise of online food delivery platforms create opportunities for Minor Food to expand its market. Being the pioneer of pizza delivery in Thailand, Minor Food continues to strengthen its own delivery platform to grow its delivery business. For example, The Pizza Company's online ordering platforms, both website and mobile application, are known to be one of the most easy-to-use order-taking system with just a few clicks. In addition, Minor Food is extending delivery services across many of its brands through partnerships with leading third-party delivery services. The partnerships enable Minor Food to rapidly grow its delivery network, as well as capture new customers. Minor Food believes that the leverage on both its own delivery platform and partnerships with third-party delivery services will help the company maintain its market leadership in today's competitive environment.

Transformation of Minor Hotels' Website to Strengthen the Corporate Image and Customer Loyalty

Minor Hotels has revamped its website platform as part of its strategy to raise awareness of Minor Hotels as a leading house of unrivaled hotel brands. The new multi-brand website combines all of its hotel brands under one Minor Hotels umbrella, providing one-stop shop for hotel information and reservation management. The unified platform enables the company to deliver superior customer journeys, while expanding the brand presence and reach, as well as creating cross-selling and upselling opportunities among its brands. Ultimately, MINT believes that the online multi-brand platform will be the key engine to help strengthen the corporate brand to stand out in the global hospitality industry and attract new business opportunities, both investments and management contracts.

More importantly, the website provides the company with a powerful source of customer data, in which Minor Hotels can leverage on to build long lasting relationships with its customers. Minor Hotels implements extensive customer data analytics to gain customer insights and tailor communications to better market to its customers. With the success of its direct marketing efforts, Minor Hotels has seen robust double-digit growth of room nights sold via its website y-y in 1H17. Going forward, Minor Hotels will continue to strengthen its online platform and localize contents and languages to drive user engagement and customer loyalty in the digital age.

Building a Culture of Innovation to Stay Ahead in the Disruptive World

MINT understands that it can never stop transforming to stay ahead in the disruptive world and sees an importance of building a culture of innovation to achieve sustainable growth. MINT's employees are encouraged to push their boundaries and think outside the box. They are given training, resources and empowerment to push forward new ideas. MINT believes its strong corporate culture, together with strong execution abilities, will ensure continuity and success of the company in the long run.

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Mr. Chaiyapat Paitoon

Deputy Corporate Chief Financial Officer