

2008 Annual Report

MINOR INTERNATIONAL



Anantara Bali



Four Seasons Chiang Rai



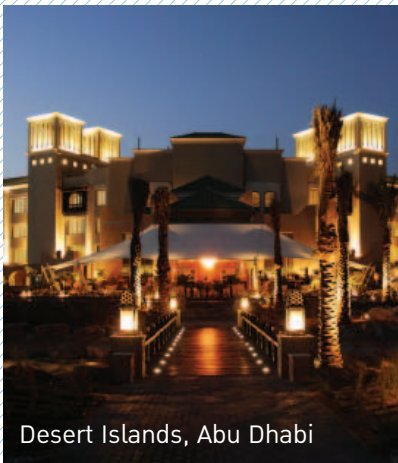
Anantara Maldives



Anantara Phuket



Anantara Si Kao (Krabi)



Desert Islands, Abu Dhabi



MINOR INTERNATIONAL

BRAND SHOWCASE



Anantara Dhigu Resort & Spa, Maldives

Our fourth largest hotel in terms of revenues achieved a 28% increase in sales in 2008.

Sales	USD Million
2008	22.8
2007	17.8
2006	4.6



Anantara Veli Resort & Spa, Maldives

Achieved a 123% increase in sales after rebranding as an Anantara in 2008.

Sales	USD Million
2008	9.8
2007	4.4
2006	3.8



Anantara Golden Triangle Resort & Spa

Our stunning Anantara in north Thailand posted a 5% increase in sales and this hotel was ranked #24 in Asia by Conde Nast.

Sales	Baht Million
2008	133
2007	127
2006	119



Anantara Hua Hin Resort & Spa

Our largest Anantara resort with 187 rooms holds a leadership position in the Hua Hin market.

Sales	Baht Million
2008	280
2007	319
2006	321



Anantara Samui Resort & Spa

Now in its fourth full year of operation, this Anantara is one of the top luxury resorts in Samui.

Sales	Baht Million
2008	220
2007	233
2006	206



Anantara Phuket Resort & Spa

In October 2008, we opened a flagship Anantara resort in Phuket with 83 pool villas.

Sales	Baht Million
2008	44
2007	0
2006	0



Anantara Seminyak Resort & Spa Bali

Having opened in 2008, this resort quickly established itself among the leading luxury resorts in Bali.

Sales	IDR Million
2008	29.19
2007	0
2006	0



Anantara Si Kao Resort & Spa

One of our most scenic resorts with 139 sea-view rooms opened in late 2008. MINT manages this resort which is located just south of Krabi, Thailand.





Anantara Serviced Apartment Baan Rajprasong, Bangkok

MINT will manage this serviced apartment complex which will open in Bangkok in early 2009.



Four Seasons Hotel Bangkok

Located in the corporate and shopping heart of Bangkok's bustling core, this hotel was ranked #41 in Asia by Conde Nast.

Sales	Baht Million
2008	988
2007	1,019
2006	882



Four Seasons Resort Chiang Mai

Despite more competition from new resorts in Chiang Mai, this resort was listed as the #8 resort in Asia by Conde Nast.

Sales	Baht Million
2008	312
2007	374
2006	374



Four Seasons Tented Camp

Located in Thailand's Golden Triangle, our resort was recognized as the #1 resort in the world by the readers of Conde Nast.

Sales	Baht Million
2008	140
2007	138
2006	91



Four Seasons Resort Koh Samui

Posted a 28% increase in sales while also being recognized as the #17 resort in Asia by Conde Nast.

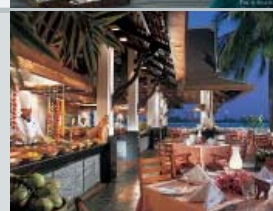
Sales	Baht Million
2008	486
2007	379
2006	0



Bangkok Marriott Resort & Spa

Our largest hotel property with 413 rooms is always one of the busiest hotels in Bangkok.

Sales	Baht Million
2008	993
2007	1,070
2006	1,036



Hua Hin Marriott & Spa

Achieved average occupancy rate of 70% despite more competition from new resorts in Hua Hin.

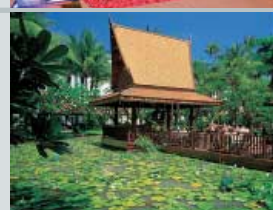
Sales	Baht Million
2008	330
2007	348
2006	349



Pattaya Marriott Resort & Spa

Maintained sales of Baht 513 million despite a challenging year for Thai tourism.

Sales	Baht Million
2008	513
2007	513
2006	496



JW Marriott Phuket Resort & Spa

Ranked as the #14 resort in Asia by Conde Nast, the JW Marriott holds a leading position among luxury resorts in Phuket.

Sales	Baht Million
2008	966
2007	947
2006	788



DESERT ISLANDS RESORT & SPA

Desert Islands Resort & Spa, Abu Dhabi

Located on an island 6 km off Abu Dhabi's west coast, this 64 room resort opened in October 2008. MINT manages this resort.

Sales	AED Million
2008	4.23
2007	0
2006	0



Naadhu MALDIVES

Naladhu Maldives

With only 19 rooms and sales greater than USD 5 million, this resort is one of the most luxurious in our resort portfolio.

Sales	USD Million
2008	5.2
2007	1.6
2006	0



Elewana

Elewana Africa

In 2008, MINT acquired a 50% stake in this hospitality company that owns and operates high-end safari camps in Africa.

Sales	USD Million
2008	6.34
2007	4.66
2006	0



harbour view hotel Haiphong • Vietnam

Harbour View Hotel, Haiphong

Our sole Vietnam property continues to perform well in northern Vietnam.

Sales	USD Million
2008	2.7
2007	2.8
2006	2.1



THE ESTATES SAMUI

The Estates Samui

Since developing the villas next to our Four Seasons in Samui, we have sold eight of the 14 residences.

Sales	Baht Million
2008	591
2007	228
2006	97



MSPA INTERNATIONAL

MSPA International

Our spa business operates 30 spas in 7 countries.

Sales	Baht Million
2008	358
2007	384
2006	378

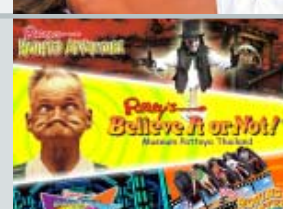


Ripley's Believe It or Not!

Royal Garden Entertainment

Sales have increase every year since we opened Ripley's Haunted Adventure in Pattaya in 2004.

Sales	Baht Million
2008	108
2007	103
2006	95



ROYAL GARDEN PLAZA

Royal Garden Plaza

Our 3 shopping centers adjacent to our hotels, which are located in Bangkok, Pattaya and Phuket, recently opened in December 2008.

Sales	Baht Million
2008	562
2007	531
2006	499





The Pizza Company

Our own brand achieved a 4% increase in revenue and continues to expand domestically and internationally with equity owned and franchised outlets.

Sales	Baht Million
2008	2,449
2007	2,368
2006	2,130



Swensen's

Currently franchising in four international markets with opportunities to expand to 33 international markets including India.

Sales	Baht Million
2008	1,420
2007	1,375
2006	1,337



Sizzler

With 36 outlets in Thailand and Beijing, Sizzler posted a 20% increase in sales.

Sales	Baht Million
2008	1,201
2007	998
2006	1,054



Dairy Queen

Posted an 18% increase in sales while also opening the first DQ Grill & Chill outlet in Asia.

Sales	Baht Million
2008	764
2007	649
2006	633



Burger King

With great locations and premium quality, BK enjoys a loyal following in Thailand and it achieved a 24% increase in sales in 2008.

Sales	Baht Million
2008	449
2007	361
2006	274



Thai Express

A profitable Singaporean restaurant group with four of its own brands. MINT acquired a 70% stake in May 2008.

Sales	SGD Million
2008	66.9
2007	0
2006	0



The Coffee Club

Australia's Food Franchisor of the Year in 2008 with more than 200 outlets in Australia. MINT acquired a 50% stake in January 2008.

Sales	AUD Million
2008	214.4
2007	0
2006	0



Select Service Partner (Thailand) Limited

Sales were up 4% despite having operations at Suvarnabhumi airport closed for a week in 2008.

Sales	Baht Million
2008	351
2007	335
2006	386



Minor Dairy and Cheese Limited

Our ice cream and cheese factory continues to grow by supplying our Pizza Company, Dairy Queen and Swensen's outlets as well as third parties.

Sales	Baht Million
2008	1,323
2007	1,020
2006	925



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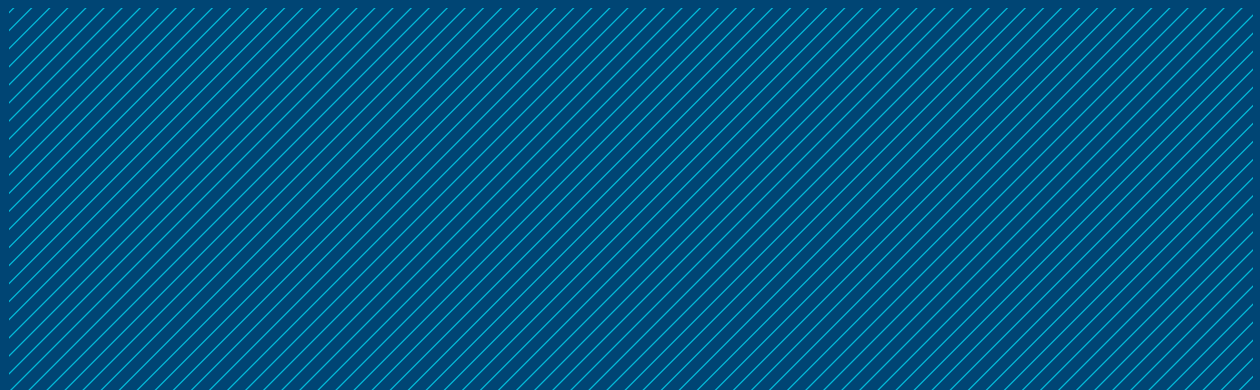
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CORE VALUES

- Customer Focus
- Result Oriented
- People Development
- Innovative

VISION

To be a leading international hospitality and leisure operator and a leading multiple food concept operator through the delivery of branded products and services providing 100% SATISFACTION to all stakeholders.



Delivering premium branded hospitality services and food concepts globally

Every year, over 20,000 service professionals at 27 hotels, 30 spas and 1,043 restaurants have the pleasure of providing over 80 million customers with the very best in dining, resort lodging and spa treatments.

Financial Highlights

	2004	2005	2006	2007	2008
Consolidated (Baht Million)					
Net Sales	7,944	10,045	11,716	13,538	15,814
Total Revenues	8,228	10,418	12,395	14,029	16,515
Gross Profit	5,219	6,702	7,631	8,980	10,521
EBITDA	2,133	2,913	3,271	3,759	4,311
EBIT	1,214	1,760	1,961	2,463	2,933
Foreign Exchange Gain (Loss)	14	(2)	24	5	(64)
Net Profit (Loss)	712	1,061	1,280	1,611	1,901
Total Assets	14,080	15,439	17,787	21,280	25,064
Total Liabilities	8,425	9,500	9,662	11,572	12,661
Interest Bearing Debt	6,401	7,190	7,091	8,335	9,101
Total Equity	5,656	5,939	8,124	9,708	12,403
Paid up Share Capital	2,477	2,734	2,958	3,022	3,614
Net Cash Flow from Operating Activities	1,798	2,290	2,373	2,364	3,388
Profitability Ratio (%)					
Gross Profit Margin	65.69	66.73	65.13	66.33	66.53
Net Profit Margin	8.65	10.19	10.33	11.48	11.51
Return on Total Assets (ROA)	5.69	7.19	7.71	8.25	8.20
Return on Equity (ROE)	14.36	18.30	18.21	18.07	17.19
Debt to Equity Ratio (Times)					
Interest Bearing Debt/Equity Ratio	1.13	1.21	0.87	0.86	0.73
Long Term Debt/Equity Ratio	1.07	1.02	0.83	0.73	0.69
Gearing Ratio	1.49	1.60	1.19	1.19	1.02
Per Share Data (Baht)					
Earning per Share	0.26	0.37	0.40	0.49	0.56
Book Value per Share	2.28	2.17	2.75	3.21	3.43
Dividend per Share	0.10	0.22	0.125	0.15	0.25
Dividend Payout Ratio (%)	59.56	76.23	34.63	35.05	50.98
Operating Cash Flow per Share	0.75	0.92	0.88	0.86	1.01
Share Capital (Thousand Shares)					
Par Value	1	1	1	1	1
Registered Ordinary Shares	2,443,145	3,097,854	3,313,076	3,275,302	3,689,623
Registered Preferred Shares	200,000	200,000	63,520	63,520	-
Number of Ordinary Shares Outstanding	2,413,258	2,670,136	2,894,584	2,958,216	3,614,264
Number of Preferred Shares Outstanding	63,520	63,520	63,520	63,520	-
Number of Weighted Average Ordinary Shares Outstanding	2,175,323	2,499,430	2,687,647	2,762,173	3,361,793
Number of Weighted Average Preferred Shares Outstanding	63,520	63,520	63,520	63,520	-
Number of Warrants Outstanding (Thousand Units)					
• Offered to Existing Shareholders	-	-	271,704	239,140	-
• Offered to Employee Stock Option Program	2,314	1,158	77,598	62,065	38,066

Note: 1. Earning per share, book value per share, dividend per share and operating cash flow per share for the year 2004 has been restated to reflect the share split from 1 share to 5 ordinary shares during the year 2004 and reflect the share dividend paid to the Company's shareholders during the year 2005.
2. Dividend per share for the year 2005 are consisted of cash dividend at Baht 0.12 per share and share dividend at Baht 0.10 per share.
3. Dividend payout ratio for the year 2005 are consisted of cash dividend 42.17% and share dividend 34.06%.
4. Earning per share for the year 2004-2007 has been restated to reflect the share dividend paid to the Company's shareholders during the year 2008.
5. Dividend per share for the year 2008 are consisted of cash dividend at Baht 0.15 per share and share dividend at Baht 0.10 per share.
6. Dividend payout ratio for the year 2008 are consisted of cash dividend 30.99% and share dividend 20.39%.

Financial Status at a Glance

Consolidated Cash Flow Statements		
For the Year Ended 31 December 2008		
		(Baht Million)
Net Cash Inflows from Operating Activities		3,388
Net Cash Payment for Investing Activities	(1)	(4,900)
Net Cash Receipts from Financing Activities	(2)	1,704
Net Increase in Cash & Cash Equivalents		192
Gain on Exchange on Cash & Equivalents		9
Cash & Cash Equivalents on 31 December 2007		1,147
Cash & Cash Equivalents on 31 December 2008		1,348

Consolidated Balance Sheets	
As at 31 December 2007	
	(Baht Million)
Assets	
Cash & Cash Equivalents	1,147
Other Current Assets	3,387
Investments & Others	6,015
Fixed Assets	10,731
Total Assets	21,280
Liabilities & Equity	
Current Liabilities	4,174
Non-current Liabilities	7,398
Share Capital,	
Premium & Reserves	5,440
Retained Earnings - Net	3,760
Minority Interest	508
Total Liabilities & Equity	21,280

Consolidated Statements of Income	
For the Year Ended 31 December 2008	
	(Baht Million)
Revenues	16,515
Gross Operating Profit	11,222
S&A Expenses	6,911
EBITDA	4,311
Depreciation & Amortisation	1,378
EBIT	2,933
Interest Expenses	378
Earnings Before Taxes	2,555
Corporate Taxes	577
Minority Interest	77
Net Profit	1,901

Consolidated Balance Sheets	
As at 31 December 2008	
	(Baht Million)
Assets	
Cash & Cash Equivalents	1,348
Other Current Assets	(4) 3,005
Investments & Others	(5) 8,023
Fixed Assets	(6) 12,688
Total Assets	25,064
Liabilities & Equity	
Current Liabilities	4,885
Non-current Liabilities	(7) 7,776
Share Capital,	
Premium & Reserves	(8) 6,597
Retained Earnings - Net	(9) 5,182
Minority Interest	(10) 624
Total Liabilities & Equity	25,064

Retained Earnings	
As at 31 December 2008	
	(Baht Million)
Balance as at 31 December 2007	3,760
Adjustment due to change in accounting policy	352
Total Earnings for 2008	1,901
Legal Reserve	(58)
Dividends	(3) (773)
Balance as at end 31 December 2008	5,182

Notes:

- (1) Additional investment of Baht 1,749 million into subsidiaries and associates and of Baht 56 million into other company, Baht 3,370 million into new PPE and Baht 275 million in others.
- (2) Net new financing of Baht 1,704 million including Baht 1,413 million in new common shares.
- (3) Dividends of Baht 821 million were paid in May 2008, with cash dividend of Baht 463 million or Baht 0.15 per share and share dividend of Baht 309 million or Baht 0.10 per share.
- (4) Other current assets decreased Baht 382 million primarily due to the sales of real estate under development for sales of Baht 223 million and loan to other company of Baht 179 million.
- (5) Investments & others reflect investment in the Coffee Club and Elewana Africa and goodwill from investment in subsidiary, Thai Express.

- (6) Total net fixed assets increased Baht 1,957 million over the year through both new construction of hotel of Baht 2,245 million, expansion of Food Group of Baht 956 million and reduction from depreciation of Baht 1,244 million.
- (7) Non-current Liabilities increased Baht 378 million due to issuance of new debentures for redemption debenture.
- (8) The Company's capital base grew Baht 1,157 million in 2008 through the newly issued ordinary shares of Baht 1,724 million from shareholder warrants and ESOP exercise, dividend payment of Baht 328 million and decrease in fair value of investment in Minor Corporation Plc and S&P.
- (9) Retained earnings increased through higher profits in 2008.
- (10) Minority interests increased primarily due to investment in Thai Express.

Chairman's Message



DEAR FELLOW STAKEHOLDERS:

I am pleased to report that 2008 was another outstanding year for our company. With 27 hotels and more than 1,000 restaurants operating in 16 counties, Minor International achieved a net profit growth of more than 18% for the fifth straight year. In 2008, our businesses combined for an 18% increase in revenues to Baht 16,515 million and an 18% increase in net profit to Baht 1,901 million. Earnings per share increased by 15% to Baht 0.56 per share.

If I had to look back on 2008 and the previous five years and choose three words to describe why I believe that Minor International continues to achieve such remarkable success year after year, the words would be Diversified, Dynamic and Disciplined.

Minor International is **diversified** across core hotel and restaurant businesses, **dynamic** in the many ways in which it creates value and **disciplined** in its approach to making investments and managing risk. These things combined with the passion and support of an exceptional Board, a strong leadership team, committed partners, and more than 20,000 employees are why I am once again delighted to report that we had another solid year in 2008 and why I am confident that we will meet the challenges facing us in 2009.

William E. Heinecke

Chairman and Chief Executive Officer



1. William E. Heinecke

Chairman and Chief Executive Officer

2. Paul Charles Kenny

Director and CEO of the Minor Food Group

3. Pratana Mongkolkul

Director and Chief Financial Officer

4. Dillip Rajakarier

Director and COO of Minor Hotel Group



Sunrise at our Four Seasons Tented Camp in Chiang Rai. Our Tented Camp was recognized as the #1 resort in the world by the readers of Conde Nast Traveler.

While our financial performance was outstanding for another year, we were also pleased to be recognized by investors and a number of distinguished industry groups for having the qualities of a company that makes us a leader in the Asian hotel and restaurant industries.

- In January 2009, Asia Money magazine recognized Minor International as Thailand's Best Managed Mid Cap Company for strong financial and business performance, management strategy and vision, investor relations, corporate governance, shareholder value creation and operational efficiency.

- In October 2008, Conde Nast Traveler's Readers Choice Awards named our Four Seasons Tented Camp in Chiang Rai as the #1 resort in the world and five of our other resorts including the Anantara Golden Triangle Chiang Rai were also listed among Conde Nast's top 25 resorts in Asia. Having the #1 resort in the world was really something to celebrate.

- Also in October 2008, our Australian restaurant company, The Coffee Club, was chosen National Franchisor of the Year (Food) by the Franchise Council of Australia. Given the size and sophistication of the Australian franchising industry, we were thrilled

Consolidated Revenues

2008	16,515
2007	14,029
2006	12,430
2005	10,443
2004	8,237

Net Profits

2008	1,901
2007	1,611
2006	1,280
2005	1,061
2004	712



One of the 83 pool villas at the Anantara Phuket which opened in October 2008.



to be recognized as Australia's best restaurant franchisor.

With a strong 2008 now behind us, we realize that 2009 is likely to be an extremely challenging year. It is impossible to predict the length and severity of the global economic crisis or what to expect from Thailand both politically and economically. While we are prepared for what could be a difficult year, our hotel and restaurant businesses have persevered in the past despite 9/11 in 2001, SARs in 2003, Bird Flu in 2004, a Tsunami in 2005, and a Coup in 2006. Despite all of these events, Minor International's earnings have grown at a 36% CAGR since 2000.

Having founded Minor International more than 30 years ago, I believe that Minor International has never been better prepared to face the difficulties ahead of us. I would like to highlight what we have done and are doing to strengthen our hotel and food businesses and ultimately create value for our shareholders in an environment that is very uncertain but, at the same time, full of opportunity.

THE HOTEL AND RESIDENTAL PROPERTY BUSINESS

In 2008, Minor International's hotel business managed to have another great year despite deteriorating economic conditions worldwide and the closure Bangkok's international airports for more than one week in November. With hotels across seven countries and the ability to expand our hospitality business by driving in three core areas, we are fortunate to have such flexibility as we benefit in both good times and bad. In 2008, revenues from company owned resorts, hotel management fees and proceeds from the sale of residential properties combined to increase total hospitality revenues by 8% to Baht 6,652 million.

Sunset views from the Anantara Seminyak Resort & Spa in Bali.



Over-The-Water at an Anantara resort in the Maldives.



Company Owned Resorts: With direct ownership stakes in 23 resorts located across Thailand, the Maldives, Vietnam, Sri Lanka, and Tanzania, our company owned resorts posted a 1% decrease in revenue to Baht 5,339 million. During the first half of 2008, revenues from company owned resorts increased by 11%. During the second half of 2008, however, revenues from company owned resorts decreased by 14% as occupancy rates were negatively affected by a decline in global economic conditions, an increase in domestic political tensions and protests at Bangkok's international airports. Despite this, many of our company owned resorts performed very well in 2008. Our three resorts in the Maldives, for example, which opened in 2005 and 2006, combined to post a 53% increase in revenue while our newest Four Seasons Resort in Samui, which opened in 2007, posted a 36% increase in revenue.

With six resorts among Conde Nasts top 50 resorts in Asia, Minor International continues to develop and invest in hotels by selecting unique locations, designing luxury facilities, and offering services that exceed customer expectations. In 2008, we strengthened our leading position among hospitality companies in Asia when we launched our flagship 83 pool villa Anantara resort in Phuket and acquired a 50% stake in Elewana Afrika, which is an African hospitality company that owns and operates several high-end safari camps in and around Tanzania.

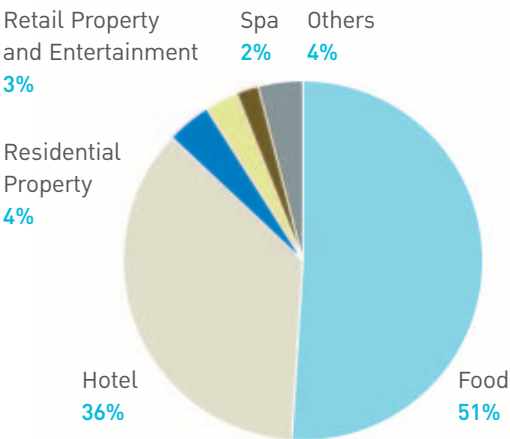
Hotel Management Fees: While our largest source of hospitality revenue comes from company owned resorts, revenues from management services are our fastest growing source of hospitality revenue. In 2008, revenues from hotel management services increased by 33% to Baht 547 million. We currently provide hotel management services to seven resorts including two Anantara resorts in the Maldives, one Anantara

in Thailand, one Anantara in Bali and one Anantara in Abu Dhabi, a Naladhu resort in the Maldives and the Harbour View Hotel in Vietnam.

As we continue to market our own Anantara resort brand and our skills as a manager of branded world class resorts to other resort investors and owners across Asia, we expect that revenues from management services will continue to increase and become a larger part of overall hospitality revenues. In 2008, we signed four contracts with different groups of hotel investors who together want us to manage 14 new resorts which will be built and opened over the next five years. This includes eight Anantara resorts in India, three Anantara resorts in Cape Verde, two Anantara resorts in Morocco and one Anantara residence in Bangkok.

Our success as a hotel management company is supported, in large part, by the strengths of our own Anantara brand name which continues to win awards and gain in popularity among visitors to Asia. With eight Anantara resorts operating today in Thailand and

2008 Revenue Breakdown



contracts to open and manage 14 more Anantara resorts over the next five years, we expect to have more than 20 Anantara resorts operating worldwide by 2013. Our Anantara brand name continues to strengthen its position as one of Asia's leading luxury hotel brands and our strong reputation as a developer and hotel manager continues to grow.

Residential property sales: By developing residential properties in conjunction with the development of some of our resorts, we have been able to take advantage of opportunities to sell residences and significantly enhance overall returns on investments. In 2008, revenues from residential property sales increased by 160% to Baht 591 million as we sold four luxury villas adjacent to our Four Seasons resort in Samui.

Since developing the villas next to our Four Seasons in Samui, we have sold eight of the 14 residences. We expect to sell the remaining six residences in Samui over the next two years to buyers who continue to show strong interest in owning luxury residential properties in premier locations like Samui. In the meantime, we are looking forward our next residential project which is expected to open in late 2010 when we open the St. Regis Hotel and Residences in Bangkok. In addition to having 220 hotel rooms and service apartment, the St. Regis will also have 53 of Bangkok's most exclusive residences. We plan to start selling these residences in mid 2009 and expect that there will be strong demand for them as it will truly be Bangkok's premier residential address.

THE RESTAURANT BUSINESS

Having completed two significant acquisitions in 2008, our wholly owned restaurant company, the Minor Food Group, is today much larger and more international than it was a year ago. In 2008, our



This Pizza Company outlet in Dubai is one of 39 outlets we have operating outside of Thailand.



Contemporary Thai cuisine served at one of our Thai Express restaurants in Singapore.



One of the 200 Coffee Club outlets we have in Australia and New Zealand.

portfolio of restaurant brands increased from 5 to 10 brands following acquisitions of The Coffee Club and Thai Express, which are successful restaurant companies located in Australia and Singapore, respectively. For the year, the Food Group's restaurant system, which now operates in 13 countries, increased from 676 outlets to 1,043 outlets. Franchised outlets as a percent of total outlets increased from 18% to 38%. In 2008, the Minor Food Group's financial performance was outstanding as revenues increased by 28% to Baht 8,404 million.

Given the fast casual, quick serve nature of our restaurant brands and our concentration on three core markets including Thailand, Singapore and Australia, our restaurant business is well positioned for stability and growth in what is likely to be a period of global economic uncertainty. In addition to operating in various geographic markets, we also have access to a portfolio of 10 great restaurant brands including five core brands that we own and, therefore, have the ability to develop them anywhere in the world and anyway we want to. We can invest in developing and operating them as company owned outlets or support partners who invest and work with us to develop franchised outlets.

Thailand: Despite economic and political uncertainties which affected Thailand's retail sector in 2008, our restaurant business in Thailand achieved a 11% increase in overall sales with a 4% increase in comparable same store sales. In 2008, we added 34 company owned outlets including the very first Dairy Queen Grill & Chill in Asia and 43 franchised restaurant outlets. Today, we have 703 restaurants operating under the Pizza Company, Swensen's, Sizzler, Dairy Queen and Burger King brands and we continue to be the largest quick serve restaurant company in Thailand with more than 30% market share. We also hold a 21% stake in S&P Syndicate,



One of 17 Pizza Company outlets in China.



We have more than 220 Swensen's outlets operating in four countries including Saudi Arabia.

which currently owns and operates more than 250 restaurants outlets in Thailand. Our restaurant business in Thailand remains our largest worldwide and it continues to grow each year.

Singapore: In 2008, we expanded our food business to Singapore by acquiring a 70% stake in Thai Express for S\$ 40 million. Thai Express is one of the fastest growing and most profitable fast casual restaurant operators in Singapore with 47 company owned outlets and 14 franchised outlets internationally. This company has four brands including Thai Express, Hong Kong Café, Shokudo Food Bazaar and NewYork NewYork that each specialize in Thai, Chinese, Japanese and American cuisines, respectively. We are delighted to add these brands and cuisine types to our diverse portfolio of brands which had previously consisted of western food concepts.

In 2008, Thai Express had a great year with revenues and net profit increasing by 99% and 85%, respectively. Having owned Thai Express since May 2008, the company has performed far better than our expectations and we continue to see significant opportunities for it to expand over the next several years. Our management team at Thai Express are among the most creative, passionate and entrepreneurial professionals we have ever worked with and they have exciting plans to expand the business further in Singapore and while also entering new markets such as China.

Australia: In January 2008, we completed our acquisition of a 50% stake in The Coffee Club for A\$ 23 million. As one of Australia's most successful restaurant franchisors with more than 200 restaurants operating in Australia and New Zealand, Coffee Club also exceeded our expectations in 2008 achieving a 18% increase in revenue and a 5% increase in net profit.

The acquisitions of both Coffee Club and Thai Express in 2008 advanced our plan to acquire well

managed brands in large and growing markets that have strong potential to expand in Asia. As we expand The Pizza Company and Swensen's brands internationally, we plan to expand Coffee Club and Thai Express in markets where we currently operate and expect to operate in the future. In January 2009, for example, we opened the first Coffee Club in Asia at an exciting location in Phuket, Thailand.

China and the Middle East: China and the Middle East are also important markets where our Food Group is focused on developing of our Pizza Company, Swensen's and Sizzler brands. In China, we currently have 21 company owned Pizza Company and Sizzler outlets in Beijing and three franchised Pizza Company outlets in other parts of China. In the Middle East, where we have no company owned outlets, we have franchised 17 Pizza Company and 9 Swensen's in four countries including Bahrain, Saudi Arabia, Jordan and the UAE. We consider China and the Middle East to be markets under long term development and both are a critical part of our long term expansion strategy. Although the challenges in China and the Middle East are significant, I believe that we are on track to achieve the economies of scale we need to enjoy stable, long term growth.

LOOKING FORWARD TO 2009

The economic situation internationally and the political situation in Thailand will likely to require us to meet significant challenges and be particularly diligent and careful with every decision we make. Although we expect 2009 to be a difficult year, we have high performance standards and are determined to succeed despite the challenges.

Having successfully dealt with external shocks throughout our 30 year history, we will continue to focus more carefully than ever to manage all of our

The Coffee Club serves great food and, of course, excellent coffee.



Our Swensen's restaurants provide the ultimate sundae.



existing assets to achieve optimal performance in 2009. For every hotel and restaurant we own, manage or franchise, our management teams will aggressively explore opportunities to optimize operations and maximize profitability. Some of the best people in the industry run our hotels and restaurants and they are lucky to work with extremely capable partners. I am confident that together we will overcome the challenges we face in 2009.

We will not open any new company owned resorts in 2009 but we will continue with the construction of two on-going construction projects including the St. Regis in Bangkok, which is expected to open in late 2010, and another 82 pool villa Anantara in the Maldives, which is expected to open in early 2010. In the meantime, we will proceed cautiously with other projects we have in our near term development program including a 77 room Anantara resort in Khao Lak and a resort/residential development along the Chao Phraya river in Bangkok.

We will continue to provide technical and management services to our partners who are investing to build a 182 room Anantara resort in Abu Dhabi by late-2009. We will also support in the development of a 97 room service apartment in Bangkok which we will manage once it opens in early-2009. We will continue to market the six residential properties still available and for sale in Samui and begin to market the residential properties we expect to have at the St. Regis. Of course, we will continue to aggressively promote our Anantara brand and sell our resort development and management services to hotel owners and investors worldwide.

Our Food Group will take a cautious approach to expanding restaurant outlets and with a plan to add 50 to 90 additional outlets in 2009. We will add one or two more Coffee Club and Dairy Queen Grill & Chill brands to our system in Thailand in an effort to

prepare these concepts for a more comprehensive launch in 2010. In China, where we see significant long term growth potential, we will continue to focus on improving economies of scale and the profitability of that business.

We will focus on transferring technologies, improving systems and strengthening the capabilities of Coffee Club and Thai Express in order to allow these two businesses to be even more profitable and expand more quickly. We will continue to explore ways to cooperate with our partners at S&P Syndicate. When we made these three restaurant acquisitions, we saw opportunities to add value to these companies and this is what we will do in 2009.

We will continue to search for and identify acquisitions like Coffee Club, Thai Express and Elewana that enhance the position of our core businesses and create value for our shareholders. As business conditions become more uncertain and more challenging, we will likely see more opportunities than ever before. We will pursue these opportunities aggressively but approach them with the same caution and diligence we apply to every investment we make.

It is difficult predict how severe this period of business uncertainty will be or how it will affect our businesses. However, we are prepared for a very difficult 2009. Fortunately, our hotel and restaurant businesses are strong and they stretch internationally from the deserts of the Middle East to beaches of Australia to the Great Wall in China. Our management teams are ready to confront new challenges and respond quickly to changing circumstances in order to be successful in 2009.

Internally generated cashflows are sufficient to finance a majority of our planned capital expenditures while access to debt capital markets also remains an option. Our interest bearing debt to equity ratio is



Award winning Pizza Company and Swensen's franchisees.



Recognizing our best performing employees.

lower than ever at 0.73x and the Thai Rating and Investment Service (TRIS) continues to give us an A credit rating. Despite severe liquidity issues in October 2008, we managed to successfully issue a Baht 1 billion debenture on the strength of the cashflows generated by our diverse portfolio of businesses.

Our strong cash and financial position also allowed us to pay an interim dividend to shareholders in February 2009 equal to 60% of MINT's consolidated net profit for the first three quarters of 2008. The interim dividend of Baht 0.23 per share was significantly higher than all of the dividends we paid in 2006 and 2007.

On behalf of our shareholders, I would like to extend our thanks to the more than 20,000 professionals at Minor International who are responsible for our continued success. Each year, that success is the result of these experienced and responsible people who help Minor International persevere in the face of significant challenges while always pushing the Company to be increasingly more dynamic and international. As we look to 2009 and beyond, I continue to have great faith in Minor International's ability to meet the challenges and achieve even greater results in the future.

William E. Heinecke

Chairman and Chief Executive Officer
February 2009

Rafting the Mekong river at
the Four Seasons Chiang Rai, Thailand.



Hotel Business

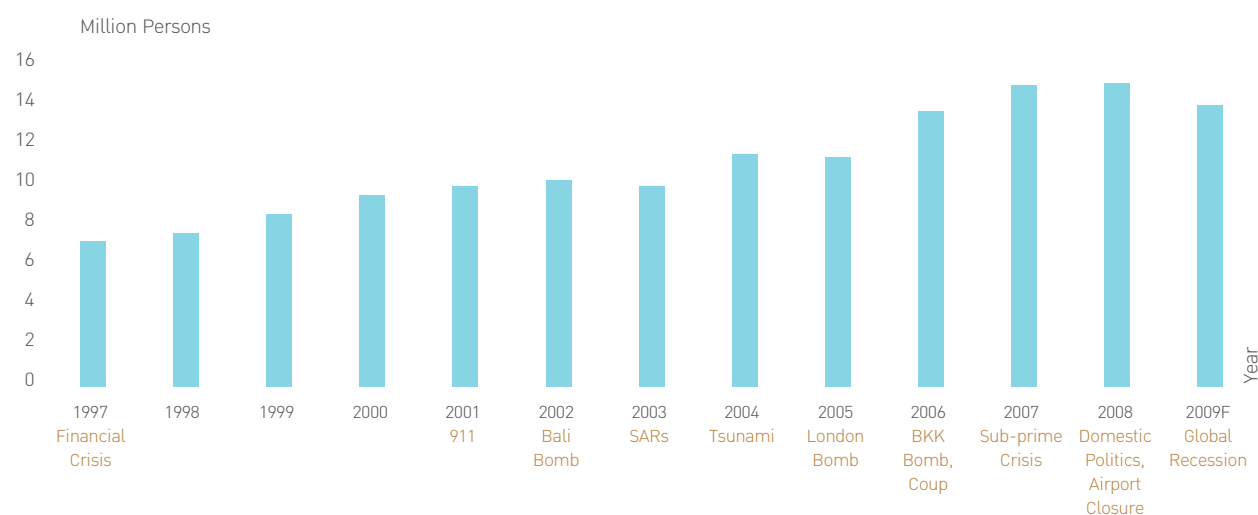
Sector Overview, Performance Highlights, and 2009 Development Plans



THAILAND HOTEL SECTOR OVERVIEW

2008 was a “year of two halves” for the Thai Tourism industry. Tourist activity in the first half of 2008 was strong following democratic elections in 2007, a short period of relative political stability and relatively strong global consumer confidence. During this period, Minor International’s hotel business had occupancy rates that were generally in-line with 2007.

Development of the Thai Tourist Market



However, tourist activity fell sharply in the second half of 2008 as the global credit and economic crisis unfolded and protesters seized control of Bangkok's international airport for ten days and made travel to Thailand virtually impossible. With the airport closed just as the Thai tourism industry was gearing up for business in December and January, which are the busiest months of the year, hotel operators experienced widespread cancellations. During the second half of 2008, Minor International's hotel business, for example, saw occupancy rates decline from 72% to 60%. For 2008, foreign tourist arrivals increased slightly by 0.5%, 14.5 million visitors.

With the dissolution of the People's Power Party in December 2008 and the election of a prime minister from the Democratic Party, it appears that, for now, Thailand's political situation appears to be stabilizing. While the Thai tourism industry may be able to enjoy a period of relative political stability, the global economic crisis will likely have an impact on travel and tourism. Although the intensity of the global economic crisis remains a concern and there may be unpredictable events that restrain Thai tourism in 2009, we are confident that the tourism sector will overcome these challenges just as it has during difficult times over the past decade. In 2009, however, the Tourism Authority of Thailand forecasts that tourism will decrease by 4%.

Average Occupancy (%)	2003	2004	2005	2006	2007	2008
Bangkok Marriott Resort & Spa	67	83	86	91	87	75
Pattaya Marriott Resort & Spa	74	74	80	86	79	77
Hua Hin Marriott Resort & Spa	71	72	81	87	83	70
JW Marriott Phuket Resort & Spa	67	77	67	63	74	73
Anantara Resort & Spa Hua Hin	53	61	76	74	70	62
Anantara Resort & Spa Golden Triangle	34	35	40	40	45	41
Anantara Resort & Spa Samui	-	-	46	60	71	67
Anantara Resort & Spa Phuket*	-	-	-	-	-	30
Anantara Veligandu, Maldives	-	-	-	74	71	83
Anantara Dhigufinolhu, Maldives	-	-	-	70	67	74
Anantara Seminyak, Bali*	-	-	-	-	-	63
Four Seasons Resort Chiang Mai	47	60	59	56	54	46
Four Seasons Hotel Bangkok	59	71	63	55	63	57
Four Seasons Tented Camp Chiang Rai	-	-	-	42	48	38
Four Seasons Resort Koh Samui	-	-	-	-	64	57
Naladhu Maldives	-	-	-	-	24	52
Desert Island, Abu Dhabi*	-	-	-	-	-	34
Harbour View Hotel	33	43	46	60	63	43
Average	62	67	71	72	72	66

Note: * 3 new hotel opened in 2008 including Anantara Seminyak Bali (opened June 2008), Anantara Phuket (opened October 2008) and Desert Island Abu Dhabi (opened October 2008).

HOTEL PERFORMANCE

MINT's hospitality business had a good year in 2008 with total revenues up by 6% to Baht 6,835 million. The hotel business achieved favorable fundamental growth throughout the year with average revenue per available room (RevPAR) for all of our hotels increasing by 5%. Our two Anantara resorts in the Maldives and the Four Seasons in Samui, which were opened in late 2006 and early 2007, made significant contributions to the growth of the hotel business in 2008.

Anantara

Today, we have five Anantara resorts operating successfully in Thailand including Anantara resorts in Phuket, Chiang Rai, Samui, Hua Hin and Krabi. We also have four Anantara resorts operating in the Maldives, Bali and Abu Dhabi. We are pleased with the international penetration of our Anantara hotel brand as it not only supports our plans to expand our portfolio of equity owned resorts but it also provides us with additional revenue generating, hotel management opportunities.

Average Room Rate (Baht per Night)	2003	2004	2005	2006	2007	2008
Bangkok Marriott Resort & Spa	2,792	2,951	3,444	3,654	3,945	4,337
Pattaya Marriott Resort & Spa	2,569	2,798	3,101	3,360	3,704	3,832
Hua Hin Marriott Resort & Spa	2,723	3,065	3,194	3,234	3,373	3,773
JW Marriott Phuket Resort & Spa	4,035	4,727	5,561	6,031	6,015	5,925
Anantara Resort & Spa Hua Hin	3,494	3,669	3,814	3,945	4,008	4,050
Anantara Resort & Spa Golden Triangle	3,094	4,173	4,756	5,457	5,230	5,999
Anantara Resort & Spa Samui	-	-	5,639	5,578	5,281	5,273
Anantara Resort & Spa Phuket*	-	-	-	-	-	12,694
Anantara Veligandu, Maldives	-	-	-	6,363	6,979	10,854
Anantara Dhigufinolhu, Maldives	-	-	-	11,508	12,508	15,059
Anantara Seminyak, Bali*	-	-	-	-	-	8,449
Four Seasons Resort Chiang Mai	10,267	11,008	12,115	12,412	12,599	14,031
Four Seasons Hotel Bangkok	4,767	5,139	5,665	5,975	6,151	6,273
Four Seasons Tented Camp Chiang Rai	-	-	-	21,280	31,379	39,927
Four Seasons Resort Koh Samui	-	-	-	-	17,812	20,948
Naladhu Maldives	-	-	-	-	27,635	34,470
Desert Island, Abu Dhabi*	-	-	-	-	-	13,038
Harbour View Hotel	1,328	1,448	1,689	1,556	1,954	2,905
Average	3,493	3,817	4,278	4,627	5,454	6,342

Note: * 3 new hotel opened in 2008 including Anantara Seminyak Bali (opened June 2008), Anantara Phuket (opened October 2008) and Desert Island Abu Dhabi (opened October 2008).

In 2008, our Anantara branded resorts combined to achieve an average occupancy of 62%, a 17% increase in RevPar and a 32% increase in total revenue. Encouraged by the continued success of the Anantara brand, we opened a flagship Anantara resort in Phuket with 83 pool villas and are building another Anantara in the Maldives which will open in 2010.

While we build our own Anantara resorts in locations Thailand and the Maldives, resort owners and investors continue to approach us to secure rights to develop Anantara branded resorts and have those resorts managed by Minor International. Over the past two years, we have entered into contracts to develop and manage as many as 14 new Anantara branded hotels for investors in Abu Dhabi, Bali, Thailand, India, Cape Verde, Morocco and Oman.

Marriott

Our three Marriott resorts in Bangkok, Pattaya and Hua Hin and our JW Marriott in Phuket performed well in 2008 despite difficult conditions during the second half of the year. For all of 2008, our Marriott

and JW Marriott branded resorts combined to achieve an average occupancy of 74%, a 3% decrease in average RevPar and a 3% decrease in total revenue. With the exception of the JW Marriott, we manage all of our Marriott resorts in Thailand and their success is due, in large part, to our efforts to manage and market these properties to meet customer expectations, remain competitive relative to other resorts and ultimately achieve optimal financial results.

Four Seasons

In 2008, our Four Seasons branded resorts achieved an average occupancy of 55%, a 2% decrease in average RevPar and a 3% increase in total revenue. In 2008, we were thrilled when our Four Seasons Tented Camp in Chiang Rai was chosen #1 resort in the world by the readers of Conde Nast Traveler. Our other Four Seasons resorts placed well in the Conde Nast awards with our resort in Chiang Mai, Samui and Bangkok selected #8, #17 and #41, respectively. With two Four Seasons resorts in Northern Thailand, one in Bangkok and one in Samui, our Four Seasons



Afternoon drinks at the Anantara Si Kao, Thailand.

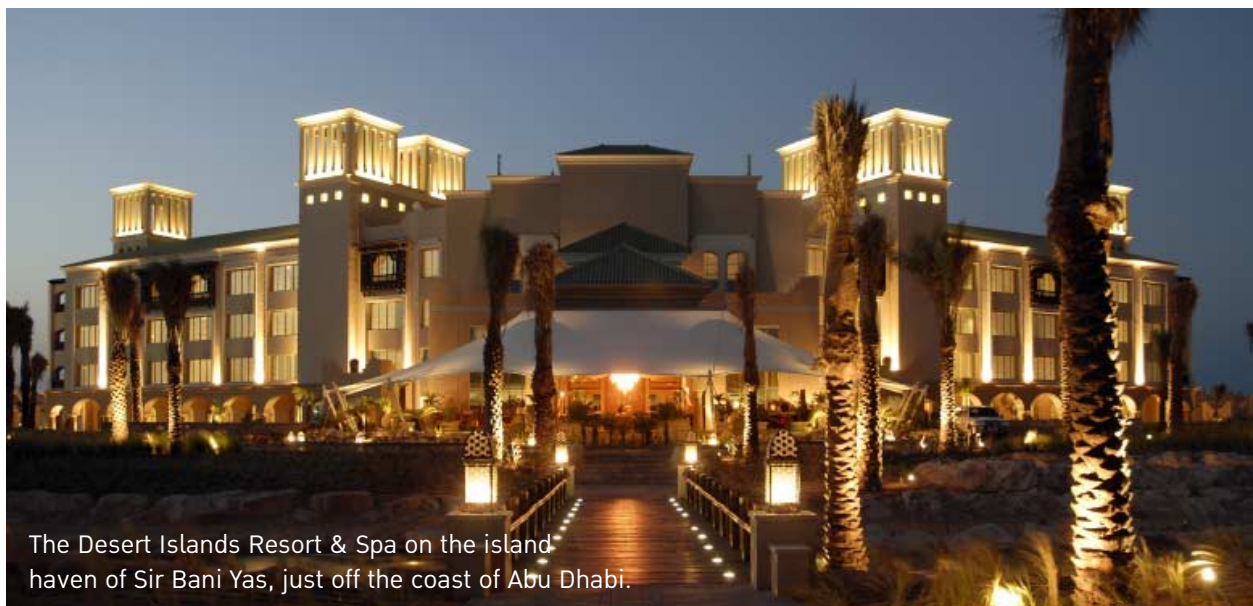
resorts enhance our position as one of the leading luxury resort companies in Thailand and Asia.

HOTEL DEVELOPMENT ACTIVITIES AND PLANS

In 2008, we expanded our hotel business aggressively. We opened an 83 room Anantara in Phuket and we invested US\$ 12 million to buy a 50% stake in Elewana Africa. In 2009, we expect to not open any new company owned resorts but we will invest in the development of several resorts with a plan to open them in 2010 or 2011. We will continue with the construction of St. Regis in Bangkok and another 82 room Anantara in the Maldives. Both of these properties are expected to open in 2010. We will also proceed cautiously with other projects we have in our near term development program including a 77 room Anantara resort in Khao Lak, a resort/residential development along the Chao Phraya river in Bangkok and an expansion of our residential development in Samui. Depending on market conditions, we may begin full scale development of these projects in 2010.

While investing in directly in building the St. Regis in Bangkok and another Anantara in the Maldives, we will continue to offer our resort development and management services to hotel investors and owners across Asia. We already have contracts to develop and manage 14 new Anantara resorts across Asia over the next several years and we will be working closely with these owners and investors to develop their Anantara resorts throughout 2009. Although Minor International will not be investing directly in these resorts, we will be intimately involved in developing and ultimately managing them once construction is complete.

In the meantime, we will continue to explore opportunities to acquire hotel companies or form joint ventures and strategic alliances in order to strengthen and expand our hospitality business. Depending on how the global economic crisis affects Asian tourism, we expect to have more owners/investors come to us to discuss re-branding their properties as Anantara resorts. We also expect to have opportunities to discuss acquiring hotel properties or developing resorts in premier tourist destinations across Asia.



The Desert Islands Resort & Spa on the island haven of Sir Bani Yas, just off the coast of Abu Dhabi.

Hotel Development Plan

Country	Hotel	2006	2007	2008	2009F	2010F	2011F
Thailand	Bangkok Marriott Resort & Spa	413	413	413	413	413	413
Thailand	Pattaya Marriott Resort & Spa	293	293	296	296	296	296
Thailand	Hua Hin Marriott Resort & Spa	216	219	219	219	219	219
Thailand	JW Marriott Phuket Resort & Spa	265	265	265	265	265	265
Thailand	Anantara Hua Hin Resort & Spa	187	187	187	187	187	187
Thailand	Anantara Golden Triangle Resort & Spa	77	77	77	77	77	77
Thailand	Anantara Samui Resort & Spa	106	106	106	126	126	126
Thailand	Anantara Phuket Resort & Spa	-	-	83	83	83	83
Maldives	Anantara Baa Atoll	-	-	-	82	82	82
Thailand	Four Seasons Resort Chiang Mai	64	64	64	76	76	76
Thailand	Four Seasons Hotel Bangkok	356	356	356	356	356	356
Thailand	Four Seasons Tented Camp	15	15	15	15	15	15
Thailand	Four Seasons Resort Koh Samui	-	60	60	60	60	60
Thailand	St. Regis Hotel Bangkok	-	-	-	-	220	198
Total Rooms - Own Equity		1,992	2,055	2,141	2,255	2,475	2,453
Vietnam	Harbour View Hotel, Haiphong	127	127	127	127	127	127
Maldives	Anantara Veli Report & Spa, Maldives	50	50	50	50	50	50
Maldives	Anantara Dhigu Resort & Spa, Maldives	110	110	110	110	110	110
Maldives	Naladhu	-	19	19	19	19	19
Sri Lanka	Hotel Serendib	-	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
Tanzania	Serengeti Migration Camp	-	-	20	20	20	20
Tanzania	Tarangire Tree Top	-	-	20	20	20	20
Tanzania	The Manor at Ngorongoro	-	-	20	20	20	20
Total Rooms - Joint Venture		287	621	699	699	699	699
Indonesia	Anantara Seminyak Resort & Spa, Bali	-	-	60	60	60	60
Thailand	Anantara Si Kao Resort & Spa	-	-	139	139	139	139
Thailand	Anantara Serviced Apartment Baan Rajprasong,	-	-	-	97	97	97
UAE	Anantara Hotel Jumeirah Lake Dubai	-	-	-	-	-	473
UAE	Anantara Qasr Al Sarab Abu Dhabi	-	-	-	182	182	182
UAE	Desert Islands Resort & Spa Abu Dhabi	-	-	64	64	64	64
Morocco	Anantara Marrakech Resort & Spa	-	-	-	-	-	120
Morocco	Anantara Mogador Resort & Spa	-	-	-	-	-	120
India	Anantara Mahabalipuram Resort & Spa	-	-	-	-	-	126
Total Rooms - Hotel Operator		-	-	263	542	542	1,381
Total Number of Rooms		2,279	2,676	3,103	3,496	3,716	4,533

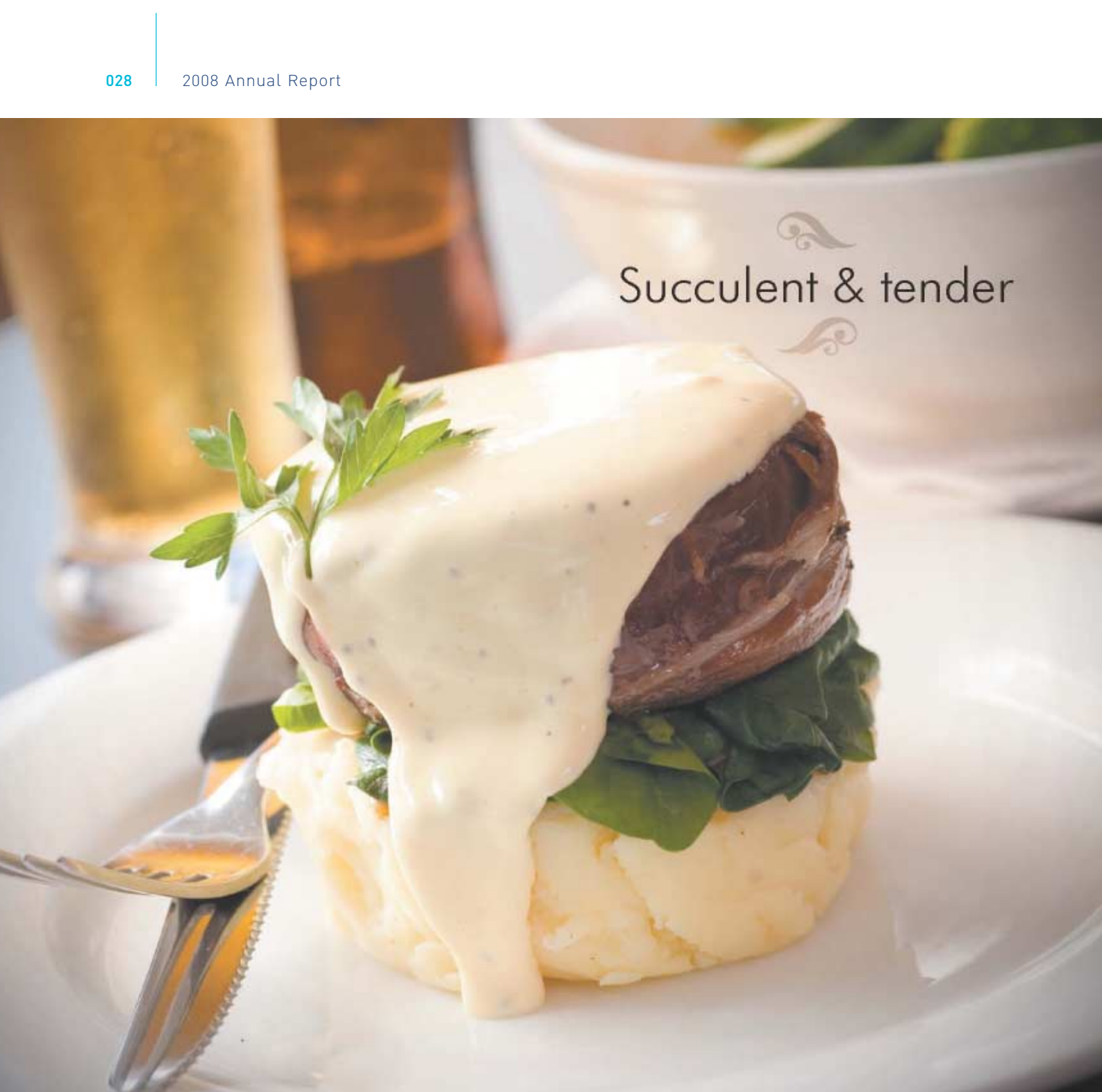
Residential Development Plan

Country	Resident					
Thailand	The Estate Samui	-	14	14	14	14
Thailand	St. Regis Residences Bangkok	-	-	-	53	53
Total Number of Residential Unites		-	14	14	67	67

Note: F = Forecast Number

One of the 83 pool villas
at the Anantara, Phuket





Succulent & tender

220g Petite Mignon

MSA grade lean eye medallion of beef wrapped in shaved prosciutto. Cooked to your liking and served with potato mash and baby spinach.

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Food Business

Sector Overview, Performance Highlights, and 2009 Development Plans



THAILAND FOOD SECTOR OVERVIEW

2008 was a challenging year for the Thai food service industry. We estimate that industry wide same store sales growth was only 1% and that the additional of new restaurant outlets resulted in total sales growth of only 5%.

In 2008, declining consumer confidence, slower economic growth and political uncertainties encouraged Thai consumers at all income levels to be extremely price/value sensitive. We expect that the Thai retail sector will face continued difficulties in 2009 and QSR restaurant operators will again have to find new ways to offer products and promotions that meet extremely price and value conscious consumers.

COMPARATIVE MARKET SHARE IN THAI QSR MARKET

Revenue (Baht Million)	2006		2007		2008F	
	Revenue	(%)	Revenue	(%)	Revenue	(%)
Chicken	6,817	31.9	7,079	31.0	7,362	30.7
Hamburger	2,775	13.0	2,916	12.8	3,120	13.0
Pizza	4,150	19.4	4,732	20.8	5,016	20.9
Ice Cream	2,825	13.2	3,037	13.3	3,280	13.7
Others (included Sizzler)	4,810	22.5	5,039	22.1	5,240	21.8
Total Market	21,376	100.0	22,802	100.0	24,018	100.0
MFG PCL	6,728	31.5	7,258	31.8	7,711	32.1

Note: F = Forecast Number

Source: Ministry of Commerce and industry estimates, MFG sales includes its own domestic franchisees.

In 2008, the light food category was again the fastest growing food segment with ice cream and coffee concepts enjoying strong growth. The chicken segment, which had decreased from 38% to 34% of the Thai QSR market due to the avian flu in 2004, remained at 31% market share and the pizza segment maintained its position as Thailand's second largest QSR category with 21% market share. The sandwich/hamburger segment remained at 13% market share in 2008.

For 2009, we expect that total sales growth will be 2 - 3% with industry wide same store sales growth of 1%.

FOOD PERFORMANCE

Our food service operations with 1,043 restaurants and 10 brands under the Minor Food Group ("MFG") recorded total revenues of Baht 8,404 million in 2008. Revenues were up by 28% compared to 2007. The Food Group's restaurant system, which has now operates in 13 countries, increased from 676 outlets to more than 1,000 outlets. Systemwide restaurant sales increased by 97% to more than Baht 18,000 million in 2008 due to the acquisitions of The Coffee Club and Thai Express.

The Pizza Company

The Pizza Company achieved a 11% increase in systemwide revenues while adding 22 equity owned and 19 franchised outlets. In 2008, the Pizza Company added 29 new outlets in Thailand and 12 outlets internationally. At the end of 2008, we had 242 Pizza Company outlets operating globally with 205 in Thailand and 37 in China and five other international markets. The Minor Food Group owns 100% of the Pizza Company brand and continues to expand it globally through the development of both company owned and franchised outlets.

Swensen's

Swensen's, our premium ice cream brand, also achieved great results in 2008 with systemwide revenues increasing by 12% and the addition of 39 company owned and franchised outlets worldwide. At the end of 2008, the Food Group had 222 Swensen's outlets and the rights to franchise and sub-franchise the brand in more than 30 countries. We continue to focus on expanding Swensen's in Thailand and other international markets.

The Thai Express Brands

In May 2008, the Food Group acquired a 70% stake in Thai Express for S\$ 40 million plus additional amounts to be paid over three years depending on the Company's performance. As of December 2008, Thai Express had 47 company owned and 14 franchised outlets operating under four core brands including Thai Express, Hong Kong Café, Shokudo and NewYork NewYork. There were 30 Thai Express outlets, 12 Hong Kong Cafes, 2 Shokudo outlets, 8 NewYork NewYork restaurants and 9 restaurants under other brand names. In 2008, the four core brands combined to help Thai Express' post revenue and net profit increases of 99% and 85%, respectively.

The Coffee Club

In January 2008, we completed our purchase of a 50% stake in The Coffee Club for A\$ 23 million plus additional amounts over two years depending on the Company's performance. Today, there are 203 franchised and 11 company owned outlets in Australia and New Zealand as well as one outlet in Phuket, Thailand. The Minor Food Group holds the Coffee Club franchise for Thailand and hopes to develop at least 10 Coffee Club outlets in Thailand over the next five years. In 2008, The Coffee Club posted a 18% increase in revenues and a 5% increase in net profit.





Our Other Brands

In addition to brands such as The Pizza Company and The Coffee Club which are brands that we own and are able to expand by developing company owned or franchised outlets, we also hold the franchise rights to Dairy Queen and Burger King for Thailand and the Sizzler franchise for Thailand and China. In 2008, our Sizzler, Dairy Queen and Burger King franchises combined for revenue of Baht 2,572 million which was an increase of 19% compared to 2007.

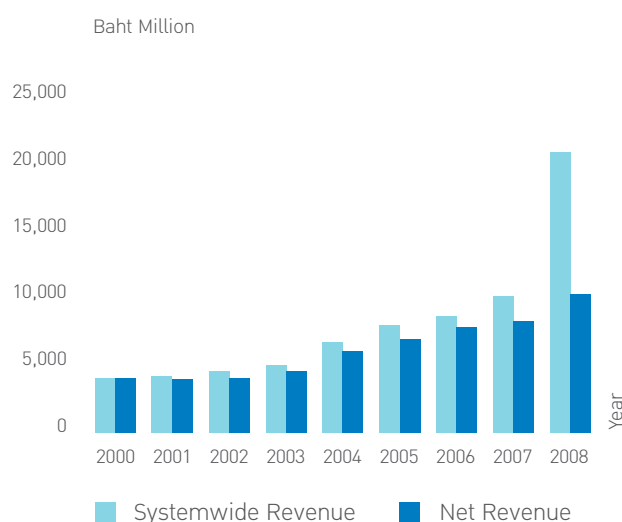
RESTAURANT DEVELOPMENT ACTIVITIES AND PLANS

Depending on market conditions in the various markets where we have operations, we hope to expand from 1,043 to 1,137 outlets systemwide. This includes 34 additional outlets in Thailand and 61 new outlets internationally. Over 60% of these 95 new outlets will open as franchised rather than as company owned outlets.

We will invest in strengthening our position as Thailand's largest food service operator. The success of our brands in Thailand and the cashflow that they generate provides us with the support we need to expand internationally. With the exception of Burger King, which is second only to McDonald's, all of our brands lead their respective segments in market share and we will invest to enhance their leading positions in Thailand. In 2009, we will launch The Coffee Club in Thailand with a plan to have at least two outlets operating in premier locations by the end of the year.

In 2008, we will continue to support the international franchising of our Pizza Company, Swensen's and Coffee Club brands. We will work closely with our existing international franchisees as they develop

Minor Food Group Revenue



Note: Systemwide revenues includes sales from equity owned and franchised restaurant outlets. Net revenue only includes sales from equity owned outlets.

additional outlets in their exclusive territories. We will continue to discuss opportunities with potential franchisees who have expressed an interest in developing one of our brands in markets we have yet to enter. In 2009, our international franchisees plan to open 22 more Pizza Company and Swensen's outlets and be operating in at least 8 countries worldwide.

And finally, we will continue to pursue opportunities to acquire restaurant brands that have strong growth potential in Thailand and other key international markets. We will look to build on the equity investments we have made in China, Australia and Southeast Asia by making additional acquisitions in those markets.

MFG SYSTEMWIDE OUTLET DEVELOPMENT PROGRAM

Number of Outlet	2006	2007	2008	2009F	2010F	2011F
Equity	531	553	645	685	781	839
The Pizza Company	143	150	173	175	192	205
Swensen's	109	113	113	118	127	131
Sizzler	37	35	36	38	43	47
Dairy Queen	189	207	219	232	259	273
Burger King	16	20	22	24	27	29
The Coffee Club*	-	-	11	16	12	14
Thai Express*	-	-	47	61	86	103
Others**	37	28	24	21	35	37
Franchise	100	123	398	462	590	738
The Pizza Company	45	51	70	95	156	235
Swensen's	53	70	109	123	156	186
Sizzler	-	-	-	1	5	13
The Coffee Club*	-	-	203	224	256	283
Thai Express*	-	-	14	19	17	21
Other**	2	2	2	-	-	-
Total Outlets	631	676	1,043	1,147	1,371	1,577

Number of Outlet	2006	2007	2008	2009F	2010F	2011F
Domestic	578	626	704	735	809	854
• Equity	498	525	560	582	642	671
• Franchise	80	101	144	153	167	183
International	53	50	339	412	562	723
• Equity	33	28	85	103	139	168
• Franchise	20	22	254	309	423	555
Total Outlets	631	676	1,043	1,147	1,371	1,577

Note: F = Forecast Number

* In 2008, MINT acquired 50% stake of The Coffee Club and 70% stake of Thai Express.

** Other including restaurant operator at airport and LeJazz.

Corporate Social Responsibility



Our responsibilities as a corporate citizen are sincerely reflected in our actions and in everything we do. We are conscious of our responsibilities and factor them into all of our business decisions.

Since the Minor Group was established, we have contributed to variety of social development programs focus on education, environment, health, and community development. Every business units and all employees are encouraged to act and contribute as good corporate citizens. Minor CSR Philosophy ... **“MY PEOPLE ... MY PLANET ... MINOR”** summarizes how we organize our approach to corporate social responsibility.

My People

We are focused on **“Developing Human Capital”** at all levels.

At the grassroots level, we help students in poor schools in remote communities develop sustainable lunch projects that not only provide food but ultimately help students help themselves. Once children are not hungry, real learning can begin.

At standard education level, we are committed to a variety of school improvement programs such as school renovations, computer installation and IT literacy program, library upgrade, book donation, volunteer teaching, and etc. We also provide continuous scholarship through Roy E. Heinecke Foundation for poor children with outstanding records of performance.

At the university level and vocational school level, we provide technical scholarships and assistance for students interested in professional degrees. Our professional employees volunteer and teach in schools and universities. We also provide on the job training and part time job opportunities.

At the business level, human capital development is a central part of our own corporate business strategy. We believe that quality of our human capital will deliver **“100% satisfaction to all stakeholders”**.



We also provide the opportunities for every employee to do social services. Every year on 4 June, **Minor Charity Day**, we encourage employees to take a day away from their businesses to volunteer for the charity of their own choice. We try to integrate the “**Volunteer Spirit**” to all corporate events.

My Planet

Minor Group cares deeply about the community and the environment. Our responsibility demonstrates through high standards operation, codes of conduct, monitoring systems, and continuous improvement programs. We encourage our employees and customers to be concern about environmental protection and global warming. We also continuously contribute to animal and wildlife conservation, as well as biodiversities of species in ecosystems.

Our Golden Triangle Elephant Foundation in Chiang Rai plays a major role in rescuing elephants from the city streets and relocating them to the northern jungles. Today, we care for more than 30 elephants with professional mahouts and veterinarians. We also generate funding for the

rescue of sick elephants by sponsoring an elephant polo tournament each year.

Our Mai Khao Marine Turtle Foundation in Phuket provides support for protection of sea turtles and their environment. The foundation sponsors activities and events that increase the environmental awareness of tourists, government agencies, and communities. We also support sea turtle research and a sea turtle hatchery near our hotels in Phuket.

The Minor Group also contributes to various communities and charities including Wat Prabat Nam Pu (HIV/AIDS), Habitat for Humanity (housing), Operation Smile (clef lip surgery), Chao Thai Mai village (tsunami relief), Queen Sirikit Center for Breast Cancer (cancer research), Ramathibodi Foundation (hospital building), and etc.

Since 2007, we appointed a **Vice President of Corporate Social Responsibility** and he is responsible for helping us better internalize good corporate values and enhance our abilities to support the communities where we operate.

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

The Audit Committee of Minor International Public Company Limited is comprised of three independent directors. The Company's Chief Financial Officer and Internal Audit Manager serve as ex-officio members. 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 sound risk management and internal control practices.

For the year 2008, the Audit Committee held four meetings to review the Company's consolidated financial statements which had been certified by the external auditor and to discuss other related activities of the Company in compliance with the rules and regulations of the Stock Exchange of Thailand (the SET) as well as good internal control practices.

In such meetings, 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 2008 and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective action plans were established to eliminate or reduce the associated risks.

The Internal Audit Department serves to identify and verify business risks and control weaknesses within the Company by carrying out audit activities systematically across the Company and its subsidiaries. The reports on compliance with good internal control practice and procedures with recommendations were discussed with the relevant management team to incorporate their agreed action plans and submitted to senior management and the Audit Committee. Furthermore, the Internal Audit Department manager has held regular meetings with the Chairman of the Audit Committee to give updates on audit results. The Audit Committee is fully committed to ensure that both corrective and preventive actions are taken in an effective and timely manner. The Board of Directors with the Audit Committee approved the policy and reports for related party transactions in 2008 and assigned the Internal Audit Department to audit the system to report the related transactions.

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 provides the following opinions;

1. The Company's financial reports are accurate, complete and credible.
2. The Company's assets are safeguarded, proper accounting records are maintained, and resources are utilized effectively and efficiently.
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 2008 were rational and made for the optimal benefits of the Company.
6. In 2008, the number of the audit committee meetings, and the attendance of such meetings by each committee member were as follows;

	Position	Attendance/ Audit Committee Meeting
1. Mr. Kenneth L. White	Chairman	4/4
2. Mr. Michael David Selby	Member	4/4
3. Khunying Jada Wattanasiritham*	Member	2/2
4. Mr. Kittipol Pramroj Na Ayudhya**	Member	2/2

Remark: * Khunying Jada Wattanasiritham was appointed to be member of Audit Committee on 7 July 2008.

** Mr. Kittipol Pramroj Na Ayudhya resigned from member of Audit Committee on 7 July 2008.

7. Audit Committee performed its duties in accordance with its charter, approved by the Board of Directors.

Accordingly, 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 2009. 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 27 April 2009.



Kenneth L. White

Chairman of the Audit Committee

Auditor's Report

To the Shareholders of Minor International Public Company Limited

I have audited the accompanying consolidated and Company balance sheets as at 31 December 2008 and 2007, and the related consolidated and Company statements of income, changes in shareholders' equity and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and Company financial statements referred to above present fairly, in all material respects, the consolidated and Company financial positions as at 31 December 2008 and 2007, and the consolidated and Company results of operations and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Anothai Leekitwattana

Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Limited
Bangkok
25 February 2009

Balance Sheets

Minor International Public Company Limited
As at 31 December 2008 and 2007

		Consolidated		Company	
	Notes	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Assets					
Current assets					
Cash and cash equivalents	7	1,349,172,033	1,146,787,083	716,605,579	781,459,456
Trade accounts receivable, net	8	485,804,789	695,707,782	21,479,300	29,891,693
Amounts due from related companies	14	48,569,438	98,788,466	403,715,511	423,790,024
Inventories, net	9	606,431,096	514,590,225	5,333,478	4,477,256
Land and real estates project for sales, net	10	382,644,664	605,887,626	-	-
Other current assets	11	1,480,544,450	1,472,318,883	642,130,852	808,573,592
Total current assets		4,353,166,470	4,534,080,065	1,789,264,720	2,048,192,021
Non-current assets					
Long-term loans to related companies	14	410,031,083	491,009,000	7,406,141,167	4,782,104,460
Investments in subsidiaries, associates and joint venture	12	1,241,628,509	240,399,352	5,898,518,875	6,280,755,536
Other long-term investments, net	13	833,236,098	1,309,926,548	487,237,340	617,040,850
Land held for future development and projects under development	15	1,545,986,044	1,627,016,343	-	-
Property, plant and equipment, net	16	11,141,888,138	9,103,687,036	475,701,179	454,845,259
Intangible assets, net	17	4,401,701,997	3,032,944,742	21,052,287	6,853,935
Other non-current assets	18	1,136,844,554	940,647,560	35,266,234	45,890,752
Total non-current assets		20,711,316,423	16,745,630,581	14,323,917,082	12,187,490,792
Total assets		25,064,482,893	21,279,710,646	16,113,181,802	14,235,682,813

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Balance Sheets (Continued)

Minor International Public Company Limited
As at 31 December 2008 and 2007

		Consolidated		Company	
	Notes	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	683,380,916	561,513,916	-	1,316
Short-term loans from related companies	14	-	-	703,956,347	1,416,393,789
Trade accounts payable		849,314,869	708,941,745	8,086,620	6,138,132
Amounts due to and advances from related companies	14	2,419,109	8,129,159	13,960,075	38,102,608
Current portion of long-term borrowings	21	411,022,408	476,859,468	120,000,000	120,000,000
Current portion of debentures	22	550,000,000	275,000,000	550,000,000	275,000,000
Current portion of deferred income		27,294,507	8,232,307	-	-
Income tax payable		320,730,688	283,223,112	145,222	-
Accrued expenses		763,569,184	818,031,822	190,027,607	184,372,994
Other current liabilities	20	1,277,718,539	1,033,911,109	49,286,760	51,847,772
Total current liabilities		4,885,450,220	4,173,842,638	1,635,462,631	2,091,856,611
Non-current liabilities					
Long-term borrowings	21	1,281,370,070	1,296,731,717	300,000,000	420,000,000
Debentures	22	6,175,000,000	5,725,000,000	6,175,000,000	5,725,000,000
Negative equity in investment in associate	12	-	49,353,154	-	-
Other non-current liabilities	23	319,367,390	326,732,353	2,413,829	2,493,805
Total non-current liabilities		7,775,737,460	7,397,817,224	6,477,413,829	6,147,493,805
Total liabilities		12,661,187,680	11,571,659,862	8,112,876,460	8,239,350,416

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Balance Sheets (Continued)

Minor International Public Company Limited
As at 31 December 2008 and 2007

		Consolidated		Company	
	Notes	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Liabilities and shareholders' equity (Continued)					
Shareholders' equity					
Share capital	24				
Authorised share capital					
Preference shares		-	63,520,000	-	63,520,000
Ordinary shares		3,689,623,229	3,275,302,335	3,689,623,229	3,275,302,335
Issued and paid-up share capital					
Preference shares		-	63,520,000	-	63,520,000
Ordinary shares		3,614,264,065	2,958,216,453	3,614,264,065	2,958,216,453
Share premium	24				
Preference shares		-	181,981,000	-	181,981,000
Ordinary shares		3,040,085,741	1,600,410,579	3,014,433,365	1,574,758,203
Shares of the Company held by a subsidiary		(370,978,560)	(244,651,840)	-	-
Advance for shares subscription		-	1,802,514	-	1,802,514
Expired warrants in a subsidiary		104,788,723	104,788,723	-	-
Fair value reserves		(12,305,745)	520,515,385	(130,554,806)	55,009,370
Translation adjustment		(126,687,406)	(36,158,689)	-	-
Retained earnings					
Appropriated - legal reserve	26	347,774,113	289,574,113	347,774,113	289,574,113
Unappropriated		5,181,969,956	3,760,011,730	1,154,388,605	871,470,744
Total parent's shareholders' equity		11,778,910,887	9,200,009,968	8,000,305,342	5,996,332,397
Minority interests		624,384,326	508,040,816	-	-
Total shareholders' equity		12,403,295,213	9,708,050,784	8,000,305,342	5,996,332,397
Total liabilities and shareholders' equity		25,064,482,893	21,279,710,646	16,113,181,802	14,235,682,813

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Statements of Income

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

	Notes	Consolidated		Company	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Revenues	14				
Revenues from hotel operations		5,338,552,540	5,394,443,522	513,024,788	513,070,104
Rental income from retail and property business		466,061,162	434,077,412	-	-
Revenues from entertainment operations	34	108,484,031	103,176,253	40,504,869	-
Revenues from spa services		358,230,550	384,417,230	-	-
Sales of food and beverage		8,135,977,125	6,405,010,397	-	-
Sales from real estates development operations		591,133,964	227,503,000	-	-
Revenues from management service		547,250,296	412,865,017	180,093,745	165,888,533
Franchise fee income		268,342,559	176,377,049	-	-
Dividends income		43,551,592	39,704,573	1,098,658,033	1,202,876,637
Share of profit of investments in associates and joint venture, net	12 b)	115,649,039	55,879,825	-	-
Other income		541,725,494	395,799,027	541,649,324	387,062,647
Total revenues		16,514,958,352	14,029,253,305	2,373,930,759	2,268,897,921
Expenses	14				
Direct cost of hotel operations		1,778,684,885	1,756,258,897	142,489,747	147,738,817
Direct cost of retail and property business		111,114,087	111,140,620	-	-
Direct cost of entertainment operations		14,138,363	15,556,841	16,951,648	-
Direct cost of providing spa services		166,177,657	181,260,603	-	-
Cost of sales of food and beverage		2,990,294,007	2,372,818,218	-	-
Cost of sales of real estates		232,298,543	121,227,398	-	-
Selling and administrative expenses		6,910,970,088	5,712,102,792	607,856,755	598,356,145
Depreciation and amortisation		1,378,407,133	1,295,463,227	72,967,959	58,491,509
Total expenses		13,582,084,763	11,565,828,596	840,266,109	804,586,471
Profit before interest and tax	27	2,932,873,589	2,463,424,709	1,533,664,650	1,464,311,450
Interest expense		(378,434,140)	(315,432,003)	(355,012,574)	(300,199,812)
Income tax	28	(576,915,202)	(493,922,682)	(16,349,211)	(9,165,423)
Net profit for the year		1,977,524,247	1,654,070,024	1,162,302,865	1,154,946,215
Net profit for the period attributable to:					
Equity holders of the parent		1,900,606,044	1,610,770,502	1,162,302,865	1,154,946,215
Minority interests		76,918,203	43,299,522	-	-
		1,977,524,247	1,654,070,024	1,162,302,865	1,154,946,215
		Baht	Baht (Restated)	Baht	Baht (Restated)
Earnings per share for profit attributable to the equity holders of the parent	29				
Basic earnings per share		0.5654	0.5139	0.3457	0.3685
Diluted earnings per share		0.5608	0.4874	0.3430	0.3495

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

Consolidated (Baht)

	Notes	Issued and paid-up share capital	Share premium	Shares of the Company held by a subsidiary	Advance for share subscription	Expired warrants in a subsidiary	Fair value reserves	Translation adjustment	Legal reserve	Unappropriated-retained earnings	Minority interests	Total
Beginning balance – 1 January 2008		3,021,736,453	1,782,391,579	(244,651,840)	1,802,514	104,788,723	520,515,385	(36,158,689)	289,574,113	3,760,011,730	508,040,816	9,708,050,784
Adjustment due to change in accounting policy												
Additional ordinary shares	5, 2	-	-	-	-	-	-	-	-	351,802,317	-	351,802,317
Shares of the Company held by a subsidiary	24, 25	264,053,915	1,257,694,162	-	(1,802,514)	-	-	-	-	-	-	1,519,945,563
Translation adjustment		-	-	(106,752,774)	-	-	-	(90,528,717)	-	-	-	(106,752,774)
Fair value reserves		-	-	-	-	-	(532,821,130)	-	-	-	(1,148,910)	(533,970,040)
Net profit for the year		-	-	-	-	-	-	-	-	1,900,606,044	76,918,203	1,977,524,247
Legal reserve	26	-	-	-	-	-	-	-	58,200,000	(58,200,000)	-	-
Shares dividends	30	328,473,697	-	(19,573,946)	-	-	-	-	-	(308,899,751)	-	-
Cash dividends	30	-	-	-	-	-	-	-	-	(463,350,384)	(16,004,853)	(479,355,237)
Minority interest												
- Increase as a result of investment in a subsidiary		-	-	-	-	-	-	-	-	-	59,323,665	59,323,665
- Decrease as a result of additional interest acquired by group		-	-	-	-	-	-	-	-	-	(2,744,595)	(2,744,595)
Ending balance – 31 December 2008		3,614,264,065	3,040,085,741	(370,978,560)	-	104,788,723	(12,305,745)	(126,687,406)	347,774,113	5,181,969,956	624,384,326	12,403,295,213

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

Consolidated (Baht)

	Notes	Issued and paid-up share capital	Share premium	Shares of the Company held by a subsidiary	Advance for share subscription	Expired warrants in a subsidiary	Fair value reserves	Translation adjustment	Legal reserve	Unappropriated-retained earnings	Minority interests	Total
Beginning balance –												
1 January 2007		2,958,104,081	1,541,772,164	(244,651,840)	77,899,700	104,788,723	291,944,771	(12,656,132)	231,834,113	2,628,915,265	546,301,696	8,124,252,541
Additional ordinary shares	24, 25	63,632,372	240,619,415	-	(77,899,700)	-	-	-	-	-	-	226,352,087
Increase in advance for shares subscription		-	-	-	1,802,514	-	-	-	-	-	-	1,802,514
Translation adjustment		-	-	-	-	-	-	(23,502,557)	-	-	-	(23,502,557)
Fair value reserves		-	-	-	-	-	228,570,614	-	-	-	740,156	229,310,770
Net profit for the year		-	-	-	-	-	-	-	-	1,610,770,502	43,299,522	1,654,070,024
Legal reserve	26	-	-	-	-	-	-	-	57,740,000	(57,740,000)	-	-
Dividends	30	-	-	-	-	-	-	-	-	(421,934,037)	(13,852,315)	(435,786,352)
Decrease in minority interest as a result of additional interest acquired by group		-	-	-	-	-	-	-	-	-	(68,448,243)	(68,448,243)
Ending balance –												
31 December 2007		3,021,736,453	1,782,391,579	(244,651,840)	1,802,514	104,788,723	520,515,385	(36,158,689)	289,574,113	3,760,011,730	508,040,816	9,708,050,784

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity (continued)

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

Company (Baht)

	Notes	Issued and paid-up share capital	Share premium	Advance for shares subscription	Fair value reserves	Legal reserve	Unappropriated- retained earnings	Total
Opening balance – 1 January 2008								
Additional ordinary shares	24, 25	3,021,736,453	1,756,739,203	1,802,514	55,009,370	289,574,113	871,470,744	5,996,332,397
Fair value reserves		264,053,915	1,257,694,162	(1,802,514)	-	-	-	1,519,945,563
Net profit for the year		-	-	-	(185,564,176)	-	-	(185,564,176)
Legal reserve	26	-	-	-	-	-	1,162,302,865	1,162,302,865
Shares dividends	30	-	-	-	-	58,200,000	(58,200,000)	-
Cash dividends	30	328,473,697	-	-	-	-	(328,473,697)	-
		-	-	-	-	-	(492,711,307)	(492,711,307)
Ending balance – 31 December 2008		3,614,264,065	3,014,433,365	-	(130,554,806)	347,774,113	1,154,388,605	8,000,305,342

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity (continued)

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

Company (Baht)

	Notes	Issued and paid-up share capital	Share premium	Advance for shares subscription	Fair value reserves	Legal reserve	Unappropriated-retained earnings	Total
Opening balance – 1 January 2007		2,958,104,081	1,516,119,788	77,899,700	46,023,436	231,834,113	222,886,213	5,052,867,331
Additional ordinary shares	24, 25	63,632,372	240,619,415	(77,899,700)	-	-	-	226,352,087
Increase in advance for shares subscription		-	-	1,802,514	-	-	-	1,802,514
Fair value reserves		-	-	-	8,985,934	-	-	8,985,934
Net profit for the year		-	-	-	-	-	1,154,946,215	1,154,946,215
Legal reserve	26	-	-	-	-	57,740,000	(57,740,000)	-
Cash dividends	30	-	-	-	-	-	(448,621,684)	(448,621,684)
Ending balance – 31 December 2007		3,021,736,453	1,756,739,203	1,802,514	55,009,370	289,574,113	871,470,744	5,996,332,397

Statements of Cash Flows

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

		Consolidated		Company	
	Notes	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Cash flows from operating activities					
Net profit before income tax		2,554,439,449	2,147,992,706	1,178,652,076	1,164,111,638
Adjustments:					
Depreciation and amortisation	27	1,378,407,133	1,295,463,227	72,967,959	58,491,509
Amortisation of other assets		10,001,291	12,208,397	5,265,834	7,540,505
Write-off of trade accounts receivable and allowance for doubtful accounts (reversal)		(6,782,492)	2,429,598	164,530	(1,280,291)
Realisation of deferred income		(38,643,673)	(26,179,920)	-	-
Share of profit of investments in associates and joint venture, net	12 b)	(115,649,039)	(55,879,825)	-	-
Interest expense		378,434,140	315,432,003	355,012,574	300,199,812
Interest income		(81,121,137)	(110,226,970)	(413,597,985)	(316,651,612)
Dividends income		(43,551,592)	(39,704,573)	(1,098,658,033)	(1,202,876,637)
Gain on capital reduction of investment in subsidiary		-	-	(44,686,093)	-
Unrealised gain from fair value reserves in short-term investment		(10,056)	(11,480)	-	-
Unrealised (gain) loss on exchange rate		(77,439,775)	11,639,167	-	-
Write-off, impairment and loss on disposals of property, plant and equipment		104,151,759	71,047,087	3,863,544	8,992,412
Write-off and allowance for inventory obsolescence		10,361,000	(3,452,751)	-	-
Provision for impairment of long-term investments		-	1,950,350	-	-
Provision for impairment and write-off of other assets and liabilities		(1,008,097)	(1,003,501)	-	-
Changes in operating assets and liabilities					
Trade accounts receivable		210,120,281	(148,587,563)	9,042,658	9,149,395
Inventories		(94,267,092)	(91,254,212)	(105,756)	(716,211)
Land and real estates project for sales		235,647,123	(412,539,238)	-	-
Other current assets		8,019,146	(263,558,817)	(10,255,141)	(9,528,617)
Trade accounts payable		(7,838,498)	(32,294,950)	1,948,488	(709,212)
Accrued expenses		(12,039,918)	160,095,983	28,785,344	31,655,879
Other current liabilities		(148,894,902)	173,249,125	(1,845,275)	5,388,657
Deferred income		44,026,493	54,786,992	-	-
Other non-current liabilities		6,350,417	2,324,918	(79,975)	(6,150,707)
Cash generated from operating activities		4,312,711,961	3,063,925,753	86,474,749	47,616,520
Interest paid		(384,603,668)	(294,230,360)	(378,418,054)	(279,019,824)
Income tax paid		(539,700,376)	(405,630,720)	(16,203,211)	(9,449,690)
Cash generated from operating activities		3,388,407,917	2,364,064,673	(308,146,516)	(240,852,994)

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

		Consolidated		Company	
	Notes	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Cash flows from investing activities					
(Increase) decrease in loans to and amounts due from related companies		66,209,282	(40,063,876)	(2,603,961,394)	(1,622,455,748)
(Increase) decrease in loan to other company		179,376,213	(426,365,806)	179,376,213	(426,365,806)
Payment for additional investments in subsidiaries and associates		(313,609,872)	(90,309,673)	(10,540,000)	(134,450,929)
Cash received from decrease in share capital of a subsidiary	12 a)	-	-	437,474,550	43,621,004
Interest received		105,015,718	110,226,970	412,996,664	316,651,612
Dividends received from subsidiaries and associates and others		155,461,518	285,204,573	1,098,658,033	1,202,876,637
Payment for advance for investment		-	(87,943,800)	-	-
Cash invested in other long-term investments		(55,760,666)	(108,682,110)	(55,760,666)	(64,722,663)
Net cash payment for acquisition of investment in subsidiary	12 a)	(837,430,557)	(150,546,092)	-	-
Net cash payment for acquisition of investment in joint venture		(597,704,766)	-	-	-
Payments for land held for future development and project under development		(1,967,881,773)	(870,047,701)	-	-
Proceeds from disposals of property, plant and equipment		24,576,100	13,651,541	799,393	-
Purchases of intangible assets		(43,415,829)	(44,623,406)	(6,661,697)	-
Purchases of property, plant and equipment		(1,427,044,895)	(1,272,063,877)	(49,610,777)	(73,075,799)
Net cash payment for entire business transfer from a subsidiary	34	-	-	(24,608,409)	-
Cash payment for other non-current assets		(187,354,086)	(79,431,811)	(8,984,081)	(26,548,051)
Net cash (payments) for investing activities		(4,899,563,613)	(2,760,995,068)	(630,822,171)	(784,469,743)
Cash flows from financing activities					
(Decrease) increase in short-term loans, amount due to and advances from related companies		2,845,607	4,331,058	(758,118,130)	447,218,833
Receipts from short-term loans		2,731,660,400	6,838,196,600	-	5,627,000,000
Repayments of short-term loans		(2,670,044,000)	(7,532,887,600)	-	(6,532,000,000)
Receipts from long-term borrowings		654,400,000	-	-	-
Repayments of long-term borrowings	21	(673,859,459)	(495,599,892)	(120,000,000)	(60,000,000)
Proceeds from issuance of debentures	22	1,000,000,000	3,900,000,000	1,000,000,000	3,900,000,000
Redemptions of debentures	22	(275,000,000)	(1,456,250,000)	(275,000,000)	(1,456,250,000)
Issue of ordinary shares	24	1,413,192,789	226,352,087	1,519,945,563	226,352,087
Advance for shares subscription		-	1,802,514	-	1,802,514
Dividends paid	30	(479,355,237)	(435,786,352)	(492,711,307)	(448,621,684)
Net cash receipts from financing activities		1,703,840,100	1,050,158,415	874,116,126	1,705,501,750

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2008 and 2007

	Notes	Consolidated		Company	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Net increase (decrease) in cash and cash equivalents		192,684,404	653,228,020	(64,852,561)	680,179,013
Cash and cash equivalents, opening balance		1,146,785,767	501,348,416	781,458,140	101,279,127
Gain (loss) on exchange rate		9,236,046	(7,790,669)	-	-
Cash and cash equivalents, closing balance		1,348,706,217	1,146,785,767	716,605,579	781,458,140

	Notes	Consolidated		Company	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Cash and cash equivalents as at 31 December					
Cash and cash equivalents	7	1,349,172,033	1,146,787,083	716,605,579	781,459,456
Bank overdrafts	19	(465,816)	(1,316)	-	(1,316)
		1,348,706,217	1,146,785,767	716,605,579	781,458,140

Supplementary information for cash flows

Non-cash transaction

Significant non-cash transactions for the year ended 31 December 2008 and 2007 are as follows:

	Notes	Consolidated		Company	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
Acquisition of property, plant and equipment, and land held for future development and projects under development by payable		316,326,595	306,159,536	15,335,809	17,208,420
Account payable arisen from purchase of investment in subsidiary and associates		294,090,330	-	-	-

The notes to the consolidated and Company financial statements on pages 51 to 117 form an integral part of the financial statements.

Notes to the Consolidated and Company Financial Statements

For the years ended 31 December 2008 and 2007

1. General information

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

Bangkok: 16th 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 incorporated as a public company under Thai law and was listed on the Stock Exchange of Thailand in October 1988. The Company and its subsidiaries (“The Group”) engage in investment activities and hotel and restaurant operations. The Group mainly operates in Thailand and also has operations in other countries such as Singapore, People’s Republic of China, Republic of Maldives, United Arab Emirates, etc.

These consolidated and Company financial statements have been approved for issue by the Board of Directors on 25 February 2009.

2. Significant accounting policies

The principal accounting policies adopted 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 Accounting 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 B.E. 2535.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

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 standard and amendments to accounting standards

During 2007 and 2008, the Federation of Accounting Professions (“FAP”) has announced new standard and amendments to Thai Accounting Standards (“TAS”) as follows:

Revised standards

- TAS 25 “Cash Flow Statements”
- TAS 29 “Leases”
- TAS 31 “Inventories”
- TAS 33 “Borrowing Costs”
- TAS 35 “Presentation of Financial Statements”
- TAS 39 “Accounting Policies, Changes in Accounting Estimates and Errors”
- TAS 41 “Interim Financial Reportings”
- TAS 43 “Business Combinations”
- TAS 49 “Construction Contracts”

New Standard

- TAS 51 “Intangible Assets”

The amendments to accounting standards and new standard are effective for the period beginning on or after 1 January 2008 except TAS 29 which is effective for the lease contract started on or after 1 January 2008.

The Group’s management has determined that the revised standards and new standard will not significantly impact the financial statements being presented, except TAS 35 “Presentation of Financial Statements” and TAS 43 “Business Combinations” may impact to the Group as below;

TAS 35: financial statement presentation includes the additional disclosures on critical judgement and estimates, and those applicable to the Group for 2008 will be the additional disclosure on the estimate of depreciation and impairment of goodwill.

TAS 43: business combination requires the indefinite useful lives of intangible to be tested for impairment annually and no amortisation is required. In addition, the Group is required to reassess the measurement of assets, liabilities and contingent liabilities of acquirees regarding to its negative goodwill and recognise the resulting gains or losses from such reassessment in profit or loss. As at 31 December 2007, the Group shows goodwill and negative goodwill of Baht 1,606,884,652 and Baht (351,802,316) and their annual charges of amortisation of Baht 66,519,084 and Baht (34,131,742), respectively. The change in accounting policy will be applied prospectively.

Standards are revised and are mandatory for accounting periods beginning on or after 1 January 2009 and have not adopted by the Group in this year.

- TAS 36 “Impairment of Assets”
- TAS 54 “Non-current Assets Held for Sale and Discontinued Operations”

Those two standards are not expected to have a material impact on the financial statements being presented.

2.3 Investments in subsidiaries

Investment in subsidiaries, which are those entities in which the Group, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill (See Note 2.12 for the accounting policy on goodwill). All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interest in the consolidated balance sheets and consolidated statements of income.

Investments in subsidiaries are reported using cost method of accounting in the Company's separate financial statements.

A list of the Group's principal subsidiaries and the effect of acquisitions is set out in Note 12.

2.4 Investments in associates and joint venture

Associates are entities over which the Group generally has significant influence, but which it does not control. Joint venture is entity over which the Group has jointly controlled.

Investments in associates and joint venture are accounted for by the equity method of accounting in the consolidated financial statements. Under this method the Group's share of the post-acquisition profits or losses of associates and joint venture is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Unrealised gains on transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the associates and joint venture; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates and joint venture includes goodwill (net of accumulated amortisation) on acquisition. When the Group's share of losses in an associate and joint venture equals or exceeds its interest in the associate and joint venture, the Group does not to recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates and joint venture. Where necessary, accounting policies for associates and joint venture have been changed to ensure consistency with the policies adopted by the Group.

Investments in associates and joint venture are reported using cost method of accounting in the Company's separate financial statements.

A list of the Group's principal associated and joint venture undertakings is set out in Note 12.

2.5 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using its local currency. The consolidated and company financial statements are presented in Thai Baht.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the exchange rates ruling on the balance sheet date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Statements of income of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and the balance sheets are translated at the year end exchange rates ruling on the balance sheet date. Exchange differences arising from retranslation are taken to shareholders' equity. On disposal of the foreign entity such translation differences are recognised in the income statement as part of the gain or loss on sale.

2.6 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents, investments, trade accounts receivables, related party receivables and loans to related companies. Financial liabilities carried on the balance sheet include short-term loans from financial institutions, trade accounts payable, related party payables, finance leases, borrowings and debentures. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is a party to financial derivatives that manage exposure to fluctuations in foreign currency exchange and interest rates. These financial derivatives mainly comprise:

Cross currency swap contracts and forward foreign exchange contracts

Cross currency swap contracts and forward foreign exchange 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.

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 forward foreign exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes. The fee incurred in establishing each agreement is amortised over the contract period, if any.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-

term highly liquid investments, with an original maturity not exceeding 3 months and bank overdrafts, which are shown as current liabilities in the balance sheet.

2.8 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequent measure at the remaining amount less 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 selling and administrative expenses.

2.9 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. 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. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.10 Land and real estates project for sales

Land and real estates project are stated at the lower of cost or net realisable value. 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.

2.11 Other investments

Other investments other than investments in subsidiaries, associates and joint ventures are classified into the following three categories: trading, available-for-sale and general investments. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets. 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 balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Investments in non-marketable equity securities are classified as general investments.

The trading investments are traded in active markets and carried at fair value on the balance sheet date by reference to the Stock Exchange of Thailand quoted bid price. Increases/decreases in the carrying amount are credited/charged to the statement of income.

Marketable equity securities classified as available-for-sale securities are carried at fair value. Fair value of marketable equity securities is calculated by reference to Stock Exchange quoted bid prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount are credited or charged to fair value reserves in shareholders' equity.

General investments are carried at cost, less impairment.

Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

A test for impairment by the Group 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 statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

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 from the weighted average carrying amount of the total holding of the investment.

If an investment with fair value adjustments in equity is sold or impaired, accumulated fair value adjustments are included in the statements of income.

2.12 Intangible assets

Leasehold right

Leasehold right is capitalised and amortised using the straight-line method over the lease period. Leasehold right is not revalued. The carrying amount of leasehold right is reviewed annually for impairment where it is considered necessary.

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 1 - 3 years. Capitalised development cost is not revalued. Its carrying amount is reviewed annually for impairment where it is considered necessary.

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 3 - 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, associated and joint venture undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset. Goodwill on acquisitions of associates and joint venture is included in investments in associates and joint venture and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated 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.

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 (3 years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs are recognised as assets and are amortised using the straight-line method over their useful lives, not exceeding a period of 3 years.

2.13 Property, plant and equipment

All property, plant and equipment is initially recorded at cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write-off the cost of each asset, except for land as it is deemed to have an indefinite life, to their residual values over their estimated useful life as follows:

Leasehold improvement	lease period
Building and fitting equipment	lease period, 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	5 years, 10 years and 15 years
Other equipment	5 years and 10 years
Motor vehicles	5 years

The estimated useful life of the assets is revised in every reporting balance sheet date.

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 five 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.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in operating profit.

Borrowing costs to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the property for its intended use as part of cost of the asset. The borrowing costs include:

- Interest on bank overdrafts and short-term and long-term borrowings, and related taxes;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- Finance lease charges

All other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowing during the year. Where funds are borrowed specifically for the acquisition, construction or production of property, plant and equipment, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

2.14 Impairment of assets

Property, plant and equipment and other non-current assets, including goodwill and intangible assets are reviewed for impairment losses 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 which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Assets that suffered an impairment are reversed for possible impairment loss of the estimation of the recoverable amounts were changed in subsequent period after the Group's recognition of impairment, excepted for provision for impairment losses on goodwill which is not reversed.

2.15 Accounting for long-term leases

Where the Group is the lessee

Leases of property, plant and equipment which 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 minimum lease payments. Each lease payment is allocated to the principal and to the

finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Where the Group is the lessor

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. 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. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings.

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 a reliable estimate of the amount can be made. 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 Provident fund

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate fund which is managed by the external fund manager. 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 Deferred 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, allowance for doubtful debts, allowance for inventory obsolescence, provision for impairment loss, 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 and non-redeemable preference shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares, other than in connection with business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

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, mainly consisting of room sales, food and beverage sales and revenue from auxiliary activities, is recognised when the service is rendered.

Revenues from sales of foods and beverages are recognised upon delivery and services rendered are presented net of sales taxes and discounts.

Rental income from retail business and property 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 management service is recognised as revenue when the service is rendered.

Revenues from spa services are recognised upon delivery and services rendered are presented net of sales taxes and discounts.

Revenue and cost from selling of real estates are recognised as revenue and cost based on the percentage of completion method. The stage of completion is measured by referencing to the percentage of construction

compared with total estimated costs (based on actual costs). Revenue will be recognised when the payment over 20% of each contract is received, pursuant to the percentage of completion method by which the completed percentage is assessed by the engineers.

Other revenue earned by the Group is recognised on the following bases:

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

2.23 Dividends

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

2.24 Segment reporting

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

2.25 Related parties

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.

2.26 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Critical accounting estimates, assumption and judgements

Estimates and judgements 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.

3.1 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. 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.

3.2 Property, plant and equipment and intangible assets

Management determines the estimated useful lives for the Group's property, 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. Risk management

4.1 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.

4.2 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 optimizing 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.

5. Changes in accounting policies

5.1 Ceasing the amortisation of goodwill

As discussed in Note 2 based on the amendment to TAS 43 which no amortisation of indefinite useful lives intangible assets is required but requires the test for their impairment annually. The change in the accounting policy is not applied retrospectively to the financial statements of the previous periods. Therefore, the Group ceased amortisation of goodwill from 1 January 2008. As a result, there was no expense recognised from the amortisation of goodwill in statement of income for the year ended 31 December 2008 (for the year ended 31 December 2007: Baht 69.3 million).

5.2 Ceasing the amortisation and adjusting of negative goodwill

As discussed in Note 2 based on the amendment TAS 43 which no amortisation of indefinite useful lives intangible assets is required. The Group is required to reassess the measurement of assets, liabilities and identifiable contingent liabilities of acquires regarding to its negative goodwill and recognise the resulting gains or losses from such reassessment in profit or loss. Therefore, the Group ceased amortisation of negative goodwill from 1 January 2008. As a result, there was no income recognised from the amortisation of negative goodwill in statements of income for the year ended 31 December 2008 (for the year ended 31 December 2007: Baht 34.1 million). The Group adjusts the brought forward balance of negative goodwill as at 1 January 2008 amounting to Baht 351.8 million to the beginning balance of retained earnings as at 1 January 2008.

6. Segment information

6.1 Financial information by business segments

The Group and the Company major operate in several business segments. Financial information by segment for the consolidated financial statements are as follows:

For the year ended 31 December (Baht Million)

	Hotel operations		Retail and property business		Entertainment operations		Spa services		Food and beverage operations		Management operations		Real estates operations		Investing in other companies		Eliminated		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenues	5,404	5,465	537	507	108	103	358	384	8,407	6,584	1,092	831	591	228	-	-	(683)	(564)	15,814	13,538
Segment results	3,606	3,689	409	381	66	60	137	144	5,413	4,206	1,092	831	319	90	-	-	(521)	(421)	10,521	8,980
Depreciation and amortisation																				
Results after depreciation and amortisation																			(1,378)	(1,295)
																			9,143	7,685

As at 31 December (Baht Million)

	Hotel operations		Retail and property business		Entertainment operations		Spa services		Food and beverage operations		Management operations		Real estates operations		Investing in other companies		Eliminated		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Projects under development	371	1,068	-	16	-	-	-	-	-	-	-	-	1,175	543	-	-	-	-	1,546	1,627
Property, plant and equipment	7,941	6,470	675	537	46	48	54	70	2,384	1,946	12	1	-	-	30	32	-	-	11,142	9,104
Other assets	3,383	4,794	417	521	5	5	235	220	6,533	6,617	2,062	1,549	716	869	17,117	14,928	(18,092)	(18,954)	12,376	10,549
Total assets	11,695	12,332	1,092	1,074	51	53	289	290	8,917	8,563	2,074	1,550	1,891	1,412	17,147	14,960	(18,092)	(18,954)	25,064	21,280
Trade accounts payable	150	199	4	2	2	-	7	5	647	501	38	1	-	1	1	-	-	-	849	709
Borrowings	5,288	4,490	-	-	32	28	79	108	1,983	412	921	534	1,176	643	1,989	2,568	(9,876)	(7,010)	1,592	1,773
Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,725	6,000	-	-	6,725	6,000
Other liabilities	1,406	1,773	807	854	9	10	65	76	1,818	1,238	338	295	242	266	545	519	(1,735)	(1,941)	3,495	3,090
Total liabilities	6,844	6,462	811	856	43	38	151	189	4,448	2,151	1,297	830	1,418	910	9,260	9,087	(11,611)	(8,951)	12,661	11,572

6.2 Financial information by geographical segments

Although the Group's business segments are managed on a worldwide basis, they operate in main geographical areas:

	Sales		Segment result		Total assets	
	2008	2007	2008	2007	2008	2007
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Thailand	14,525	13,450	9,577	8,953	38,203	37,972
Singapore	1,184	-	900	-	620	-
People's Republic of China	482	483	316	309	477	470
Republic of Maldives	180	112	132	82	609	456
The United Arab Emirates	57	18	54	18	3	2
Others	69	39	63	39	3,244	1,334
Eliminated	(683)	(564)	(521)	(421)	(18,092)	(18,954)
Total	15,814	13,538	10,521	8,980	25,064	21,280
Depreciation and amortisation			(1,378)	(1,295)		
Results after depreciation and amortisation			9,143	7,685		

7. Cash and cash equivalents

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Cash on hand	102,285,675	98,637,576	7,031,337	3,037,560
Deposits held at call with banks	1,246,886,358	334,747,146	709,574,242	73,019,535
Promissory notes	-	713,402,361	-	705,402,361
Total cash and cash equivalents	1,349,172,033	1,146,787,083	716,605,579	781,459,456

The weighted average effective interest rate of deposits with banks and promissory notes was 0.125% to 3.54% per annum (2007: 0.25% to 3.25% per annum).

Promissory notes are issued by financial institutions which have maturity not exceeding 3 months.

8. Trade accounts receivable, net

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Trade accounts receivable	489,559,587	706,527,323	21,719,515	29,967,378
<u>Less</u> Allowance for doubtful accounts	(3,754,798)	(10,819,541)	(240,215)	(75,685)
Trade accounts receivable, net	485,804,789	695,707,782	21,479,300	29,891,693

Certain debtors with settlements problems are included in the above trade account receivable. The group has set up allowances to recognise these doubtful accounts. The outstanding balances can be aged as follows:

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Not yet due	420,023,575	489,578,131	18,879,750	24,122,876
Overdue - Under 90 days	53,225,853	174,787,862	2,363,029	5,466,075
- 91 days to 180 days	6,222,459	29,290,557	282,768	198,669
- Over 181 days	10,087,700	12,870,773	193,968	179,758
Trade accounts receivable	489,559,587	706,527,323	21,719,515	29,967,378
<u>Less</u> Allowance for doubtful accounts	(3,754,798)	(10,819,541)	(240,215)	(75,685)
Trade accounts receivable, net	485,804,789	695,707,782	21,479,300	29,891,693

9. Inventories, net

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Food and beverage	42,798,912	41,977,384	2,284,350	1,951,084
Operating equipment	699,382	2,652,560	-	-
Finished goods	106,299,855	57,009,994	-	-
Supplies	74,328,105	50,181,078	3,049,128	2,526,172
Raw materials	393,228,882	350,672,787	-	-
Others	-	12,653,103	-	-
	617,355,136	515,146,906	5,333,478	4,477,256
<u>Less</u> Allowance for obsolescence	(10,924,040)	(556,681)	-	-
Inventories, net	606,431,096	514,590,225	5,333,478	4,477,256

10. Land and real estates project for sales, net

	Consolidated	
	2008 Baht	2007 Baht
Land	31,633,734	31,633,734
Construction cost	630,612,152	641,505,505
Furniture and fixtures	91,446,609	75,137,925
Interest capitalised	28,959,286	28,959,286
Others	6,793,213	3,796,432
	789,444,994	781,032,882
<u>Less</u> Cost of sales-accumulated	(406,800,330)	(175,145,256)
Land and real estates project for sales, net	382,644,664	605,887,626

As at 31 December 2008, Group has no commitment relating to the construction contracts of real estates project for sales (31 December 2007: Baht 54 million).

11. Other current assets

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Other receivables	255,231,091	271,988,686	16,583,298	15,805,085
Prepaid expenses	139,109,234	117,959,601	6,343,078	4,436,698
Prepaid income tax	34,359,451	46,267,770	-	778
Advance for construction	278,017,264	117,268,567	2,897,160	-
Short-term loan to other company	605,568,930	784,945,143	605,568,930	784,945,143
Others	168,258,480	133,889,116	10,738,386	3,385,888
Total other current assets	1,480,544,450	1,472,318,883	642,130,852	808,573,592

Short-term loan to other company carries interest at the fixed rate as stipulated in the agreement and due for repayment in the next year.

12. Investments in subsidiaries, associates and joint venture

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Subsidiaries	-	-	5,874,234,415	6,256,471,076
Associates and joint venture	1,241,628,509	240,399,352	24,284,460	24,284,460
Total investments in subsidiaries, associates and joint venture	1,241,628,509	240,399,352	5,898,518,875	6,280,755,536

a) Investments in subsidiaries

	Company	
	2008 Baht	2007 Baht
Opening net book value	6,256,471,076	6,110,641,151
Acquisitions	10,540,000	134,450,929
Entire business transfer from a subsidiary (Note 34)	11,796	-
Decrease share capital of subsidiaries	(349,086,107)	-
Decapitalise in property fund	(43,702,350)	(43,621,004)
Transfer from associates to subsidiaries	-	55,000,000
Closing net book value	5,874,234,415	6,256,471,076

All holdings are in the ordinary share capital of the subsidiaries and in fund units in the Property Fund subsidiary.

a) Investments in subsidiaries (Continued)

Company - 31 December 2008

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital		Investment portion	Cost		Dividend
				Baht Million	%		Baht	Baht	
Chao Phaya Resort Limited	Hotel operation and shopping mall	Thailand	Shareholder	450	81.24		625,811,571		53,617,685
Hua Hin Resort Limited	Hotel operation	Thailand	Shareholder	200	100		230,967,920		29,999,991
Maerim Terrace Resort Limited	Hotel operation	Thailand	Shareholder	300	45.30 ⁽¹⁾		161,418,899		-
Royal Garden Development Limited	Hotel operation	Thailand	Shareholder	700	100		929,262,396		174,999,985
Samui Resort and Spa Limited	Hotel operation	Thailand	Shareholder	10	100		10,000,000		9,999,940
Royal Garden Plaza Limited	Shopping mall	Thailand	Shareholder	75	100		75,000,000		56,249,948
Royal Garden Entertainment Limited	In liquidation process	Thailand	Shareholder	10	100		10,000,000		16,499,010
M Spa International Limited (MST)	Spa services	Thailand	Shareholder	41	51 ⁽³⁾		20,910,000		-
Minor Hotel Group Limited (formerly "Royal Garden Hotel Management Limited")	Hotel management	Thailand	Shareholder	17	100		93,500,000		101,999,580
RGR International Limited	Management	British Virgin Islands	Shareholder	2.6	100		2,586,000		-
RNS Holding Limited	Management	Thailand	Shareholder	26	100		13,140,822		-
The Minor Food Group	Sales of food and beverage	Thailand	Shareholder	327	99.72		2,302,662,067		69,785,665
Public Company Limited (MFG)									
Rajadamri Hotel Public Company Limited (RHC)	Hotel operation	Thailand	Shareholder	450	54.28 ⁽⁴⁾		909,374,739		-
MI Squared Limited	Hotel operation	Thailand	Shareholder	10	100		10,000,000		-
Samui Beach Residence Limited	Sales of property	Thailand	Shareholder	1	100		1,000,000		199,986,000
Samui Village Limited	Hotel operation	Thailand	Shareholder	37.5	100		37,499,300		-
Coco Palm Hotel & Resort Limited	Hotel operation	Thailand	Shareholder	113	100		177,477,165		-
Coco Recreation Limited	Hotel operation	Thailand	Shareholder	0.25	100		250,000		-
Coco Residence Limited	Sales of property	Thailand	Shareholder	0.25	100		250,000		-

a) Investments in subsidiaries (Continued)

Company - 31 December 2008

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital		Investment portion	Cost		Dividend
				Baht Million	%		Baht	Baht	
Minor Information Technology Limited	Management	Thailand	Shareholder	4	100		4,000,000		-
Phuket Beach Residence Limited	Management	Thailand	Shareholder	0.25	100		250,000		-
Chao Phaya Resort and Residence Limited	Hotel operation & Sales of property	Thailand	Shareholder	0.25	100		250,000		-
Mai Faad Beach Resort Limited	Hotel operation	Thailand	Shareholder	0.25	100		250,000		-
R.G.E. (HKG) Limited	Management	Hong Kong	Shareholder	0.5	100		542,740		-
M&H Management Limited	Management	Mauritius	Shareholder	(HKD 100,000)	100		36,231		-
Lodging Investment (Labuan) Limited	Holding investment	Malaysia	Shareholder	(USD 1,000)	100		36,231		-
Minor International (Labuan) Limited	Hotel operation	Malaysia	Shareholder	(USD 1,000)	100		34,344		-
Thai Project Property Fund	Property investment	Thailand	Shareholder	75	99.90		74,804,587		24,978,745
Sub Thawee Property Fund	Property investment	Thailand	Shareholder	28	99.86 ⁽⁵⁾		27,864,895		55,984,032
Thai Assets Management Property Fund	Property investment	Thailand	Shareholder	155 ⁽²⁾	100		155,054,508		163,330,183
Total investments in subsidiaries							<u>5,874,234,415</u>		<u>957,430,764</u>

(1) Investment portion of 45.30% represents direct holding in Maerim Terrace Resort Limited. Another 25.74% indirect holding is invested through subsidiary.

(2) Paid up capital of Thai Assets Management Property Fund is investment in Class C and Class D unitholders.

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

(4) Investment portion 54.28% represents direct holding in RHC. Another 44.64% indirect holding is invested through subsidiary.

(5) Investment portion of 99.86% represents direct holding in Sub Thawee Property Fund. Another 0.14% indirect holding is invested through subsidiary. Paid-up capital of Sub Thawee Property Fund is investment in Class B and Class C unitholders.

a) Investments in subsidiaries (Continued)

Company - 31 December 2007

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital		Investment portion	Cost		Dividend
				Baht Million	%		Baht	Baht	
Chao Phaya Resort Limited	Hotel operation and shopping mall	Thailand	Shareholder	450	81.24		625,811,571		53,617,685
Hua Hin Resort Limited	Hotel operation	Thailand	Shareholder	200	100		230,967,920		364,899,891
Maerim Terrace Resort Limited	Hotel operation	Thailand	Shareholder	300	45.30 ⁽¹⁾		161,418,899		-
Royal Garden Development Limited	Hotel operation	Thailand	Shareholder	700	100		929,262,396		26,999,998
Samui Resort and Spa Limited	Hotel operation	Thailand	Shareholder	10	100		10,000,000		8,999,946
Royal Garden Plaza Limited	Shopping mall	Thailand	Shareholder	75	100		75,000,000		72,699,932
Royal Garden Entertainment Limited	Entertainment operation	Thailand	Shareholder	10	100		10,000,000		28,299,830
M Spa International Limited (MST)	Spa services	Thailand	Shareholder	41	51 ⁽³⁾		20,910,000		-
Minor Hotel Group Limited (formerly "Royal Garden Hotel Management Limited")	Hotel management	Thailand	Shareholder	17	100		93,500,000		112,999,535
RGR International Limited	Management	British Virgin Islands	Shareholder	2.6	100		2,586,000		47,004,020
RNS Holding Limited	Management	Thailand	Shareholder	420	100		362,226,929		-
The Minor Food Group Public Company Limited (MFG)	Sales of food and beverage	Thailand	Shareholder	327	99.67		2,301,122,067		-
Rajadamri Hotel Public Company Limited (RHC)	Hotel operation	Thailand	Shareholder	450	54.28 ⁽⁴⁾		909,374,739		-
MI Squared Limited	Hotel operation	Thailand	Shareholder	10	100		10,000,000		-
Samui Beach Residence Limited	Sales of property	Thailand	Shareholder	1	100		1,000,000		33,497,655
Samui Village Limited	Hotel operation	Thailand	Shareholder	29	100		28,999,300		-
Coco Palm Hotel & Resort Limited	Hotel operation	Thailand	Shareholder	113	100		177,477,165		-
Coco Recreation Limited	Hotel operation	Thailand	Shareholder	0.25	100		250,000		-
Coco Residence Limited	Sales of property	Thailand	Shareholder	0.25	100		250,000		-

a) Investments in subsidiaries (Continued)

Company - 31 December 2007

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital		Investment portion	Cost		Dividend
				Baht Million	%		Baht	Baht	
Minor Information Technology Limited	Management	Thailand	Shareholder	4	100		4,000,000	-	
Phuket Beach Residence Limited	Management	Thailand	Shareholder	0.25	100		250,000	-	
R.G.E. (HKG) Limited	Management	Hong Kong	Shareholder	0.5	100		542,740	-	
				(HKD 100,000)					
M&H Management Limited	Management	Mauritius	Shareholder	0.04	100		36,231	-	
				(USD 1,000)					
Lodging Investment (Labuan) Limited	Holding investment	Malaysia	Shareholder	0.04	100		36,231	-	
				(USD 1,000)					
Minor International (Labuan) Limited	Hotel operation	Malaysia	Shareholder	0.03	100		34,344	-	
				(USD 1,000)					
Thai Project Property Fund	Property investment	Thailand	Shareholder	75	99.90		74,797,460	19,581,468	
Sub Thawee Property Fund	Property investment	Thailand	Shareholder	35	99.86 ⁽⁵⁾		35,075,825	52,334,254	
Thai Assets Management Property Fund	Property investment	Thailand	Shareholder	192 ⁽²⁾	100		191,541,259	129,676,169	
Total investments in subsidiaries							6,256,471,076	950,610,383	

(1) Investment portion of 45.30% represents direct holding in Maerim Terrace Resort Limited. Another 25.74% indirect holding is invested through subsidiary.

(2) Paid up capital of Thai Assets Management Property Fund is investment in Class C and Class D unitholders.

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

(4) Investment portion 54.28% represents direct holding in RHC. Another 44.58% indirect holding is invested through subsidiary.

(5) Investment portion of 99.86% represents direct holding in Sub Thawee Property Fund. Another 0.14% indirect holding is invested through subsidiary. Paid-up capital of Sub Thawee Property Fund is investment in Class B and Class C unitholders.

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

Company	Nature of business	Country of incorporation	Investment portion (%)	
			2008	2007
MFG's subsidiaries				
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
R.G.R. Food Service 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
The Pizza Restaurant Company Limited	Sales of food and beverage	Thailand	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	-
International Franchise Holding (Labuan) Limited's subsidiaries				
Franchise Investment Corporation of Asia Ltd.	Franchise owner	British Virgin Islands	100	100
The Minor Food Group (China) Limited (Formerly "Beijing LeJazz Food & Beverage Co., Ltd.")	Sales of food and beverage	People's Republic of China	100	100
Primacy Investment Limited's subsidiaries				
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	70	-
Delicious Food Holding (Singapore) Pte. Ltd.'s subsidiary				
Delicious Food Holding (Australia) Pte. Ltd.	Holding investment	Australia	100	100
Hua Hin Resort Limited's subsidiaries				
Hua Hin Village Limited	Hotel operation	Thailand	100	100
Baan Boran Chiangrai Limited	Hotel operation	Thailand	100	100
M Spa International Limited's subsidiaries				
M Spa Ventures Limited	Spa services	British Virgin Islands	100	100
M Spa Enterprise Management (Shianghai) Limited	Spa services	People's Republic of China	100	100

Company	Nature of business	Country of incorporation	Investment portion (%)	
			2008	2007
Minor Hotel Group Limited's subsidiary				
Hospitality Investment International Limited	Holding investment	British Virgin Islands	100	100
Hospitality Investment International Limited's subsidiaries				
Lodging Management (Labuan) Limited	Hotel management	Malaysia	100	100
Lodging Management (Mauritius) Limited	Hotel management	Republic of Mauritius	100	100
PT Lodging Management (Indonesia)	Hotel management	Indonesia	93.3	93.3
Rajadamri Hotel Public Company Limited's subsidiary				
Rajadamri Residence Company Limited	Hotel and sales of property	Thailand	100	100
ThaiExpress Concepts Pte. Ltd.'s subsidiaries				
The ThaiExpress Restaurant Pte. Ltd.	Sales of food and beverage	Singapore	100	-
BBZ Design International Pte. Ltd.	Sales of food and beverage	Singapore	100	-
NYS Pte. Ltd.	Sales of food and beverage	Singapore	100	-
PS07 Pte. Ltd.	Sales of food and beverage	Singapore	100	-
TES07 Pte. Ltd.	Sales of food and beverage	Singapore	100	-
XWS Pte. Ltd.	Sales of food and beverage	Singapore	100	-
Shokudo Concepts Pte. Ltd.	Sales of food and beverage	Singapore	100	-
Shokudo Heeren Pte. Ltd.	Sales of food and beverage	Singapore	100	-
Lotus Sky Sdn Bhd	Sales of food and beverage	Malaysia	100	-
ThaiExpress Concepts Sdn Bhd	Sales of food and beverage	Malaysia	100	-

Thai Assets Management Property Fund

On 24 December 2002, the Group invested in the Thai Assets Management Property Fund which is registered with the Securities and Exchange Commission. The Fund was established for the purpose of investment in real estate. The financial statements of the Property Fund are fully consolidated in the consolidated financial statements because the Group has power to exercise control over the financing and operating policies of the Property Fund.

As at 31 December 2008, the Group holds 100% of the Property Fund's Class C and Class D units. The Class C and Class D unitholders have the right to receive dividends after dividends are paid to Class A and Class B unitholders. As at 31 December 2008, the Class A and Class B unitholders have investments amounting to Baht 424.9 million (31 December 2007: Baht 524.9 million). These unitholders will receive dividends at the specified interest rates and have rights to receive dividends before other classes of unitholders. Such capital of Class A and Class B unitholders is classified as borrowings (Note 21) according to its underlying substance.

Changes in investments in subsidiaries for the year ended 31 December 2008 comprise:

Investment in ThaiExpress Concepts Pte. Ltd.

On 9 May 2008, the Group invested in ordinary shares of ThaiExpress Concepts Pte. Ltd. (“ThaiExpress”) consisting of 210,000 shares representing to 70% of ThaiExpress’s paid-up shares with the following conditions:

- The Group settled the initial investment amounting to Baht 952.3 million.
- The Group shall settle the additional investments in each year for the next three years if the operational performance is in line with the performance formula which will make the value of investment increase. The additional investments will depend on operational performance under the condition regarding ThaiExpress’s financial performance in each year. The Group estimated the additional investments based on the operational performance of ThaiExpress as at the first date of acquisition will not be exceed Baht 938.3 million.

In the second quarter of 2008, the Group had recognised provisions for the settlement of additional investments in ThaiExpress for the next three years amounting to Baht 938.3 million, including the value of the initial investment, which resulted in arisen goodwill amounting to Baht 1,774.7 million.

From the actual ThaiExpress’s operation result for the period from 1 January 2008 to 30 September 2008 and the operation estimation, adjusted after the date that the Group made the investment, there was a significant difference from the estimation that the Group had used for consideration of investment in ThaiExpress. As a result, the Group may pay the additional investments different from the provisions recognised in the previous quarter. As at 30 September 2008, the Group could not make a reasonable estimation of provision for additional investment. Therefore the Group reversed the provision that was recognised in the second quarter. Consequently, the Group recognised investment in ThaiExpress amounting to Baht 952.3 million, and goodwill from investment amounted to Baht 836.4 million.

From the actual ThaiExpress’s operation result for the forth quarter, the Group can estimate provision for additional investment amount Baht 241.4 million. Consequently, as at 31 December 2008 the Group recognised investment in ThaiExpress totaling amount to Baht 1,193.7 million, and goodwill from investment amounted to Baht 1,055.3 million. The management considers that the goodwill includes the value of brands.

Details of the acquisition are as follows:

	Consolidated
	2008
	Baht
Purchase consideration	1,193,714,956
Fair value of net assets acquired	(138,421,887)
Goodwill	1,055,293,069
Cash paid for the acquisition of investment	952,334,627
<u>Less</u> Cash and cash equivalents of the investment company	(114,904,070)
Cash outflow on the acquisition of investment, net of cash and cash equivalents acquired	837,430,557

On the acquisition date, the fair value at 70% interest of assets and liabilities acquired in ThaiExpress are as follows:

	Baht
Cash and cash equivalents	114,904,070
Inventories	6,124,196
Other current assets	68,436,077
Property, plant and equipment	95,844,096
Other non-current assets	108,372,643
Trade accounts payable	(140,687,933)
Other current liabilities	(55,247,596)
Fair value of net assets	197,745,553
Interest acquired	70%
Fair value of net assets acquired (Baht)	138,421,887

Royal Garden Entertainment Limited

On 1 August 2008, Royal Garden Entertainment Limited transferred all of its operation, assets and liabilities to the Company as mentioned in Note 34. From the extraordinary shareholders meeting of Royal Garden Entertainment Limited on 1 August 2008, shareholders agreed to wind up the operation of the subsidiary. The subsidiary is in the process of liquidating and registered for liquidation with the Ministry of Commerce on 1 August 2008.

RNS Holding Limited

From the extraordinary shareholders meeting of RNS Holding Limited on 6 August 2008, the shareholders passed the resolution to decrease its paid-up shares from 4,200,237 shares, at Baht 100 per shares, to 1,050,060 shares, at Baht 100 per shares. The subsidiary registered its share decrease with the Ministry of Commerce on 18 August 2008, and returned the share capital decrease amount of Baht 315,017,700 to the Company in September 2008.

From the extraordinary shareholders meeting of RNS Holding Limited on 8 October 2008, the shareholders passed the resolution to decrease its paid-up shares from 1,050,060 shares, at Baht 100 per shares, to 262,515 shares, at Baht 100 per shares. The subsidiary registered its share decrease with the Ministry of Commerce on 9 December 2008, and returned the share capital decrease amount of Baht 78,754,500 to the Company in December 2008.

Rajadamri Hotel Public Company Limited (RHC)

During the first quarter, the Group acquired 24,500 additional ordinary shares in Rajadamri Hotel Public Company Limited for consideration of Baht 1.6 million. As a result, the Group holds 44,510,817 shares representing 98.91% in RHC's issued shares. Goodwill arising from this acquisition is amounting to Baht 0.29 million.

The Minor Food Group Public Company Limited (MFG)

During the third quarter, the Company acquired 14,000 additional ordinary shares in The Minor Food Group Public Company Limited for consideration of Baht 1.54 million. As a result, the Group holds 32,639,199 shares representing 99.72% in MFG's issued shares. Goodwill arising from this acquisition is amounting to Baht 0.1 million.

b) Investments in associates and joint venture

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Opening net book value	191,046,198	443,805,588	24,284,460	79,284,460
Acquisitions	1,046,843,198	-	-	-
Transfer to investment in subsidiary	-	(63,139,215)	-	(55,000,000)
Share of profit of investments in associates and joint venture, net	115,649,039	55,879,825	-	-
Dividend income	(111,909,926)	(245,500,000)	-	-
Closing net book value	1,241,628,509	191,046,198	24,284,460	24,284,460

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 percent. The equity method of accounting is applied to this investment in the consolidated financial statements.

Changes in investments in associates and joint venture for the year ended 31 December 2008 comprise:

The Coffee Club Holdings Pty. Ltd.

During the first quarter of 2008, the Group acquired ordinary shares of The Coffee Club Holdings Pty. Ltd. ("TCC") amounting to 23,000,000 shares, representing 50% of paid-up shares in TCC, with the following conditions:

- The Group settled the initial investment amounting to Baht 689.3 million.
- The Group shall settle the additional investments in each year for the next two years if the operational performance is in line with the performance formula which will make the value of investment increase. The additional investments will depend on operational performance under the condition regarding TCC's financial performance in each year. The Group estimated the additional investments based on the operational performance of TCC as at the first date of acquisition will not be exceed Baht 202.6 million.

During the second quarter of 2008 the Group recognised provisions for the settlement of additional investments in TCC for the next two years amounting to Baht 202.6 million, including the value of the initial investment.

From the actual TCC's operation result for the period from 1 January 2008 to 30 September 2008 and the operation estimation, adjusted after the date that the Group made the investment, there was a significant difference from the estimation that the Group had used for consideration of investment in TCC. As a result, the Group may pay the additional investments different from the provisions recognised in the previous quarter. As at 30 September 2008, the Group could not make a reasonable estimation of provision for additional investment. Therefore the Group reversed the provision that was recognised in the second quarter. Consequently, the Group recognised investment in TCC amounting to Baht 689.3 million.

Investment in joint venture "The Coffee Club Holdings Pty. Ltd." as at 31 December 2008 includes goodwill of Baht 4.2 million.

Details of the acquisition are as follows:

	Consolidated
	2008
	Baht
Purchase consideration	689,253,066
Fair value of net assets acquired	<u>(685,033,351)</u>
Goodwill	<u>4,219,715</u>
Cash paid for the acquisition of investment	689,253,066
<u>Less</u> Cash and cash equivalents of the investment company	<u>(3,674,397)</u>
Cash outflow on the acquisition of investment, net of cash and cash equivalents acquired	<u>685,578,669</u>

On the acquisition date, the fair value at 50% interest of assets and liabilities acquired in TCC are as follows:

	Baht
Cash and cash equivalents	3,674,397
Inventories	87,693,764
Prepaid expenses	3,732,533
Other current assets	27,009,388
Property, plant and equipment	21,717,572
Intangible assets	1,341,911,309
Other current liabilities	<u>(115,672,261)</u>
Fair value of net assets	<u>1,370,066,702</u>
Interest acquired	50%
Fair value of net assets acquired (Baht)	<u>685,033,351</u>

Tanzania Tourism and Hospitality Investment Limited and Zanzibar Tourism and Hospitality Investment Limited

During the first quarter of 2008 the Group acquired an ordinary share in both Tanzania Tourism and Hospitality Investment Limited (“TTHIL”) and Zanzibar Tourism and Hospitality Investment Limited (“ZTHIL”), representing 50% of paid-up ordinary shares of each company with the following conditions:

- The Group settled the initial investment amounting to Baht 310.6 million.
- The Group shall settle the additional investments in each year for the next two years if the operational performance is in line with the performance formula which will make the value of investment increase. The additional investments will depend on operational performance under the condition regarding TTHIL’s and ZTHIL’s financial performance in each year. The Group estimated the additional investments based on the operational performance of TTHIL and ZTHIL as at the first date of acquisition will not be exceed Baht 94.1 million.

During the second quarter of 2008 the Group recognised provisions for the settlement of additional investments in TTHIL and ZTHIL for the next two years amounting to Baht 94.1 million, including the value of the initial investment.

From the actual TTHIL’s and ZTHIL’s operation result for the period from 1 January 2008 to 30 September 2008 and the operation estimation, adjusted after the date that the Group made the investment, there was a significant difference from the estimation that the Group had used for consideration of investment in TTHIL and ZTHIL. As a result, the Group may pay the additional investments different from the provisions recognised in the previous quarter. As at 30 September 2008, the Group could not make a reasonable estimation of some provision for additional investment. Therefore the Group reversed some provision that was recognised in the second quarter. Consequently, the Group recognised investment in TTHIL and ZTHIL amounting to Baht 357.6 million.

The Group is in the process of calculating net asset fair value of TTHIL and ZTHIL, and the difference between the net fair value and purchase consideration price will be considered as goodwill.

b) Investments in associates and joint venture (Continued)

Consolidated – 31 December 2008

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Equity Baht	Dividend Baht
Maikhao Vacation Villas Limited	Sales of Right-to-Use in Time sharing resort	Thailand	Shareholder	40	50	22,999,292	5,939,990	105,000,000
Arabian Spa (Dubai) Limited	Spa services	United Arab Emirates	Shareholder	3.4 (0.3 Dirham Million)	49	1,667,936	10,198,945	-
Eutopia Private Holding Limited	Hotel operation	Republic of Maldives	Shareholder	163.2 (4 USD Million)	50	81,590,000	33,768,361	-
Tanzania Tourism and Hospitality	Holding investment	British Virgin Islands	Shareholder	- (USD 2)	50	290,684,487	306,396,553	-
Zanzibar Tourism and Hospitality	Holding investment	British Virgin Islands	Shareholder	- (USD 2)	50	66,905,646	66,255,961	-
The Coffee Club Holdings Pty. Ltd.	Holding investment	Australia	Shareholder	1,332 (46 AUD Million)	50	689,253,066	725,273,435	6,909,926
Sizzler China Pte. Limited	Franchise owner	Singapore	Shareholder	-	50	-	5,193,268	-
Select Service Partner Limited	Sales of food and beverage	Thailand	Shareholder	45	51	22,950,000	88,601,996	-
Investments in associates and joint venture						<u>1,176,050,427</u>	<u>1,241,628,509</u>	<u>111,909,926</u>

b) Investments in associates and joint venture (Continued)

Consolidated - 31 December 2007

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Equity Baht	Dividend Baht
Maikhao Vacation Villas Limited	Sales of Right-to-Use in Time sharing resort	Thailand	Shareholder	40	50	22,999,292	147,652,058	220,000,000
Arabian Spa (Dubai) Limited	Spa services	United Arab Emirates	Shareholder (0.3 Dirham Million)	3.4	49	1,667,936	4,770,473	-
Sizzler China Pte. Limited	Franchise owner	Singapore	Shareholder	-	50	-	4,761,212	-
Select Service Partner Limited	Sales of food and beverage	Thailand	Shareholder	45	51	22,950,000	83,215,609	25,500,000
Total investments in associates and joint venture						<u>47,617,228</u>	<u>240,399,352</u>	<u>245,500,000</u>
Eutopia Private Holding Limited	Hotel operation	Republic of Maldives	Shareholder	163.2 (4 USD Million)	50	81,590,000	(49,353,154)	-
Total negative equity in investment in associate						<u>81,590,000</u>	<u>(49,353,154)</u>	<u>-</u>
Investments in associates and joint venture, net						<u>129,207,228</u>	<u>191,046,198</u>	<u>245,500,000</u>

b) Investments in associates and joint venture (Continued)

Consolidated				
	Nature of business	Country of incorporation	Investment portion (%)	
			2008	2007
Tanzania Tourism and Hospitality Investment Limited's subsidiary				
Elewana Afrika (T) Limited	Hotel operation	United Republic of Tanzania	100	-
Zanzibar Tourism and Hospitality Investment Limited's subsidiary				
Elewana Afrika (Z) Limited	Hotel operation	United Republic of Tanzania	100	-
Select Service Partner Limited's subsidiary				
Select Service Partner (Cambodia) Limited	Sale of food and beverage	The Kingdom of Cambodia	100	-
The Coffee Club Holdings Pty. Ltd.'s subsidiaries				
Espresso Pty. Ltd.	Property investment	Australia	100	-
The Coffee Club Investment Pty. Ltd.	Franchise owner	Australia	100	-
The Coffee Club Franchising Company Pty. Ltd.	Franchise business	Australia	100	-
The Coffee Club (NSW) Pty. Ltd.	Property investment	Australia	100	-
The Coffee Club (Vic) Pty. Ltd.	Property investment	Australia	100	-
The Coffee Club (Properties) Pty. Ltd.	Property investment	Australia	100	-
The Coffee Club Properties (NSW) Pty. Ltd.	Property investment	Australia	100	-
The Coffee Club Pty. Ltd. (as trustee for the Coffee Club Unit Trust)	Franchise owner	Australia	100	-
The Coffee Club (International) Pty. Ltd.	Franchise owner	Australia	100	-
The Coffee Club (Korea) Pty. Ltd.	Franchise owner	Australia	100	-
The Coffee Club (Mena) Pty. Ltd.	Franchise owner	Australia	100	-
The Coffee Club (NZ) Pty. Ltd.	Franchise owner	Australia	100	-

b) Investments in associates and joint venture (Continued)

Company - 31 December 2008

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Dividend Baht
Maikhao Vacation Villas Limited	Sales of Right-to-Use in Time sharing resort	Thailand	Shareholder	40	50	24,284,460	105,000,000
Total investments in associates and joint venture						<u>24,284,460</u>	<u>105,000,000</u>

Company - 31 December 2007

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Dividend Baht
Maikhao Vacation Villas Limited	Sales of Right-to-Use in Time sharing resort	Thailand	Shareholder	40	50	24,284,460	220,000,000
Total investments in associates and joint venture						<u>24,284,460</u>	<u>220,000,000</u>

b) Investments in associates and joint venture (Continued)

The Group's share of the results of its principal associates and joint venture, all of which are unlisted, and its share of the assets and liabilities are as follows:

	Country of incorporation	Assets	Liabilities	Revenues	Profit/(Loss)	% Interest held
		Baht	Baht	Baht	Baht	%
Year ended 31 December 2008						
Maikhao Vacation Villas Limited	Thailand	47,434,096	44,464,101	15,846,757	(36,712,068)	50
Arabian Spa (Dubai) Limited	United Arab Emirates	11,199,671	2,621,978	7,868,285	5,428,472	49
Eutopia Private Holding Limited	Republic of Maldives	948,923,758	921,665,976	627,009,499	83,121,515	50
Tanzania Tourism and Hospitality Investment Limited	British Virgin Islands	191,427,924	159,882,030	83,018,291	15,712,066	50
Zanzibar Tourism and Hospitality Investment Limited	British Virgin Islands	25,193,276	35,904,323	-	(649,684)	50
The Coffee Club Holdings Pty. Ltd.	Australia	163,425,955	135,094,567	351,828,670	42,930,295	50
Sizzler China Pte. Limited	Singapore	5,527,299	523,821	4,541,234	432,057	50
Select Service Partner Limited	Thailand	110,408,294	22,667,639	185,907,929	5,749,208	51
		1,503,540,273	1,322,824,435	1,276,020,665	116,011,861	
Year ended 31 December 2007						
Maikhao Vacation Villas Limited	Thailand	306,391,277	158,739,219	584,407,525	121,735,968	50
Arabian Spa (Dubai) Limited	United Arab Emirates	5,036,595	1,467,663	6,016,093	4,043,597	49
Eutopia Private Holding Limited	Republic of Maldives	899,673,771	957,495,906	411,323,640	(92,507,550)	50
Sizzler China Pte. Limited	Singapore	5,340,300	930,825	4,296,307	(48,170)	50
Select Service Partner Limited	Thailand	158,968,023	76,115,235	176,985,233	19,271,264	51
		1,375,409,966	1,194,748,848	1,183,028,798	52,495,109	

13. Other long-term investments, net

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Other companies, net	8,808,564	21,041,738	12,700	23,050
Related companies, net	824,427,534	1,288,884,810	487,224,640	617,017,800
Other long-term investments, net	833,236,098	1,309,926,548	487,237,340	617,040,850

a) Investments in other companies

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Opening net book amount	21,041,738	567,672,070	23,050	543,332,253
Acquisition	-	1,500	-	1,500
Transfer to investments in related companies	-	(543,309,653)	-	(543,309,653)
Impairment of investment	-	(1,950,350)	-	-
Change in fair value of investments	(12,233,174)	(1,371,829)	(10,350)	(1,050)
Closing net book amount	8,808,564	21,041,738	12,700	23,050

Investment in other companies comprises:

	Consolidated			
	Cost method		Fair value	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Available-for-sale securities, cost	22,840,303	22,840,303	8,808,564	21,041,738
Adjust: Fair value reserves	(14,031,739)	(1,798,565)	-	-
Available-for-sale securities, net	8,808,564	21,041,738	8,808,564	21,041,738
General investments	1,950,350	1,950,350		
Adjust: Impairment	(1,950,350)	(1,950,350)		
General investments, net	-	-		
Investments in the other companies, net	8,808,564	21,041,738		

	Company			
	Cost method		Fair value	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Available-for-sale securities, cost	8,034	8,034	12,700	23,050
<u>Adjust:</u> Fair value reserves	4,666	15,016	-	-
Investments in the other companies, net	12,700	23,050	12,700	23,050

b) Investments in related companies

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Opening net book amount	1,288,884,810	407,156,490	617,017,800	-
Acquisition	55,760,666	108,680,610	55,760,666	64,721,163
Transfer from investments in other companies	-	543,309,653	-	543,309,653
Change in fair value of investments	(520,217,942)	229,738,057	(185,553,826)	8,986,984
Closing net book amount	824,427,534	1,288,884,810	487,224,640	617,017,800

b) Investments in related companies (Continued)

Consolidated

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Fair Value reserves Baht	Net investment Baht
31 December 2008								
Available-for-sale securities								
S&P Syndicate Public Company Limited	Food & Beverage	Thailand	Shareholder	523	20.78	617,784,112	(130,559,472)	487,224,640
Serendib Hotels Limited	Hotel	Sri Lanka	Shareholder	48 (178 Sri Lanka Rupee Million)	19.84	43,959,447	(23,667,012)	20,292,435
Minor Corporation Public Company Limited	Distribution of products, management services provider and aircraft distributor	Thailand	Shareholder	488	8.60	159,984,225	156,926,234	316,910,459
Total investments in related companies						821,727,784	2,699,750	824,427,534

b) Investments in related companies (Continued)

Consolidated									
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Fair Value reserves Baht	Net investment Baht	
31 December 2007									
Available-for-sale securities									
S&P Syndicate Public Company Limited	Food & Beverage	Thailand	Shareholder	523	19.01	562,023,446	54,994,354	617,017,800	
Serendib Hotels Limited	Hotel	Sri Lanka	Shareholder	48 (178 Sri Lanka Rupee Million)	19.84	43,959,447	(14,308,339)	29,651,108	
Minor Corporation Public Company Limited	Distribution of products, management services provider and aircraft distributor	Thailand	Shareholder	454	9.24	159,984,225	482,231,677	642,215,902	
Total investments in related companies						765,967,118	522,917,692	1,288,884,810	

b) Investments in related companies (Continued)

Company

31 December 2008

Available-for-sale securities

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Fair value reserves Baht	Net investment Baht
S&P Syndicate Public Company Limited	Food & Beverage	Thailand	Shareholder	523	20.78	617,784,112	(130,559,472)	487,224,640
Total investments in related company						617,784,112	(130,559,472)	487,224,640

Company

31 December 2007

Available-for-sale securities

	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital Baht Million	Investment portion %	Cost Baht	Fair value reserves Baht	Net investment Baht
S&P Syndicate Public Company Limited	Food & Beverage	Thailand	Shareholder	523	19.01	562,023,446	54,994,354	617,017,800
Total investments in related company						562,023,446	54,994,354	617,017,800

14. Related party transactions

The major shareholders of the Company are Group of Minor Corporation companies and Minor Holding (Thai) Limited incorporated in Thailand which own 18.72% and 16.64% of the Company's shares, respectively. The remaining 64.64% of the shares is widely held.

The Company is an associate company of Minor Corporation Public Company Limited. Therefore, Minor Corporation Public Company Limited and its subsidiaries are considered related companies of the Group.

During the year the Group and the Company have entered into transactions with its subsidiaries, associates, and related companies. The terms and basis of such transactions are negotiated between the parties in the ordinary course of business and according to normal trade conditions.

Pricing policies for related party transactions comprise:

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

Significant transactions with related companies for the years ended 31 December 2008 and 2007 are summarised as follows:

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Sales				
Associates	54,327,724	40,681,268	-	-
Sales from real estate development operations				
Related company	15,000,000	113,000,000	-	-

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Rental income				
Subsidiaries	-	-	44,539,582	42,555,033
Associates	1,278,000	-	-	-
Related companies	17,515,449	16,892,532	-	-
Total rental income	18,793,449	16,892,532	44,539,582	42,555,033
Interest income				
Subsidiaries	-	-	355,574,186	269,386,497
Associates	16,888,033	36,786,061	-	524,353
Related companies	125,322	201,232	-	-
Total interest income	17,013,355	36,987,293	355,574,186	269,910,850
Management fee income				
Subsidiaries	-	-	167,751,829	161,298,532
Associates	116,579,808	69,159,410	1,272,280	600,000
Related companies	52,529,571	11,780,730	2,028,000	3,312,000
Total management fee income	169,109,379	80,940,140	171,052,109	165,210,532
Management fee income is mainly from hotel, information system and finance management.				
Dividend income				
Related companies	6,296,234	6,296,234	-	-
Other income				
Subsidiaries	-	-	17,892,130	21,674,315
Associates	9,941,000	8,124,282	9,941,000	6,791,282
Total other income	9,941,000	8,124,282	27,833,130	28,465,597
Purchases				
Subsidiaries	-	-	243,067	196,262
Related companies	589,260	6,420,891	-	-
Total purchases	589,260	6,420,891	243,067	196,262
Rental expenses				
Subsidiaries	-	-	22,545,060	20,776,886
Related companies	16,898,434	18,273,198	-	-
Total rental expenses	16,898,434	18,273,198	22,545,060	20,776,886
Interest expenses				
Subsidiaries	-	-	20,616,017	27,456,666
Associates	-	1,339,041	-	1,339,041
Total interest expenses	-	1,339,041	20,616,017	28,795,707

	Consolidated		Company	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Management fee expenses				
Subsidiaries	-	-	28,614,109	25,141,758
Related companies	8,107,540	39,288,300	-	3,570,600
Total management fee expenses	8,107,540	39,288,300	28,614,109	28,712,358
Royalty fee				
Subsidiaries	-	-	667,055	763,564
Associates	1,361,883	-	-	-
Total royalty fee	1,361,883	-	667,055	763,564
Other expenses				
Subsidiaries	-	-	-	1,970,006
Related companies	13,804,892	5,848,447	10,912,716	2,878,797
Total other expenses	13,804,892	5,848,447	10,912,716	4,848,803
Directors' remuneration	8,511,774	6,185,600	6,305,000	3,825,600

Directors' remuneration represents directors' fees (exclusive of salaries and related benefits payable to the executive directors) paid to the Company's directors in accordance with Section 90 of the Public Limited Company Act, and was approved by the shareholders in their Annual General Meeting.

As at 31 December 2008 and 2007, outstanding balances arising from receivable, payable, advances and loans from/to related companies are summarised as follows:

	Consolidated		Consolidated	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Amounts due from related companies				
Subsidiaries	-	-	403,610,238	423,061,113
Associates	45,871,363	92,874,286	29,017	291,650
Related companies	2,698,075	5,914,180	76,256	437,261
Total amounts due from related companies	48,569,438	98,788,466	403,715,511	423,790,024
Long-term loans to related companies				
Subsidiaries	-	-	7,406,141,167	4,782,104,460
Associates	407,239,883	488,313,000	-	-
Related companies	2,791,200	2,696,000	-	-
Total long-term loans to related companies	410,031,083	491,009,000	7,406,141,167	4,782,104,460

Long-term loans to related companies are unsecured and denominated in Thai Baht. 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 following year.

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Amounts due to and advances from related companies				
Subsidiaries	-	-	13,955,075	38,102,608
Associates	685,661	3,038,190	-	-
Related companies	1,733,448	5,090,969	5,000	-
Total amounts due to and advances from related companies	<u>2,419,109</u>	<u>8,129,159</u>	<u>13,960,075</u>	<u>38,102,608</u>
Short-term loans from related companies				
Subsidiaries	-	-	703,956,347	1,416,393,789

Short-term loans 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 held for future development and projects under development

Land held for future development and projects under development are stated at cost, and are held by the following subsidiaries:

	Consolidated	
	2008 Baht	2007 Baht
Thai Project Property Fund	-	62,468,464
MI Squared Limited	-	785,339,539
Coco Palm Hotel & Resort Co., Ltd.	183,419,653	281,583,534
Coco Recreation Limited	9,622,262	-
Coco Residence Limited	94,663,750	-
Rajadamri Residence Company Limited	1,078,338,216	480,713,757
Chao Phraya Resort & Residence Limited	1,567,671	-
Royal Garden Plaza Limited	-	16,128,234
Minor International (Labuan) Limited	178,374,492	782,815
Total land held for future development and projects under development	<u>1,545,986,044</u>	<u>1,627,016,343</u>

	Consolidated
	Baht Million
Commitments in respect of construction contracts and purchases of assets as at 31 December 2008	1,362.0
Commitments in respect of construction contracts and purchases of assets as at 31 December 2007	771.1

	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 in progress	Total
At 31 December 2007								
Cost	671,143,097	8,430,089,153	2,940,989,359	3,897,608,651	1,679,555,147	179,559,972	368,066,524	182,250,035
Less Accumulated depreciation	(110,513,900)	(3,475,810,215)	(1,491,108,197)	(2,801,301,163)	(1,082,008,948)	(124,383,505)	(151,087,033)	(9,236,212,961)
Provision for impairment	-	-	(1,726,151)	-	(7,635,790)	-	-	(9,361,941)
Net book value	560,629,197	4,954,278,938	1,448,155,011	1,096,307,488	589,910,409	55,176,467	216,979,491	9,103,687,036
Year ended								
31 December 2008								
Opening net book value	560,629,197	4,954,278,938	1,448,155,011	1,096,307,488	589,910,409	55,176,467	216,979,491	9,103,687,036
Additions	3,911,990	52,107,283	358,972,216	320,861,641	137,636,542	27,452,897	119,642,573	1,443,071,995
Acquisition from investment in ThaiExpress (Note 12 a)	-	-	46,362,749	29,673,118	19,505,719	302,509	-	95,844,095
Reclassification	6,288,560	163,309,568	17,625,128	127,469,047	49,514,284	5,742,083	(20,105,288)	(349,843,382)
Write-off	-	(5,078,531)	(6,964,660)	(63,872)	(651,228)	(36,085)	(44,454,125)	(71,843,332)
Disposals	-	(672,307)	(12,877,102)	(8,084,430)	(1,219,202)	(1,032,984)	(5,358,434)	(39,709,855)
Transfer from other accounts	381,090,852	1,334,085,638	22,189,378	61,000,422	7,493,793	8,916,235	13,986,303	1,849,204,303
Translation adjustment	-	-	13,930,745	1,071,609	6,459,861	95,406	765,949	22,323,570
Depreciation charge	(12,169,556)	(382,428,584)	(269,243,963)	(374,124,830)	(157,123,705)	(18,262,209)	(30,162,155)	(1,243,515,002)
Reverse provision for impairment	-	-	1,726,151	-	-	-	-	1,726,151
Impairment charge	-	-	(6,028,016)	(5,172,515)	(7,294,766)	(66,751)	(338,775)	(18,900,823)
Closing net book value	939,751,043	6,115,602,005	1,613,847,637	1,248,937,678	644,231,707	78,287,568	250,955,539	11,141,888,138

16. Property, plant and equipment, net (Continued)

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 31 December 2008									
Cost	1,062,434,499	9,968,254,785	3,308,661,392	4,285,560,439	1,904,812,241	208,604,101	433,830,143	250,274,961	21,422,432,561
<u>Less Accumulated</u>									
depreciation	(122,683,456)	(3,852,652,780)	(1,688,785,739)	(3,031,450,246)	(1,245,649,978)	(130,249,782)	(182,535,829)	-	(10,254,007,810)
Provision for									
impairment	-	-	(6,028,016)	(5,172,515)	(14,930,556)	(66,751)	(338,775)	-	(26,536,613)
Net book value	939,751,043	6,115,602,005	1,613,847,637	1,248,937,678	644,231,707	78,287,568	250,955,539	250,274,961	11,141,888,138

As at 31 December 2008, plant and equipment exist, which have been fully depreciated according to their useful lives, but are still in use with cost and accumulated depreciation of Baht 3,082,931,642 and Baht 2,965,229,382, respectively (2007: Baht 2,764,604,783 and Baht 2,762,652,342, respectively).

16. Property, plant and equipment, net (Continued)

	Company (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 31 December 2007									
Cost	9,871,983	568,895,343	54,931,520	279,487,184	10,944,115	24,650,005	15,465,050	264,055	964,509,255
<u>Less Accumulated depreciation</u>	(5,521)	(279,448,584)	(15,097,640)	(189,175,868)	(3,717,620)	(17,129,610)	(5,089,153)	-	(509,663,996)
Net book value	9,866,462	289,446,759	39,833,880	90,311,316	7,226,495	7,520,395	10,375,897	264,055	454,845,259
Year ended									
31 December 2008									
Opening net book value	9,866,462	289,446,759	39,833,880	90,311,316	7,226,495	7,520,395	10,375,897	264,055	454,845,259
Additions	-	13,008,253	-	6,530,589	277,909	5,654,205	153,500	22,113,710	47,738,166
Entire business transfer									
from subsidiary (Note 34)	-	34,029,006	399,624	616,491	9,089,283	-	-	813,461	44,947,865
Reclassification	-	11,569,261	-	4,620,432	-	-	-	(16,189,693)	-
Write off	-	(4,662,935)	-	-	-	-	-	-	(4,662,935)
Disposals	-	-	-	(1)	-	(1)	-	-	(2)
Transferred from other account	-	-	-	-	(1,005,327)	-	-	-	(1,005,327)
Depreciation charge	(56,222)	(29,542,517)	(5,922,326)	(20,743,553)	(5,622,852)	(2,173,692)	(2,100,685)	-	(66,161,847)
Closing net book value	9,810,240	313,847,827	34,311,178	81,335,274	9,965,508	11,000,907	8,428,712	7,001,533	475,701,179
At 31 December 2008									
Cost	9,871,983	617,973,087	55,331,144	291,210,115	19,305,980	27,634,873	15,618,550	7,001,533	1,043,947,265
<u>Less Accumulated depreciation</u>	(61,743)	(304,125,260)	(21,019,966)	(209,874,841)	(9,340,472)	(16,633,966)	(7,189,838)	-	(568,246,086)
Net book value	9,810,240	313,847,827	34,311,178	81,335,274	9,965,508	11,000,907	8,428,712	7,001,533	475,701,179

As at 31 December 2008, plant and equipment exist, which have been fully depreciated according to their useful lives, but are still in use with cost and accumulated depreciation of Baht 131,493,320 and Baht 126,448,595 respectively (2007: Baht 115,834,468 and Baht 115,815,573, respectively).

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 2008, other long-term borrowings (Note 21) are secured by fixed assets of these subsidiaries with book values of Baht 1,117 million.

Capital commitments

	Consolidated	Company
	Baht Million	Baht Million
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2008	129.2	-
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2007	55.6	-

17. Intangible assets, net

	Consolidated (Baht)						
	Leasehold right	Franchise development expenses	Initial franchise fees	Goodwill	Negative goodwill	Computer software	Total
At 31 December 2007							
Cost	3,061,857,838	158,399,806	124,400,268	1,998,692,701	(628,942,525)	11,112,958	4,725,521,046
Less Accumulated amortisation	(1,340,617,753)	(152,560,290)	(83,589,991)	(391,808,049)	277,140,209	(1,140,430)	(1,692,576,304)
Net book value	1,721,240,085	5,839,516	40,810,277	1,606,884,652	(351,802,316)	9,972,528	3,032,944,742
Year ended 31 December 2008							
Opening net book value	1,721,240,085	5,839,516	40,810,277	1,606,884,652	(351,802,316)	9,972,528	3,032,944,742
Additions	4,892,632	26,706	1,500,685	1,055,656,972	-	36,995,797	1,099,072,792
Write off	(145,000)	-	-	-	-	(82,956)	(227,956)
Impairment	-	-	-	-	-	(173,843)	(173,843)
Change accounting policies (Note 5.2)	-	-	-	-	351,802,316	-	351,802,316
Transfer from other account	-	-	-	-	-	50,599,139	50,599,139
Translation adjustment	-	-	2,264,048	-	-	312,889	2,576,937
Amortisation	(108,058,351)	(850,627)	(5,891,865)	-	-	(20,091,287)	(134,892,130)
Net book amount	1,617,929,366	5,015,595	38,683,145	2,662,541,624	-	77,532,267	4,401,701,997
At 31 December 2008							
Cost	3,050,251,865	158,426,512	128,165,000	3,054,349,673	-	116,509,548	6,507,702,598
Less Accumulated amortisation	(1,432,322,499)	(153,410,917)	(89,481,855)	(391,808,049)	-	(38,803,438)	(2,105,826,758)
Provision for impairment	-	-	-	-	-	(173,843)	(173,843)
Net book value	1,617,929,366	5,015,595	38,683,145	2,662,541,624	-	77,532,267	4,401,701,997

	Company (Baht)		
	Leasehold right	Computer software	Total
At 31 December 2007			
Cost	18,690,531	-	18,690,531
Less Accumulated amortisation	(11,836,596)	-	(11,836,596)
Net book value	6,853,935	-	6,853,935
Year ended 31 December 2008			
Opening net book value	6,853,935	-	6,853,935
Additions	-	6,661,697	6,661,697
Transfer from other account	-	14,342,766	14,342,766
Amortisation	(624,325)	(6,181,786)	(6,806,111)
Net book amount	6,229,610	14,822,677	21,052,287
At 31 December 2008			
Cost	18,690,531	23,991,237	42,681,768
Less Accumulated amortisation	(12,460,921)	(9,168,560)	(21,629,481)
Net book value	6,229,610	14,822,677	21,052,287

18. Other non-current assets

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Advance for investment	-	87,943,800	-	-
Deposits	418,421,845	214,504,500	4,355,942	5,155,517
Deferred charges	223,027,098	192,686,548	30,910,292	26,392,469
Prepaid rental expense	401,474,006	376,474,006	-	-
Others	93,921,605	69,038,706	-	14,342,766
Total other non-current assets	1,136,844,554	940,647,560	35,266,234	45,890,752

19. Bank overdrafts and short-term loans from financial institutions

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Bank overdrafts	465,816	1,316	-	1,316
Short-term loans from financial institutions	682,915,100	561,512,600	-	-
Total bank overdrafts and short-term loans from financial institutions	683,380,916	561,513,916	-	1,316

The short-term loans from financial institutions are denominated in Yuan amounting to Yuan 133,000,000 and carry interest rates at the rates from 5.544% to 7.839% per annum.

20. Other current liabilities

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Accounts payable - construction	163,381,845	247,289,061	15,335,809	17,208,420
Accounts payable - purchase investment	294,090,330	-	-	-
Accounts payable - other	434,978,388	358,305,696	18,471,156	16,920,889
Others	385,267,976	428,316,352	15,479,795	17,718,463
Total other current liabilities	1,277,718,539	1,033,911,109	49,286,760	51,847,772

21. Long-term borrowings

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Current portion				
Loans from financial institutions	246,762,408	312,599,468	120,000,000	120,000,000
Other borrowings	164,260,000	164,260,000	-	-
Loans from financial institutions	411,022,408	476,859,468	120,000,000	120,000,000
Long-term borrowings				
Loans from financial institutions	764,239,430	615,341,077	300,000,000	420,000,000
Other borrowings	517,130,640	681,390,640	-	-
Total long-term borrowings	1,281,370,070	1,296,731,717	300,000,000	420,000,000
	1,692,392,478	1,773,591,185	420,000,000	540,000,000

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

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Next year	411,022,408	476,859,468	120,000,000	120,000,000
Between 2 and 5 years	1,281,370,070	1,296,731,717	300,000,000	420,000,000
Over 5 years	-	-	-	-
Total long-term borrowings	1,692,392,478	1,773,591,185	420,000,000	540,000,000

The movements in the borrowings can be analysed as follows:

	Consolidated	Company
	Baht	Baht
For the year ended 31 December 2008		
Opening amount	1,773,591,185	540,000,000
Additions	654,400,000	-
Repayment of borrowings	(673,859,459)	(120,000,000)
Unrealised gain on exchange rate	(63,398,171)	-
Transaction costs	1,658,923	-
Closing amount	1,692,392,478	420,000,000

Loans from financial institutions

As at 31 December 2008, loans from financial institutions in the consolidated financial statements totaling Baht 1,011 million comprise:

- The Company's unsecured loan from a local bank balance of Baht 420 million. The loan carries 12 months fixed deposit rate plus a fixed rate of interest and is due for repayment in 10 semi-annually installments by amount of Baht 60 million each with the first repayment due in November 2007. The loan is subject to certain conditions with which the Company has to comply throughout the loan period.
- A subsidiary's unsecured loan from a local bank balance of USD 20 million. The loan carries LIBOR plus a fixed rate of interest and is due for repayment in nine semi-annually instalments amounting to USD 2.22 million each with the first repayment due on 2 May 2009. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

As at 31 December 2008, the Group has entered into cross currency swap and interest rate swap contracts for the above loan of USD 20 million to be a loan of AUD 23 million with a fixed interest rate. Moreover, the Group also bought a foreign currency forward contract for the amount of AUD 23 million.

- c) A subsidiary's unsecured loan from two local banks totalling of Baht 20 million (total loan facilities of Baht 3,050 million). The loan carries MLR less a fixed rate of interest and is due for repayment between 2011 and 2017. The loan is subject to certain conditions with which the subsidiary has to comply with throughout the loan period.

Other borrowings

Other borrowing loan amounting to Baht 681 million represents borrowings through the two property funds as follows:

- a) Long-term loan amounting to Baht 425 million representing Class A and B investment units in the Thai Assets Management Property Fund being units held by banks and financial institutions. These unitholders receive interest at fixed rates and MLR minus fixed rates as specified in the Unit Holders Agreement. The loans are repayable within 10 years.

Thai Assets Management Property Fund holds sub-lease rights and legal titles in the Group's property, plant and equipment with a book value of Baht 864 million as collateral.

- b) Long-term loan amounting to Baht 256 million representing Class A investment units in the Sub Thawee Property Fund being units held by banks and financial institutions. These unitholders receive interest at MLR minus fixed rates as specified in the Unit Holders Agreement. The loans are repayable within 10 years.

Sub Thawee Property Fund holds the sub-lease rights and legal titles in the Group's property, plant and equipment with a book value of Baht 253 million as loan collateral.

The carrying amounts of long-term loans as of 31 December 2008 approximate to their fair values.

Borrowing facilities

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

31 December 2008				
	Consolidated		Company	
	Baht Million	US\$ Million	Baht Million	US\$ Million
Floating interest rate - expiring within one year	-	-	-	-
- expiring beyond one year	7,030	35	4,000	35
	7,030	35	4,000	35

31 December 2007				
	Consolidated		Company	
	Baht Million	US\$ Million	Baht Million	US\$ Million
Floating interest rate - expiring within one year	-	-	-	-
- expiring beyond one year	-	-	-	-
	-	-	-	-

22. Debentures

Consolidated and Company		
	2008 Baht	2007 Baht
Current portion of debentures	550,000,000	275,000,000
Debentures due in longer term	6,175,000,000	5,725,000,000
Total debentures	6,725,000,000	6,000,000,000

The movements in debentures can be analysed as follows:

Consolidated and Company	
	Baht
For the year ended 31 December 2008	
Opening amount	6,000,000,000
Additions	1,000,000,000
Redemption	(275,000,000)
Closing amount	6,725,000,000

Debentures comprise:

- a) Debentures issued in September 2007 which are unsecured, senior and without a debenture holder's representatives totalling Baht 2,060 million, to be used for the repayment of previous debentures and short-term loans. These debentures have a fixed rate of interest and are due for repayment within 2014.
- b) Debentures issued in September 2007 which are unsecured, senior and without a debenture holder's representatives totalling Baht 1,840 million. These debentures have a fixed rate of interest and are due for repayment within 2012.
- c) Debentures issued in January 2004 which are unsecured, senior and without a debenture holder's representatives totalling Baht 1,000 million. These debentures have a fixed rate of interest and are due for repayment within 2010.
- d) Debentures issued in May 2005 which are unsecured, senior and without a debenture holder's representatives amounting to Baht 1,100 million. These debentures have a fixed rate of interest and due for repayment in 4 semi-annually installments by amount of Baht 275 million each with the first repayment due in November 2008.
- e) Debentures issued in October 2008 which are unsecured, senior and without a debenture holder's representatives totalling Baht 1,000 million. These debentures have a fixed rate of interest and are due for repayment within 2011.

As at 31 December 2008, the Company has entered into interest rate swap contracts for the above debenture of Baht 1,000 million to swap a fixed interest rate to floating interest rate and due for repayment in semi-annually interest (Note 31 a).

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

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 with guarantee and/or no long-term guarantee (depending on the market at the issue date) of an amount not exceeding Baht 15,000 million, to be used for working capital, business expansion and/or refinance existing loans and debentures of the Company. As at 31 December 2008, there were debentures had been offered and issued totaling Baht 1,000 million.

The Board of Directors of a subsidiary has approved the issuance of additional six-year unconvertible debentures without warrants, not exceeding Baht 2,000 million. As at 31 December 2008, these debentures have not yet been offered.

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

	Carrying amounts		Fair values	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Debentures	6,725,000,000	6,000,000,000	6,400,394,752	5,740,757,426

The fair values are based on discounted cash flows using discount rates based upon market yield rates which are quoted by The Thai Bond Associations at the balance sheet date.

23. Other non-current liabilities

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Unearned income	163,051,359	176,730,738	213,434	245,715
Rental deposits and other liabilities	145,974,730	139,972,703	578,035	578,035
Others	10,341,301	10,028,912	1,622,360	1,670,055
Total other non-current liabilities	319,367,390	326,732,353	2,413,829	2,493,805

24. Share capital and share premium

Consolidated						
	Number of ordinary shares	Number of preference shares	Ordinary shares	Preference shares	Share premium	Total
			Baht	Baht	Baht	Baht
31 December 2006	2,894,584,081	63,520,000	2,894,584,081	63,520,000	1,541,772,164	4,499,876,245
Issue of shares	63,632,372	-	63,632,372	-	240,619,415	304,251,787
31 December 2007	2,958,216,453	63,520,000	2,958,216,453	63,520,000	1,782,391,579	4,804,128,032
Convertible of preference share	63,520,000	(63,520,000)	63,520,000	(63,520,000)	-	-
Share dividend (Note 30)	328,473,697	-	328,473,697	-	-	328,473,697
Issue of shares	264,053,915	-	264,053,915	-	1,257,694,162	1,521,748,077
31 December 2008	3,614,264,065	-	3,614,264,065	-	3,040,085,741	6,654,349,806

Company						
	Number of ordinary shares	Number of preference shares	Ordinary shares	Preference shares	Share premium	Total
			Baht	Baht	Baht (Restated)	Baht
31 December 2006	2,894,584,081	63,520,000	2,894,584,081	63,520,000	1,516,119,788	4,474,223,869
Issue of shares	63,632,372	-	63,632,372	-	240,619,415	304,251,787
31 December 2007	2,958,216,453	63,520,000	2,958,216,453	63,520,000	1,756,739,203	4,778,475,656
Convertible of preference share	63,520,000	(63,520,000)	63,520,000	(63,520,000)	-	-
Share dividend (Note 30)	328,473,697	-	328,473,697	-	-	328,473,697
Issue of shares	264,053,915	-	264,053,915	-	1,257,694,162	1,521,748,077
31 December 2008	3,614,264,065	-	3,614,264,065	-	3,014,433,365	6,628,697,430

As at 31 December 2008, the registered shares comprise 3,689,623,229 ordinary shares with par value of Baht 1 per share (2007: 3,275,302,335 ordinary shares and 63,520,000 preference shares). The issued and fully paid up shares comprise 3,614,264,065 ordinary shares (2007: 2,958,216,453 ordinary shares and 63,520,000 preference shares).

At the annual general meeting of the shareholders of the Company held on 25 April 2008, the shareholders passed a resolution to approve the increase in the registered share capital of the Company by 350.8 million ordinary shares at the par value of Baht 1 per share, and considering to allot the additional shares as follows:

- 329.4 million ordinary shares will be allotted as stock dividend.
- 20 million ordinary shares will be reserved for the warrants issued to directors, employees of the Company and its subsidiaries as mentioned in Note 25.
- 1.4 million ordinary shares will be reserved for the right adjustment of warrants issued to the directors, employees of the Company and its subsidiaries.

25. 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).

		Determined exercising date			As at 31 December 2007		Increase during the year		Decrease during the year					As at 31 December 2008	
Issued by	Allotted to	Approval date by SEC	First Exercise	Last exercise	Outstanding warrant	Unit	Warrant	Unit	Expire	Exercise	Exercise ratio for ordinary shares per 1 warrant	Issue of ordinary shares during the year	Exercise price	Amount	Outstanding warrant
												Share	Baht	Baht	Unit
The Company	Existing shareholder No. 1	15 March 2006	28 April 2006	29 March 2008	239,140,292 ⁽¹⁾	-	-	(525,925)	(238,614,367)	1.00169	239,017,415	5.99	1,431,719,259	-	
	Directors and employees of the Company and its subsidiary No. 1	20 February 1998	31 May 1998	28 February 2008	558,595 ⁽¹⁾	-	-	(489,000)	(69,595)	14.09897	980,200	Market price after 5% deduction	10,147,835	-	
	Directors and employees of the Company and its subsidiary No. 2	15 December 2005	28 February 2006	16 January 2011	49,251,000 ⁽¹⁾	-	-	-	(21,968,000)	1.12645	22,575,500	2.645	65,452,277	27,283,000	
	Directors and employees of the Company and its subsidiary No. 3	14 November 2007	31 January 2008	30 November 2012	12,254,967 ⁽¹⁾	-	-	-	(1,471,480)	1.10000	1,480,800	8.918	14,428,706	10,783,487	
Total issue by the Company					301,204,854	-	(1,014,925)	(262,123,442)			264,053,915		1,521,748,077	38,066,487	

(1) Warrants were issued at no cost.

The annual general meeting of the shareholders held on 25 April 2008 approved the issuance and offering 20 million warrants to the directors, employees of the Company and its subsidiaries at no cost. The exercise ratio is 1 warrant per 1 ordinary share at an exercise price of Baht 16.43. The term is 5 years from the first issue and offering date. As at 31 December 2008, the issuance and offering of the above warrants have been in process of approval from the Office of the Securities and Exchange Commission.

26. Legal reserve

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.

As at 31 December 2008, legal reserves of subsidiaries amounting to Baht 106,311,858 (2007: Baht 94,208,648) have been included in the unappropriated retained earnings of the consolidated financial statements.

27. Operating profit

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

	Consolidated		Company	
	2008 Baht	2007 Baht	2008 Baht	2007 Baht
Depreciation on property, plant and equipment and amortisation of intangible assets	1,378,407,133	1,295,463,227	72,967,959	58,491,509
Staff costs	3,444,489,582	2,697,132,711	358,911,373	360,976,993
Gain (loss) on exchange rate	63,769,979	(5,226,296)	12,691,635	(19,441,784)

28. Income tax

	Consolidated		Company	
	2008 %	2007 %	2008 %	2007 %
Income tax rate	0 - 30	0 - 30	25	30

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 as follows:

Company financial statements

- Revenues which are not subject to income tax, which is mainly dividends income
- 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

29. Earnings per share for profit attributable to the equity holders of the parent

Basic earnings per share is calculated by dividing the net profit attributable to shareholders for the year by the weighted average number of paid-up 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 25).

A calculation is done 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 2008 is 27,302,202 shares (2007: 170,344,388 shares).

Earnings per share for the year ended 31 December 2007 are presented after restated to reflect the share dividend paid to the Company's shareholders and the conversion of preference shares to ordinary shares during the second quarter of year 2008.

Consolidated and Company		
For the year ended 31 December		
	2008	2007
	Shares	Shares (Restated)
Weighted average number of ordinary shares in issue	3,577,106,352	3,332,084,630
Adjusted for own shares held by a subsidiary	(215,313,429)	(197,491,595)
Weighted average number of ordinary shares in issue, net	<u>3,361,792,923</u>	<u>3,134,593,035</u>
Effect of dilutive potential ordinary shares		
Warrants	27,302,202	170,344,388
Convertible preference shares	-	-
Dilutive potential ordinary shares	<u>27,302,202</u>	<u>170,344,388</u>
Weighted average number of ordinary shares for diluted earnings	<u>3,389,095,125</u>	<u>3,304,937,423</u>

Consolidated and Company		
For the year ended 31 December		
	2008	2007
	Shares	Shares (Restated)
Net profit for the year	1,900,606,044	1,610,770,502
<u>Less</u> Accumulated dividends for preference shares	-	-
Net profit attributable to shareholders	1,900,606,044	1,610,770,502
Basic earnings per share	0.5654	0.5139
Net profit for the year	1,900,606,044	1,610,770,502
<u>Less</u> Accumulated dividends for preference shares	-	-
Net profits attributable to shareholders	1,900,606,044	1,610,770,502
Diluted earnings per share	0.5608	0.4874

Consolidated and Company		
For the year ended 31 December		
	2008	2007
	Shares	Shares (Restated)
Net profit for the year	1,162,302,865	1,154,946,215
<u>Less</u> Accumulated dividends for preference shares	-	-
Net profit attributable to shareholders	1,162,302,865	1,154,946,215
Basic earnings per share	0.3457	0.3685
Net profit for the year	1,162,302,865	1,154,946,215
<u>Less</u> Accumulated dividends for preference shares	-	-
Net profits attributable to shareholders	1,162,302,865	1,154,946,215
Diluted earnings per share	0.3430	0.3495

30. Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2008, it was resolved to approve dividend payments as follows:

- 30.1** Cash dividend to the holders of common share of Baht 0.15 per share and to the holders of convertible preference shares at the fixed rate of 3.75% of the final offering price, totaling not exceeding Baht 503.3 million.
- 30.2** Share dividend to the holders of common share at the ratio of 10 existing shares to 1 new share at the price of Baht 1 per share, totalling Baht 328.5 million.

Those dividends totalling Baht 821.2 million which comprised cash dividend and share dividend amounting to Baht 492.7 million and Baht 328.5 million, respectively, were paid to shareholders on 23 May 2008 (2007: Cash dividend Baht 448.62 million, Share dividend Baht 0 million). Dividends included dividend paid to a subsidiary amounted Baht 29.36 million and 19.57 million ordinary shares, respectively (2007: Cash dividend Baht 26.69 million, Share dividend 0 share), which is accounted for by adding back to the retained earnings in consolidated and Company financial statements.

31. Financial instruments

Financial risk management and policies

The Group is exposed to normal risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties and the tourism industry turnover. The Group does not have policy to use derivative financial instruments for speculative or trading purposes.

Liquidity risk

The Group controls its liquidity risk by maintaining sufficient cash and cash equivalent by management team in order to support the operations of the Group and reduce the risk occurred from changes in cash flows.

Interest rate risk

Interest rate risk is occurred from changes in market interest rates which will affect the results of the Group's operations and its cashflows. The Group manages liabilities by borrowing with fixed and floating interest rates in accordance with the market situation. However, the interest rates of debentures of the Group are mainly fixed. In order to manage the risk arising from fluctuation in interest rates, the Group use the derivative financial instruments which mainly are interest rate SWAPs. Interest rate SWAPs are entered into to manage exposure to fluctuation in interest rate on specific borrowing.

As at 31 December 2008, the Group has entered into the interest rate SWAP contracts as follows:

- a) Interest rate SWAP contract for debenture in Baht currency with principal amount of Baht 1,000 million, which will swap interest at a fixed interest rate to float interest rate reference to the average rate of 6 months fixed deposit rates of 4 commercial banks plus a fixed rate. The contract will expire on 24 October 2011.
- b) Interest rate SWAP contract for loan from financial institution in USD currency with principal amount of USD 20 million, which will swap interest at a float interest rate to a fixed interest rate. The contract will expire on 2 May 2013.

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 contract, to manage the risk as follows:

Cross currency SWAP contracts

As at 31 December 2008, the Group has entered into cross currency SWAP contracts to protect risk of loan from financial institution (Note 21) by conversion liabilities from loan in USD currency with principal amount of USD 20 million at fixed interest rate computed from USD loan to loan in AUD currency with principal amount of AUD 23 million at fixed interest rate computed from AUD loan. Moreover, the Group has entered into forward foreign exchange contracts to convert liabilities from loan in AUD currency with principal amount of AUD 23 million to Baht loan at exchange rate of Baht 26.75 per AUD totaling amount AUD 11.5 million and Baht 22.95 per AUD totaling amount AUD 11.5 million. All above contracts will expire on 2 May 2013.

Forward foreign exchange contracts

Forward foreign exchange contracts are entered into to manage exposure to fluctuations in foreign currency exchange rates for the purchase of goods.

As at 31 December 2008, the settlement dates on open forward contracts ranged between 1 month to 5 months (2007: 8 months to 10 months). The amounts in Baht to be paid and contractual exchange rates for the outstanding contracts are:

	Consolidated	
	2008 Baht	2007 Baht
USD 2,315,663 (Baht 33.82183 - 35.4 / USD)	78,739,695	-
AUD 349,899 (Baht 22.4 - 27.5 / AUD)	8,543,130	-
USD 7,920,025 (Baht 33.787 - 33.868 / USD)	-	268,144,685

As at 31 December 2008 and 2007, the Group has trade accounts payable which are not entered into forward foreign exchange contracts as follows:

	Consolidated			
	2008		2007	
	Foreign currency	Baht	Foreign currency	Baht
AUD	108,711	2,552,626	-	-
USD	97,543	3,430,188	113,927	3,872,782
		<u>5,982,814</u>		<u>3,872,782</u>

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.

Fair value

The fair value of the open cross currency swap contracts and forward foreign exchange contracts for loan as at 31 December 2008 is favourable amounting to Baht 26,740,466 (2007: Nil).

The fair value of the open forward foreign exchange contracts for the purchase of goods as at 31 December 2008 is favourable amounting to Baht 2,158,168 (2007: favourable amounting to Baht 1,858,188).

The majority of financial assets are short-term. Long-term loans were carried at interest rates closing to market rate. The management therefore believes that, their net book values do not materially differ from their fair values.

32. Commitments

As at 31 December 2008, 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 2008, the Company's future payment commitments according to the minimal rental fees stipulated in the agreement is approximately Baht 50 million.
- The Company has entered into rental and service agreements with a subsidiary relating to its opening of restaurant and fitness centers. The Company is committed to pay rental and service fees under the agreements of approximately Baht 7.5 million. In addition, the Company is committed to pay this subsidiary fees for the area used in the sale of food and beverages, at a percentage of the Company's food and beverage revenues stipulated in the agreements, ending in 2011.
- 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 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 valid for 10 years and will be terminated in 2016.

Subsidiaries and associates

- 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 operation of the subsidiary's hotel, whereby the subsidiary has been provided services and granted the license. The Company 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 between the subsidiary and these companies are effective for the period as from September 2006 to June 2024.
- Four subsidiaries have entered into separate land lease agreements for periods between 30 to 42 years, effective on 1 August 1982, 8 May 1987, 23 November 1988 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 2008, the subsidiaries' future payment commitments in accordance with the minimal rental fees stipulated in the agreements are approximately Baht 172 million (2007: Baht 185 million).
- Under an agreement for technical assistance and the use of a trademark and trade name which a subsidiary has entered into with an overseas company, a fee is payable calculated at a percentage of gross sales as specified in the agreement. The original agreement was for a year of four years up to 1998, but is automatically renewed at its expiry date for three times, five years each.
- Under a one year licence 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.
- Two subsidiaries have 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 during 2004 - 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.
- Under agreements to render services and rental space for operations from other companies, a subsidiary has to pay fees based on its gross sales at the rates stipulated in the agreements ending during 2004 - 2010.
- 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 and administrative expenses.

- A subsidiary entered into service agreements with three companies with regards to the operation of the subsidiary's hotel, 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 operation of the subsidiary's hotel, whereby the subsidiary has been provided services and granted the license. The Company 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 as from February 2007 to January 2027 and are renewable after expiry date for another two periods of 20 years and 15 years, respectively.
- A subsidiary entered into service agreements with three companies with regards to the operation of the subsidiary's hotel, whereby the subsidiary has been provided services and granted the license. The Company 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 as 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 the sublease land agreement of Kihavah Huravlhu Island for 23 years from 23 October 2007 for the construction of a new hotel. A subsidiary has commitment to pay rental fee as stipulated in the lease agreement.
- A subsidiary has entered into lease agreements covering the land where the hotel is situated. Under the lease agreement, subsidiary has transferred the ownership of the hotel buildings and improvements to the landlord. 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 2008, subsidiary has commitment to pay minimal rental fees as stipulated in the agreement as follows:

Year	Baht Million
2008	8.78
2009 - 2013	31.38
	<u>40.16</u>

- 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 3 years and 6 months 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 September 2010. However, if the construction is completed before that date, the lease period commences from the completion date.

As at 31 December 2008, the subsidiary has commitments with regard to the agreement to construct and lease the land and completed building as follows:

- (1) The subsidiary is obliged to make payment of compensation for loss of benefits and related expenses to be paid to the Privy Purse Bureau on a monthly basis at the rate specified in this agreement during the construction period. As at 31 December 2008 the subsidiary has a commitment in respect compensation fee and related expenses until the construction completed amount to Baht 13.3 million.
 - (2) 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 September 2010 to the end of this agreement amounts to approximately Baht 523.6 million.
- A subsidiary has entered into consulting agreement with a company regarding to project development of its condominium and hotel project including assets providing for such project operation. The agreement will expire on the date that its hotel starts operation.
 - 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 bases as specified in the agreements. The agreement is for the period of 10 years and effective from December 2007.
 - As at 31 December 2008 and 2007, there were lease commitments for the lease of restaurant outlets committed by subsidiaries (agreements are for periods of 6 - 30 years) payable as follows:

	2008	2007
	Baht Million	Baht Million
Next year	285	282
Between 2 and 5 years	392	577
After 5 years	182	436
Total	859	1,295

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.

33. Guarantees

Guarantees for the normal courses of business are as follows:

31 December 2008						
	Consolidated			Company		
	Baht Million	US\$ Million	Yuan Million	Baht Million	US\$ Million	Yuan Million
Letters of guarantees issued by bank on behalf of the Group	129.3	-	-	3.0	-	-
Guarantee given by the Group to financial institution to guarantee for credit facilities	1,114.6	31.2	220.0	15.3	29.4	-

31 December 2007						
	Consolidated			Company		
	Baht Million	US\$ Million	Yuan Million	Baht Million	US\$ Million	Yuan Million
Letters of guarantees issued by bank on behalf of the Group	101.5	-	-	2.6	-	-
Guarantee given by the Group to financial institution to guarantee for credit facilities	969.6	2.7	135.0	10.7	12.4	-

34. Entire business transfer from a subsidiary

At the meeting of the Board of Directors of the Company held on 24 July 2008, the directors passed a resolution to approve the entire business transfer from Royal Garden Entertainment Limited, a subsidiary, to the Company on 1 August 2008.

According to the assets and liabilities purchase agreement, all assets, except cash at banks, and all liabilities of the subsidiary were transferred to the Company at their net book values. The net book values of the assets and liabilities transferred from the subsidiary on 1 August 2008 were as follow:

	Baht
Cash on hand	315,352
Trade account receivable, net	795,595
Investment in related company	11,796
Other current assets	2,828,255
Properties and equipment, net	44,947,865
Short-term loan and amounts due to related companies	(21,538,156)
Other current liabilities	(2,436,946)
Net book value of net assets acquired	<u>24,923,761</u>
Purchase consideration	24,923,761
<u>Less</u> Cash on hand of transferred company	<u>(315,352)</u>
Cash outflow on the transfer business, net of cash on hand acquired	<u>24,608,409</u>

35. 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.

36. Post balance sheet events

36.1 From the board of director meeting of Company on 14 January 2009, the board of directors passed the resolution to pay the interim dividend for the past performance as cash dividend in the amount of Baht 0.23 per share to existing shareholders, not exceeding Baht 835 million, on 11 February 2009.

36.2 The board of director meeting of Company on 14 and 22 January 2009, the board of directors passed the resolution to propose to the shareholders' extraordinary general meeting to consider and approve as follows:

- a) The revocation of the Issuance of the Company's Warrants on Ordinary Shares for the Purpose of Allotting to the Directors and/or Employees of the Company and/or its Subsidiaries and/or Holding Agent No. 4 (MINT-ESOP 4), in the Total Amount of 20,000,000 Units.
- b) The reduction in the Company's registered capital, from Baht 3,689,623,299 to Baht 3,661,965,799, divided into 3,661,965,799 ordinary Shares with a par value of Baht 1.00 Each, through the elimination of its 27,657,430 registered shares which are not yet issued.
- c) The issuance of the Company's warrants on ordinary shares for the purpose of allotting to the directors and/or employees of the company and/or its subsidiaries and/or holding agent No. 5 (MINT-ESOP 5), in the total amount of 60,000,000 Units.

- d) The Restructuring Plan between the Company and Minor Corporation Public Company Limited (MINOR) by:
 - 1. The Company will make a tender offer from existing MINOR's shareholders (except The Minor Food Group Public Company Limited (MFG)) by issuance of new ordinary shares of the Company at the exchange rate of 1 ordinary share of MINOR with 1.14 ordinary shares of the Company.
 - 2. The Company will issue new ordinary shares not exceeding 511.5 million shares with a par value of Baht 1.00 per share.
 - 3. The Company will undertake specific capital reduction by dissolving its shares which held by:
 - 3.1 MINOR: totaling of 611.75 million shares
 - 3.2 Marvelous Wealth Co., Ltd.: totaling of 59.62 million shares
 - 3.3 MFG: totaling of 215.31 million shares
- e) The issuance of the company's warrants on ordinary shares to support the payment for the warrants on ordinary shares of MINOR under the tender offer to purchase all of the securities of MINOR.
- f) The increase in the company's registered capital from Baht 3,661,965,799 to Baht 4,238,540,970 through the issuance of 576,575,171 new ordinary shares, with a par value of Baht 1.00 each, in order to (1) support the payment for the shares of MINOR, under the tender offer to purchase all of the securities of MINOR, (2) support the exercise of the Company's warrants on ordinary shares issued as a consideration in the tender offer to purchase all of the securities of MINOR, and (3) support the exercise of the Company's warrants allotted to the directors and/or employees of the company and/or its subsidiaries and/or holding agent No. 5 (MINT-ESOP 5).
- g) The allotment of capital-increase shares, as to support the exercise of the Company's warrants for the purpose of allotting to directors and/or employees of the Company and/or subsidiaries and/or holding agent No. 5 (MINT-ESOP 5).
- h) The allotment of the Company's 511,154,008 Capital-Increase Ordinary Shares, with a par value of Baht 1.00 Each, to MINOR's Shareholders, so as to Support the Tender Offer to Purchase all of the Securities of MINOR.
- i) The allotment of the Company's 5,421,163 Units of Warrants on Ordinary Shares to the Holders of Warrants on Ordinary Shares of MINOR, so as to Support the Tender Offer to Purchase all of the Securities of MINOR.
- j) The Company's Specific Capital Reduction, through the Elimination of its Ordinary Shares held by MINOR and Marvelous Wealth Co., Ltd.
- k) The Company's Specific Capital Reduction, through the Elimination of its Ordinary Shares held by MFG.

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Financial Performance as of 31 December 2008

Economic Outlook and Industry Overview

In 2008, the impact of the global economic crisis and domestic political unrest were undoubtedly significant. Despite these unfavorable issues, tourist arrivals to Thailand after the general election in December 2007 during the first half of 2008 showed a solid growth of 14% or 7.9 million visitors. This growth was partially stimulated by the Southeast Asian tourism industry with many accolades and votes from global travelers on its attractions and culture diversities. Also, Bangkok was voted the World's Best City by the readers of Travel and Leisure magazine in 2008.

However, the situation turned unfavorable in the latter half of the year as global economic conditions declined and political unrest returned to Thailand. In September, the Thai government (under previous administration) announced the state of emergency in Bangkok, causing several countries to issue travel warnings for Thailand. In November, anti-government protesters forced the closure of Thailand's international airports, Suvarnabhumi and Don Mueang. As a result, Thai tourism industry was once again severely affected as the unrest occurred during the high tourism season. As a result, international tourist arrivals to Thailand declined to 1.1 million, showing a significant drop of 27% y-y in December. Despite a gradual recovery, advance hotel bookings for the following high tourism season quarter ending March 2009 were down y-y.

MINT's business in late 2008 has reported the y-y under-performance especially on its hotel business. However, thanks to the diversified sources of revenues from its restaurants and residential property businesses, the Company has once again reported a resilient performance and continued its strength in both revenues and earnings in 2008.

4Q08 Performance

MINT reported the performance in 4Q08 with total revenues of Baht 4,189 million, growing 7% compared to the same period of 2007. Net income, however, declined 24% y-y to Baht 424 million due primarily to the declined occupancy of the hotel business. Food and hotel businesses remain MINT's key revenue drivers, contributing 54% and 35% of total revenues, respectively. Food business grew 35% due chiefly to the expansion of 42 outlets in the fourth quarter and the full-quarter consolidation of Thai Express Concepts Pte. Ltd. ("Thai Express"), invested in May 2008. Thai Express posed strong growth in total system sales as high as 90%, as opposed to the same period last year. MINT's hotel business experienced challenges from the political turmoil and the airport closures in December, leading to the decline in average occupancy rate from 75% in the fourth quarter last year to 55%. On the other hand, the average daily rate rose 14% to Baht 7,163 per night. The improvement is attributable to 1) the growth in average daily rates of Anantara hotels, especially the ones in Maldives, 2) the growth in average daily rates of Four Seasons hotels, especially the Four Seasons Tented Camp, Chiang Rai, presenting the strong performance in addition to being voted #1 resort in Asia and in the world by Conde Nast Traveler's magazine, and 3) the newly opened hotels locating in the destinations targeting travelers with high purchasing power, such as Phuket and Abu Dhabi. Such locations allow MINT to generate relatively superior average daily rates.

The average daily rate is calculated by the weighted room revenues. However, operating performances of the Maldives hotels will be realized as share of profit of investments and management fees.

2008 Performance

MINT's 2008 performances remained favorable with total revenues of Baht 16,515 million, growing 18% from last year. Net profit also rose 18% to Baht 1,901 million. Key revenue drivers, food and hotel businesses, contributed 51% and 35% of total revenues, respectively. Revenues from food business rose 27% due primarily to the expansion of 138 outlets from the end of 2007, along with the revenue consolidation of Thai Express in May. In terms of hotel business, the average occupancy rate dropped 6% y-y to 66% due chiefly to the political unrest in the second half of 2008 as well as the airport closure in the fourth quarter. Despite the drop in average occupancy rate, the average room rate significantly grew 16% to Baht 6,342 a night. Growth in hotel business across the globe is mainly attributable to the consistent expansion under widely-recognized brands, clear positioning and target markets.

Revenues Breakdown

	4Q08	4Q07	Change	2008	2007	Change
	(Baht Million)	(Baht Million)	(%)	(Baht Million)	(Baht Million)	(%)
Food	2,243	1,657	35	8,404	6,581	27
Hotel	1,476	1,745	-15	5,886	5,807	1
Residential Property	-	115	-100	591	228	159
Spa	85	102	-17	358	384	7
Retail Property & Entertainment	144	139	3	575	537	7
Others	241	166	45	701	492	44
Total	4,189	3,925	7	16,515	14,029	18

As at the end of 2008, MINT reported total assets of Baht 25,064 million, increasing Baht 3,784 million compared to total assets at the end of 2007, attributable to;

1. The increase in investments in subsidiaries and associates in both food and hotel businesses, i.e. The Coffee Club and Elewana Africa
2. The increase in land held for future development and projects under development, i.e. St. Regis Hotel and Residence and Anantara Resort & Spa, Baa Atoll, Maldives
3. The increase in fixed assets from the introduction of newly opened hotel, Anantara Phuket, and the outlet expansion of food business
4. The increase in intangible assets by the goodwill arising from the investment in Thai Express

MINT reported total liabilities of Baht 12,611 million, increasing Baht 1,039 million. The increase is owing to the investment in Thai Express and Elewana Africa, together with the issuance of long-term bond to refinance the short-term loan and to finance the projects under development and other fixed assets. Shareholders' Equity also rose Baht 2,695 million to Baht 12,403 million due chiefly to the increased retained earnings and increased capital following the exercise of the warrants and employee stock options.

As at the end of 2008, MINT and subsidiaries reported operating cash flows of Baht 3,388 million, increasing Baht 1,024 million from last year, due mainly to the improving net profits from operations and proceeds from the unit sales of the Estate Samui Residence. The investing cash flows of Baht 4,900 million financed 1) the Baht 1,767 million investment in subsidiaries and associates, The Coffee Club, Thai Express, Elewana Africa and other investment, 2) projects under development of Baht 1,968 million and other fixed assets of Baht 1,402 million and 3) loan repayment of Baht 179 million from the affiliate for Timeshare Phuket construction. MINT's financing cash flows varied by the increase in net long-term bond of Baht 725 million, the increase in short-term loan of Baht 62 million, while long-term loans reduced by Baht 19 million, the proceeds from the exercise of warrants and ESOP of Baht 1,413 million and the dividend payment of Baht 479 million. MINT, hence, reported net cash inflows of Baht 202 million at the end of 2008.

Major Developments in 2008

Hotel Business

- In March 2008, MINT entered into an agreement with Kempinski, Europe's oldest and most established luxury hotel collection, for strategic development opportunities in Europe and Asia, strengthening both Kempinski and Anantara brands, utilizing Kempinski's strong network in Mediterranean and MINT's long-standing experience in Asia.
- In the same month, MINT acquired 50% stake in Tanzania Tourism and Hospitality Investment Limited and another 50% in Zanzibar Tourism and Hospitality Investment Limited, the owners and operators of a collection of luxury safari lodges under the brand "Elewana Africa", based in Tanzania, Africa, to open up an exciting new horizon in MINT's mission to offer exceptional luxury experiences to the discerning travelers.
- Anantara Seminyak Bali, the first purely-managed hotel by Anantara, was officially opened in June 2008.
- Anantara Phuket Resort and Spa, the Anantara's flagship hotel offering 83 villas with private pools, was officially opened in October 2008.
- In the same month, Desert Island Resort and Spa, Abu Dhabi, the second purely-managed hotel, was officially opened on 1 October 2008. The hotel is located on Sir Bani Yas island, the west of Abu Dhabi.
- Anantara Sikao in Krabi, the third hotel managed by MINT, was officially opened in December 2008.

Food Business

- In late January 2008, MINT purchased a 50% stake in The Coffee Club Holding Pte. Ltd. (“The Coffee Club”), the restaurant operator based in Australia and New Zealand.
- MINT purchased a 70% stake in Thai Express Concepts Pte. Ltd. (“Thai Express”), the operator of fast casual restaurants, based in Singapore.
- In 4Q08, MINT closed the non-performing outlets of LeJazz in China by 6 outlets. It is expected to close down the remaining 4 outlets in 1Q09.
- As at the end of 2008, MINT’s total food outlets reached 1,043, including the owned equity of 645 outlets, 62% of total, and the franchise of 398 outlets, or 38% of total. Of 1,043 outlets, Thailand’s food outlets accounted for 68% or 707, while the remaining 336 or 32% located in Australia, New Zealand, Singapore, China, Middle East and Southeast Asia. The net openings in 2008 are 138 outlets; 58 of which are self-owned while the remaining 80 are franchised.

Food Outlets by Owner Equity and Franchise

	2007	1Q08	2Q08	3Q08	4Q08
Owner Equity	587	590	611	629	645
Franchise	318	335	353	372	398
Total	905	925	964	1,001	1,043

Food Outlets by Brand

	2007	1Q08	2Q08	3Q08	4Q08
The Pizza	201	207	215	226	243
The Coffee Club	188	193	197	203	214
Swensen’s	183	191	204	213	222
Sizzler	35	35	35	35	36
Dairy Queen	207	206	212	217	219
Burger King	20	20	22	22	22
Thai Express	41	43	47	53	61
Others*	30	30	32	32	26
Total	905	925	964	1,001	1,043

Note: Others include airport outlets and LeJazz in China.

Retail Property and Entertainment Businesses

- In December 2008, the retail property in Phuket, named “Turtle Village”, was officially opened. This retail complex with total space of 3,000 sqm. will accommodate leading restaurants, supermarket and convenience stores for the hotel guests of JW Marriott Phuket, Anantara Phuket and Marriott Vacation Club.

Segmentation Performance

Even though, food business is the leading contributor of MINT’s revenues, the key EBITDA contributor is hospitality & leisure business. In 2008, food business’s EBITDA accounted for 28% of MINT’s total EBITDA, while the remaining 72% came from hospitality & leisure as well as property development businesses.

EBITDA Contribution

	4Q08	4Q07	Change	2008	2007	Change
	(Baht Million)	(Baht Million)	(%)	(Baht Million)	(Baht Million)	(%)
Food	342	248	40	1,215	954	26
Hotel	560	763	-27	2,254	2,269	-1
Other Business	178	155	15	841	536	57
Total	1,080	1,166	-7	4,310	3,759	15

Food Business Performance

MINT’s food business grew significantly, especially in 4Q08 where its total system sales growth of 17% y-y driven by the continued outlet expansion on top of the increased same-store-sales growth. In addition to the solid revenue growth, efficient cost management played an important role in leading MINT’s food business to a superior performance over others in the industry. In this quarter, MINT has fully realized the share of profits from the investment in The Coffee Club, the associate, in addition to the consolidation of Thai Express’ financial performance starting in May. This has resulted in the strengthened performance of the food business throughout the year 2008.

Food Business Performance by Brand

Total-System-Sales (%)	4Q08	4Q07	2008	2007
The Pizza	13	16.9	10.5	17.2
The Coffee Club	10.5	-	21.4	-
Swensen’s	10	11.7	12.4	9.7
Sizzler	11.4	-1.9	16.1	-4.9
Dairy Queen	25.4	-11.8	17.8	1.6
Burger King	7.9	35.6	23.3	26.7
Thai Express	90.5	-	82.5	-
Average	16.6	9	19.1	9.8

Note: Average performance based on total operating stores including airport outlets and LeJazz which currently contributed less than 1% of total food revenues.

Hotel Business Performance

Average occupancy rate declined from 74% in 4Q07 to 55% in the same period of 2008 due primarily to the political unrest and the impact of airport closure. Despite the fall in the average occupancy rate, the average daily rate increased 14% y-y to Baht 7,163 per night. This improvement was led by outstanding performances of the Anantara group (7 hotels in Hua Hin, Chiang Rai, Samui, Bali, Abu Dhabi and another 2 in Maldives). The self-developed Anantara group posed solid growth in ADR as high as 33% to Baht 9,607 per night in 4Q08. The Anantara Golden Triangle Chiang Rai was recently voted one of the top hotels in Asia by Conde Nast magazine.

By the same token, the ADR of Marriott group, consisting of 4 hotels in Bangkok, Pattaya, Hua Hin and Phuket, sustained the ADR of Baht 4,796 a night in 4Q08.

Four Seasons group also reported favorable performance, with the upholding ADR of Baht 10,644 a night, or a 6% increase y-y in the 4Q08. The 2008 average occupancy rate fell from 72% last year to 66%, while the ADR rose 16% to Baht 6,342 a night.

MINT reported total hotel revenues (including hotel management fee) in 4Q08 of Baht 1,476 million, declining 15%. The 2008 hotel revenues maintained at Baht 5,886 million.

Revenues from the associates (3 hotels in Maldives and 1 hotel in Vietnam) are not included in MINT's hotel revenues; rather, they are recognized under equity method.

Hotel Business Performance by Brand

Occupancy (%)	4Q08	4Q07	2008	2007
Marriott	63	83.5	74.2	81.4
Anantara	51.9	65.3	62.2	66.1
Four Seasons	43.4	69.6	54.7	61.8
Others	41.1	58.3	44.5	58.7
Average	54.8	74.9	65.5	72.4

Average Room Rate (Baht/night)	4Q08	4Q07	2008	2007
Marriott	4,796	4,763	4,457	4,192
Anantara	9,607	7,218	8,122	6,519
Four Seasons	10,644	10,017	9,700	8,756
Others	8,833	4,881	7,874	3,152
Average	7,163	6,298	6,342	5,454

Note: 18 hotels including newly opened Anantara Semiyak Bali, Anantara Phuket and Desert Island Resort and Spa.

Residential Property Business Performance

MINT has introduced the mix-used development, constructing real estate property in conjunction with the hotel. The Estate Samui, adjacent to MINT's Four Seasons Hotel, Samui, comprises of 14 villas. Of which, 7 were sold during 2006 - 2008. The remaining 7 villas are expected to be sold within 2011. In addition to the Estate Samui, MINT began taking bookings for St. Regis Residence, the building-shared condominium with St. Regis hotel. St. Regis is recognized as one of the most luxurious condominium in Bangkok, expected to be completed in late 2010.

In 2008, MINT reported residential property sales from selling 4 units of the Estate Samui amounting to Baht 591 million, a significant increase of 159% over last year during which 2 units were sold.

Spa

Currently, MINT operates spa under brands, Anantara and Mandara. In addition to the equity owned spas, MINT took on the position in spa management for high-end hotels across the globe. As at the end of 2008, MINT owns and manages 30 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, Turkey, India, Egypt and Vietnam.

In 4Q08, MINT reported spa revenues of Baht 85 million, dropping 17% from the same period last year. Its 2008 spa revenues declined 7% to Baht 358 million due primarily to the falling number of travelers as well as intensified local competition. Nonetheless, MINT aims to expand the spa business through pure management so as to enhance future sales and profitability.

Retail Property & Entertainment Businesses Performance

MINT's revenues from retail property and entertainment businesses rose 3% in 4Q08 to Baht 144 million, as opposed to Baht 139 million in the same period last year. Its 2008 revenues from retail property & entertainment businesses reported 7% growth to Baht 575 million.

Financial Ratio Analysis

	31 December 2008	31 December 2007
Profitability Ratio (Annually)		
Gross Profit Margin (%)	64.71	64.80
Net Profit Margin (%)	11.51	11.48
Return on Equity (%)	17.20	18.07
Efficiency Ratios		
Return on Assets (%) (Annually)	8.21	8.28
Collection Period (days) (4Q)	14	16
Liquidity Ratio		
Current Ratio (x)	0.88	1.13
Leverage & Financial Policy		
Debt to Equity Ratio (x)	1.02	1.19
Net Interest Bearing Debt to Equity Ratio (x)	0.73	0.86
Interest Coverage (x) (Annual)	8.68	8.97

MINT's gross profit and net profit margins were relatively sustained at 65% and 11.5%, respectively, attributable to the efficient cost management amid rising costs and declining hotel revenues. Moreover, MINT has leveraged its intellectual properties through hotel management, food franchising and mix-used development, resulting in strengthened profitability. MINT's return on equity slightly dropped from 18.07% to 17.20% due chiefly to the increased capital from warrant exercise in 2008.

Return on assets minimally declined from 8.3% to 8.2% y-y. Collection days reduced from 16 to 14 proportionate to the increased food revenues, which usually entail lower receivables than hotel business. Current ratio dropped from 1.13x to 0.88x due to the incremental financing for Thai Express investment, Anantara Phuket and St. Regis developments. Interest bearing debt to equity, on the other hand, improved to 0.73x while interest coverage ratio slightly declined.

Management Analysis and Forward Looking Statements

Both of MINT's hotel and food businesses posed healthy operating performances continuously throughout the first half of 2008. In the second half, despite an interruption from political unrest and the global economic slump, MINT still managed to report strong performance, evident in solid growths in total revenues and net profit of 18%. Our food business continues to improve by the consistent expansion of food outlets across all brands. The investment in The Coffee Club and Thai Express in 2008, respectively, significantly contributed to soaring MINT's total food outlets from 676 at the end of 2007 to 1,043 as of 31 December 2008, or 54% growth. Its revenues from food business, hence, grew 27%.

Though MINT's hotel business suffered from the declining confidence from foreign tourists, it could sustain the favorable revenue growth. Addition to the existing hotel portfolios is the Anantara's flagship hotel, Anantara Phuket Resort & Spa, offering pool villa accommodation with private pools. Other hotels locating among the tourists' favorite destinations, such as Samui and Chiang Rai, also showed impressive growth in ADRs, especially our three hotels in Maldives, yielding substantial increase in both occupancy rates and ADRs. In addition to the equity investment in hotels, MINT reinforced the asset-light expansion with the entrance into Pure Management agreements with Anantara Simiyak, Bali, Desert Island Resort & Spa, Abu Dhabi and Anantara Sikao Krabi.

On 6 March 2009, the Extraordinary General Meeting of Shareholders No. 1/2009 approved the restructuring plan in which MINT will make a tender offer to purchase all of the securities of Minor Corporation Plc. ("MINOR") from its securities holders, in accordance with Notification of the Securities and Exchange Commission ("the SEC") No. Gor Jor. 6/2543 re: Rules Regarding an Offer for Sale of Newly Issued Securities Simultaneously with a Tender Offer to Purchase Existing Securities of a Listed Company for the Purpose of Shareholding and Management Restructuring. The plan is aimed to eliminate the cross-shareholding among MINT, the subsidiary Minor Food Group Plc. ("MFG"), MINOR and its subsidiary, Marvelous Wealth Co., Ltd. ("MWL"). MFG and MINOR group currently hold 6.0% and 18.6% of MINT's total outstanding shares, respectively. Once the tender offer is successfully completed, MINOR shares will be delisted from the Stock Exchange of Thailand ("the SET"). In exchange for MINOR shares, MINT will issue 511.15 million ordinary shares with the swap ratio of 1 MINOR share for 1.14 MINT shares. As part of the plan, MINT will specifically reduce capital by the amount of Baht 886.68 million, through the elimination of 886.68 million ordinary shares, held by MFG and MINOR group. Given the success of plan, MINT outstanding ordinary shares will reduce from 3.63 billion to 3.25 billion. In addition, the plan has already approved by the Extraordinary General Meeting of Shareholder No. 1/2009 of MINOR on 6 March 2009.

From the strong operating growth, especially during the first 9 months, the Company's Board of Directors approved the interim dividend payment at Baht 0.23 per share, announced last February. The said interim dividend payment has boosted the shareholders' confidence in the Company's performances, in addition to the successful issuance of Baht 1,000 million bond last October.

Besides the restructuring plan, MINT's medium-term (2009 - 2010) strategy aims to cope with the challenges in the outlook of global economy and domestic consumption. Fast-growing, yet highly flexible, businesses such as the hotel management will remain one of the key engines for growth apart from strengthening Anantara brand recognition and diversifying target travelers. Likewise, MINT aims to expand its food businesses targeting the high purchasing-power but economically sensible customers, on top of its existing outlets in 13 countries, reinforced by the success of acquisition of The Coffee Club and Thai Express. Not only does the said acquisition lead to growing revenues, it also allows MINT to diversify sources of income. MINT also thrives to effectively manage costs and expenditures amid fluctuating economic conditions, so as to sustain its profitability and strengthen our financial position. Moreover, the entrance into residential property business in The Estate Samui and St. Regis Hotel and Residence, Ratchadamri, Bangkok, allows MINT to increase and diversify its revenue sources to improve the profitability.

We believe global economic recession will be the key drag to Thai tourism in the first half of 2009 while domestic political issue may impose an adverse impact from time to time. Both factors, however, should take lesser toll on MINT's food business which remain expanding with the driven force of the newly acquisition of successful restaurants in the previous year. Amid an unfavorable circumstance, we believe MINT's overall business performance should steadily improve throughout 2009 giving our risk diversification. The Company's key priority in 2009 is to effectively manage the cash flows with the highest prudence on operating and administrative costs. Amid one of the most severe global economic crises and political turmoil, MINT's 2008 strong performance reflected the extensive experiences and prudent strategy shaped by the executives and all team members. MINT's management strongly believes in the Company's capability to continue posing solid growth throughout 2009 boosted by the growth in existing business along with the new hotel openings, including Anantara Baa Atoll, Maldives and Anantara Qars Al Sarab, Abu Dhabi. The latter is an addition to MINT's purely managed hotel portfolio. Moreover, MINT aims to expand over 100 food outlets both domestically and internationally. Of which, 60% are franchised.

Connected Transactions

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
1. Minor Corporation Plc. (MINOR) Relationship: Common major shareholders and common directors.	The subsidiaries below provided retail space for Minor Corporation as an office space and space for retail shops, booked as rental income by the following companies: <ul style="list-style-type: none"> Royal Garden Plaza Co., Ltd. The Minor Food Group Plc. (MFG) 	8.64 2.13	The rental fees were provided at market prices and conditions. Audit Committee had an opinion that the transactions were fair and reasonable.
	MINT provided financial management services and received management fees from MINOR.	0.83	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MINT paid dividend to MINOR at the same rate paid to general shareholders.	75.52	Due to MINOR owns in MINT's common shares as investment, Audit Committee has an opinion that the transaction was fair and reasonable.
	MFG provided management service to MINOR and received monthly management fee, which was based on type and quantity of service.	0.75	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MFG invested in MINOR's securities and received dividends income.	6.30	Dividend income is normal return for holding of securities. Audit Committee has an opinion that the transaction was fair and reasonable.
	MINOR provided services of preparation accounting records for "Elemis" business to MSpa International – MINT's subsidiary. MSpa recorded management fee expense.	0.36	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 2008 (Baht Million)	Necessity and Rationale
	Minor Information Technology Limited (MIT), MINT's subsidiary, provided IT and computer services to MINOR and received computer fee, which was based on type and quantity of service.	8.98	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MINOR provided consultant and management service of Residence to Maerim Terrace Ltd. MINT recorded management fee expense.	0.21	MINOR had specialized and experienced staffs in management of Residence and in order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Royal Garden Plaza Limited, MINT's subsidiary, leased computer and received monthly rental from MINOR.	0.26	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from MINOR.	0.25	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
2. Esmido Fashion Ltd.	Royal Garden Plaza Limited, MINT's subsidiary, leased computer and received monthly rental from Esmido.	0.02	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
Relationship: Common major shareholders and common directors.	MIT, MINT's subsidiary, provided IT management services to Esmido and received monthly service fee, which was based on type and quantity of service.	8.61	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from Esmido.	0.06	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
3. Red Earth Thai Co., Ltd. Relationship: Common major shareholders and common directors.	MINT's subsidiary rented out retail space in Royal Garden Plaza as a space for Red Earth retail shops, recorded as rental fees.	1.15	The rental fee was provided at market prices and conditions. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to Red Earth and received monthly service fee, which was based on type and quantity of service.	3.15	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from Red Earth.	0.03	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
4. Minor Consultants and Services Ltd. Relationship: Common major shareholders and common directors.	Royal Garden Plaza Limited, MINT's subsidiary, leased computer and received monthly rental from Minor Consultants.	0.01	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to Minor Consultants and received monthly service fee, which was based on type and quantity of service.	1.89	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from Minor Consultants.	0.04	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
5. Armin Systems Ltd. Relationship: Common major shareholders and common directors.	MINT's subsidiary rented out retail space in Royal Garden Plaza as a space for Armin Systems retail shops, recorded as rental fees.	4.61	The rental fee was provided at market prices and conditions. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
	Royal Garden Plaza, MINT's subsidiary, leased computer and received monthly rental from Armin Systems.	0.01	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to Armin Systems and received monthly service fee, which was based on type and quantity of service.	6.79	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from Armin Systems.	0.09	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
6. Amore Pacific (Thailand), Ltd. Relationship: Common major shareholders and common directors.	Royal Garden Plaza Limited, MINT's subsidiary, leased computer and received monthly rental from Amore Pacific (Thailand).	0.01	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to Amore Pacific (Thailand) and received monthly service fee, which was based on type and quantity of service.	1.00	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from Amore Pacific (Thailand).	0.02	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
7. Navasri Manufacturing Co., Ltd. (NMT) Relationship: Common major shareholders and common directors.	MINT's subsidiaries purchased cleaning products from Navasri – producer. The subsidiaries recorded expenses by the following companies:		The products were purchased at market prices and conditions. Audit Committee had an opinion that the transactions were fair and reasonable and for best benefit to the Company.
	<ul style="list-style-type: none"> Minor DQ Ltd. Minor Dairy Ltd. 	0.14 0.45	

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
	Royal Garden Plaza Limited, MINT's subsidiary, leased computer and received monthly rental fee from NMT.	0.05	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to NMT and received monthly service fee, which was based on type and quantity of service.	12.19	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from NMT.	0.08	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
8. MJET Ltd. (MJET)	MJET provided air chartered flight services to MINT and subsidiaries, recorded as other expenses by the following companies:		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.
Relationship: Common major shareholders and common directors.	<ul style="list-style-type: none"> • MINT • Maerim Terrace Resort Ltd. • Samui Village Ltd. • Minor Hotel Group Ltd. • Minor International (Labuan) Limited • MI Square Limited • Samui Beach Residence Ltd. • MFG 	10.91 0.26 0.15 0.15 1.24 0.80 0.39 0.28	
	Royal Garden Plaza Limited, MINT's subsidiary, leased computer and received monthly rental fee from MJET.	0.01	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to MJET and received monthly service fee, which was based on type and quantity of service.	1.15	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 2008 (Baht Million)	Necessity and Rationale
	MIT, MINT's subsidiary, leased computer and received monthly rental fee from MJET.	0.03	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
9. Maikhao Vacation Villas Ltd. (MVVL) Relationship: A joint venture held 50% by MINT and have common directors.	MINT provided accounting, tax management, and financial services to MVVL and recorded management fees income.	0.60	MINT had specialized and experienced staffs in the services mentioned and in order to maximize the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
10. Select Service Partner Ltd. (SSP) Relationship: MFG holds 51% stake and common directors.	MINT's subsidiaries sold their respective products to SSP and recorded sales by the following companies: <ul style="list-style-type: none"> • MFG • Minor DQ Ltd. • Burger (Thailand) Ltd. • Swenzen (Thai) Ltd. 	5.77 9.23 38.37 0.97	SSP, MINT's subsidiary sold product at market prices and conditions. Audit Committee had an opinion that the transactions were fair and reasonable.
	MFG provided management and financial services to SSP and recorded management fees income.	1.24	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Burger (Thailand) rented out utensils and other equipments to SSP and recorded rent income.	0.84	Due to procurement of utensils and equipment of Burger Thailand for many outlets was cost benefit, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor DQ rented out utensils and other equipments to SSP and recorded rent income.	0.44	Due to procurement of utensils and equipment of Minor DQ for many outlets was cost benefit, Audit Committee had an opinion that the transaction was fair and reasonable.
	Swenzen's (Thai) Limited provided franchising rights to allow SSP to sell ice-cream and recorded franchise see income.	1.36	The franchising right were provided at market rate and conditions, Audit Committee had an opinion that transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
11. Eutopia Private Holding Limited (Eutopia) Relationship: MINT holds indirectly 50% shareholding and common directors.	MINT's subsidiary – RGR International provided long-term loan to Eutopia according to joint venture agreement. The loan has interest rate as agreed by both parties which was determined base on market rate.	331.46	The loan was provided according to joint venture agreement and interest was determined base on market rate. Audit Committee had an opinion that the transaction was reasonable.
	RGR International recorded interest income received from Eutopia according to joint venture agreements.	16.89	The loan was provided according to joint venture agreement and interest was determined base on market rate. Audit Committee had an opinion that the transaction was reasonable.
	Lodging Management (Labuan) provided hotel management service to Eutopia and recorded management fees income.	108.21	Lodging Management (Labuan) had specialized and experienced staffs in hotel management and for sharing the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to Eutopia and received computer fee which was based on type and quantity of service.	3.93	In order to share and maximize the usage of resource, 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.	9.94	The arranging sources of fund to Eutopia were according to joint venture agreement. Audit Committee had an opinion that the transaction was reasonable.
12. Harbour View Ltd. Relationship: MINT holds indirectly 19.98% shareholding and common directors.	MINT's subsidiary – RGR International provided long-term loan to Harbour View proportionately to shareholding. The loan agreement has definite interest rate, terms and conditions agreed by both parties where the interest rate was determined base on market rate.	2.79	The loan was provided proportionately to percentage of shareholding. Audit Committee had an opinion that the transaction was reasonable.
	RGR International recorded interest income received from Harbour View according to joint venture agreements.	0.13	The loan was provided proportionately to percentage of shareholding. Audit Committee had an opinion that the transaction was reasonable.

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
	Minor Hotel Group provided hotel management service to Harbour View and recorded management fees income.	5.16	Minor Hotel Group had specialized and experienced staffs in hotel management and for sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
13. Tanzania Tourism and Hospitality Investment Limited Relationship: MINT holds directly 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.	59.34	The loan was provided in accordance with Joint Venture Agreement where term was determined base 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 agreements.	2.16	The loan was provided in accordance with Joint Venture Agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
14. Zanzibar Tourism and Hospitality Investment Limited Relationship: MINT holds directly 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.	16.44	The loan was provided in accordance with Joint Venture Agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Zanzibar Tourism and Hospitality Investment Limited in accordance to joint venture agreements.	0.60	The loan was provided in accordance with Joint Venture Agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
15. Arabian Spa (Dubai) Limited Relationship: MINT holds indirectly holds 49% shareholding and common directors.	MSpa Venture Ltd. – MINT's subsidiary provided spa management to Arabian Spa (Dubai) Limited and recorded management fees income.	2.60	MSpa Venture had specialized and experienced staffs in spa management and for sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
16. Sribhathanahana Garden Ltd. Relationship: Common major shareholders (Minor Holdings Thai holds 15.13% in MINT shares) and common directors.	MINT provided accounting, tax management, financial services and sales to Sribhathana Garden and recorded management fees income. Maerim Terrace leased Sribhathana Garden's land as a site to operate Four Seasons Resort Hotel Chiang Mai and recorded rental expenses.	1.20 16.90	MINT had specialized and experienced staffs in the services mentioned. The resources were shared and utilized to realize maximum benefit. Audit Committee had an opinion that the transaction was fair and reasonable. The Land lease for hotel operation was normal business transaction. Audit Committee had an opinion that the transaction was fair and reasonable.
17. Pluluang Company Limited Relationship: Common shareholder and director.	MINT's subsidiary, Samui Beach Residence, real estate developer, sold a residence to Pluluang and record in sales income.	15.00	The sales transaction is normal business of MINT's subsidiary and sales price was market price (same as other customers). Audit Committee had an opinion that the transaction was fair and reasonable.
18. Minor Holdings (Thai) Ltd. (MHT) Relationship: Major shareholder of MINT holding 15.13% and common directors.	MHT provided consultant services on business development, finance, investment and capital market to MFG. MFG recorded management fee expenses. MHT provided internal audit services to MINT and its subsidiaries. MINT and its subsidiaries recorded expenses by the following companies: <ul style="list-style-type: none"> MFG Swenzen (Thai) Ltd. SLRT Ltd. Minor DQ Ltd. 	4.20 1.68 0.67 0.67 0.67	MHT had specialized and experienced staffs in the services mentioned and in order to maximize the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable. MHT had specialized and experienced staffs in the services mentioned and in order to maximize the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2008 (Baht Million)	Necessity and Rationale
	Royal Garden Plaza Limited, MINT's subsidiary, leased computer and received monthly rental from MHT.	0.01	Royal Garden Plaza leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary provided IT management services to MHT and received monthly service fee, which was based on type and quantity of service.	0.83	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MIT, MINT's subsidiary, leased computer and received monthly rental from MHT.	0.02	MIT leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
19. S&P Syndicate Plc. (S&P) Relationship: Major shareholder of MINT holding 20.78% and common directors.	MINT invested in S&P's securities and received dividends income.	36.23	Dividend income is normal return for holding of securities. Audit Committee has an opinion that the transaction was fair and reasonable.
	MFG sold products to S&P and recorded as revenue from sales.	0.30	MINT's subsidiary sold products to S&P as normal business. Audit Committee has an opinion that the transaction was fair and reasonable.
	MINT's subsidiaries purchased products from S&P who are producer and distributor of diary products, and frozen foods. The subsidiaries recorded as purchase of goods by following companies: <ul style="list-style-type: none"> • MFG • Swenzen (Thai) Ltd. • Minor DQ 	33.03 4.01 6.51	The transaction is normal business and purchase price was at market price. Audit Committee had an opinion that the transaction was fair and reasonable and for best benefit to the Company.

Notes: * Minor Corporation Plc. is a major shareholder of MINT, holding 18.58% shareholding which includes 1.65% indirectly holding through Marvelous Wealth Ltd.

** MINT holds 71.04% stake in Maerim Terrace Ltd. divided into 45.30% direct holding and 25.74% indirect holding through Rajadamri Hotel Plc.

*** MINT holds 98.86% stake in Rajadamri Hotel Plc. divided into 54.28% direct holding and 44.58% indirect holding through Hua Hin Resort Ltd.

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 for related party transactions are as follows:

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.

Nature of Business

Minor International (MINT) is Thailand's largest food service operator with 1,043 outlets system wide under The Pizza Company, The Coffee Club, Swensen's, Sizzler, Dairy Queen, Burger King, and Thai Express brands. It is one of Thailand's leading hotel operators with a portfolio of 27 hotels and over 3,000 rooms under Anantara, Four Seasons, Marriott and Minor International brands in Thailand, Maldives, Vietnam, Africa, Indonesia, Sri Lanka, and UAE. MINT is also the spa operators under brands, Anantara and Mandara via the equity owned spas, and spa management with more than 30 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, Turkey, India, Egypt and Vietnam.

Revenue Structure

In the year 2008, the Company and its subsidiaries operated in five main business segments: (1) Food and Beverage 51% (2) Hotel operation 36% (3) Real estate development 4% (4) Retail property and Entertainment 3% (5) Spa 2% and other income 4%.

Major Events in 2008

- | | |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January | <ul style="list-style-type: none"> Through Delicious Food Holding (Australia) Pty. Ltd. which 100% own by MFG invested 50% in Coffee Club Holding (Australia) Pty. Ltd. in order to expand food and beverage business abroad. |
| March | <ul style="list-style-type: none"> Through Hospitality Investment International Limited invested 50% in Tanzania Tourism and Hospitality Investments Limited and 50% in Zanzibar Tourism and Hospitality Investment Limited which own and operate luxury lodge in Africa. Entered into the agreement with Kempinski group for the strategic development in Asia and Europe. |
| April | <ul style="list-style-type: none"> Through Primacy Investment Limited which 100% own by MFG invested 70% in Thai Express Concepts Pte. Ltd. the casual fast food concept operator with key location in Singapore, in order to expand food and beverage business abroad. |
| May | <ul style="list-style-type: none"> Invest 100% in Chao Phaya Resort and Residence Company Limited in order to expand hotel business. Invest 100% in Maifad Beach Resort Company Limited in order to expand hotel business. |
| June | <ul style="list-style-type: none"> Opened Anantara Seminyak in Bali which is the first pure-managed hotel. |
| August | <ul style="list-style-type: none"> Liquidated Royal Garden Entertainment (MINT hold 100%) and transfer the entire business to MINT. Invested 100% in The Coffee Club (Thailand) Company Limited to expand The Coffee Club operation in Thailand. |
| October | <ul style="list-style-type: none"> Offered to Institutional and Private investors the debenture which are unsecured, senior and without a debenture holder's representative, face value of Baht 1,000 per unit, offering price of Baht 1,000 per unit, amount not exceeding Baht 1,000 million, maturity of 2011, fixed interest rate at 5.3% per year, paid interest semiannually. Opened Anantara Resort and Spa in Phuket. Opened Desert Island Resort and Spa on Sir Bani Yas Island, Abu Dhabi. |
| December | <ul style="list-style-type: none"> Opened Anantara Sikao in Krabi. Opened Turtle Village Shopping Plaza in Phuket. |

Risk Factors

The Company's operating performance, by nature, may subject to significant risks, uncertainties, and assumptions, some of which are beyond its control. The stated risks may consequently affect the Company's revenues, profit, assets value, cash flow, and share price.

In addition to the stated risks, there may have other factors that have a significant impact on the Company's operation and financial performances, prospective investors should be aware and carefully consider all other factors not limited to the general and specific risks contained in this document.

1. Risk from the Seasonality of the Tourism Industry

As hotel business is the Company's core business, the related risk on this front is the seasonality of tourism industry such as the number of tourists both international and domestic, and the global economic recession. The unpredictable and uncontrollable risks on tourism industry such as terrorism, epidemic concern, and natural disaster may directly affect to a number of tourists and overall industry sentiments. The stated risk may also impact the tourism industry in other countries of Southeast Asia.

The Company's strategy in coping with seasonality of tourism industry is the geographical diversification of its hotels throughout the country, the policy in optimizing revenues from hotel room and hotel food and beverages, the policy to increase numbers of target customers and tourist atonalities.

The Company has also diversified its investment into the food business as another strategy to mitigate seasonality risk of hotel business. By nature, operation of food business is more stable and less sensitive to the stated uncontrollable risks. This has made the Company's revenues more resilient than other hotel operators.

In 2008, the Company accounted the revenues from food business around 51%, hotel business around 33%, retailed property and entertainment business around 3%, spa business around 2%, property development around 4%, management business around 3% and other business around 4%.

2. Risk from the Competition in Hotel Business

The hotel business is a highly competitive industry that the Company considers this another risk factor.

The Company together with its long experience managements is however confident in its well-established hotel brand under "Anantara", "Marriott", "Four Seasons", and "JW Marriott". While "Anantara" is the Company's own established brand, "Marriott" is the international franchised brand that managed by the Company. "Four Seasons" is the world class hotel brand which managed by Four Seasons Hotels & Resorts Asia Pacific Pte. Ltd. and another world class brand "JW Marriott" is managed under the International Hotel Licensing Company S.A.R.L. under the Marriott Hotel.

Besides the Company's confidence in a highly competitive industry giving its world class reputation in hotel management, the Company has also invested in other hospitality business such as the food and beverage, spa, retail properties and entertainment in or close to the hotel properties in order to provide the full functional services to customers.

As a result, the Company can fulfill the consumer needs and continue its superlative performance compared to its competitors.

3. Risk from the Competition in Food and Beverage Business

The competition in food and beverage is also a highly competitive market with less barrier of entry compared to hotel business. However, in order to be in the market, the operator is required to have a strong and well-established brand, the high capability and well-known management, together with the extensive coverage throughout the country.

4. Risk from New Project Initiation

According to the Company's Vision in continuing expansion in the high potential projects, the investment of new project may subject to the risks of investment costs such as construction materials or other factors including regulations on environments and other infrastructure. Therefore, it is important for the Company to mitigate the stated risks by entering into the contract agreement with the contractors and concretely investigated all relevant issues regarding environment and infrastructure.

5. Risk from Investment Abroad

The Company has expanded by making invests internationally. It has invested in hotel businesses in the Maldives, Africa and in food businesses in Singapore and Australia. Investment abroad exposes the Company to risk of each of these countries, which are not limited to political risk, legal risk or economic risk. If there are any events, impacting significantly to the Company's business operation in the country which the Company invests, it may cause the decrease in revenue and profit from such investment.

The Company realized the importance of such risk and set the policy to minimize such risk by assigning the experienced management in hotel business and food business to implement feasibility study and due diligence via hiring the knowledgeable and experienced advisors from each country before making decisions to invest. In addition, the Company will start the investment with small amount and proportion until the Company is confident and understandable to operate business in each country. To protect risk from investment abroad, at the preliminary stage of investment, the Company will have joint venture with the local operator in order to study the market and business operation before making decision to increase investment later such as investing in Africa, Maldives Sri Lanka and Australia. As at 31 December 2008, the Company invests abroad in the ratio of 9% of total assets.

The Company plans to expand its businesses internationally by entering into Franchise and Hotel Management agreements, in order to minimize risk from investment and also be able to expand the brands owned by the Company.

6. Risk from Not Owning Land

The Company has operated hotels on lands that some are not belonged to the Company. It therefore can be a risk that the company cannot extend the land leasing from the owners. Currently, the Company has the land leasing agreement of 13 years in average; the Company has rights to renew the contract with the owner's consent. Giving the Company's good long term relationship with the land owners and the promising rental fees provided by the strong hotel operations, the Company is confident that the land leasing contract renewal shall be preceded accordingly.

7. Risk from the Franchise Renewal

Renewal of brands franchising which mostly are international brands can be a risks to the Company. The stated risk can also be in the amendment of the franchising contract. The Company foresees the possible risk and has mitigated by extended the contract prior the expiration in order to ensure the long term operation and to strengthen confidence to shareholders. The Company currently renews the franchising contract in advance of 25 years in average. In addition, the Company has three owned food brands.

8. Risk from the Renewal Contract with Restaurant Landlord

A location of restaurant can be a risk factor if the company cannot renew the contract or there is any change in detail of new contracts. However, the well-recognized brands owning by the Company together with the strong operations can assure the landlord the stable rental fees. The Company's long-term rental policy in the prime restaurants location has also mitigated the risk from this front.

9. Financial Risk

9.1 Risk from the Exchange Rate

Albeit small amount, parts of the revenue of Company and its subsidiaries are in foreign currencies which can be fluctuated and uncontrollable. The Company can however natural hedge the fluctuation of its foreign currencies by offsetting with some expenses in hotel management business and the franchising fee in food business. Giving the natural hedging position, the risk from this issue remains insignificance. As of 31 December 2008, the Company and its subsidiaries have foreign investment, at cost, in ratio of 9% of total assets in consolidated financial statement.

In addition, the Company and its subsidiaries have liabilities in Baht currency in the ratio of 93%, whereas have 7% foreign currency. The Company also uses financial derivative instrument to reduce risk from exchange rate if needed.

9.2 Risk from Debt Collection

The Company and its subsidiaries may have a risk in debt collection from its tour agencies and other major customers. Although there was not any significant damage from the Company's debt collection, the Company has applied a stringent policy to the new customers in terms of credit lines and payment terms.

At 31 December 2008, the Company and its subsidiaries have the net outstanding account receivables of Baht 485 million, accounting 3% of its revenues. From the total outstanding amounts, about 96.7% are the account receivables (before allowance for doubtful account) with less than 90 days accrual. The Company has also set the provision of 0.8% of account receivables (before allowance for doubtful account) in order to mitigate the risk.

9.3 Risk from Interest Rate

A risk from interest rate relates to the market interest rate. This can affect to the company cash flow and operation because most loans are fix interest rate. The amount with floated rate accounted for 23% of total long-term loans. The Company also uses the financial derivative instrument to minimize risk from interest rate if needed. Currently long-term loans are in the forms of bonds with the terms of 3 years, 5 years, and 7 years. The average interest rate of bonds is around 5%.

Under our sensitivity analysis, the impact on 1% increase of interest rate will adversely cause the Company's revenues by 0.07%.

9.4 Risk from the Compliance of the Debenture Covenant

As the Company complies with the debenture covenant, it must holds the Interest Bearing Debt (IBD) to Shareholder Equity at no more than 1.75 : 1 at end of each quarter accounting period calculating from the financial statements which is reviewed by a certified auditor. At 31 December 2008, the IBD/E of the Company is equal to 0.73 : 1.

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 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 Good Corporate Governance 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:

- 1.1 All statutory rights of 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.
- 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 Company will send the invitation notice to all shareholders in advance, not less than 7 days before the meeting. The Meeting will be held on date, time and location that is convenient to shareholders.
- 1.6 The Company allows 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 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 Stock Exchange of Thailand, and Securities and Exchange Commission, 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 to opportunity to propose AGM agenda items in advance of the Meeting

All criteria required to propose AGM agenda items will be disclosed in the Company's website.

2.2 To grant all shareholders who cannot vote in person, be ability to vote by proxy

- 2.2.1 In case 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 Before commencing the Meeting, the Chairman of the Meeting will explain the voting procedures and vote-counting procedures to shareholders.
- 2.3.2 The Chairman of the Board, and the Chairmen of the Committees will attend the Meeting in order to provide shareholders comments to inquires relevant to the agenda or the Company's operation.
- 2.3.3 The Company allows shareholders to elect directors on individual basis.
- 2.3.4 The Chairman of the Meeting conducts the Meeting in the sequence as given in the agenda, and invitation notification. No additions to the agenda or alteration of sequence of agenda items will be made, except such for appropriated reasons.
- 2.3.5 In order to ensure the transparency and compliance with auditing standards, in the 2009 AGM, the Company will use voting cards for all agenda items. In addition, to permit accurate and timely reporting, the Company will use the automatic system for registration and 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, plus details of important matters discussed. The minutes of the Meetings was disclosed in the Company's website and SET within 14 days of AGM date.

2.5 Policy and Measures on Inside Information

The Company has established an explicit policy and measures 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 prohibits all directors and senior management from trading the Company's securities in case involving material information or information that would impact the Company's security price. The Company will inform in writing all directors and senior management to abstain from trading the Company's securities at least 30 days before interim and fiscal financial information is released to the SET and the SEC.

3. Roles of Stakeholders

The Company realizes the importance of ensuring that all shareholders' rights are properly observed. Pertinent procedures are carried out in line with the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission as well as the related laws.

Shareholders	The Company is committed to create long-term growth and returns to the shareholders and conducting its business in the transparent manner.
Customers	The Company is committed to continuously develop better quality of goods and services for the benefit and satisfaction of its customers.
Partners	The Company treats all partners fairly in order to achieve mutual benefits.

Creditors	The Company observes all of its obligations to creditors.
Competitors	The Company abides by the framework of fair competition and will not destroy the reputation of competitors through false accusations.
Employees	The Company considers its employees a valuable asset and treats them fairly in regard to work opportunities, remuneration, and quality of working environment. The Company also provides all its employees professional and career development training.
Society and environment	The Company is committed to conduct businesses that benefit the economy and society and quality of environment. In 2007, the Company has established the Corporate Social Responsibility (CSR) Department to promote the Company's staff the importance of the CSR objectives to achieve balanced benefits relating to society, the environment, and all stakeholders in harmony with the Company's sustainable growth objectives.

Stakeholders can request information, or notify any claims, and violations relating to financial reports, internal control system, or business ethics through the Company's website. The Internal auditor will review these communications and advise the Audit Committee. All claims and violations communication will be protected, and kept in confidence. The Audit Committee will investigate these matters, recommend corrective action (if any) and will address the outstanding concerns to the Board.

4. Disclosure

4.1 Investor Relations

The Board stresses for an importance to disclose sufficient, accurate and timely quantitative and qualitative information. Reporting to the Chief Financial Officer, the Investor Relations Manager has developed and established efficient communication processes include critical areas such as the Company's vision and mission statements, and financial and operational information to shareholders, equity analysts, target investors and fund managers. During the past years, the Company has successfully delivered the Company's information and positioning messages using a wide range of tools including news releases, conference calls, quarterly presentations, local and international investor roadshows, IR website, annual reports, fact sheets and IR materials, and the SET and the SEC announcement.

The Company provides a central point of investor contact, Ms. Prapharat Tangkawattana – Senior Finance Director, currently holding the Head of Investor Relations Office.

4.2 Corporate Governance Guidelines

The Board takes a serious interest in the monitoring of corporate governance guidelines that are required 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, and the Company provides secure communications channels for the reporting of behavior which is illegal or in violation of established guidelines.

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 financial statements are prepared utilizing the accounting standards in Thailand, and to ensure the proper disclosure of financial information. The Board maintains an efficient internal control system in order to ensure the accounting records are correct and sufficient.

The Board has appointed members the Audit Committee comprising 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 basis of directors and senior management based on relevant industry practices in order to maintain its competitiveness to attract and retain key personnel. The remuneration forms for directors are meeting fees and fixed fees, whereas remuneration forms for senior management are salary and bonuses. In addition, the Company has provided the management and employees ESOP warrants, with vesting terms of up to 5 years in order to motivate management to create the long-term growth, and to facilitate the retention of key personnel. The Nominating and Corporate Governance Committee and Compensation Committee, which is comprised of the independent directors and non-executive director, will approve the salaries and bonuses of executive directors, and determine the allocations under the ESOP program.

The year 2008 remuneration that the Company has paid to the directors and senior management was as follows:

4.4.1 Directors' Remuneration

Directors	Attendance/ Meetings	Board fees	AC fee	CC fee	NCG fee	Other fee received from Subsidiaries	Total
1. Mr. William E. Heinecke	7/7	200,000	-	-	-	180,000	380,000
2. Mr. Paul C. Kenny	7/7	200,000	-	-	-	-	200,000
3. Mrs. Pratana Mongkolkul	7/7	200,000	-	-	-	180,000	380,000
4. Mr. Michael Sagild ⁽¹⁾	2/6	200,000	-	-	-	161,774	361,774
5. Mr. Kenneth L. White	7/7	925,000	420,000	50,000	50,000	-	1,445,000
6. Mr. Michael D. Selby	6/7	905,000	240,000	50,000	50,000	220,000	1,465,000
7. Mr. Kittipol Pramoj Na Ayudhya	7/7	925,000	160,000	-	-	-	1,085,000
8. Mr. Anil Thadani	5/7	655,000	-	50,000	50,000	180,000	935,000
9. Mr. Yos Euarchukiati ⁽²⁾	1/2	125,000	-	-	-	-	125,000
10. Khunying Jada Wattanasiritham ⁽³⁾	4/5	770,000	80,000	-	-	-	850,000
11. Mr. Emmanuel Jude Dillipraj Rajakarier ⁽⁴⁾	1/1	-	-	-	-	125,000	125,000

Note: AC = Audit Committee CC = Compensation Committee NCG = Nominating and Corporate Governance Committee

Remark: (1) Mr. Michael Sagild resigned from the Company's director on 15 October 2008.

(2) Mr. Yos Euarchukiati completed his term on 25 April 2008.

(3) Khunying Jada Wattanasiritham was appointed to be the Company's director on 25 April 2008.

(4) Mr. Emmanuel Jude Dillipraj Rajakarier was appointed to be the Company's director on 14 November 2008.

4.4.2 Management Remuneration

	No. of Management	Remuneration & Bonus
		Baht
Management	5	73,742,902.62

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 (NCG Committee). Compositions of each committee are laid out in the shareholders' structure and management section.

4.5.1 Summary of the Committees' Meeting Attendance

Director	Attendance/ Audit Committee Meetings	Attendance/ Compensation Committee Meeting (s)	Attendance/ NCG Committee Meeting (s)
1. Mr. Kenneth L. White	4/4	1/1	2/2
2. Mr. Michael D. Selby	4/4	1/1	2/2
3. Mr. Kittipol Pramoj Na Ayudhya ⁽¹⁾	2/2	-	-
4. Khunying Jada Wattanasiritham ⁽²⁾	2/2	-	-
5. Mr. Anil Thadani	-	1/1	1/2

Remark: (1) Mr. Kittipol Pramoj Na Ayudhya resigned from member of Audit Committee on 7 July 2008.

(2) Khunying Jada Wattanasiritham was appointed to be member of Audit Committee on 7 July 2008.

4.6 Policy on Corporate Social Responsibilities

The Board realizes the importance for the Company to demonstrate leadership by conducting its business in a manner that provides benefits to the economy, society, and the environment. In 2007, the Company established the Corporate Social Responsibility Department to promote the Company's staff the importance of the CSR objectives to achieve balance benefits to society, environment, and all stakeholders in harmony with the Company's sustainable growth objectives. During 2008, the CSR activities are detailed in Corporate Social Responsibilities Section.

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 determined by the Public Company Limited Act, and related laws.

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. Nominating 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 director candidates' information will be disclosed in the annual report and 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.

5.1.2 Balance of Power for Directors

The Board comprises of 9 persons, with 5 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 independent. The current board structure maintains an appropriate check and balance system because the composition of the Board comprises a majority of members who are non-executive directors and independent 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 comprises of a membership majority of independent directors.

5.1.4.3 The Chairman and member of all committees must not be the Chairman of the Board.

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 which are the directors' share registration records, notices of Board and Shareholders, minutes of Board and Shareholders, and the Company's annual report and quarterly financial reports.

5.1.5.2 File reports relative to the conflict of interest of directors and management.

5.1.5.3 Advise the rules and regulations relative 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

Directors that made up the Company Board participate in defining goals, vision, strategies, and business targets. Through the collective skills and experience of directors, shareholders are assured that the Company's objectives can be achieved in a manner that best benefit to the Company and its shareholders.

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 operation under policies defined by the Board. Roles, duties and responsibilities between 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 through written guidelines in all operations within the Company and its affiliated companies. The Company also issued a Code of Conduct policy for all employees to serve as a guideline for adherence to operating procedure, and provides the communication channels to receive and process reports relative to illegal conduct and/or misconduct. 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 need to carefully consider any and all transactions that may cause potential conflicts by establishing a written policy and approval process for any connected transactions.

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.

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, and to distinguish the duties of staff and controllers in order to ensure that proper verification and monitoring 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 tasks and financial activities are performed according to the guidelines and that the Company is compliant 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, and finance. The Internal Audit Department and other departments that identify risk factors, cooperate to collect information and assess risk exposure in order to take action to prevent or minimize the negative impacts. The Company has established a risk management procedural manual and reviews it annually.

5.2.7 Board of Directors' Meeting

To ensure attendance at the Board meetings, Corporate Secretary has provided and informed directors the 2009 schedule meetings. 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 2008, there are a total of 7 Board meetings. The Corporate Secretary sent notices to the Board at least 7 days before the Meetings. During the Meetings, the Chairman of the Board appropriately allocated time for directors to carefully review and discuss all relative information. There were also written minutes that were made available for verification and approved by the Board.

For the year 2009, the Company will follow the aforesaid meeting procedures. In addition, the Company continuously sends the monthly performance summary to the Board.

5.3 Board of Directors' Self Assessment

The Board conducts annual self assessments to determine how well the Board performs its duties and acts accordingly to continuously improve its performance.

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 operation 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 consists of the Board of Directors, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee

Board of Directors

1. Mr. William E. Heinecke

Positions	<ul style="list-style-type: none"> Chairman (Elected in 1979) Chief Executive Officer
Age	<ul style="list-style-type: none"> 60 years (Born in 1949)
Educational Credential	<ul style="list-style-type: none"> Honorable Doctoral Degree of Business Administration in Management, Yonok College International School of Bangkok Director Certificate Program, Thai Institute of Directors Association
Other Current Positions	<ul style="list-style-type: none"> Chairman of Minor International Plc.'s subsidiaries Chairman of Minor Corporation Plc. and Chairman of its subsidiaries Chairman of the Minor Food Group Plc. and Director of its subsidiaries Director of Rajadamri Hotel Plc. and Director of its subsidiaries Director of Sermasuk Plc. Director of Everest Worldwide Ltd. Director of S&P Syndicate Plc.
Experiences	<ul style="list-style-type: none"> Director of Saatchi & Saatchi Limited Chairman and Managing Director of Ogilvy & Mather (Thailand) Limited

2. Mr. Paul Charles Kenny

Positions	<ul style="list-style-type: none"> Director (Elected in 1997)
Age	<ul style="list-style-type: none"> 60 years (Born in 1949)
Educational Credential	<ul style="list-style-type: none"> General Management Program, Ashridge Management College, England Director Certificate Program, Thai Institute of Directors Association
Other Current Positions	<ul style="list-style-type: none"> Director of The Minor Food Group Plc. and Director of its subsidiaries

3. Mrs. Pratana Mongkolkul

Positions	<ul style="list-style-type: none"> • Director (Elected in 1998) • Chief Financial Officer
Age	<ul style="list-style-type: none"> • 45 years (Born in 1964)
Educational Credential	<ul style="list-style-type: none"> • Master of Business Administration, Thammasat University • Director Diploma Examination, The Australian Institute of Directors Association • Director Certificate Program, Thai Institute of Directors Association • Directors Accreditation Program, Thai Institute of Directors Association • Chief Financial Officer Certification Program 1, The Institute of Certified Accounting and Auditors of Thailand • Capital Market Academy Leader Program 6/2008, Capital Market Academy
Other Current Positions	<ul style="list-style-type: none"> • Director of Minor International Plc.'s subsidiaries • Director of Minor Corporation Plc. and Director of its subsidiaries • Director of The Minor Food Group Plc. and Director of its subsidiaries • Director of Rajadamri Hotel Plc. and Director of its subsidiaries • Director of S&P Syndicate Plc. • Audit Committee of Thoresen Thai Agencies Plc.
Experiences	<ul style="list-style-type: none"> • Senior Vice President of Central Pattana Plc. • Vice President, Finance and Accounting of Central Pattana Plc. • Finance and Accounting Manager of Thai Airport Ground Service Company Limited • Chief Finance Section of USAID/Thailand

4. Mr. Kenneth Lee White

Positions	<ul style="list-style-type: none"> • Independent Director (Elected in 1998) • Chairman of the Audit Committee • Chairman of the Nominating and Corporate Governance Committee • Chairman of the Compensation Committee
Age	<ul style="list-style-type: none"> • 62 years (Born in 1946)
Educational Credential	<ul style="list-style-type: none"> • Master of Business Administration, University of Puget Sound Tacoma, W.A., USA • Director Certificate Program Thai Institute of Directors Association, Fellow Member IOD.
Other Current Positions	<ul style="list-style-type: none"> • Executive Director of Finansa Plc. • Director of Finansa Credit Limited • Chairman of Finansa Asset Management Limited • Director of Loxbit Plc. • Board of Governors of American Chamber of Commerce • Director and Audit Committee member of Goodyear Plc.
Experiences	<ul style="list-style-type: none"> • Managing Director of Pacific Siam Strategic Consulting Co., Ltd. • General Manager of The Chase Manhattan Bank N.A.

5. Mr. Michael David Selby

Positions	<ul style="list-style-type: none"> • Independent Director (Elected in 2004) • Member of the Audit Committee • Member of the Nominating and Corporate Governance Committee • Member of the Compensation Committee
Age	<ul style="list-style-type: none"> • 55 years (Born in 1954)
Educational Credential	<ul style="list-style-type: none"> • MA., International Law & Finance, George Washington University National Law Center, USA • BA., George Washington University, USA • Associate Electrical Engineering – Cornell University, USA
Other Current Positions	<ul style="list-style-type: none"> • Director of Rajadamri Hotel Plc. • Chairman of Ocean Beauty Seafoods Inc., USA • Executive Director of AEA-SOS International, Risk Management Company, and medical service provider • Chairman of Kempinski AG • Managing Director of CPB Equity Co., Ltd. • Managing Director of CPB Property Co., Ltd. • Director of PTT Natural Gas Distribution Co., Ltd. • Chairman of Christiani & Nielsen (Thai) Plc.

6. Mr. Kittipol Pramoj Na Ayudhya

Positions	<ul style="list-style-type: none"> • Director (Elected in 2000)
Age	<ul style="list-style-type: none"> • 37 years (Born in 1972)
Educational Credential	<ul style="list-style-type: none"> • MBA Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Director Certificate Program, Thai Institute of Directors Association • Audit Committee Program, Thai Institute of Directors Association
Other Current Positions	<ul style="list-style-type: none"> • Managing Director of Sammakorn Plc. • Director of Sribathana Co., Ltd. • Director of Sribathana Garden Co., Ltd. • Director of Maerim Terrace Resort Ltd. • Director of Royal Garden Development Ltd. • Director of RNS Holding Ltd. • Director of Hua Hin Village Ltd. • Director of Hua Hin Resort Ltd. • Director of Hua Hin Condominium Ltd. • Director of Chao Phaya Resort Ltd. • Director of Pure Sammakorn Development Ltd. • Vice President & Secretariate of The Thai Real Estate Association

7. Mr. Anil Thadani

Positions

- Director (Elected in 1998)
- Member of Nominating and Corporate Governance Committee
- Member of the Compensation Committee

Age

- 62 years (Born in 1946)

Educational Credential

- Master of Business Administration, University of California, Berkeley, USA
- Master of Science, University of Wisconsin, Madison, USA

Other Current Positions

- Founder and Chairman of Symphony Investment Managers Limited
- Director of SIHL (listed on London Stock Exchange)
- Chairman of Hup Soon Global Corporation Limited
- Director of Rajadamri Hotel Plc.
- Director of Orchid Pharmaceuticals - India
- Member of Board of Trustees of the Singapore Management University
- Member of International Institute for Strategic Studies

8. Khunying Jada Wattanasiritham

Positions

- Independent Director (Elected in 2008)
- Member of the Audit Committee

Age

- 63 years (Born in 1945)

Educational Credential

- M.A. Economic Development, Williams College, Massachusetts
- M.A. Natural Sciences & Economics, Cambridge University
- B.A. Natural Sciences & Economics, Cambridge University

Other Current Positions

- Executive Director of The Siam Commercial Bank, PCL.
- Director, Chairman of Audit Committee and Compensation Committee of PTT Public Company Limited
- Director of Siam Piwat Co., Ltd.
- Director and Chairman of Audit Committee of Stock Exchange of Thailand
- Siam Commercial New York Life Insurance PCL.
- Chairman of Thai Asset Management Corporation

Experiences

- Department of Economic Research, Bank of Thailand
- President and CEO, The Siam Commercial Bank, PCL.

9. Mr. Emmanuel Jude Dillipraj Rajakarier

Positions	<ul style="list-style-type: none"> • Director (Elected in 2008) • Chief Operating Officer – Hotel Business Group
Age	<ul style="list-style-type: none"> • 44 years (Born in 1965)
Educational Credential	<ul style="list-style-type: none"> • CIMA (Chartered Institute of Management Accountants), UK (finalist) • Degree in Computer Systems Analysis & Design, Sri Lanka • MIMIS – Member of UK Institute of Management Information Systems, UK • ABAHA – Associate of British Association of Hotel Accountants, UK • MACP – Member of Association of Computer Professionals, UK • Master of Business Administration, UK • FCEA – Fellow member of the Cost and Executive Accountants (UK) • Director Certificate Program – Thai Institute of Directors Association
Other Current Positions	<ul style="list-style-type: none"> • Director of Royal Garden Development Ltd. • Director of Chao Praya Resort Ltd. • Director of Samui Village Ltd. • Director of Samui Resort&Spa Ltd. • Director of Maerim Terrace Resort Ltd. • Director of Rajadamri Hotel Plc. • Director of MSpa International Ltd. • Director of MSpa Enterprise Management (Shanghai) Ltd. • Director of Hua Hin Resort Limited • Director of Hua Hin Village Ltd. • Director of Bann Boran Chieng Rai Co., Ltd. • Director of Phuket Beach Residence Ltd. • Director of Coco Recreation Ltd. • Director of Coco Residence Ltd. • Director of Maifad Beach Resort Ltd.
Experiences	<ul style="list-style-type: none"> • Deputy Chief Financial Officer, Orient-Express Hotels, Trains & Cruises • Group Financial Controller, Easi Solutions Plc. • Financial Controller, Le Piaf Restaurants • Financial Controller, Desert Express Ltd. T/A Monte's, London • Financial Controller/Group Accountant, London Wine Bars Ltd.

The Board of Directors is responsible for setting policy, planning, controlling, and making decision about the Company's operation and new business investment except those required by law to pass by resolution from a shareholders meeting.

Audit Committee

On 31 December 2008, the Audit Committee comprised of 3 directors as follows;

1. Mr. Kenneth Lee White	Chairman
2. Khunying Jada Watthanasiritham	Director
3. Mr. Michael David Selby	Director
4. Mrs. Pratana Mongkolkul	Audit Committee's Secretary

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. Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information;
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) 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,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - (h) 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. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.
8. 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:
 - (1) a transaction which causes a conflict of interest;
 - (2) any fraud, irregularity, or material defect in an internal control system; or
 - (3) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

(The details of roles and responsibilities of Audit Committee is shown in the Audit Committee charter, prescribed in the Company's website.)

Compensation Committee

On 31 December 2008, Compensation Committee comprised of 3 directors as follows;

- | | |
|----------------------------|----------|
| 1. Mr. Kenneth L. White | Chairman |
| 2. Mr. Anil Thadani | Member |
| 3. Mr. Michael David Selby | 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 2008, Nominating and Corporate Governance Committee comprised of 3 directors as follows;

- | | |
|----------------------------|----------|
| 1. Mr. Kenneth L. White | Chairman |
| 2. Mr. Anil Thadani | Member |
| 3. Mr. Michael David Selby | 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 is shown in the Nominating and Corporate Governance Committee Charter, prescribed in the Company's website.)

Executive Management

As of 31 December 2007, 5 Managements as follows;

- | | |
|----------------------------|-----------------------------------------------------|
| 1. Mr. William E. Heinecke | Chairman and Chief Executive Officer |
| 2. Mrs. Pratana Mongkolkul | Director and Chief Financial Officer |
| 3. Mr. Stephen Chojnacki | General Counsel |
| 4. Mr. John Griffin | Vice President, Marketing |
| 5. Ms. Heidi Gempel | Vice President, Revenue Management and Distribution |

Corporate Secretary

Ms. Angkana Tepprasertwangsa

Investor Relations

Ms. Prapharat Tangkawattana

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 paid up capital of the company, parent company, subsidiaries, associates or related juristic persons. The number of held shares shall be inclusive of shares held by any related persons of independent director.
2. Not being or formerly 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, or related companies, except where such relationship was in excess of a period of 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 formerly having a business relationship with the company, parent company, subsidiaries, associates, or related parties which may compromise independence. In addition, independent directors may not be or formerly be a major shareholder, non-independent director, or management, or who had a business relationship with the company, parent company, subsidiaries, associates, or related parties, except where such relationship was in excess of a period of 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 higher than 3% of net tangible assets or Baht 20 million, 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 Notification of the Stock Exchange of Thailand Re: Rules, Procedures and Disclosure of Information Concerning the Connected Transaction of Listed Companies.
5. Not being or formerly an independent auditor of the company, parent company, subsidiaries, associates, or related companies, and not being or formerly a major shareholder, non-independent director, management or partner of the audit firm which has provided independent auditor services to the company, parent company, subsidiaries, associates or related parties except where such relationship was prior to a two years period before appointment as an independent director.
6. Not being or formerly providing professional services including legal advice, financial advice which received a service fee higher than Baht two million per year from the company, parent company, subsidiaries, associates, or related parties. In case the professional service provider is a juristic person, major shareholder, non-independent director, management or partner of the service provider is prohibited to be independent director, except such relationship was in excess of a period of 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 having any other conflicts, that prevent independent directors from giving independent opinions to the company.

Number of Corporate Securities held by Directors and Executive Management as of 31 December 2008

No.	Name	Title	No. of Securities Held at 30 December 2008		No. of Increase (Decrease)	
			Common Share	ESOP*	Common Share	ESOP*
1.	Mr. William Ellwood Heinecke	Chairman/CEO	267,069,268	2,200,000	54,746,169	(1,900,000)
2.	Mr. Paul Charles Kenny	Director	2,965,062	3,980,000	811,762	(370,000)
3.	Mrs. Pratana Mongkolkul	Director/CFO	10,985,652	1,400,000	2,166,498	(1,500,000)
4.	Mr. Kenneth Lee White	Director	69,114	0	12,003	0
5.	Mr. Michael David Selby	Director	0	0	0	0
6.	Mr. Kittipol Pramroj Na Ayudhya	Director	0	0	0	0
7.	Mr. Anil Thadani	Director	41,828,685	0	4,333,076	0
8.	Khunying Jada Wattanasiritham	Director	0	0	0	0
9.	Mr. Emmanuel Jude Dillipraj Rajakarier	Director	220,000	800,000	(60,000)**	0**
10.	Mr. Stephen Chojnacki	General Counsel	165,000	600,000	0	0
11.	Mr. John Griffin	Vice President - Marketing	0	144,000	0	0
12.	Ms. Heidi Gempel	Vice President Revenue and Distribution	13,090	47,680	(4,500)**	0**

Remark: * ESOP: Warrants allotted to Employees and Directors of the Company and/or subsidiaries.

** No. of Increase (Decrease) is based on Management Holding Report (Form 59-1).

Top 10 Major Shareholders as of 10 February 2009

Name of shareholders	Number of shares	Proportion of shareholding (%)
1. Group of Mr. William Ellwood Heinecke	1,485,241,353	41.09
1.1 Minor Corporation Public Company Limited	611,745,387	16.93
1.2 Minor Holding (Thai) Limited	546,755,902	15.13
1.3 Thai Trust Fund Management Co., Ltd. (investment in MINT's shares)	59,621,887	1.65
1.4 Mr. William Ellwood Heinecke	267,114,268	7.39
1.5 Mrs. Kathleen Ann Heinecke	3,909	0.00
2. Mr. Nithi Osathanugrah	220,992,196	6.11
3. The Minor Food Group Public Company Limited	215,313,429	5.96
4. Merrill Lynch, Pierce, Fenner, & Smith Inc.	125,046,560	3.46
5. Mr. John Scott Heinecke	95,014,567	2.63
6. The Bank of New York (Nominees) Limited	87,191,581	2.41
7. CPB Equity Company Limited	85,109,715	2.35
8. Thai NVDR Ltd.	73,374,635	2.03
9. His Majesty King Bhumibol Adulyadej	72,470,861	2.01
10. UBS AG Singapore, Branch-PB Securities Client Custody	56,099,351	1.55

Source: The Thailand Securities Depository Co., Ltd.

Subsidiaries, Associated and Affiliated Companies

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
Rajadamri Hotel Plc. 155 Rajadamri Road, Bangkok 10330 Tel. +66 (0) 2250 0754 Fax +66 (0) 2253 9195	Four Seasons Hotel Bangkok	45,000,000	24,424,465 (% included owned by Hua Hin Resort Ltd. 20,086,328 shares)	98.9%
<ul style="list-style-type: none"> Rajadamri Residence Ltd. 155 Rajadamri Road, Bangkok 10330 Tel. +66 (0) 2250 0754 Fax +66 (0) 2253 9195 	Project Development - St. Regis	5,000,000	4,999,993 (100% held by Rajadamri Hotel Plc.)	100%
Chao Phaya Resort Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Bangkok Marriott Resort and Spa, A Royal Garden Resort, Royal Garden Plaza - Bangkok	12,000,000	9,748,670	81.2%
Maerim Terrace Resort Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Four Seasons Resort Chiang Mai Hotel	3,000,000	1,359,370 (% included owned by Rajdamri Hotel Plc. 781,250 shares)	71.4%
Royal Garden Development Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	JW Marriott Phuket Resort and Spa	7,000,000	6,999,994	100%
Royal Garden Plaza Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Royal Garden Plaza Shopping Mall - Pattaya	750,000	749,993	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
Royal Garden Entertainment Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Motion Master Theater and Ripley's "Believe it or Not!" Museum	100,000	99,994	100%
Minor Hotel Group Ltd. (Formerly named: Royal Garden Hotel Management Ltd.) 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel Management	170,000	169,993	100%
<ul style="list-style-type: none"> Hospitality Investment International Limited East Asia Corporate Services (BVI) Limited East Asia Chambers, P.O. Box 901 Road Town, Tortola, British Virgin Islands 	Holding Company	1,000	1,000 (100% owned by Minor Hotel Group)	100%
<ul style="list-style-type: none"> Lodging Management (Labuan) Limited Level 9F, Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan FT, Malaysia 	Hotel business investment and management	1,000	1,000 (100% owned by Hospitality Investment International Limited)	100%
<ul style="list-style-type: none"> Lodging Management (Mauritius) Limited C/O DTOS Ltd., 4th Floor, IBL House, Caudan, Port Louis, Republic of Mauritius 	Hotel business investment and management	1,000	1,000 (100% owned by Hospitality Investment International Limited)	100%
<ul style="list-style-type: none"> PT Lodging Management Indonesia Graha Niaga, 24th Floor, Jalan Jenderal Sudirman, Kav. 58 Jakarta 12190 	Hotel business investment and management	150,000	150,000 (93.3% owned by Hospitality Investment International Limited and 6.7% by Lodging Investment (Labuan) Limited)	100%
<ul style="list-style-type: none"> MSpa International Ltd. 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8 	Spa Business	410,000	209,095 (% included owned by Hospitality Investment International Limited 200,900 shares)	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<ul style="list-style-type: none"> MSpa Ventures Limited East Asia Chambers, P.O. Box 901, Road Town, Tortola, British Virgin Islands 	Spa Business in Eastern Asia	50,000	50,000 (100% owned by MSpa International Ltd.)	100%
<ul style="list-style-type: none"> MSpa Enterprise Management (Shanghai) Ltd. Suite 03, 12/F, Block A, 18 Tao Lin Road, Pudong New Area, Shanghai, China 	Spa Business in China	140,000	140,000 (100% owned by MSpa Ventures Limited)	100%
<ul style="list-style-type: none"> Arabian Spas (Dubai) Limited P.O. Box 88, Dubai, UAE 	Spa Business in UAE	300	147 (49% owned by MSpa Ventures Limited)	49%
<ul style="list-style-type: none"> Tanzania Tourism and Hospitality Investment Limited Akara Building, 24 De Castro Street, Wickhams Cay 1, P.O. Box 3136, Road Town, Tortola, British Virgin Islands 	Holding company	2	1	50%
<ul style="list-style-type: none"> Zanzibar Tourism and Hospitality Investment Limited Akara Building, 24 De Castro Street, Wickhams Cay 1, P.O. Box 3136, Road Town, Tortola, British Virgin Islands 	Holding company	2	1	50%
Hua Hin Resort Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hua Hin Marriott Resort and Spa, A Royal Garden Resort	2,000,000	1,999,994	100%
<ul style="list-style-type: none"> Hua Hin Village Ltd. 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8 	Anantara Resort and Spa Hua Hin	500,000	499,994 (100% owned by Hua Hin Resort Ltd.)	100%
<ul style="list-style-type: none"> Baan Boran Chiangrai Ltd. 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8 	Anantara Resort & Spa Golden Triangle & Four Seasons Tented Camp	1,650,000	1,649,994 (100% owned by Hua Hin Resort Ltd.)	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
Samui Resort and Spa Limited 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Anantara Resort and Spa Samui	100,000	99,994	100%
Samui Village Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Four Seasons Hotel - Koh Samui	375,000	374,982	100%
Samui Beach Residence Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Property development in Koh Samui	10,000	9,993	100%
RNS Holdings Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Property investment	262,515	262,513	100%
MI Square Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Property development	100,000	99,993	100%
RGR International Ltd. Omar Hodge Bldg., Wickham Cay I, Road Town, British Virgin Islands	Investment in Hospitality business	100,000	100,000	100%
<ul style="list-style-type: none"> Eutopia Holdings Private Ltd. 39, Orchid Magu, Maafannu, Male, Maldives 	Property development in Maldives	1,000,000	499,998	50% (Owned by RGR International Ltd.)
<ul style="list-style-type: none"> Harbour View Ltd. 4 Tran Phu Street Hai Phong, Vietnam 	Harbour View Hotel & Office Tower Haiphong - Vietnam A Royal Garden Resort	6,848,743	1,368,127	19.98% (Owned by RGR International Ltd.)

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
R.G.E. (H.K.) Limited 5/F Wing On Center, 111 Cannaught Road, Central, Hong Kong	Hospitality and Leisure Management	100,000	99,999	100%
Maikhao Vacation Villas Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Timeshare - Phuket Marriott Phuket Beach Club	400,000	199,998	50%
Coco Palm Hotel and Resort Ltd. 392/12 Sukhumvit Road, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Anantara Resort & Spa Khao Lak	1,730,000	1,729,994	100%
Coco Recreation Ltd 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Property development (Not yet commence its operation)	10,000	9,993	100%
Coco Residence Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Property development (Not yet commence its operation)	10,000	9,993	100%
Lodging Investment (Labuan) Limited Level 9F, Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan FT, Malaysia	Investment in Hotel Business	1,000	1,000	100%
M & H Management Limited C/O DTOS Ltd., 4 th Floor, IBL House, Caudan, Port Louis, Republic of Mauritius	Trademark provider	1,000	1,000	100%
Minor International (Labuan) Limited Level 9F, Main Office Tower, Financial Park, 87000 Labuan FT, Malaysia	Investment in Hotel Business	1,000	1,000	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
Minor Information Technology Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	To advise and install, maintenance, repair computer system, program computer and information technology system	40,000	39,993	100%
Phuket Beach Residence Ltd. 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Property development (Not yet commence its operation)	10,000	9,993	100%
Chao Phraya Resort & Residence Limited 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, 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%
Maifad Beach Resort Limited 99 Berli Jucker House, 16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5151 Fax +66 (0) 2381 5777-8	Hotel operation	10,000	9,993	100%
Thai Project Property Fund Thai Project Property Fund c/o The Mutual Fund Public Company Limited 30 th -32 nd Floor, Lake Rajada Building, 193-195 Ratchadaphisek Road, Klongtoey, Bangkok 10110	Property investment	10,490,634	10,480,635	99.9%
Thai Asset Management Property Fund 11 Q House Sathorn Building, M Floor, South Sathon Road, Thungmahamek, Bangkok 10120 Tel. +66 (0) 2670 4900 Fax +66 (0) 2670 1820	Property investment	102,402,300	27,380,000	26.7%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
Sub Thawee Property Fund 11 Q House Sathorn Building, M Floor, South Sathon Road, Thungmahamek, Bangkok 10110 Tel. +66 (0) 2670 4900 Fax +66 (0) 2670 1820	Property investment	50,000,000	5,000,000	10%
The Minor Food Group Plc. (MFG) 99 Berli Jucker House, 15 th -16 th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9	Quick Service Restaurant Business	32,730,684	32,640,629	99.72%
<ul style="list-style-type: none"> Swensen's (Thai) Limited 99 Berli Jucker House, 15th-16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Ice cream Parlour - Swensen's	1,000,000	999,994 (100% held by MFG)	100%
<ul style="list-style-type: none"> Minor DQ Limited 99 Berli Jucker House, 15th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Kiosk - Dairy Queen	160,000	159,994 (100% held by MFG)	100%
<ul style="list-style-type: none"> Minor Cheese Limited 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Cheese manufacturing	600,000	599,993 (100% held by MFG)	100%
<ul style="list-style-type: none"> Minor Dairy Limited 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Ice cream manufacturing	600,000	599,993 (100% held by MFG)	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<ul style="list-style-type: none"> R.G.R. Food Service Limited 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Restaurant business	10,000	9,994 (100% held by MFG)	100%
<ul style="list-style-type: none"> SLRT Limited 99 Berli Jucker House, 12th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Restaurant - Sizzler	4,000,000	3,999,993 (100% held by MFG)	100%
<ul style="list-style-type: none"> The Pizza Restaurants Limited 99 Berli Jucker House, 15th-16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Restaurant (Not yet commence its operation)	100,000	99,993 (100% held by MFG)	100%
<ul style="list-style-type: none"> Burger (Thailand) Limited 99 Berli Jucker House, 12th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Restaurant - Burger King	1,000,000	949,994 (95% held by MFG)	95%
<ul style="list-style-type: none"> Select Service Partner Limited (SSP) 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Restaurant - Bangkok, Chiang Mai Phuket, Hat Yai Airports	450,000	229,494 (51% held by MFG)	51%
<ul style="list-style-type: none"> Select Service Partner (Cambodia) Limited Phnom Penh International Airport, National Road No. 4, Sangkat Kakap, Khan Dangkor, Phnom Penh, Kingdom of Cambodia 	Restaurant - Cambodia	1,000	1,000 (51% held by SSP)	100%
<ul style="list-style-type: none"> Catering Associates Limited 99 Berli Jucker House, 16th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Catering services	50,000	25,495 (Held 51% shares by MFG)	51%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<ul style="list-style-type: none"> International Franchise Holding (Labuan) Ltd. (Labuan) 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 	Franchisor and Master Franchisee Business	1,800,000	1,800,000 (Held 100% shares by MFG) (Regist. Capital USD 4 million but only USD 1.8 million paid up)	100%
<ul style="list-style-type: none"> Franchise Investment Corporation of Asia Ltd. (FICA) Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, BVI 	Franchisor and Master Franchisee Business	16,000,000	16,000,000 (Held 100% shares by Labuan)	100%
<ul style="list-style-type: none"> The Minor Food Group (China) Limited 4/F, Sichuan Building Annex, Beilishi Rd., Xicheng, Beijing, China 	Franchisor and Master Franchisee of LeJazz, Pizza and Sizzler in Beijing	RMB 70 million	RMB 70 million (Held 100% by FICA)	100%
<ul style="list-style-type: none"> Sizzler China Pte. Ltd. 6 Shenton Way, #28-09 DBS Building Tower 2, Singapore 068809 	Restaurant - Sizzler in China	2	1 (Held 50% shares by Labuan)	50%
<ul style="list-style-type: none"> Primacy Investment Limited (Primacy) DTOS Ltd., 4th Floor, IBL House, Caudan, Port Louis, Mauritius 	Investment in food and beverage business	1,000	1,000	100%
<ul style="list-style-type: none"> Delicious Beverage (Labuan) Limited Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong 	Investment in food and beverage business	1,000	1,000 (Held 100% shares by Primacy)	100%
<ul style="list-style-type: none"> Delicious Foodstuff (Labuan) Limited Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong 	Investment in food and beverage business	1,000	1,000 (Held 100% shares by Primacy)	100%
<ul style="list-style-type: none"> Delicious Food Holding (Singapore) Pte. Ltd. (DFHS) 8 Cross Street # 11-00 PWC Building, Singapore 048424 	Investment in food and beverage business	1,000	1,000 (Held 100% shares by Primacy)	100%
<ul style="list-style-type: none"> Delicious Food Holding (Australia) Pty. Ltd. (DFHA) Home Wilkinson Lowry, Level 2, 500 Queen Street, Brisbane, QLD 4000 	Investment in food and beverage business	1,000	1,000 (Held 100% shares by DFHS)	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<ul style="list-style-type: none"> The Coffee Club (Thailand) Limited 99 Berli Jucker House, 15th Floor, Soi Rubia, Sukhumvit 42 Road, Prakanong, Klongtoey, Bangkok 10110 Tel. +66 (0) 2381 5123-32 Fax +66 (0) 2381 5118-9 	Food and beverage business	20,000	19,998 (100% held by MFG)	100%
<ul style="list-style-type: none"> Thai Express Concepts Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Holding investment	300,000	210,000 (Held 70% shares by Primacy)	70%
<ul style="list-style-type: none"> The Thai Express Restaurant Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	100,000	100,000 (Held 100% shares by Thai Express)	100%
<ul style="list-style-type: none"> BBZ Design International Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	100,000	100,000 (Held 100% shares by Thai Express)	100%
<ul style="list-style-type: none"> NYS Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	100,000	100,000 (Held 100% shares by Thai Express)	100%
<ul style="list-style-type: none"> PS07 Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	100,000	100,000 (Held 100% shares by Thai Express)	100%
<ul style="list-style-type: none"> TES07 Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	500,000	500,000 (Held 100% shares by Thai Express)	100%
<ul style="list-style-type: none"> XWS Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	100,000	100,000 (Held 100% shares by Thai Express)	100%
<ul style="list-style-type: none"> Shokudo Concepts Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	100,000	100,000 (Held 100% shares by Thai Express)	100%
<ul style="list-style-type: none"> Shokudo Heeren Pte. Limited 2 Alexandra Road, #07-09 Delta House, Singapore 159919 	Food and beverage business	100,000	100,000 (Held 100% shares by Thai Express)	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<ul style="list-style-type: none"> Lotus Sky Sdn Bhd 1st Ground Floor, Unit G-838, 1 Borneo Hypermall, Jalan Sulaman, 88400 Kota Kinabalu, Sabah, Malaysia 	Food and beverage business	100,000 (Held 100% shares by Thai Express)	100,000	100%
<ul style="list-style-type: none"> Thai Express Concepts Sdn Bhd LG 311, 1 Utama Shopping Centre 1, Lebuh Bandar Utama, Bandar Utama, 47800 Petalin Jaya, Selangor, Malaysia 	Food and beverage business	2 (Held 100% shares by Thai Express)	2	100%
<ul style="list-style-type: none"> The Coffee Club Holdings Pty. Limited (TCCA) 336-338 Montague Road, West End QLD, Australia 4101 	Investment company	46,000,000 (Held 50% shares by DFHA)	23,000,000	50%
<ul style="list-style-type: none"> Espresso Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Property investment	100 (Held 100% shares by TCCA)	100	100%
<ul style="list-style-type: none"> The Coffee Club Investment Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Franchisor and Master Franchisee Business	28,616,600 (Held 100% shares by TCCA)	28,616,600	100%
<ul style="list-style-type: none"> The Coffee Club Franchising Company Pty. Ltd. 336-338 Montague Road, West End QLD, Australia 4101 	Franchise Business	17,282,200 (Held 100% shares by TCCA)	17,282,200	100%
<ul style="list-style-type: none"> The Coffee Club (NSW) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Property investment	2 (Held 100% shares by TCCA)	2	100%
<ul style="list-style-type: none"> The Coffee Club (Vic) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Property investment	2 (Held 100% shares by TCCA)	2	100%
<ul style="list-style-type: none"> The Coffee Club (Properties) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Property investment	100 (Held 100% shares by TCCA)	100	100%
<ul style="list-style-type: none"> The Coffee Club Properties (NSW) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Property investment	2 (Held 100% shares by TCCA)	2	100%

	Core Business	Number of Ordinary Shares		Equity Interest
		Outstanding	Held	
<ul style="list-style-type: none"> • The Coffee Club Pty. Limited (as trustee for The Coffee Club Unit Trust) 336-338 Montague Road, West End QLD, Australia 4101 	Franchisor and Master Franchisee Business	2	2	100% (Held 100% shares by TCCA)
<ul style="list-style-type: none"> • The Coffee Club (International) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Franchisor and Master Franchisee Business	100	100	100% (Held 100% shares by TCCA)
<ul style="list-style-type: none"> • The Coffee Club (Korea) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Franchisor and Master Franchisee Business	100	100	100% (Held 100% shares by TCCA)
<ul style="list-style-type: none"> • The Coffee Club (Mena) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Franchisor and Master Franchisee Business	100	100	100% (Held 100% shares by TCCA)
<ul style="list-style-type: none"> • The Coffee Club (NZ) Pty. Limited 336-338 Montague Road, West End QLD, Australia 4101 	Franchisor and Master Franchisee Business	100	100	100% (Held 100% shares by TCCA)

Corporate Information

Principal Activities	Food and Beverages, Hotelier and retail property owner, developer, operator and investor in related fields.
Registered Office	16 th Floor, Berli Jucker House, 99 Soi Rubia, Sukhumvit 42 Road, Bangkok 10110, Thailand Company Register Number: 0107536000919 (Previous number: Bor Mor Jor 165) Tel.: +66 (0) 2381 5151 Fax: +66 (0) 2381 5777-8 Home Page: http://www.minornet.com
Share Capital as of 31 December 2008	Registered: Baht 3,689,623,229 divided to 3,689,623,229 ordinary shares at par value of Baht 1 each. Issued and fully paid: Baht 3,614,264,065 divided to 3,614,264,065 ordinary shares of Baht 1 each.
Company Registrar	Share Capital Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel.: +66 (0) 2229 2800 Fax: +66 (0) 2359 1259 Debenture (RGR No. 1/2547, MINT No. 1/2548, MINT No. 1/2550 tranche 1, 2 and MINT No. 1/2551) Thai Military Bank Public Company Limited 3000 Phaholyothin Road, Ladyao, Chatuchak, Bangkok 10900, Thailand
Auditors	PricewaterhouseCoopers ABAS Limited By Mrs. Anothai Leekitwattana and/or Ms. Nattaporn Phan-Udom and/or Mr. Sudwin Panyawongkhanti and/or Mr. Prasit Yuengsrikul Certified Public Accountant (Thailand) 3442, 3430, 3354 and 4174 respectively. 15 th Floor, Bangkok City Tower, 179/74-80 South Sathon Road, Bangkok 10120, Thailand Tel.: +66 (0) 2286 9999 Fax: +66 (0) 2286 5050
Solicitors	Baker & McKenzie Limited 25 th Floor, Abdulrahim Place, 990 Rama IV Road, Bangkok 10500, Thailand Tel.: +66 (0) 2636 2000 Fax: +66 (0) 2636 2111 Siam Premier International Law Office Limited 26 th Floor, The Offices at Central World Bldg., 999/9 Rama I Road, Pathumwan, Bangkok 10330, Thailand Tel.: +66 (0) 2646 1888 Fax: +66 (0) 2646 1919 Boonsom and Manoch Interlaw Limited 9 th Floor, 104 Panawongse Building, Surawongse Road, Bangkok 10500, Thailand Tel.: +66 (0) 2637 0188-93 Fax: +66 (0) 2236 9268

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