

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: Potential investors must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the “**Offering Circular**”). Potential investors are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, potential investors agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time potential investors receive any information as a result of such access.

Confirmation of Representation: This Offering Circular is being sent to potential investors at their request and by accepting the e-mail and accessing the attached Offering Circular, potential investors shall be deemed to represent to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Australia and New Zealand Banking Group Limited, Merrill Lynch (Singapore) Pte. Ltd. and Standard Chartered Bank (together, the “**Joint Lead Managers**”) that (1) potential investors understand and agree to the terms set out herein, (2) potential investors and any customer they represent are not located in the Thailand and United States, its territories or possessions, (3) the e-mail address that potential investors gave and to which this e-mail has been delivered is not located in Thailand and the United States, its territories or possessions, (4) potential investors consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission, (5) potential investors will not transmit the attached Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the prior written consent of the Joint Lead Managers, and (6) potential investors acknowledge that they will make their own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to their decision to subscribe or purchase of any Securities (as defined in the attached Offering Circular).

The attached Offering Circular has been made available to potential investors in electronic form. Potential investors are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Joint Lead Managers, the Trustee or the Agents (each as defined in the attached Offering Circular) nor their affiliates, directors, officers, employees, representatives, agents, advisers and each person who controls any of them or their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to potential investors in electronic format and the hard copy version. A hard copy version will be provided to upon request.

Restrictions: The attached document is being furnished in connection with an offering in offshore transactions in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

THE SECURITIES AND THE GUARANTEE (EACH AS DESCRIBED HEREIN) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON OR ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

UNDER NO CIRCUMSTANCES SHALL THIS OFFERING CIRCULAR CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY, NOR THERE BE ANY SALE OF THE SECURITIES IN THAILAND OR ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL. IF POTENTIAL INVESTORS HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY OF ANY OF THE FOREGOING RESTRICTIONS, THEY ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE ATTACHED OFFERING CIRCULAR.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer of the securities, the Guarantor or the Joint Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States, Thailand or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of them is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

Potential investors are reminded that they have accessed the attached Offering Circular on the basis that they are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which they are located and they may not nor are they authorised to deliver this document, electronically or otherwise, to any other person. If they have gained access to this transmission contrary to the foregoing restrictions, they are not allowed to purchase any of the securities described in the attached.

Actions that Potential Investors May Not Take: If potential investors receive this document by e-mail, they should not reply by e-mail to this announcement, and they may not purchase any securities by doing so. Any reply e-mail communications, including those they generate by using the “**Reply**” function on their e-mail software, will be ignored or rejected.

Potential investors are responsible for protecting against viruses and other destructive items. If potential investors receive this document by e-mail, their use of this e-mail is at their own risk and it is their responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

MINOR INTERNATIONAL

MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

(registered in Thailand as a public company with limited liability)

U.S.\$300,000,000 Guaranteed Senior Perpetual Capital Securities with Unconditional and Irrevocable Guarantee (subject to the Maximum Guaranteed Amount), and Mandatory Non-Call and Bankruptcy Event Acquisition Obligations, by Bangkok Bank Public Company Limited, acting through its Hong Kong Branch Issue Price: 100 per cent.

The U.S.\$300,000,000 Guaranteed Senior Perpetual Capital Securities (the "Securities") are issued by Minor International Public Company Limited ("MINT", the "Issuer" or the "Company") and the due and punctual payment of all sums payable by the Issuer in respect of the Securities will be unconditionally and irrevocably guaranteed (the "Guarantee") by Bangkok Bank Public Company Limited (the "Guarantor" or the "Bank"), acting through its Hong Kong Branch. The Guarantee will remain in full effect until the earlier of (i) the payment of all sums payable in respect of the Securities having been paid in full, (ii) to the extent that the Guarantor has complied with its obligations under the Trust Deed (as defined in the Terms and Conditions of the Securities (the "Conditions")), the day immediately following the First Call Date (as defined below) and (iii) solely with respect to any Securityholder who fails to deliver the written notice on or prior to the Securityholder Notice Deadline in the manner required under Condition 7.13, the day immediately following the Securityholder Notice Deadline. In order to comply with the requirements of Thai law, the Trust Deed will provide that the maximum liability under the Guarantee will be capped at an amount equal to 110 per cent. of the principal amount of the Securities outstanding as of the Issuer Date, being U.S.\$330,000,000 (the "Maximum Guaranteed Amount").

The Securities confer a right to receive distributions (each, a "Distribution") at the applicable rate described below (the "Distribution Rate") from and including 29 June 2020 (the "Issue Date"). Subject to Condition 5.1, Distributions are payable semi-annually in arrears on 29 June and 29 December in each year (each, a "Distribution Payment Date"), with the first Distribution Payment Date being 29 December 2020.

The rate of interest payable from time to time in respect of the Securities (the "Distribution Rate") will be: (a) in respect of the period from and including the Issue Date to but excluding (the "First Call Date"), 3.10 per cent. per annum; and (b) from and including each Reset Date (including the First Call Date) to but excluding the immediately following Reset Date, at the relevant Reset Distribution Rate determined by the Calculation Agent on the relevant Reset Determination Date and notified to the Securityholders in accordance with Condition 14 and to the Principal Paying Agent and the Issuer.

Unless a Compulsory Distribution Payment Event (as defined in the Conditions) has occurred, the Issuer may, at its sole and absolute discretion, elect to defer, in whole or in part, payment of any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Securityholders in accordance with Condition 14, and to the Guarantor, the Trustee, the Principal Paying Agent and the Registrar, not more than 10 nor less than seven Business Days (as defined below) prior to a scheduled Distribution Payment Date (an "Optional Deferral Event").

Any amount of Distribution validly deferred pursuant to the terms of the Securities will constitute Arrears of Distribution (as defined in the Conditions). Each amount of Arrears of Distribution will bear interest from and including the date which is a Distribution Payment Date falling twelve (12) months from the date on which it was first deferred and will bear interest as if it constituted the principal of the Securities at the prevailing Distribution Rate (the amount of such interest being an "Additional Distribution Amount"). The Additional Distribution Amount accrued up to any Distribution Payment Date will be added for the purpose of calculating the Additional Distribution Amount accruing thereafter to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution. The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution and Additional Distribution Amounts by complying with the foregoing notice requirement applicable to any deferral of Distributions. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can be deferred pursuant to the provisions of Condition 5.6.

If an Optional Deferral Event has occurred, the Issuer will not (a) declare, pay or make any discretionary dividends, discretionary distributions (whether in cash or otherwise) or other discretionary payments on, and will procure that no discretionary dividend, distribution or other payment is declared, paid or made on any of its Junior Securities (as defined in the Conditions) or its Parity Securities (as defined in the Conditions) (except, in relation to the Parity Securities of the Issuer, where such dividend, distribution or other payment is made on a pro rata basis with payment on the Securities); or (b) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities in its discretion (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a pro rata purchase by the Issuer of Securities), in each case, unless and until the Issuer (i) has satisfied in full all outstanding Arrears of Distribution and any Additional Distribution Amounts or (ii) is permitted to do so by an Extraordinary Resolution of the Securityholders. Notwithstanding any other provision in the Conditions, the Trust Deed or the Agency Agreement (as defined in the Conditions), the deferral of payment of any Distributions, Arrears of Distribution and Additional Distribution Amounts in compliance with Condition 5.6 shall not constitute a default for any purposes (including, without limitation, pursuant to Condition 11). For the avoidance of doubt, nothing in Condition 5.6 shall restrict the ability of any Subsidiary of the Issuer to declare and pay dividends, advance loans or otherwise make payments to the Issuer.

The Securities are perpetual securities and have no fixed redemption date. As set out in the Conditions, the Issuer may redeem all (but not some only) of the Securities on the First Call Date or on any following Distribution Payment Date at the Redemption Price (as defined in the Conditions). The Issuer may redeem all (but not some only) of the Securities at its option at the Redemption Price (as defined in the Conditions) upon the occurrence of a Withholding Tax Event (as defined in the Conditions) or if the Issuer or any of its Subsidiaries has repurchased (and effected corresponding cancellations of) 75 per cent. or more of the principal amount of the Securities initially issued (which will include for these purposes any further securities issued that are consolidated and form a single series with the Securities in accordance with Condition 17). The Issuer may also redeem all (but not some only) of the Securities at the Redemption Price at any time on or after the First Call Date, if a Change of Control Event (as defined in the Conditions) has occurred and is continuing. If the Issuer elects not to redeem the Securities within 60 days following the occurrence of a Change of Control Event in accordance with Condition 7.6(a), then the applicable Distribution Rate will increase by 2.00% per annum with effect from the next following Distribution Payment Date (or, if the relevant Change of Control Event occurs on or after the date that is five Business Days prior to the next Distribution Payment Date, the next following Payment Distribution Date). In addition, the Issuer may redeem all (but not some only) of the Securities at its option upon the occurrence of a Tax Deductibility Event (as defined in the Conditions) or an Accounting Event (as defined in the Conditions) (i) at any time prior to the First Call Date, at the Special Redemption Price (as defined in the Conditions) or (ii) on or at any time after the First Call Date, at the Redemption Price.

The Guarantor will acquire (the "Mandatory Acquisition Obligations") from each Securityholder, upon the occurrence of certain events during the period commencing on the Issue Date and (i) in the case of a Bankruptcy Event (as defined in the Conditions), ending 30 days prior to the First Call Date, and (ii) in the case of a Non-Call Event (as defined in the Conditions), ending on the First Call Date, in each case as described in Condition 7.12, the Securities held by such Securityholder (in whole but not in part) at the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligations Amount as of the Mandatory Acquisition Date), in accordance with Condition 7.

Investing in the Securities involves certain risks. See "Risk Factors" beginning on page 48.

The Securities and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Securities and the Guarantee are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act ("Regulation S"). For a description of these and certain further restrictions on offers and sales of the Securities and the distribution of this Offering Circular, see the section entitled "Subscription and Sale" on page 184.

The offering of the Securities in Thailand has not been approved by the Office of the Securities and Exchange Commission of Thailand (the "Office of the Thai SEC"). Therefore, no invitation will be made to any person in Thailand to subscribe for the Securities. The Securities cannot be offered or sold in Thailand, except in compliance with applicable laws and regulations of Thailand.

The Securities are expected to be rated "Baa2" and "BBB" by Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings Ltd. ("Fitch") respectively. Such ratings should be evaluated independently of any other rating of the other securities of the Issuer of the Guarantor. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

The denomination of the Securities shall be U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Securities on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Securities to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Issuer's or the Guarantor's subsidiaries, associated companies, jointly-controlled entities or the Securities. The Securities will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Securities remain listed on the SGX-ST and the rules of the SGX-ST so require.

The Securities will be evidenced by a global certificate (the "Global Certificate") in registered form, which will be registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their respective accountholders. Except in the limited circumstances set out herein, definitive certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate. See "The Global Certificate". It is expected that delivery of the Global Certificate will be made on or about 29 June 2020.

Sole Global Coordinator, Bookrunner and Lead Manager

HSBC

Joint Bookrunners and Joint Lead Managers

ANZ

BofA Securities

Standard Chartered Bank

Offering Circular dated 22 June 2020.

NOTICE TO INVESTORS

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN THAILAND OR IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER, OR ANY OF ITS RESPECTIVE SUBSIDIARIES OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRIIPs Regulation/Prohibition of Sales to EEA and UK Retail Investors – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”) or in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

This Offering Circular contains particulars given in compliance with the rules governing the listing of securities on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively the “Group”). The Company accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The SGX-ST takes no responsibility for the contents of this Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular. The Company accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

The investors should rely only on the information contained in this Offering Circular in making an investment in the Securities. The Company has not authorised anyone to provide investors with any additional or different information. If anyone provides investors with different or inconsistent information, they should not rely on it. This Offering Circular may only be used where it is legal to offer and sell these Securities. The information in this Offering Circular may only be accurate as at the date of this Offering Circular. Investors should be aware that since the date of this Offering Circular there may have been changes in the business, financial condition, results of operations, prospects or otherwise of the Company that could affect the accuracy or completeness of the information set out in this Offering Circular. This Offering Circular should not be considered as a recommendation by the Joint Lead Managers (as defined below) that any recipient of this Offering Circular should purchase the Securities.

The Company confirms that: (i) this Offering Circular contains all information with respect to the Company and the Securities which is material in the context of the issue and offering of the Securities; (ii) the statements contained herein relating to the Company and the Securities are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Company are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Company or the Securities the omission of which would, in the context of the issue and offering of the Securities, make any statement in this Offering Circular misleading in any material respect; and (v) all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements. The Company accepts responsibility for the information contained in this Offering Circular.

The information relating to the Guarantor has been derived only from public sources and none of the Joint Lead Managers, the Trustee, the Agents (as defined below) and any of their respective affiliates, directors, employees, agents, advisers, officers or representatives has made any investigation or enquiry with respect to such public sources or such information. None of the Joint Lead Managers, the Trustee, the Agents and any of their respective affiliates, directors, employees, agents, advisers, officers or representatives makes any representation that such publicly available sources of the information relating to the Guarantor are accurate or complete and each of the Joint Lead Managers, the Trustee, the Agents and any of their respective affiliates, directors, employees, agents, advisers, officers or representatives disclaims any liability with respect to the accuracy, completeness or sufficiency of any such information.

The Company is furnishing this Offering Circular on a confidential basis in connection with an offering exempt from registration under the Securities Act and applicable state securities laws solely for the purpose of enabling prospective investors to consider the purchase of the Securities. The information contained in this Offering Circular has been provided by the Company and other sources identified in this Offering Circular. None of the Trustee, Principal Paying Agent, Registrar, Transfer Agent (each as defined below and together, the “**Agents**”), the Guarantor or The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Australia and New Zealand Banking Group Limited, Merrill Lynch (Singapore) Pte. Ltd. and Standard Chartered Bank (together, the “**Joint Lead Managers**”) has independently verified the information contained in this Offering Circular. No representation or warranty, express or implied, is made by the Joint Lead Managers of the Securities, the Trustee or the Agents or the Guarantor or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives as to the accuracy or completeness of such information, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Joint Lead Managers or such agents or the Guarantor, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives and no responsibility or liability is accepted by any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Company in connection with the issue of the Securities. None of the Trustee, the Agents and the Guarantor or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Company in connection with the issue of the Securities. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or the Guarantor or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee, the Agents or the Guarantor or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or on their behalf in connection with the Company, the Guarantor or the issue and offering of the Securities. Each of the Joint Lead Managers, the Trustee, the Agents or the Guarantor or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Advisers or consultants named in this Offering Circular have acted pursuant to the terms of their respective engagements and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein is prohibited, except to the extent such information is otherwise publicly available.

Prospective investors in the Securities should rely only on the information contained in this Offering Circular. None of the Joint Lead Managers, the Issuer, the Guarantor, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives has authorised the provision of information different from that contained in this Offering Circular, to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives. The information contained in this Offering Circular is accurate in all material respects only as of the date of this Offering Circular, regardless of the time of delivery of this Offering Circular or of any sale of the Securities. Neither the delivery of this Offering Circular nor any sale made hereunder shall under any circumstances imply that there has not been a change in affairs of the Issuer, the Group or any of them or that the information set forth herein is correct in all material respects as of any date subsequent to the date hereof. None of the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives undertakes to review the financial condition and affairs of the Issuer following the date of this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives.

This Offering Circular is personal to the prospective investors to whom it has been delivered by the Joint Lead Managers and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Investors may not reproduce or distribute this Offering Circular, in whole or in part, and investors may not disclose any of the contents of this Offering Circular or use any information herein for any purpose other than considering an investment in the Securities. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised, and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited. By accepting delivery of this Offering Circular, the prospective investor agrees to the foregoing and to make no photocopies or other reproduction of this Offering Circular.

None of the Issuer, the Guarantor and the Joint Lead Managers is making an offer to sell the Securities in Thailand or any jurisdiction except where an offer or sale is permitted. The distribution of this Offering Circular and the offering of the Securities may in certain jurisdictions be restricted by law. None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives represents that this Offering Circular may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Joint Lead Managers which is intended to permit a public offering of the Securities or the distribution of this Offering Circular in Thailand or any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement, invitation to subscribe for or other offering material may be distributed or published in Thailand or any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

Each prospective purchaser of the Securities must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Securities or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer, the Guarantor and the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives shall have any responsibility therefor.

The Securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption from registration. Investors should be aware that they may be required to bear the risk of an investment in the Securities for an indefinite period of time.

The distribution of this Offering Circular and this offering may in certain jurisdictions be restricted by law. Persons into whose possession this Offering Circular comes are required by the Company and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Securities and the distribution of this Offering Circular, see “Subscription and Sale”.

The Securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws or exemption therefrom. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. The offering of the Securities outside of Thailand has been approved by the Office of Securities and Exchange Commission of Thailand (the “**Thai SEC**”). However, such approval does not represent that the Thai SEC or the Office of the Thai SEC has certified the accuracy and completeness of information contained in this Offering Circular or assured the value or price of the Securities.

The Securities have not been, and will not be, registered with the Office of the Thai SEC. Any offering or distribution, as defined under Thai laws and regulations, of the Securities in Thailand is not legal without such prior registration. Documents relating to the offering of the Securities, as well as information contained therein, may not be supplied to any person in Thailand, as the offering of the Securities is not an offering of securities in Thailand, nor may they be used in connection with any offer for subscription or sale of the Securities to any person in Thailand.

No representation or warranty, express or implied, is made by the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, advisers, directors, employees, agents or representatives as to (a) the accuracy or completeness of the information set forth herein or (b) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability, or admissibility in evidence of any Securities or any document relating to any Securities, and investors should not rely on anything contained in this Offering Circular as a promise or representation by the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, advisers, directors, employees, agents or representatives. The Joint Lead Managers, the Trustee, the Agents and their respective affiliates, officers, advisers, directors, employees, agents and representatives have not independently verified (i) the information contained herein (financial, legal or otherwise) or (ii) any statement, representation or warranty or compliance with any covenant, of the Issuer contained in the Securities or any other agreement or document relating to any Securities and, to the fullest extent permitted by law, assume no responsibility for the contents, accuracy or completeness of any such information or for any other statement, made or purported to be made by the Joint Lead Managers or on their behalf in connection with the Issuer or the issue and offering of the Securities. Each of the Joint Lead Managers, the Trustee, the Agents, the Guarantor and their respective affiliates, officers, advisers, directors, employees, agents and representatives accordingly disclaims all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this information memorandum or any such statement.

Each person receiving this Offering Circular acknowledges that: (a) such person has not relied on the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, advisers, directors, employees, agents or representatives in connection with any investigation of the accuracy or completeness of such information or its investment decision; and (b) no person has been authorised to give any information or to make any representation concerning the Issuer and its respective affiliates, the Group and the Securities (other than as contained herein) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, advisers, directors, employees, agents or representatives.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, advisers, directors, employees, agents or representatives that any recipient of this Offering Circular, or any other information supplied in connection with the offering of the Securities, should purchase the Securities. In making an investment decision, investors must rely on their own independent examination of the Issuer, the Group and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Securities under applicable laws or regulations. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved.

In making an investment decision, investors must rely on their own examination of the Company and the terms of this offering, including the merits and risks involved. None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents, or any of their respective affiliates, advisers, officers, directors, employees, agents or representatives is or are making any representation to investors regarding the legality of an investment in the Securities by them under any legal, investment or similar laws or regulations. Investors should not consider any information in this Offering Circular to be legal, business or tax advice. Investors should consult their own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Securities. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Securities. By accepting delivery of this Offering Circular, investors agree to these restrictions.

The Company reserves the right to withdraw this offering at any time, and the Joint Lead Managers reserve the right to reject any commitment to subscribe for the Securities in whole or in part and to allot to any prospective purchaser less than the full amount of the Securities sought by such purchaser. The Joint Lead Managers and certain related entities may acquire for their own account a portion of the Securities.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Securities. The Issuer reserves the right to withdraw the offering of the Securities at any time. The Issuer and the Joint Lead Managers also reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Securities offered hereby. Investors should read this Offering Circular before making a decision whether to purchase the Securities.

The contents of this Offering Circular have not been reviewed by any regulatory authority in any jurisdiction. Investors are advised to exercise caution in relation to the offering of the Securities. If they are in any doubt about any of the contents of this Offering Circular, they should obtain independent professional advice.

ENFORCEABILITY OF FOREIGN JUDGMENTS IN THAILAND

The Issuer is a public limited liability company incorporated under the laws of Thailand. A number of the Issuer's directors and executive officers are residents of Thailand. The assets of the Issuer's directors and executive officers are located throughout the world, including Thailand. Substantially all of the Issuer's assets are or may be located in Thailand. As a result, it may be difficult for investors to effect service of process upon the Issuer or such persons outside of Thailand or to enforce judgments against the Issuer or such persons obtained in courts outside Thailand in Thai courts. Under Thai law, judgments entered by non-Thai courts are not enforceable in Thailand. The Issuer has been advised by the Issuer's Thai counsel, Baker & McKenzie Ltd., that any judgment or order obtained in a court outside of Thailand would not be enforced as such by the courts of Thailand, but such judgment or order in the discretion of a court in Thailand may be admitted as evidence of an obligation in new proceedings instituted in such court, which would consider the issue on the evidence before it.

The Guarantor is a public limited liability company incorporated under the laws of Thailand. Unless otherwise specified, the directors of the Guarantor and the key managerial personnel are residents of Thailand. In addition, a substantial portion of the assets of the Guarantor and substantially all of the assets of its directors and executive officers are located in Thailand. As a result, it may be difficult for investors to effect service of process upon the Guarantor or the Directors and its executive officers outside Thailand or enforce against the Guarantor or them judgements obtained in courts outside of Thailand. Under Thai law, judgments entered by non-Thai courts are not enforceable in Thailand. The Guarantor has been advised by its Thai counsel, Allen & Overy (Thailand) Co., Ltd., that any judgment or order obtained in a court outside of Thailand would not be enforced as such by the courts of Thailand, but such judgment or order in the discretion of a court in Thailand may be admitted as evidence of an obligation in new proceedings instituted in such court, which would consider the issue on the evidence before it.

CERTAIN DEFINED TERMS AND CONVENTIONS

As used in this Offering Circular, unless the context otherwise requires, the terms "**MINT**", "**Group**", and "**Company**" refer to Minor International Public Company Limited and its consolidated subsidiaries, the term "**Issuer**" refers to Minor International Public Company Limited, excluding its consolidated subsidiaries, and the term "**NHG**" refers to NH Hotel Group S.A. and its consolidated subsidiaries.

In this Offering Circular, references to "**U.S.\$**", "**\$**" and "**U.S. dollars**" are to United States dollars, the legal currency of the United States, references to "**THB**", "**Baht**" and "**Thai Baht**" are to the legal currency of Thailand and references to "**EUR**" and "**€**" are to the legal currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community. Unless otherwise specified or the context otherwise requires, all references to "**Thai**" or "**Thailand**" are references to the Kingdom of Thailand. All references to the "**Government**" herein are references to the Government of Thailand. All references to "**United States**" or "**U.S.**" herein are references to the United States of America.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

This Offering Circular contains the audited consolidated and separate financial statements as at and for the year ended 31 December 2019 of MINT and the unaudited interim consolidated and separate financial information as at and for the three months ended 31 March 2020 of MINT.

Adoption of New Financial Reporting Standards and Changes in Accounting Policies

The Group has adopted the financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) for the financial statements as at and for the three months ended 31 March 2020 by applying the modified retrospective approach. The Group does not restate comparatives as at and for the three months ended 31 March 2019, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020. Accordingly, certain financial tables presented in this Offering Circular include, where applicable, a reconciliation of the Group's results of operations as at and for the three months ended 31 March 2020 to the Group's results of operations as at and for the three months ended 31 March 2019 in order to facilitate a comparison of MINT's results of operations for the periods presented.

Accounting Relief

Accounting relief regarding classification of perpetual bonds

The Federation of Accounting Professions ("TFAC") issued announcement no. 95/2562 to provide relief on classification of perpetual bonds that was issued before 31 December 2019. The relief enables the Group to classify its existing perpetual bonds as equity instead of liability. The relief is granted until 31 December 2022.

Accounting relief regarding the outbreak of COVID-19

As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements contained in the Group's financial statements as at and for the year ended 31 December 2019. With respect to the Group's financial statements as at and for the three months ended 31 March 2020, the Group has applied the temporary exemption guidance to relieve the impact from COVID-19 announced by the Federation of Accounting Professions ("TFAC"). The Group has chosen to apply temporary measures to relieve the impact from COVID-19 as follows:

- (a) not to include information related to COVID-19 as an impairment indicator and as assumptions in the financial projections to consider for impairment testing for goodwill and intangible assets under TAS 36 and recoverability of deferred tax assets;
- (b) not to include forward-looking information in valuing expected credit loss of receivables under a simplified model;
- (c) for exemptions and discounts received on rental fees as a result of the COVID-19 situation, reducing lease liabilities on the exempted portion throughout the period that the Group has received the exemptions and discounts of rental fees. The Group has also reversed depreciation charges on the right-of-use assets and interest expenses on lease liabilities. The differences between the reduction of the lease liabilities and the reversal of the depreciation expenses are recognised in other (gains) losses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification; and

- (d) the unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020.

Restatement of Hyperinflation Transaction

During the year 2019, a situation was detected in the consolidated financial statements as at 31 December 2018 in relation to the accounting for hyperinflation in the Argentine subsidiaries of in accordance with TAS 29.

This situation corresponded to the recording of a higher consolidated profit in 2018, amounting to THB229 million to owners of the parent and THB28 million to non-controlling interests. Such amount should have been recorded directly in other component of equity ('Application of TAS 29' component). This is therefore a restatement of presentation between the income statement and changes in equity. The consolidated total equity remains unaffected.

Based on the foregoing, the consolidated financial statements as of and for the year ended 31 December 2018 have been restated, which has resulted in higher consolidated other component of equity of THB229 million and a lower consolidated profit by the same amount. On the other hand, the effect of the restatement on non-controlling interests is THB28 million decrease in sharing of consolidated profit with no corresponding effect on non-controlling interests component of equity. In addition, the correction results in decrease of basic and diluted earnings per share by THB0.0556 per share.

Such restatements have not been carried out for the audited financial statements of the Group as at and for the year ended 31 December 2019 and as at and for the three months ended 31 March 2019 and 2020. Unless otherwise specified, all references in this Offering Circular to the financial information of the Group as at and for the year ended 31 December 2018 is derived from the Group's financial statements as at and for the year ended 31 December 2019. This Offering Circular also contains financial information of the Bank as at and for the years ended 31 December 2017, 2018 and 2019 and for the three months ended 31 March 2019 and 2020 which are extracted from the Bank's financial statements as at and for the years ended 31 December 2018 and 2019 and for the three months ended 31 March 2020 which are available on the Bank's website at <https://bangkokbank.com/en/Investor-Relations/Financial-Information>.

Exchange Rate Information

MINT's financial statements/information are published in Baht. Solely for convenience and unless otherwise specified, this Offering Circular contains translations of certain Baht amounts into U.S. dollars at the exchange rate of THB31.734 = U.S.\$1.00, which was the weighted-average interbank exchange rate announced by the Bank of Thailand as at 1 June 2020. These translations should not be construed as representations that the Baht amounts represent such U.S. dollar amounts or could be, or could have been, converted into U.S. dollars at the rates indicated or at all. See "*Exchange Rate Information*" for further information regarding the rates of exchange between the Thai Baht and the U.S. dollar.

Rounding

Rounding adjustments have been made in calculating some of the financial information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Non-GAAP Financial Measures

This Offering Circular includes certain non-GAAP financial measures, including Earnings Before Interest, Taxes, Depreciation and Amortisation ("**EBITDA**") and EBITDA-related ratios, which are supplemental measures of the Issuer's performance and liquidity that are not required by, or presented in accordance with, Thai Financial Reporting Standards ("**TFRS**") or International Financial Reporting Standards ("**IFRS**") and should not be considered as an alternative to net income, operating revenue or any other performance measures derived in accordance with TFRS or IFRS or as an alternative to cash flow from

operating activities or as a measure of liquidity. In addition, EBITDA, the EBITDA-related ratios and the other operating measures are not standardised, hence a direct comparison between companies using such a term may not be possible. The Issuer has presented these supplemental financial measures because the Issuer believes these measures are frequently used by securities analysts and investors in evaluating similar issuers, and this data is not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019, and should not be used as the basis for, or prediction of, an annualised calculation.

FORWARD-LOOKING STATEMENTS

The Issuer has made forward-looking statements in this Offering Circular which are based on the Issuer's management's beliefs and assumptions, which are in turn based on information currently available to the Issuer's management. Securityholders are cautioned not to rely on these forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "seek", "project", "plan" or similar expressions and include all statements that are not historical facts, such as statements relating to:

- the Group's future overall business development and economic performance;
- the Group's estimated financial position and the future development and economic performance of the Group's business;
- the Group's future earnings and cash flow;
- the Group's financing plans;
- the Group's business strategies;
- the Group's competitive position and the effects of competition;
- the Group's potential growth opportunities; and
- political upheaval in Thailand.

Forward-looking statements involve risks, uncertainties and assumptions. Forward-looking statements reflect the Issuer's current views with respect to future events and are not a guarantee of future performance. Securityholders should understand that many important factors, in addition to those discussed elsewhere in this Offering Circular, could cause actual results to differ materially from those expressed in the forward-looking statements. These factors include, without limitation:

- the impact of outbreaks of contagious diseases (including the prolonged outbreak of COVID-19);
- political upheaval in Bangkok and elsewhere in Thailand;
- economic and other conditions in markets in which the Group operates;
- cyclical and seasonal fluctuations in the Group's results of operations;
- governmental regulation;
- the Group's competitive environment;
- continued availability of capital and financing;
- the Group's fixed obligations;
- ongoing litigation and government and regulatory investigations;
- the occurrence of natural disasters in Thailand or elsewhere;
- other factors beyond the Group's control; and
- other factors discussed under the heading "*Risk Factors*".

The Group has no intention or obligation to update forward-looking statements to reflect future events or circumstances.

MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed.

Similarly, internal surveys, industry forecasts and market research, whilst believed to be reliable, have not been independently verified. Whilst the Issuer has taken reasonable actions to ensure that the information is extracted accurately and in its proper context, none of Issuer or the Joint Lead Managers or any person who controls any of them, or any director, officer, employee, representative, agent, affiliate or adviser of any such person makes any representation as to the accuracy and completeness of that information and accepts no responsibility for the factual correctness of any such statistics or information. The Issuer confirms that all such third-party information has been accurately reproduced and, so far as the Issuer is aware and has been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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SUMMARY

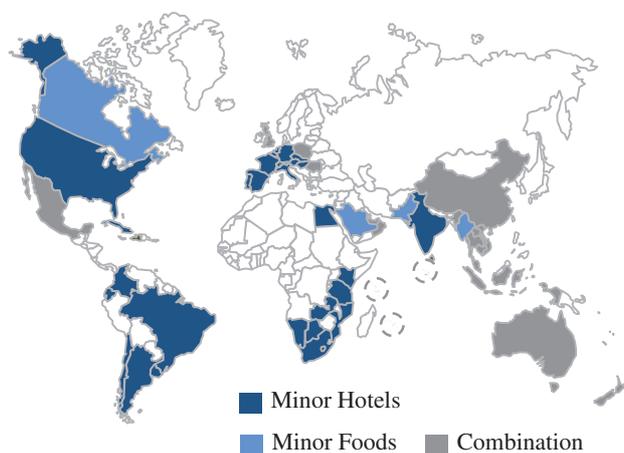
This summary highlights information contained elsewhere in this Offering Circular. This summary is qualified by, and must be read in connection with, the more detailed information and the Historical Financial Statements appearing elsewhere in this Offering Circular. Securityholders should read this entire Offering Circular carefully, including the financial statements and related notes included elsewhere and “Risk Factors”.

Overview

Minor International PCL (“MINT”) is one of the largest hospitality and leisure companies in the Asia Pacific region. As of 31 March 2020, MINT has a market capitalisation of over U.S.\$2.3 billion, with 530 hotels and resorts, 2,362 restaurant outlets and 473 retail trading outlets. MINT strives to be a leader in delivering exceptional experiences that anticipate and satisfy customers’ aspirations and positively impact stakeholders.

As of and for the three-month period ended 31 March 2020, MINT’s core revenues, gross profit and total assets were THB22,421 million (U.S.\$707 million), THB11,771 million (U.S.\$371 million) and THB360,514 million (U.S.\$11,360 million), respectively. MINT’s core revenues grew from THB78,499 million (U.S.\$2,474 million) for the year ended 2018 to THB123,385 million (U.S.\$3,888 million) for the year ended 2019. MINT’s gross profit grew from THB49,689 million (U.S.\$1,566 million) for the year ended 2018 to THB64,946 million (U.S.\$2,047 million) for the year ended 2019 and has maintained a gross profit margin of approximately 50 per cent. in the last three years. In addition, MINT’s total assets decreased from THB268,081 million (U.S.\$8,448 million) as of 31 December 2018 to THB254,184 million (U.S.\$8,010 million) as of 31 December 2019.

MINT’s business consists of three segments: Minor Hotels, Minor Food and Minor Lifestyle. For the three-month period ended 31 March 2020, Minor Hotels, Minor Food and Minor Lifestyle contributed 70 per cent., 25 per cent. and 5 per cent. of core revenues. As at the date of this Offering Circular, the Group had footprint in 63 countries.



Recent Developments

COVID-19

The Group’s business has been and will continue to be materially adversely affected by the novel coronavirus (“COVID-19”) pandemic. The outbreak of COVID-19 commenced in early 2020 and was declared a pandemic by the World Health Organisation on 11 March 2020.

The virus is present in substantially all of the jurisdictions in which the Group operates. Many countries have introduced strict border controls and travel (both international and domestic) restrictions and have also ordered residents to stay at home with a limited range of exceptions. For example, on 22 March 2020, the Bangkok Metropolitan Administration (“BMA”) ordered the temporary closure of COVID-19 high risk venues in Thailand, and additional closures and restrictions on business, including hotels and restaurants, were subsequently implemented throughout Thailand. The governments of other countries where the Group operates have also adopted measures and recommendations to slow the spread of COVID-19. These measures and recommendations affect and will continue to materially affect the Group’s business units both directly and indirectly, and the Group is anticipating a period of significant economic disruption because of them. In addition, these measures have evolved rapidly and are likely to continue to do so. As of the date of this Offering Circular, many of these countries or individual regions or cities have started easing restrictions as governments seek to restart the economies in their countries.

As the situation continues to evolve, the Group adopts a customised approach specific to the evolving dynamics at the market level, depending on various factors and across different geographies. MINT is structured to ensure the continuity of its business operations and it has put in place plans to swiftly respond to any incidence of COVID-19 at its offices, hotels and outlets and will act upon the guidance of relevant local authorities. Since mid-May, the Group has started to see gradual recovery in business trends as a number of countries began to initiate lockdown easing and announced plans to reopen their borders. MINT anticipates further recovery in June and the remainder of the year as hotels continue to reopen and restaurants gradually see space utilisation of outlets increase as social-distancing rules are eased, although such recovery could be reversed if there is further spread or recurrence of COVID-19.

Business Performance Update

MINT reported core revenue for the three months ended 31 March 2020 of Baht 22,421 million, decreasing by 22 per cent. year-on-year. This was attributable to the adverse impact from the COVID-19 outbreak on all three business units, most notably the challenging environment of Minor Hotels globally and Minor Food in China. In the face of the closure of a large number of its hotels, food and beverage outlets, and lifestyle points of sale, as well as significantly decreased international demand due to travel and lockdown restrictions, MINT expects to report a further significant deterioration in its performance for the six months ending 30 June 2020, both as compared to the corresponding period in 2019 and as compared to the three months ended 31 March 2020. As part of the Group’s cost reduction initiatives, the Group has also undertaken a reorganisation of its workforce in the second quarter of 2020 and the associated restructuring cost is expected to further impact its financial performance for the six months ending 30 June 2020. See also “*Risk Factors – The global outbreak of COVID-19 has, and will continue to, materially and adversely affect the Group’s business.*”

Minor Hotels

COVID-19 and efforts to contain it had a significant impact on the travel industry starting in the first quarter of 2020. During the five months ended 31 May 2020, Minor Hotel was adversely impacted by the COVID-19 outbreak due to declining global travel. Travel restrictions and bans on incoming international flights in most regions resulted in temporary hotel closures. The situation has continued to deteriorate in the second quarter, and the Group expects its performance for the six months ending 30 June 2020 to be significantly worse than in the first quarter of 2020.

As the pandemic accelerated around the world, the Group saw a significant decline in occupancy and Revenue per Available Room (“RevPAR”) in all regions. Coupled with a lower average daily rate (“ADR”) in line with industry trends, the organic RevPAR of the entire portfolio around the world declined approximately 55 per cent. in the first five months of 2020 as compared to the corresponding period in 2019. Most of the Group’s hotels were temporarily closed or remained open with limited operation in April and May 2020. Drastic measures to contain the spread of the COVID-19 pandemic, including the total lockdown of entire cities, led to a steep drop in demand, resulting in an average occupancy of approximately 32 per cent. for the five-month period ended 31 May 2020, representing a 36 per cent. decrease as compared to the corresponding period in 2019.

Based on the business performance of Minor Hotel as of the date of this Offering Circular, MINT expects to report a material operating loss for Minor Hotel for six months ending 30 June 2020, and a significant RevPAR decline for its properties in the six months ending 30 June 2020 as compared to the corresponding period in 2019. MINT does not expect to see a material improvement in RevPAR performance or operating losses of Minor Hotel until the spread of COVID-19 has moderated and governments have lifted border controls and travel restrictions.

In view of the fluidity of the situation and lack of visibility on the timeline for containment of this global pandemic, the recovery trajectory remains uncertain. As the headwinds to overall demand in the hospitality industry are expected to continue in the near term, this is expected to have a significant impact on Minor Hotel's business and financial performance. The levels of cancellations remain high for stays through the first half of 2020, with limited cancellations for stays in the second half of 2020, and some deferred and rebooked into the later part of 2020 or early 2021. While MINT expects the level of bookings to be materially lower in the financial year ending 31 December 2020 compared to previous years, the full extent of the financial impact of this unprecedented situation for the remaining period of the financial year ending 31 December 2020 or beyond cannot be conclusively determined at this point in time, and will depend on several factors including the duration of the pandemic, potential for further extension of movement restrictions in the cities which the Group operates, as well as the trajectory for recovery when the pandemic is under control. The Group continues to engage with its customers to navigate through this crisis.

Average Occupancy, Average Daily Rate and RevPAR

The tables below set forth certain Average Occupancy, Average Daily Rate and RevPAR figures for the periods indicated.

| | Average Occupancy ⁽¹⁾ (System-wide) | | | | | | | |
|--|--|------|---|------|-------|------|------|------|
| | Year ended 31 December | | Three-month period ended 31 March | | April | | May | |
| | 2019 | 2018 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (%) | | (%) | | (%) | | (%) | |
| Majority Owned Hotels | 71 | 70 | 46 | 65 | 1 | 72 | 2 | 74 |
| <i>Thailand</i> | 76 | 77 | 53 | 82 | 1 | 79 | 1 | 67 |
| <i>Maldives</i> | 60 | 66 | 66 | 73 | 0 | 79 | 0 | 49 |
| <i>Europe and LATAM</i> ⁽²⁾ | 71 | 70 | 46 | 65 | 1 | 72 | 9 | 56 |
| Joint Ventures | 52 | 53 | 41 | 56 | 7 | 55 | 13 | 42 |
| Managed Hotels | 64 | 63 | 48 | 64 | 4 | 60 | 7 | 58 |
| MLRs ⁽³⁾ | 77 | 79 | 71 | 77 | 23 | 77 | 31 | 73 |
| Average | 70 | 69 | 49 | 66 | 4 | 71 | 6 | 71 |

Notes:

- (1) Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Average Occupancy⁽¹⁾ (Organic)

| | Year ended 31 December | | Three-month period ended 31 March | | April | | May | |
|---|---------------------------|------|--------------------------------------|------|-------|------|------|------|
| | 2019 | 2018 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (%) | | (%) | | (%) | | (%) | |
| Majority Owned Hotels | 69 | 70 | 46 | 65 | 1 | 72 | 3 | 74 |
| <i>Thailand</i> | 76 | 77 | 54 | 82 | 1 | 79 | 1 | 67 |
| <i>Maldives</i> | 60 | 66 | 60 | 73 | 0 | 79 | 0 | 49 |
| <i>Europe and LATAM⁽²⁾</i> | 70 | 70 | 46 | 65 | 1 | 72 | 2 | 75 |
| Joint Ventures | 52 | 53 | 41 | 56 | 7 | 55 | 13 | 42 |
| Managed Hotels | 65 | 63 | 51 | 64 | 5 | 60 | 8 | 58 |
| MLRs ⁽³⁾ | 77 | 79 | 69 | 77 | 23 | 77 | 31 | 73 |
| Average | 69 | 69 | 49 | 66 | 4 | 71 | 6 | 71 |

Notes:

- (1) Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Average Daily Rate⁽¹⁾ (System-wide)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|--------------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 3,846 | 4,587 | (16) | 3,810 | 3,748 | 2 | 2,660 | 4,029 | (34) | 2,741 | 4,070 | (33) |
| <i>Thailand</i> | 6,137 | 6,307 | (3) | 7,322 | 7,301 | 0 | 4,380 | 6,038 | (27) | 8,403 | 4,956 | 70 |
| <i>Maldives</i> | 28,066 | 26,531 | 6 | 35,683 | 35,841 | 0 | 32,794 | 31,932 | 3 | n.a. | 22,963 | n.a. |
| <i>Europe and LATAM⁽²⁾</i> | 3,657 | 4,085 | (10) | 3,487 | 3,414 | 2 | 2,635 | 3,830 | (31) | 2,649 | 4,094 | (35) |
| Joint Ventures | 7,909 | 8,152 | (3) | 7,530 | 7,281 | 3 | 3,006 | 7,087 | (58) | 3,174 | 4,958 | (36) |
| Managed Hotels | 4,389 | 5,330 | (18) | 4,641 | 4,963 | (6) | 5,579 | 5,667 | (2) | 5,883 | 4,224 | 39 |
| MLRs ⁽³⁾ | 3,797 | 4,297 | (12) | 3,702 | 4,124 | (10) | 2,674 | 3,845 | (30) | 2,288 | 3,580 | (36) |
| Average | 3,978 | 4,775 | (17) | 3,982 | 4,021 | (1) | 3,240 | 4,272 | (24) | 3,050 | 4,048 | (25) |

Notes:

- (1) Average daily rate represents hotel room revenues divided by the total number of room nights sold in a given period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Average Daily Rate⁽¹⁾ (Organic)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|-----------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 4,351 | 4,587 | (5) | 3,784 | 3,748 | 1 | 2,650 | 4,029 | (34) | 2,737 | 4,070 | (33) |
| <i>Thailand</i> | 6,137 | 6,307 | (3) | 7,325 | 7,301 | 0 | 4,380 | 6,038 | (27) | 8,403 | 4,956 | 70 |
| <i>Maldives</i> | 28,066 | 26,531 | 6 | 35,683 | 35,841 | 0 | 32,794 | 31,932 | 3 | n.a. | 22,963 | n.a. |
| <i>Europe and LATAM⁽²⁾</i> | 3,807 | 4,043 | (6) | 3,448 | 3,414 | 1 | 2,624 | 3,830 | (31) | 2,562 | 3,987 | (36) |
| Joint Ventures | 7,915 | 8,152 | (3) | 7,530 | 7,281 | 3 | 3,006 | 7,087 | (58) | 3,174 | 4,958 | (36) |
| Managed Hotels | 5,133 | 5,330 | (4) | 4,866 | 4,963 | (2) | 5,748 | 5,667 | 1 | 6,079 | 4,224 | 44 |
| MLRs ⁽³⁾ | 3,797 | 4,297 | (12) | 3,702 | 4,124 | (10) | 2,674 | 3,845 | (30) | 2,288 | 3,580 | (36) |
| Average | 4,473 | 4,775 | (6) | 3,990 | 4,021 | (1) | 3,248 | 4,272 | (24) | 3,057 | 4,048 | (24) |

Notes:

- (1) Average daily rate represents hotel room revenues divided by the total number of room nights sold in a given period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

RevPAR⁽¹⁾ (System Wide)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|-----------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 2,729 | 3,190 | (14) | 1,752 | 2,444 | (28) | 28 | 2,914 | (99) | 67 | 3,021 | (98) |
| <i>Thailand</i> | 4,654 | 4,872 | (4) | 3,889 | 5,951 | (35) | 26 | 4,783 | (99) | 110 | 3,316 | (98) |
| <i>Maldives</i> | 16,878 | 17,623 | (4) | 21,506 | 26,190 | (18) | 5 | 25,164 | (100) | 0 | 11,301 | (100) |
| <i>Europe and LATAM⁽²⁾</i> | 2,607 | 2,853 | (9) | 1,599 | 2,211 | (28) | 28 | 2,767 | (99) | 60 | 3,006 | (98) |
| Joint Ventures | 4,136 | 4,343 | (5) | 3,067 | 4,063 | (25) | 222 | 3,892 | (94) | 411 | 2,076 | (80) |
| Managed Hotels | 2,823 | 3,361 | (16) | 2,234 | 3,172 | (30) | 243 | 3,407 | (93) | 388 | 2,445 | (84) |
| MLRs ⁽³⁾ | 2,937 | 3,391 | (13) | 2,641 | 3,188 | (17) | 611 | 2,961 | (79) | 709 | 2,621 | (73) |
| Average | 2,793 | 3,318 | (16) | 1,935 | 2,655 | (27) | 115 | 3,014 | (96) | 187 | 2,882 | (94) |

Notes:

- (1) Revenue per available room is calculated by multiplying ADR charged and the average occupancy achieved for a given period. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenue or transport, telephone and other guest service revenues generated by a hotel.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

RevPAR⁽¹⁾ (Organic)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|-----------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 3,005 | 3,190 | (6) | 1,757 | 2,444 | (28) | 29 | 2,914 | (99) | 69 | 3,021 | (98) |
| <i>Thailand</i> | 4,663 | 4,872 | (4) | 3,948 | 5,951 | (34) | 26 | 4,783 | (99) | 110 | 3,316 | (97) |
| <i>Maldives</i> | 16,878 | 17,623 | (4) | 21,506 | 26,190 | (18) | 5 | 25,164 | (100) | 0 | 11,301 | (100) |
| <i>Europe and LATAM⁽²⁾</i> | 2,650 | 2,818 | (6) | 1,595 | 2,211 | (28) | 29 | 2,767 | (99) | 62 | 3,006 | (98) |
| Joint Ventures | 4,138 | 4,343 | (5) | 3,067 | 4,063 | (25) | 222 | 3,892 | (94) | 411 | 2,076 | (80) |
| Managed Hotels | 3,331 | 3,361 | (1) | 2,486 | 3,172 | (22) | 285 | 3,407 | (92) | 457 | 2,445 | (81) |
| MLRs ⁽³⁾ | 2,937 | 3,391 | (13) | 2,558 | 3,188 | (20) | 611 | 2,961 | (79) | 709 | 2,621 | (73) |
| Average | 3,102 | 3,318 | (7) | 1,967 | 2,655 | (26) | 121 | 3,014 | (96) | 196 | 2,882 | (93) |

Notes:

- (1) Revenue per available room is calculated by multiplying ADR charged and the average occupancy achieved for a given period. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenue or transport, telephone and other guest service revenues generated by a hotel.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Operational status as of 31 May 2020

Continued closure of the Group's hotel properties has eroded its RevPAR performance. However, there have been early signs of improving demand trends. For example, two hotels under management contract in China were closed in February 2020 at the peak of the COVID-19 crisis but resumed operations in April 2020 and are experiencing a ramp up in demand, particularly from domestic tourism. Notwithstanding the foregoing, although some countries started to ease lockdown restrictions, many others still remain under strict quarantine and maintain travel restrictions, which has resulted in recent significant declines in occupancy, especially during April. In May, Minor Hotels began selectively reopening some hotels, particularly in northern Europe. As of 31 May 2020, approximately 73 per cent. of the Group's properties remain closed. The Group anticipates that additional hotels will be reopened in the second half of June and July, in both Europe and Asia, including Thailand.

Set out below is a summary of the status of the business operations of the Group's hotel properties in the respective regions as at 31 May 2020:

- **Thailand:** The Group's hotels, including restaurants and bars within the properties, in Bangkok and the provinces were temporarily closed from 1 April 2020. The actions taken were in accordance with the government's announcement to help curb the spread of COVID-19 and to safeguard the health of guests and staff, while simultaneously reducing operating costs. Since early May, six restaurants in Bangkok hotels have reopened in compliance with the post-COVID guidelines with inspections completed by the local district officials. In late May 2020, Anantara Siam Bangkok, the Group's flagship hotel in Bangkok, reopened. Hotels in Hua Hin were also operational in early June while selected hotels in Phuket, Samui, Pattaya and Khon Kaen are scheduled to reopen later in June and in July 2020.

- ***Indian Ocean and Neighbouring Countries:*** Minor Hotels continues to monitor the change in government policies and directives in each country. Since early April, all properties in the Maldives and some hotels in Sri Lanka, Indonesia, Cambodia, Laos, Malaysia and India have been temporarily closed. The hotels in Vietnam resumed operations in May 2020, where national marketing campaigns by the government to boost domestic tourism have fuelled domestic demand. Two properties in China reopened in mid-March 2020 where occupancy levels have been holding up well. Furthermore, selected hotels in Laos, Cambodia and Indonesia reopened in late May 2020. AVC's two sales operations in China and Taiwan have gradually re-opened in late March and April 2020, respectively, to accommodate China-based members.
- ***Australia and New Zealand:*** All hotels remain operational. Minor Hotels particularly sought out "self-isolation" business from passengers arriving at airports during the lockdown period as the government required all people entering Australia to self-quarantine in a hotel for 14 days. Domestic travel restrictions in Australia continue to be relaxed.
- ***Middle East and Africa:*** Properties in the Middle East, which are all under management contracts, are in various stages of recovery, where they are in full operation, partial operation or closure based on the local regulations. MINT has been in close cooperation with property owners and has crafted country-specific responses to situations on the ground. In late May 2020, several hotels in the Middle East resumed operations while the remaining hotels are targeted to be reopened between July and September 2020. In Africa, most hotels remain in operation at reduced business level with various stages of lockdown in majority of the countries. Some hotels nearby prominent attractions, such as the Victoria Falls in Zambia, were operating fully in May 2020. All closed properties remain in a state of readiness to resume operations.
- ***Europe and Latin America:*** In order to reduce costs and preserve liquidity in this difficult environment, the short-term strategy has been to close the maximum number of hotels. Since early April, over 90 per cent. of the hotels in Europe and approximately 75 per cent. of the hotels in Latin America were temporarily closed. Towards the end of May, NH started to reopen some of its hotels in Europe, primarily in central Europe and the Benelux countries. At the end of May, 81% and 90% of hotels in Europe and Latin America, respectively, remained closed.

Minor Hotels will continue to monitor the change in government policies and assess the demand in each country in light of the plan to reopen each of its hotels. In the meantime, each brand is heightening its sanitisation and hygiene standards in collaboration with industry experts, including Anantara's "Stay with Peace of Mind", Avani's "AvaniSHIELD", Oak's "SureStay" and NH Hotel Group's "Feel Safe at NH". Minor Hotels sees the importance of brand reliability in the face of the new normal. Key brands have worked with relevant authorities and renowned certification companies in their jurisdictions to obtain certifications in order to generate confidence and trust and meet customers' new expectations for hygiene and protection. For instance, Anantara Siam was the first hotel in Thailand to be awarded the "Amazing Thailand Safety and Health Administration: SHA" certificate by the Tourism Authority of Thailand in May 2020 and the Group expects other hotels in the portfolio to follow suit. NH Hotel Group and SGS, a leading inspection, verification, testing and certification company, have combined their experience and knowledge in the development of a comprehensive safety and hygiene protocol. Furthermore, in order to keep the brands' top-of-mind position, Minor Hotels rolled out promotional campaigns, such as the 'Anantara Escapism' to showcase interesting and light-hearted content from its hotels. Minor Hotels will focus on wellness and medi-spa in partnership with specialists, including Anantara and Verita, aiming at boosting immunity and longevity. St Regis is partnering with Clinique la Prairie Aesthetics & Medical Spa as well. Minor Hotel has also actively promoted the advanced purchase of pre-paid hotel bookings to increase its sales during this period.

Minor Food

In response to orders by several governments to enforce strict social distancing and restrict public activity, Minor Food temporarily closed some of its food and beverage outlets in most of the countries in which it operates, resulting in a substantial drop in dine-in sales. Accordingly, Minor Food brands shifted their focus to delivery and takeaway segments, which are also expected to be a key sales driver during June 2020, as dine-in sales also begin to increase. Notwithstanding the shift to the delivery and takeaway segments, the Group saw same-store-sales and total system sales decline 15.8 per cent. and 20.5 per cent. year-on-year respectively, for the five-month period ended 31 May 2020. Coupled with a sharp reduction in tourist numbers due to travel restrictions, Minor Food expects to record a significant deterioration in same-store-sales and total system sales for the six months ending 30 June 2020 amidst the challenging retail environment.

The tables below set out the percentage change of Minor Food's same-store-sales and the total-system sales for the periods indicated:

| | Year ended 31 December | | Three-month period ended 31 March | April | May |
|--------------------------------------|---------------------------|-------|---|--------|--------|
| | 2018 | 2019 | 2020 | | |
| | (%) | | (%) | | |
| Average Same-Store Sales | (3.3) | (3.0) | (10.5) | (25.6) | (28.1) |
| Thailand. | (3.1) | (4.4) | (6.9) | 1.6 | (12.9) |
| Australia | (2.6) | (1.3) | (7.9) | (70.1) | (49.0) |
| China. | (5.9) | 0.1 | (49.4) | (42.1) | (13.1) |
| Average Total-System Sales | 0.2 | 5.0 | (5.8) | (47.8) | (37.8) |
| Thailand. | 5.4 | 2.7 | 5.5 | (28.0) | (25.7) |
| Australia | (13.3) | (1.2) | (12.5) | (83.1) | (53.0) |
| China. | 4.4 | 14.7 | (59.1) | (40.9) | (15.6) |

Operational status as of 31 May 2020

Set out below is a summary of the status of the business operations of Minor Food in its respective regions of operation as at 31 May 2020:

- **Thailand:** In accordance with the Thai government's announcement in late March 2020, Minor Food closed full dine-in restaurants nation-wide, while delivery and takeaway units, which account for more than 60 per cent. of total units in Bangkok and its surrounding areas, remained operational. Since the beginning of May, Thailand has started to reopen standalone dine-in locations and stores in shopping malls, with operations adjusted to official public health and social distancing regulations. In early June, most restaurants started to accommodate more customers and experienced increased space utilisation in their outlets as social distancing rules have been gradually eased by the Thai authorities. As of 31 May 2020, 1,451 of the Group's 1,753 outlets nationwide were open.
- **China:** Minor Food re-opened most of its 100 outlets in China in the beginning of March, with 95 per cent. of the outlets operational as at 31 May 2020. Minor Food's China hub is experiencing a quick recovery as the COVID-19 situation subsides. As the situation stabilizes and improves, Minor Food in China was profitable at the store level in April and May, and it expects to recover to pre-crisis sales levels by June 2020. Sales continue to improve week on week, tracking ahead of the Group's best-case scenario projections.

- ***Australia and New Zealand:*** The Coffee Club outlets have been impacted by the two national governments' requirements to close dine-in restaurants and cafes. In March, Minor Food's restaurants in Australia were in operation but only for delivery and take-away, while restaurants in New Zealand were closed. As at 31 May 2020, over 80 per cent. of the total of 364 outlets were open. With the easing of lockdown restrictions in both countries, MINT expects dine-in services to gradually resume starting in June 2020.

Minor Lifestyle

In late March 2020, approximately 93 per cent. of Minor Lifestyle's points of sale nationwide, in Bangkok and its surrounding areas, were closed at the peak of the pandemic outbreak in accordance with the Thai government's announcement. As of 31 May 2020, 98 per cent. of Minor Lifestyle's points of sale have since reopened. Notwithstanding the reopening of its points of sale, Minor Lifestyle has increased its focus on its on-line channels and capitalised on increased demand for hand sanitiser and other cleaning solutions at manufacturing units.

The Group saw same-store-sales and total system sales decline 48.6 per cent. and 47.3 per cent. respectively for the five-month period ended 31 May 2020 compared to the corresponding period in 2019. It is expected that the mandatory store closures, implementation of safe distancing measures in the Group's stores, restrictions on movement and travel, and the overall effect that COVID-19 has on the retail sector and the market in general, amongst other things, will in aggregate have a material impact on Minor Lifestyle's operations and earnings during this period. The Group expects that the weaker retail sector for the remaining period of the financial year ending 31 December 2020 will intensify the near-term challenges of Minor Lifestyle.

Cash Flow and Balance Sheet

As of the date of this Offering Circular, the Group has saved approximately 30 per cent. of financial year 2020's budgeted costs and expenses. At the outset of the pandemic, MINT's immediate priority was to preserve cash flow and liquidity. MINT continues to maintain its cash position and unutilised credit facilities in order to ensure sufficient liquidity going forward. Cash outflows have been reduced across its business units and across all geographies via cost reduction initiatives, including in the areas of payroll, rental and other operating costs. The Group had cash on hand of THB 21 billion and THB 22 billion and credit facilities of THB 27 billion and THB 27 billion as at 31 March 2020 and 30 April 2020, respectively. The Group's cash position and credit facilities availability has improved since 31 March 2020 to the date of this Offering Circular with NH Hotel Group obtaining a credit facility for a further EUR 250 million in May 2020. Furthermore, all of the Group's significant capital expenditure investments in 2020 have been suspended and will only proceed to the extent the Group has a contractual obligation to incur an expenditure. Accordingly, as at 31 May 2020, annual capital expenditure plans for MINT have been cut by almost half, to approximately THB 11 billion, and MINT continues to explore ways to further reduce or delay investments. The Group has also, subject to shareholders' approval, applied to withhold dividend payments for financial year 2019, reducing cash outflow by THB2.3 million.

Given that the Group does not see any definitive abatement of the COVID-19 pandemic, the Group obtained approval from the holders of its debentures on 2 June 2020 for a waiver of financial covenant testing for the next three financial quarters. For the duration of the waiver period, the Group has agreed to certain negative covenants relating to mergers and acquisitions, incurrence of loans and payment of dividends. Waiver consent from the lenders of its bilateral and syndicated loan facilities is expected to follow in the second half of June. See also "*Risk Factors – There can be no assurance that the Group will not breach the financial covenants under certain of its financing arrangements in future, and if the lenders choose to exercise their rights for any such future breach, it may have an adverse effect on the Group's business, cash flows, financial condition and results of operations.*"

MINT has suspended dividend payments for the year ended 31 December 2019 and continues to monitor its liquidity position on an ongoing basis as the pandemic evolves.

Capital Management Plans

The Board has approved a comprehensive plan to raise capital in the total amount of THB25 billion through various instruments, including the issuance of the guaranteed senior perpetual capital bonds, a rights offering and 3-year warrants. The share capital increases are subject to shareholders' approval at the annual general meeting of the shareholders to be held on 19 June 2020. The aforesaid capital increase programme will be completed between 2020 and 2023.

The rights offering, which targets to raise approximately THB 10 billion of capital, is expected to be completed in the third quarter of 2020. MINT also aims to raise additional equity in the total amount of approximately THB5 billion through the issuance of warrants. The warrants, which will be issued after the rights offering transaction is completed, will have a tenure of three years from the issue date. The exercise price of the warrants will be set at a premium of no more than 10 per cent. to the market price in the third quarter of 2020. The rights offering ratio and price, together with the warrant allotment ratio and exercise price, will be determined before the issuance of the two instruments.

Update on Mitigation Plans

As COVID-19 spread globally, MINT has set up a senior crisis management team which comprises representatives from all business units and relevant support functions to take proactive measures to mitigate negative financial and operational impacts. Business contingency plans have been implemented around the world and MINT continues to adjust these in response to the global situation. The senior crisis management team is carefully monitoring the situation and working with senior leadership to act decisively in this challenging business environment and communicate necessary actions and activities across all business units. MINT is seeking to minimise the impact on revenue and profitability by means of several cost-cutting initiatives to reduce both fixed costs and percentage of variable costs to total revenues. The initiatives have already been implemented across business units and support functions and across geographies.

A strategic roadmap has also been developed to navigate the Group during and post-COVID-19. The Group remains focused both short-term as well as medium-and long-term measures. MINT continues to re-evaluate its assessment of the long-term effects of COVID-19 on consumer behaviour, ways of living, supply chains and distribution. MINT believes that identifying shifts in consumer behaviour and trend-spotting are the key to modifying or re-inventing its business models to stay relevant in the market.

MINT has introduced various cost-cutting measures to help ensure the ongoing success of the Group's business. Non-prioritised expenses are being reduced and tight cost control measures are being implemented. All staff travel has been suspended, as well as advisory and training initiatives. Marketing and advertising costs have been substantially reduced in low-activity businesses, in particular, the hotel business in Europe. Negotiations with landlords are taking place globally, including in Europe and for restaurant outlets, to reduce or suspend rent payments. Conversations with suppliers have been initiated for discounts and/or better payment terms. Executives' monthly salaries world-wide have been reduced and all employees' annual merit increases have been postponed, both for at least three months. MINT is reviewing full-time and part-time work allocation, temporary optimisation of workforce productivity and working hours for efficiency, and is implementing leave without pay schemes. Cost savings are still on-going. As of 31 May 2020, the Group projects that that full-year 2020 expenses will be down 25 per cent. from 2019 and 30 per cent. down compared to 2020 budget.

Due to the uncertainty of the impact of the pandemic, the Group remains committed to planning for a wide range of scenarios for the year 2020 and beyond. As a result of the operating and financial strategies that MINT has implemented, the Group strongly believes that it has sufficient liquidity and will continue to be able to successfully adapt as the situation evolves.

Minor Hotels

MINT continues to engage its customers with an aim of revenue maximisation. These initiatives include reducing cancellations of stays by allowing for postponement of bookings, promoting domestic travel in countries that are impacted by COVID-19 and driving revenue in less impacted regions. While the Group has implemented cost saving initiatives across properties and geographies, the Group remains committed to maintaining readiness for the recovery after the pandemic.

Minor Food

As part its revenue initiatives in Thailand, Minor Food has strengthened its delivery capabilities to capture sales and has adjusted delivery hours in key areas. Cost-saving initiatives include proactive supply chain management for efficient sourcing, negotiating better payment terms with suppliers and rental negotiations with the Group's landlords. The Group has also assessed store opening hours in tourist attractions and continued to put importance on food safety and strong brand reputation which will become increasingly important for the food and beverage business.

Looking ahead, MINT maintains its readiness to progressively resume its operations after the abatement of the COVID-19 pandemic. MINT recently launched the "Business Beyond COVID" initiative project to prepare for the new normal for all three business units by focusing on a solid fact-base of industry and competitor dynamics. On a longer term horizon, MINT has taken the opportunity to streamline its cost structure with the aim to improve efficiency, while strengthening its digital capabilities to optimise its operations.

For more information, see also "*Risk Factors – The global outbreak of COVID-19 has, and will continue to, adversely affect the Group's business*".

Competitive Strengths

The Group believes that its key strengths are:

- High quality diversified portfolio reduces concentration risks and provide stability to income generation.
- A leading global hospitality and leisure platform with an established market position and strong brand recognition.
- Defensive and non-cyclical restaurant business provides added stability to earnings and cash flows.
- Majority owned/leased hotel portfolio provides increased certainty of income generation and is complemented by a quality managed hotel portfolio.
- Diversified funding sources and prudent financial management supported by capital recycling utilizing a strategic asset rotation strategy.
- Strong corporate governance and risk management policies, supported by an experienced and qualified management team.

Strategies

MINT is disciplined with its growth strategy, and has rolling five-year strategic plans, which are updated every year. Delivering sustainable earnings means not only driving revenues and net profit in the long-term, but also disciplined investment and deployment of capital. The Group's most recent five-year strategic plan, which was set in December 2019, which was before the COVID-19 pandemic, called for a CAGR of 15 to 20 per cent. of net profit over the next five years and core and organic return on invested capital of 11 per cent. by 2024. In addition to the high-level financial and strategic objectives, MINT also focused on organisational transformation for better and faster execution. In order to achieve such targets, the Group intends to build the foundation through six strategic pillars:

1. winning brand portfolio;
2. value capture and productivity;
3. investments, partnerships & acquisitions;
4. innovation and digital;
5. empowered people and team; and
6. sustainability framework.

With today's world changing faster than ever, MINT's focus in 2020 onwards as an organization needs to be agile. In order to achieve the company's ultimate goal "to be a leader in delivering exceptional experiences that anticipate and satisfy customers' aspirations and positively impact stakeholders", MINT will drive the enterprise-wide transformation process. As a service company, people are the foundation of MINT's business, and therefore MINT will continue to invest in its people, and ensure that the way the Company manages and drives change is effective, and that team members at all levels are engaged and committed to change, and are willing to adapt to new ways of working. In addition, MINT, more than ever, will focus on customers, and invest in innovation, digital and technology, as opposed to only capital expenditure for the physical expansion of hotel rooms and restaurant outlets. Lastly, MINT remains committed to sustainability, with the aim to positively impact its stakeholders.

THE OFFERING

The following is a brief summary of certain terms of the Securities. For a more complete description of the terms of the Securities, see “Terms and Conditions of the Securities”. This summary is derived from and should be read in conjunction with the full text of the Terms and Conditions of the Securities. Capitalised terms not otherwise defined herein shall have the meanings set forth under “Terms and Conditions of the Securities”.

| | |
|--------------------------|--|
| Issuer | Minor International Public Company Limited. |
| Guarantor | Bangkok Bank Public Company Limited, acting through its Hong Kong Branch. |
| Issue | U.S.\$300,000,000 Guaranteed Senior Perpetual Capital Securities with unconditional and irrevocable guarantee (subject to the Maximum Guaranteed Amount), and Mandatory Non-Call and Bankruptcy Event Acquisition Obligations, by Bangkok Bank Public Company Limited, acting through its Hong Kong Branch |
| Guarantee | <p>The Guarantor has in the Trust Deed, unconditionally and irrevocably guaranteed (subject to the Maximum Guaranteed Amount) the due and punctual payment of all sums payable by the Issuer in respect of the Securities. The Guarantee will remain in full effect until the earlier of (i) the payment of all sums payable in respect of the Securities having been paid in full, (ii) to the extent that the Guarantor has complied with its obligations under the Conditions (including, but not limited to, any obligations under the Guarantee and any Mandatory Acquisition Obligation), the day immediately following the First Call Date and (iii) solely with respect to any Securityholder who fails to deliver the written notice on or prior to the Securityholder Notice Deadline in the manner required under Condition 7.13, the day immediately following the Securityholder Notice Deadline.</p> <p>In order to comply with Thai law, the Trust Deed will provide that the Guarantor’s maximum liability under the Guarantee will be capped at an amount equal to no more than 110 per cent. of the principal amount of the Securities outstanding as of the Issue Date, being U.S.\$330,000,000 (the “Maximum Guaranteed Amount”).</p> <p>See “<i>Terms and Conditions of the Securities – Guarantee</i>”.</p> |
| Issue Date | 29 June 2020 |
| Issue price | 100 per cent. |
| Form | The Securities will be issued in registered form and be available and transferable in minimum amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. |

| | |
|---|---|
| Status of the Securities | The Securities are direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will rank <i>pari passu</i> , without any preference among themselves, with all other outstanding unsecured and senior obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of applicable law. |
| Status of the Guarantee | The Guarantee relating to the Securities constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank <i>pari passu</i> with all other present and future unsecured and senior obligations of the Guarantor (save for such as may be preferred by mandatory provisions of applicable law). |
| Distributions | The Securities will bear interest (“ Distributions ”) on their outstanding principal amount from and including the Issue Date at the applicable Distribution Rate and will be payable, subject to Condition 5.6, semi-annually in arrear on 29 June and 29 December in each year (each a “ Distribution Payment Date ”), with the first Distribution Payment Date being 29 December 2020. |
| Distribution Rate | <p>The Distribution Rate payable from time to time in respect of the Securities shall be:</p> <p>(a) in respect of the period from and including the Issue Date to but excluding 29 June 2023 (the “First Call Date”), 3.10 per cent. per annum; and</p> <p>(b) from and including each Reset Date (including the First Call Date) to but excluding the immediately following Reset Date, at the relevant Reset Distribution Rate determined by the Calculation Agent on the relevant Reset Determination Date and notified to the Securityholders in accordance with Condition 14 and to the Principal Paying Agent and the Issuer.</p> <p>“Reset Distribution Rate” in respect of any Reset Period means the Treasury Rate calculated on the Reset Determination Date in respect of that Reset Period plus the Initial Spread plus the Step-Up Margin.</p> <p>The “Step-Up Margin” means 6.00 per cent. per annum.</p> |
| Optional deferral of Distributions | Unless a Compulsory Distribution Payment Event has occurred, the Issuer may, in its sole and absolute discretion, elect to defer, in whole or in part, payment of any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Securityholders in accordance with Condition 14, and to the Guarantor, the Trustee, the Principal Paying Agent and the Registrar, not more than 10 nor less than seven Business Days prior to a scheduled Distribution Payment Date (an “ Optional Deferral Event ”). |

A Compulsory Distribution Payment Event will occur if, during the six-month period ending on the day before the relevant scheduled Distribution Payment Date, either or both of the following has occurred:

- (i) any discretionary dividends, discretionary distributions (whether in cash or otherwise) or other discretionary payments have been declared, paid or made on any of the Issuer's Junior Securities or Parity Securities (except, in relation to Parity Securities, where such dividend, distribution or other payment is made on a pro rata basis with payment on the Securities); or
- (ii) the Issuer has in its discretion redeemed, reduced, cancelled, bought-back or acquired for any consideration any of its Junior Securities or its Parity Securities (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a pro rata purchase by the Issuer of the Securities).

Any partial payment of any Distribution by the Issuer shall be shared by the Securityholders of all Securities then outstanding on a pro rata basis.

Any amount of Distribution validly deferred pursuant to the terms of the Securities will constitute "**Arrears of Distribution**". Each amount of Arrears of Distribution will bear interest from and including the date which is a Distribution Payment Date falling twelve (12) months from the date on which it was first deferred and will bear interest as if it constituted the principal of the Securities at the prevailing Distribution Rate (the amount of such interest being an "**Additional Distribution Amount**"). The Additional Distribution Amount accrued up to any Distribution Payment Date will be added for the purpose of calculating the Additional Distribution Amount accruing thereafter to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

If the Calculation Agent is unable to calculate any Additional Distribution Amount pursuant to this provision, it may refrain from doing so until it receives instructions to its satisfaction from the Issuer, as to the methodology, failing which the Issuer shall procure an independent advisor or other agent to determine the Additional Distribution Amount, in accordance with this provision and applicable Thai laws relating to calculation of compound interest.

The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution and Additional Distribution Amounts by complying with the notice requirement applicable to any deferral of Distributions. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can be deferred pursuant to the provisions of Condition 5.6.

The Issuer:

- (i) may pay any Arrears of Distribution (in whole or in part and including any Additional Distribution Amounts) at any time by giving notice of such election to the Securityholders in accordance with Condition 14, and to the Guarantor, the Trustee, the Principal Paying Agent and the Registrar, not more than 10 nor less than seven Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event must pay any outstanding Arrears of Distribution (in whole but not in part and including any Additional Distribution Amounts) on the earliest to occur of:
 - (A) the next Distribution Payment Date immediately following a breach by the Issuer of Condition 5.6(d);
 - (B) the date on which the Securities are to be redeemed;
 - (C) the date of any variation of the Securities pursuant to Condition 8; and
 - (D) the Winding-Up of the Issuer.

Any partial payment of outstanding Arrears of Distribution and Additional Distribution Amounts by the Issuer shall be shared by the Securityholders of all Securities then outstanding on a pro rata basis.

Restrictions in the case of deferral If an Optional Deferral Event has occurred, the Issuer will not:

- (i) declare, pay or make any discretionary dividends, discretionary distributions (whether in cash or otherwise) or other discretionary payments, and will procure that no discretionary dividend, discretionary distribution or other discretionary payment is declared, paid or made on any of its Junior Securities or its Parity Securities (except, in relation to the Parity Securities of the Issuer, where such dividend, distribution or other payment is made on a pro rata basis with payment on the Securities); or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities in its discretion (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a pro rata purchase by the Issuer of Securities),

in each case, unless and until the Issuer (A) has satisfied in full all outstanding Arrears of Distribution and any Additional Distribution Amounts; or (B) is permitted to do so by an Extraordinary Resolution of the Securityholders.

Maturity The Securities are perpetual securities and have no fixed redemption date.

Redemption at the option of the Issuer The Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities on the First Call Date or on any following Distribution Payment Date at the Redemption Price.

“**Redemption Price**” means the principal amount of the Securities plus any Distributions accrued to but excluding the date fixed for redemption and any Arrears of Distribution and any Additional Distribution Amounts. Any Redemption Price to be paid by the Guarantor pursuant to the Terms and Conditions of the Securities shall be subject to an amount equal to the Outstanding Payment Obligation Amount available on the relevant Mandatory Acquisition Date.

Redemption on the occurrence of a Tax Deductibility Event If a Tax Deductibility Event has occurred and is continuing, the Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities: (a) at any time prior to the First Call Date, at the Special Redemption Price; or (b) on or at any time after the First Call Date, at the Redemption Price.

“**Special Redemption Price**” means 101 per cent. of the principal amount of the Securities plus any Distributions accrued to but excluding the date fixed for redemption and any Arrears of Distribution and any Additional Distribution Amounts.

A “**Tax Deductibility Event**” will occur if, as a result of any change in, expiration of or amendment to, the tax laws of the Relevant Jurisdiction or any regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Relevant Jurisdiction is a party, which change, expiration, amendment or treaty becomes effective on or after 22 June 2020 (a “**Change in Law**”), amounts (including Distributions, Arrears of Distribution and Additional Distribution Amounts) payable by the Issuer in respect of the Securities are no longer or will no longer be fully deductible by the Issuer for corporate income tax purposes in the Relevant Jurisdiction.

Redemption on the occurrence of a Withholding Tax Event If any time a Withholding Tax Event has occurred and is continuing, the Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities at the Redemption Price.

A “**Withholding Tax Event**” will occur if, as a result of any Change in Law, the Issuer has or will become obliged to pay Additional Amounts with respect to the Securities in excess of the level of Additional Amounts which would have been applicable to a payment with respect to the Securities on 22 June 2020 and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. For the avoidance of doubt, a change of jurisdiction or domicile of the Issuer shall not be considered a reasonable measure for these purposes.

Redemption in the case of minimal

outstanding amounts

In the event that the Issuer or any of its Subsidiaries has repurchased (and effected corresponding cancellations of) 75 per cent. or more of the principal amount of the Securities initially issued (which will include for these purposes any further securities issued that are consolidated and form a single series with the Securities in accordance with Condition 17), the Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities at the Redemption Price.

Redemption on the occurrence of an

Accounting Event

If an Accounting Event has occurred and is continuing, the Issuer may, having first given the Required Notice (along with a notice signed by two Authorised Signatories that such Accounting Event has occurred and is continuing), redeem all (but not some only) of the Securities: (a) at any time prior to the First Call Date, at the Special Redemption Price; or (b) on or at any time after the First Call Date, at the Redemption Price.

An “**Accounting Event**” will occur if, as a result of any changes or amendments to, or change in the interpretation of, relevant accounting standards, the Securities must not or must no longer be recorded as “equity” in the Issuer’s financial statements pursuant to those relevant accounting standards.

Redemption upon the occurrence of a

Change of Control Event

If at any time on or after the First Call Date, if a Change of Control Event has occurred, and is continuing, the Issuer may, having first given the Required Notice (along with a notice signed by two Authorised Signatories that such Change of Control Event has occurred and is continuing), redeem all (but not some only) of the Securities at the Redemption Price.

If the Issuer elects not to redeem the Securities within 60 days following the occurrence of a Change of Control Event in accordance with Condition 7.6(a), then the applicable Distribution Rate will increase by 2.00 per cent. per annum with effect from the next following Distribution Payment Date (or, if the relevant Change of Control Event occurs on or after the date that is five Business Days prior to the next Distribution Payment Date, the next following Distribution Payment Date).

A “**Change of Control Event**” will occur if either (i) the Permitted Holders are collectively, directly or indirectly, the beneficial owners (as such term is used in Rule 13d-3 of the Exchange Act) of less than 25.0 per cent. of the total voting power of the voting stock of the Issuer or (ii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner,” directly or indirectly, of total voting power of the voting stock of the Issuer greater than such total voting power held beneficially by the Permitted Holders.

“**Permitted Holders**” means William Ellwood Heinecke, Minor Holding (Thai) Limited, Kathleen Ann Heinecke, Heinecke Foundation, Zall Holdings Limited and Minor BKH Limited.

Mandatory Acquisition Obligations

The Guarantor will acquire from each Securityholder, upon the occurrence of a Mandatory Acquisition Event during the period commencing on the Issue Date and in the case of (i) a Bankruptcy Event, ending 30 days prior to the First Call Date, and (ii) a Non-Call Event, ending on the First Call Date, in each case as described in Condition 7.12, the Securities held by such Securityholder (in whole but not in part) at the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of the Mandatory Acquisition Date), in accordance with the terms of Condition 7 (the “**Mandatory Acquisition Obligations**”). The Mandatory Acquisition Obligations of the Guarantor pursuant to Condition 7.11 shall constitute direct, general, senior and unconditional obligations of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and senior obligations of the Guarantor (save for such as may be preferred by the mandatory provisions of applicable law).

The Mandatory Acquisition Obligations are not cumulative, and upon a Mandatory Acquisition Obligation being triggered and properly exercised by the Guarantor, the other Mandatory Acquisition Obligation shall terminate.

All Mandatory Acquisition Obligations of the Guarantor shall terminate upon (i) all sums payable in respect of the Securities having been paid in full or (ii) the day immediately following the Securityholder Notice Deadline in relation to any Securityholder who fails to deliver the written notice in the manner required under Condition 7.13 at or prior to the Securityholder Notice Deadline.

“Mandatory Acquisition Event” means either a Bankruptcy Event or a Non-Call Event.

Bankruptcy Event

If a Bankruptcy Event occurs at any time from the Issue Date to 30 days prior to the First Call Date, to the extent permitted by applicable law, the Guarantor shall purchase on the Bankruptcy Date all, but not less than all, of the Securities held by all of the Securityholders at the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of the Mandatory Acquisition Date).

If a Bankruptcy Event occurs during such period, the Issuer shall immediately, and in any event within three Business Days of such occurrence, deliver a written notice of such occurrence to the Guarantor, the Securityholders and the Trustee, together with any documents evidencing such occurrence.

“Bankruptcy Date” means the date that is the earlier of the date that is (i) 10 Business Days after the Guarantor receives from the Issuer a written notice that a Bankruptcy Event has occurred, and (ii) 14 Business Days after the occurrence of the Bankruptcy Event has been (A) published in the royal gazette or the local press or is otherwise made public or (B) disclosed to the Stock Exchange of Thailand or (C) registered with the Department of Business Development, Ministry of Commerce (whichever is earlier).

“Bankruptcy Event” means adjudication by a court of competent jurisdiction or a resolution declaring that the Issuer is subject to (i) winding-up or liquidation in accordance with the Public Company Limited Act B.E. 2535 (as amended) or (ii) any foreign law proceedings having the same effect as those described under (i).

Non-Call Event

If the Issuer does not elect to redeem the Securities on the First Call Date as provided for in Condition 7.2 (a **“Non-Call Event”**), to the extent permitted by law, the Guarantor shall purchase on the First Call Date (such date, the **“Non-Call Date”**) all, but not less than all, of the Securities held by all of the Securityholders at the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of on the Mandatory Acquisition Date).

“Mandatory Acquisition Date” means the Bankruptcy Date or the Non-Call Date, as applicable.

| | |
|--|--|
| Variation | The Issuer may (without any requirement for the consent or approval of the Securityholders) at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 14 and to the Guarantor, Trustee, the Principal Paying Agent and the Registrar, vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities if, prior to giving such notice, a Tax Deductibility Event, Withholding Tax Event or Accounting Event has occurred and is continuing. |
| Purchase | Subject to the applicable laws and regulations, the Issuer or any of its Subsidiaries may at any time purchase Securities in any manner and at any price. |
| Taxation and Additional Amounts | All payments in respect of the Securities, the Guarantee and the Mandatory Acquisition Obligations by or on behalf of the Issuer and the Guarantor, as the case may be, shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (" Taxes ") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In the event that such withholding or deduction is required by law, the Issuer or the Guarantor, as the case may be, will pay such additional amounts (" Additional Amounts ") as may be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Securities in the absence of the withholding or deduction subject to certain conditions as set out in Condition 9.1. |
| Limited rights to institute proceedings | The right to institute any legal proceedings or prove the Securityholders' claims in any legal proceedings (other than any Winding-Up proceedings) against the Issuer is limited to circumstances where a Non-Payment Event has occurred. |
| Proceedings for Winding-Up | <p>The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution of the Securityholders shall (subject in each case to being pre-funded and/or secured and/or indemnified to its satisfaction), give notice to the Issuer that the Securities are, and they shall accordingly forthwith become, immediately due and repayable at the Redemption Price:</p> <ul style="list-style-type: none"> (a) if default is made in the payment of any principal, premium (if any) or interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) due in respect of the Securities or any of them, except where such default is caused by a delay in the transmission system of payment and the Issuer has fully paid such amount within three Business Days from the original due date thereof (a "Non-Payment Event") (b) on a Winding-Up of the Issuer (a "Winding-Up Event"), |

upon which the Trustee may, subject to the provisions of Condition 12, (i) in respect of a Non-Payment Event, (x) institute any legal proceedings against the Issuer and/or (y) prove the Securityholders' claims in any legal proceedings against the Issuer and/or (ii) in respect of a Winding-Up Event, prove the Securityholders' claims in proceedings for the Winding-Up of the Issuer.

| | |
|--------------------------------------|---|
| Further issues | The Issuer is, to the extent permitted under applicable laws and subject to the prior written consent of the Guarantor, at liberty from time to time without the consent of the Securityholders to create and issue further securities ranking <i>pari passu</i> in all respects (or in all respects save for the first payment of Distributions thereon) and so that the same shall be consolidated and form a single series with the outstanding securities of any series (including the Securities) constituted by the Trust Deed or any supplemental deed. Any further securities or bonds which are to form a single series with the outstanding Securities or bonds of any series (including the Securities) constituted by the Trust Deed or any supplemental deed shall, and any other further securities or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Securityholders and the holders of Securities or bonds of other series in certain circumstances where the Trustee so decides. |
| Use of proceeds | See " <i>Use of Proceeds</i> ". |
| Selling restrictions | The Securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Securities may not be offered or sold in Thailand. The Securities may be sold in other jurisdictions (including the United Kingdom, the European Economic Area, Singapore, Hong Kong, Japan, The People's Republic of China and Thailand) only in compliance with applicable laws and regulations. See " <i>Subscription and Sale</i> ". |
| Ratings | The Securities are expected to be rated "Baa2" and "BBB" by Moody's and Fitch, respectively. Such ratings should be evaluated independently of any other rating of the other securities of the Issuer or the Guarantor. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. |
| ISIN | XS2191371769 |
| Common Code | 219137176 |
| Legal Entity Identifier | 254900T4WB2UF9XPX041 |

| | |
|---|--|
| Listing | Approval-in-principle has been received from the SGX-ST for the listing of and quotation for the Securities on the Official List of the SGX-ST. The Securities will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Admission of the Securities to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, the Issuer's or the Guarantor's subsidiaries, associated companies, jointly-controlled entities or the Securities. |
| Governing law | English law. |
| Trustee | The Bank of New York Mellon, London Branch |
| Principal Paying Agent | The Bank of New York Mellon, London Branch |
| Registrar | The Bank of New York Mellon SA/NV, Luxembourg Branch |
| Calculation Agent | The Bank of New York Mellon, London Branch |
| Transfer Agent | The Bank of New York Mellon SA/NV, Luxembourg Branch |

SUMMARY HISTORICAL FINANCIAL AND OTHER INFORMATION FOR MINT

The following tables presents summary consolidated financial information for MINT and should be read in conjunction with MINT's financial statements and related notes thereto, included elsewhere in this Offering Circular. The summary consolidated financial information as at and for the years ended 31 December 2018 and 2019 is derived from MINT's consolidated and separate financial statements as at and for the years ended 31 December 2019 which has been audited by, and the summary consolidated financial information as at and for the three months ended 31 March 2019 and 2020 is derived from MINT's unaudited interim consolidated and separate financial information as at and for the three months ended 31 March 2020 which have been reviewed by, PricewaterhouseCoopers ABAS Ltd.

ADOPTION OF NEW FINANCIAL REPORTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES

The Group has adopted the financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) for the financial statements as at and for the three months ended 31 March 2020 by applying the modified retrospective approach. The Group does not restate comparatives as at and for the three months ended 31 March 2019, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020. Accordingly, certain financial tables presented in this Offering Circular include, where applicable, a reconciliation of the Group's results of operations as at and for the three months ended 31 March 2020 to the Group's results of operations as at and for the three months ended 31 March 2019 in order to facilitate a comparison of MINT's results of operations for the periods presented.

ACCOUNTING RELIEF

Accounting Relief regarding Classification of Perpetual Bonds

The Federation of Accounting Professions ("TFAC") issued announcement no. 95/2562 to provide relief on classification of perpetual bonds that was issued before 31 December 2019. The relief enables the Group to classify its existing perpetual bonds as equity instead of liability. The relief is granted until 31 December 2022.

Accounting Relief regarding the Outbreak of COVID-19

As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements contained in the Group's financial statements as at and for the year ended 31 December 2019. With respect to the Group's financial statements as at and for the three months ended 31 March 2020, the Group has applied the temporary exemption guidance to relieve the impact from COVID-19 announced by the Federation of Accounting Professions ("TFAC"). The Group has chosen to apply temporary measures to relieve the impact from COVID-19 as follows:

- (A) not to include information related to COVID-19 as an impairment indicator and as assumptions in the financial projections to consider for impairment testing for goodwill and intangible assets under TAS 36 and recoverability of deferred tax assets;
- (B) not to include forward-looking information in valuing expected credit loss of receivables under a simplified model;

- (C) for exemptions and discounts received on rental fees as a result of the COVID-19 situation, reducing lease liabilities on the exempted portion throughout the period that the Group has received the exemptions and discounts of rental fees. The Group has also reversed depreciation charges on the right-of-use assets and interest expenses on lease liabilities. The differences between the reduction of the lease liabilities and the reversal of the depreciation expenses are recognised in other (gains) losses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification; and
- (D) the unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020.

RESTATEMENT OF HYPERINFLATION TRANSACTION

During the year 2019, a situation was detected in the consolidated financial statements as at 31 December 2018 in relation to the accounting for hyperinflation in the Argentine subsidiaries of in accordance with TAS 29.

This situation corresponded to the recording of a higher consolidated profit in 2018, amounting to THB229 million to owners of the parent and THB28 million to non-controlling interests. Such amount should have been recorded directly in other component of equity ('Application of TAS 29' component). This is therefore a restatement of presentation between the income statement and changes in equity. The consolidated total equity remains unaffected.

Based on the foregoing, the consolidated financial statements as of and for the year ended 31 December 2018 have been restated, which has resulted in higher consolidated other component of equity of THB229 million and a lower consolidated profit by the same amount. On the other hand, the effect of the restatement on non-controlling interests is THB28 million decrease in sharing of consolidated profit with no corresponding effect on non-controlling interests component of equity. In addition, the correction results in decrease of basic and diluted earnings per share by THB0.0556 per share.

Such restatements have not been carried out for the audited financial statements of the Group as at and for the year ended 31 December 2019 and as at and for the three months ended 31 March 2019 and 2020. Unless otherwise specified, all references in this Offering Circular to the financial information of the Group as at and for the year ended 31 December 2018 is derived from the Group's financial statements as at and for the year ended 31 December 2019.

The MINT's financial statements and information have been prepared in accordance with Thai GAAP. Thai GAAP refers to an accounting framework that includes the TFRS and accounting principles and practices generally accepted in Thailand.

Consolidated Statement of Income

| | For the year ended 31 December | | Three months ended 31 March | |
|---|-----------------------------------|--------------------|--------------------------------|--------------------|
| | 2018 <i>(Restated)</i> | 2019 | 2019 | 2020 |
| | <i>(in thousands THB)</i> | | | |
| Revenues | | | | |
| Revenues from hotel and related services operations | 44,245,956 | 85,550,648 | 19,457,720 | 14,721,787 |
| Revenues from mixed use operations | 4,230,119 | 5,889,121 | 1,173,076 | 719,031 |
| Sales of food and beverage | 22,080,499 | 22,665,775 | 5,927,343 | 5,412,150 |
| Sales from distribution and manufacturing | 4,380,956 | 4,917,110 | 1,236,429 | 989,076 |
| Dividends income | 456,387 | 2,016 | – | 702 |
| Interest income | 605,175 | 721,974 | 128,058 | 164,429 |
| Other income | 2,132,967 | 9,314,957 | 905,363 | 569,145 |
| Total revenues | 78,132,059 | 129,061,601 | 28,827,989 | 22,576,320 |
| Expenses | | | | |
| Direct cost of hotel and related services operations | 22,749,175 | 53,573,741 | 12,808,403 | 12,083,146 |
| Direct cost of mixed use operations | 1,054,522 | 2,267,463 | 335,657 | 165,457 |
| Cost of sales of food and beverage | 6,488,540 | 6,581,115 | 1,740,095 | 1,689,182 |
| Cost of sales from distribution and manufacturing | 2,474,610 | 2,771,653 | 721,387 | 605,691 |
| Selling expenses | 18,513,730 | 23,802,015 | 5,784,869 | 5,374,890 |
| Administrative expenses | 18,431,013 | 23,524,581 | 5,459,555 | 4,379,177 |
| Other (gains) losses, net | – | – | 184,896 | (1,279,162) |
| Financial costs | 2,868,581 | 4,081,486 | 1,031,599 | 1,808,047 |
| Total expenses | 72,580,171 | 116,602,054 | 28,066,461 | 24,826,428 |
| Operating profit (loss) | 5,551,888 | 12,459,547 | 761,528 | (2,250,108) |
| Share of profit of investments in associates and joint ventures | 487,939 | 827,509 | 201,873 | (43,175) |
| Profit (loss) before income tax | 6,039,827 | 13,287,056 | 963,401 | (2,293,283) |
| Income tax | (1,288,549) | (2,292,952) | (317,667) | 337,271 |
| Profit (loss) for the year/period | 4,751,278 | 10,994,104 | 645,734 | (1,956,012) |
| Profit (loss) attributable to: | | | | |
| Owners of the parent | 4,507,668 | 10,697,926 | 583,135 | (1,773,522) |
| Non-controlling interests | 243,610 | 296,178 | 62,599 | (182,490) |
| | 4,751,278 | 10,994,104 | 645,734 | (1,956,012) |
| Earnings (loss) per share | | | | |
| Basic earnings per share | 0.9303 | 2.0371 | 0.0558 | (0.4549) |
| Diluted earnings per share | 0.9303 | 2.0371 | 0.0558 | (0.4549) |

Consolidated Statement of Comprehensive Income

| | For the year ended 31 December | | Three months ended 31 March | |
|---|-----------------------------------|-------------------------|--------------------------------|---------------------------|
| | 2018 <i>(Restated)</i> | 2019 | 2019 | 2020 |
| | <i>(in thousands THB)</i> | | | |
| Profit (loss) for the year/period | 4,751,278 | 10,994,104 | 645,734 | (1,956,012) |
| Other comprehensive income (expense) | | | | |
| Item that will not be reclassified subsequently to income statement | | | | |
| Remeasurements of post-employment benefit obligations, net of tax | (34,876) | – | – | – |
| Item that will be reclassified subsequently to income statement | | | | |
| Gain (loss) on remeasuring of available-for-sale investments, net of tax | 106,751 | (430) | – | – |
| Loss on remeasurement of equity investments at fair value through other comprehensive income. | – | – | (291) | (6,903) |
| Cash flow hedges | – | – | – | (16,003) |
| Exchange differences on translating financial statements, net of tax. | (2,083,896) | (3,809,349) | (1,056,274) | 152,892 |
| Other comprehensive (expense) income for the year/period, net of tax | (2,012,021) | (3,809,779) | (1,056,565) | 129,986 |
| Total comprehensive income for the year/period | <u>2,739,257</u> | <u>7,184,325</u> | <u>(410,831)</u> | <u>(1,826,026)</u> |
| Total comprehensive income (expense) attributable to: | | | | |
| Owners of the parent | 2,679,192 | 7,641,448 | (153,768) | (1,937,921) |
| Non-controlling interests. | 60,065 | (457,123) | (257,063) | 111,895 |
| | <u>2,739,257</u> | <u>7,184,325</u> | <u>(410,831)</u> | <u>(1,826,026)</u> |

Consolidated Statement of Financial Position

| | As at 31 December | | As at 31 March |
|--|---------------------------|--------------------|--------------------|
| | 2018 <i>(Restated)</i> | 2019 | 2020 |
| | <i>(in thousands THB)</i> | | |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 12,759,884 | 13,330,821 | 20,711,671 |
| Trade and other receivables | 14,941,371 | 15,554,017 | 13,801,177 |
| Inventories | 3,704,742 | 4,139,131 | 4,168,125 |
| Land and real estates project for sales | 1,895,809 | 1,427,790 | 1,392,895 |
| Derivatives assets | – | – | 448,999 |
| Other current assets | 2,616,039 | 2,665,313 | 3,736,153 |
| Non-current assets classified as held-for-sale | 2,057,070 | 1,481,718 | 1,505,415 |
| Total current assets | 37,974,915 | 38,598,790 | 45,764,435 |
| Non-current assets | | | |
| Trade and other receivables* | 3,383,356 | 3,087,693 | 3,565,589 |
| Derivatives assets | – | – | 2,422,039 |
| Available-for-sale investments | 26,166 | 25,632 | – |
| Investments in associates | 7,159,592 | 6,359,570 | 6,246,279 |
| Interests in joint ventures | 2,801,463 | 2,614,326 | 2,631,222 |
| Other long-term investments | 531,659 | 166,326 | – |
| Long-term loans to related parties | 5,759,828 | 5,677,840 | 5,720,877 |
| Investment properties | 1,186,245 | 1,252,329 | 1,244,053 |
| Property, plant and equipment | 133,047,150 | 123,129,061 | 128,176,359 |
| Intangible assets | 63,227,680 | 59,706,816 | 63,233,660 |
| Prepaid rents | 2,393,679 | 2,174,695 | – |
| Right-of-use assets | – | – | 90,947,948 |
| Deferred tax assets | 6,276,640 | 5,503,260 | 6,881,533 |
| Other non-current assets | 4,312,742 | 5,887,430 | 3,679,924 |
| Total non-current assets | 230,106,200 | 215,584,978 | 314,749,483 |
| Total assets | 268,081,115 | 254,183,768 | 360,513,918 |
| Liabilities and equity | | | |
| Current liabilities | | | |
| Bank overdrafts and short-term borrowings from financial institutions | 3,480,538 | 300,000 | 4,066,083 |
| Trade and other payables | 19,782,214 | 20,036,179 | 17,746,856 |
| Short-term borrowings from related parties | – | – | – |

| | As at 31 December | | As at 31 March |
|--|---------------------------|--------------------|--------------------|
| | 2018 <i>(Restated)</i> | 2019 | 2020 |
| | <i>(in thousands THB)</i> | | |
| Current portion of lease liabilities | 13,999 | 11,500 | 12,142,160 |
| Current portion of long-term borrowings from financial institutions | 9,635,759 | 5,659,718 | 6,285,533 |
| Current portion of debentures | 4,502,710 | 4,000,000 | 8,292,545 |
| Current portion of deferred income | 189,908 | 251,943 | 358,986 |
| Income tax payable | 2,698,723 | 1,859,596 | 1,156,427 |
| Other current liabilities | 3,349,044 | 3,472,708 | 5,049,802 |
| Total current liabilities | 43,652,895 | 35,591,644 | 55,098,392 |
| Non-current liabilities | | | |
| Finance lease liabilities | 21,824 | 15,841 | 83,089,129 |
| Derivatives liabilities | – | – | 2,098,515 |
| Long-term borrowings | 73,231,948 | 39,010,773 | 50,742,297 |
| Debentures | 36,007,094 | 63,375,520 | 60,125,921 |
| Employee benefits obligations | 1,367,808 | 1,322,469 | 1,369,485 |
| Deferred tax liabilities | 26,628,680 | 24,144,264 | 25,116,663 |
| Other non-current liabilities | 4,869,873 | 4,855,411 | 2,638,878 |
| Total non-current liabilities | 142,127,227 | 132,724,278 | 225,180,888 |
| Total liabilities | 185,780,122 | 168,315,922 | 280,279,280 |
| Shareholder's Equity | | | |
| Share capital | | | |
| Authorised share capital 4,849,860,006 ordinary shares of 1 THB each (2019: 4,849,860,006 ordinary shares of Baht 1 each; 2018: 4,618,914,291 ordinary shares of Baht 1 each) | | | |
| | 4,618,914 | 4,849,860 | 4,849,860 |
| Issued and paid-up share capital 4,619,004,860 ordinary shares of 1 THB each (2019: 4,619,004,550 ordinary shares of Baht 1 each; 2018: 4,618,914,291 ordinary shares of Baht 1 each) | | | |
| | 4,618,914 | 4,619,005 | 4,619,005 |
| Share premium ordinary shares | 15,014,610 | 15,018,401 | 15,018,414 |
| Expired warrants in a subsidiary | 104,789 | 104,789 | 104,789 |
| Retained earnings | | | |
| Appropriated-legal reserve | 464,179 | 484,986 | 484,986 |
| Unappropriated | 33,687,739 | 40,916,450 | 35,635,420 |
| Other components of equity | (6,452,386) | (9,470,039) | (9,676,113) |
| Total | 47,437,845 | 51,673,592 | 46,186,501 |

| | As at 31 December | | As at 31 March |
|---|---------------------------|--------------------|--------------------|
| | 2018 | 2019 | 2020 |
| | (Restated) | | |
| | <i>(in thousands THB)</i> | | |
| Perpetual debentures | 23,777,900 | 23,787,658 | 23,787,658 |
| Equity attributable to owners of the parent | 71,215,745 | 75,461,250 | 69,974,159 |
| Non-controlling interests | 11,085,248 | 10,406,596 | 10,260,479 |
| Total shareholders' equity | 82,300,993 | 85,867,846 | 80,234,638 |
| Total liabilities and shareholder's equity | 268,081,115 | 254,183,768 | 360,513,918 |

Consolidated Statements of Cash Flows

| Item | For the year ended 31 December | | Three months ended 31 March | |
|---|-----------------------------------|---------------------|-----------------------------|--------------------|
| | 2018 | 2019 | 2019 | 2020 |
| | (Restated) | | | |
| | <i>(in thousands THB)</i> | | | |
| Net cash generated from operating activities: | 7,360,308 | 14,765,757 | 3,147,773 | 1,897,724 |
| Net cash used in investing activities: | (83,145,303) | (3,780,829) | (3,425,184) | (5,027,055) |
| Net cash received from (used in) financing activities: | 82,970,596 | (11,357,456) | 1,628,407 | 9,776,440 |
| Net increase (decrease) in cash and cash equivalents: | 7,185,601 | (372,528) | 1,350,996 | 6,647,109 |
| Cash and cash equivalents, opening balance | 5,291,560 | 12,712,988 | 12,712,988 | 13,330,821 |
| Gain (loss) on exchange rate | 235,827 | 990,362 | (430,671) | 652,910 |
| Cash and cash equivalents, closing balance: | 12,712,988 | 13,330,821 | 13,633,313 | 20,630,840 |

The following sets out certain other selected financial data of MINT in respect of non-recurring income financial items.

Non-Recurring Items Information*(in thousands THB)***Income/(Expense)****2020**

| | |
|---|-----------|
| Non-recurring items of NH Hotel Group (net profit) | 49,442 |
| SG&A related to foreign exchange gain on unmatched USD cross-currency swap . . . | 755,160 |
| SG&A related to change in fair value of interest rate derivative (post-tax) | 585,405 |
| Reversal of SG&A related to provision related to Ribs & Rumps | 9,776 |
| | <hr/> |
| | 1,399,784 |

2019

| | |
|---|-----------|
| Revenue gain from the divestment of Bread Talk Thailand | 49,970 |
| SG&A related to foreign exchange loss on unmatched USD cross-currency swap . . . | (688,356) |
| SG&A related to provision expenses for employee retirement benefits to adhere to the new labour law (post-tax) | (38,160) |
| Gain from Tivoli asset sales (net profit) | 3,511,652 |
| | |
| SG&A related to expenses and provisions related to Corbin & King, Ribs & Rumps and certain brands in Singapore hub | (321,629) |
| Gain from Maldives asset sales (net profit) | 935,397 |
| Non-recurring items of NH Hotel Group (net profit) | 188,548 |
| | <hr/> |
| | 3,637,422 |

2018

| | |
|--|-------------|
| Bargain purchase of Benihana | 120,700 |
| SG&A related to changing status of investment in NH Hotel Group | (800,000) |
| SG&A related to impairment of Oaks Grand Gladstone | (96,000) |
| SG&A related to impairment of Rani Investment (post-tax) | (232,400) |
| SG&A related to impairment of Grab | (126,000) |
| SG&A related to foreign exchange loss on unmatched USD cross-currency swap . . . | (86,600) |
| | <hr/> |
| | (1,220,300) |

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) by applying the modified retrospective approach. The Group does not restate comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

| | Consolidated financial information | | | As at 1 January 2020 |
|---|------------------------------------|--|---|----------------------------|
| | As at 31 December 2019 | TAS 32 and TFRS 9 Reclassifications and adjustments | TFRS 16 Reclassifications and adjustments | |
| | <i>(in thousands THB)</i> | | | |
| Assets | | | | |
| Current assets | | | | |
| Trade and other receivables | 15,554,017 | (468,334) | 594,293 | 15,679,976 |
| Derivatives assets | – | 485,899 | – | 485,899 |
| Total current assets | 15,554,017 | 17,565 | 594,293 | 16,165,875 |
| Non-current assets | | | | |
| Trade and other receivables | 3,087,693 | (727,120) | 1,273,546 | 3,634,119 |
| Derivatives assets | – | 3,436,233 | – | 3,436,233 |
| Available-for-sale investments | 25,632 | (25,632) | – | – |
| Other investments | 166,326 | (166,326) | – | – |
| Long-term loan to related parties | 5,677,840 | (308,146) | – | 5,369,694 |
| Property, plant and equipment | 123,129,061 | – | (123,008) | 123,006,053 |
| Intangible assets | 59,706,816 | – | (1,038,171) | 58,668,645 |
| Prepaid rents | 2,174,695 | – | (2,174,695) | – |
| Right-of-use assets | – | – | 85,921,126 | 85,921,126 |
| Deferred tax assets | 5,503,260 | 17,860 | 1,574,686 | 7,095,806 |
| Other non-current assets | 5,887,430 | (1,964,120) | – | 3,923,310 |
| Total non-current assets | 205,358,753 | 262,749 | 85,433,484 | 291,054,986 |
| Total assets | 220,912,770 | 280,314 | 86,027,777 | 307,220,861 |

| Consolidated financial information | | | | |
|---|------------------------------|--|---|----------------------------|
| | As at 31 December 2019 | TAS 32 and TFRS 9 Reclassifications and adjustments | TFRS 16 Reclassifications and adjustments | As at 1 January 2020 |
| (in thousands THB) | | | | |
| Liabilities and equity | | | | |
| Current liabilities | | | | |
| Trade and other payables | 20,036,179 | 2,112 | (249,232) | 19,789,059 |
| Current portion of lease liabilities | 11,500 | – | 12,612,890 | 12,624,390 |
| Other current liabilities | 3,472,708 | 1,630 | – | 3,474,338 |
| Total current liabilities | 23,520,387 | 3,742 | 12,363,658 | 35,887,787 |
| Non-current liabilities | | | | |
| Lease liabilities | 15,841 | – | 75,654,221 | 75,670,062 |
| Derivatives liabilities | – | 883,345 | – | 883,345 |
| Deferred tax liabilities | 24,144,264 | 107,999 | 698,531 | 24,950,794 |
| Other non-current liabilities | 4,855,411 | (35,613) | (40,027) | 4,779,771 |
| Total non-current liabilities | 29,015,516 | 955,731 | 76,312,725 | 106,283,972 |
| Total liabilities | 52,535,903 | 959,473 | 88,676,383 | 142,171,759 |
| Equity | | | | |
| Retained earnings | 40,916,450 | (637,483) | (2,432,477) | 37,846,490 |
| Other components of equity | (9,470,039) | (41,675) | – | (9,511,714) |
| Total equity attribute to owners of the parent | 31,446,411 | (679,158) | (2,432,477) | 28,334,776 |
| Non-controlling interests | 10,406,596 | (1) | (216,129) | 10,190,466 |
| Total equity | 41,853,007 | (679,159) | (2,648,606) | 38,525,242 |
| Total liabilities and equity | 94,388,910 | 280,314 | 86,027,777 | 180,697,001 |

The below table shows the impact of the Group's adoption of the new TFRS 9 and TFRS 16 standards, as well as COVID relief, on the Group's statement of income.

| Consolidated financial information for the three months ended 31 March 2020 | | | | | |
|--|--|----------------------------------|-----------------------------------|--|---|
| | Post-TFRS 9, TFRS 16 and COVID Relief | Adjustment for TFRS 9 | Adjustment for TFRS 16 | Adjustment for COVID Relief | Pre-TFRS 9, TFRS 16 and COVID Relief |
| <i>(in thousands THB)</i> | | | | | |
| Revenues | | | | | |
| Revenues from hotel and related services operations | 14,721,787 | | | | 14,721,787 |
| Revenues from mixed use operations | 719,031 | | | | 719,031 |
| Sales of food and beverage | 5,412,150 | | | | 5,412,150 |
| Sales from distribution and manufacturing | 989,076 | | | | 989,076 |
| Dividend income | 702 | | | | 702 |
| Interest income | 164,429 | | | | 164,429 |
| Other income | 569,145 | | | | 569,145 |
| Total revenues | 22,576,320 | | | | 22,576,320 |
| Expenses | | | | | |
| Direct cost of hotel and related services operations | 12,083,146 | | | | 12,083,146 |
| Direct cost of mixed use operations | 165,457 | | | | 165,457 |
| Cost of sales of food and beverage | 1,689,182 | | | | 1,689,182 |
| Cost of sales from distribution and manufacturing | 605,691 | | | | 605,691 |
| Selling expenses | 5,374,890 | | | | 5,374,890 |
| Administrative expenses | 4,379,177 | | 509,530 | 67,297 | 4,956,004 |
| Other (gains) losses, net | (1,279,162) | 585,405 | | | (693,757) |
| Finance costs | 1,808,047 | | (876,672) | | 931,375 |
| Total expenses | 24,826,428 | | | | 25,111,988 |
| Operating profit (loss) | (2,250,108) | | | | (2,535,668) |
| Share of profit (loss) of investments in associates and joint ventures | (43,175) | | | | (43,175) |
| Profit (loss) before income tax | (2,293,283) | | | | (2,578,843) |
| Income tax | 337,271 | | | | 337,271 |
| Profit (loss) for the period | (1,956,012) | | | | (2,241,572) |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | (1,773,522) | | | | (2,059,082) |
| Non-controlling interests | (182,490) | | | | (182,490) |
| | <u>(1,956,012)</u> | | | | <u>(2,241,572)</u> |

SUMMARY HISTORICAL FINANCIAL AND OTHER INFORMATION FOR THE BANK

The summary financial information as at and for the years ended 31 December 2018 and 2019 and for the three months ended 31 March 2019 and 2020 as set forth below are extracted from the Bank's financial statements as of and for the years ended 31 December 2019 which have been audited by, and as at and for the six months ended 31 March 2020, which have been reviewed by, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., independent auditors and are available on the Bank's website at <https://www.bangkokbank.com/en/Investor-Relations/Financial-Information>.

The Bank's financial statements have been prepared in accordance with Thai GAAP. Thai GAAP refers to an accounting framework that includes Thai Financial Reporting Standards ("TFRS") and accounting principles and practices generally accepted in Thailand, which include the regulations of the SET, the Thai SEC and the Bank of Thailand. Pursuant to the regulations of the SET, the Bank prepares both consolidated and unconsolidated financial statements.

Statements of Financial Position – Consolidated

| | As of 31 December | |
|--|----------------------|----------------------|
| | 2018 | 2019 |
| | (in thousands BT) | |
| Assets | | |
| Cash | 62,394,091 | 58,090,112 |
| Interbank and money market items, net | 450,699,724 | 472,349,351 |
| Derivatives assets | 28,649,605 | 49,807,012 |
| Investments, net | 556,787,522 | 647,696,626 |
| Investments in subsidiaries and associates, net | 1,607,844 | 1,737,450 |
| Loans to customers and accrued Interest receivables, net | | |
| Loans to customers | 2,083,702,949 | 2,061,834,834 |
| Accrued interest receivables | 5,623,746 | 4,013,148 |
| Total loans to customers and accrued interest receivables . . . | 2,089,326,695 | 2,065,847,982 |
| Less Deferred revenue | (542,891) | (525,909) |
| Less Allowance for doubtful accounts | (147,588,430) | (167,765,534) |
| Less Revaluation allowance for debt restructuring | (5,414,669) | (6,510,258) |
| Total loans to customers and accrued interest receivables, net | 1,935,780,705 | 1,891,046,281 |
| Customers' liability under acceptances | 1,577,698 | 1,626,872 |
| Properties for sale, net | 10,603,892 | 9,362,849 |
| Premises and equipment, net | 42,567,441 | 40,753,955 |
| Other intangible assets, net | 1,080,011 | 1,760,117 |
| Deferred tax assets | 4,091,264 | 4,542,443 |
| Collateral placed with financial counterparties | 3,324,390 | 17,506,277 |
| Other assets, net | 17,586,037 | 20,463,750 |
| Total Assets | 3,116,750,224 | 3,216,743,095 |

| | As of 31 December | |
|---|----------------------|----------------------|
| | 2018 | 2019 |
| | (in thousands BT) | |
| Liabilities and Shareholders' Equity | | |
| Deposits | 2,326,469,540 | 2,370,792,167 |
| Interbank and money market items | 136,862,124 | 134,346,323 |
| Liability payable on demand | 7,223,141 | 5,523,288 |
| Derivatives Liabilities | 22,338,039 | 37,837,421 |
| Debt issued and borrowings | 116,348,334 | 144,680,567 |
| Bank's liability under acceptances | 1,577,698 | 1,626,872 |
| Provisions | 16,518,913 | 18,701,528 |
| Deferred tax liabilities | 1,399,378 | 2,364,416 |
| Other liabilities | 74,854,166 | 72,754,204 |
| Total Liabilities | <u>2,703,591,333</u> | <u>2,788,626,786</u> |
| Shareholders' Equity | | |
| Share capital | | |
| Registered share capital | | |
| 1,655,000 preferred shares of Baht 10 each | 16,550 | 16,550 |
| 3,998,345,000 common shares of Baht 10 each | 39,983,450 | 39,983,450 |
| Issued and paid-up share capital | | |
| 1,908,842,894 common shares of Baht 10 each | 19,088,429 | 19,088,429 |
| Premium on common shares | 56,346,232 | 56,346,232 |
| Other reserves | 42,842,767 | 34,471,457 |
| Retained earnings | | |
| Appropriated | | |
| Legal reserve | 23,000,000 | 24,000,000 |
| Others | 101,500,000 | 106,500,000 |
| Unappropriated | 170,036,820 | 187,345,092 |
| Total Bank's Equity | 412,814,248 | 427,751,210 |
| Non-Controlling Interest | 344,643 | 365,099 |
| Total Shareholders' Equity | <u>413,158,891</u> | <u>428,116,309</u> |
| Total Liabilities and Shareholders' Equity | <u>3,116,750,224</u> | <u>3,216,743,095</u> |

| | As of 31 March 2020 |
|---|------------------------|
| | (in thousands BT) |
| Assets | |
| Cash | 72,794,840 |
| Interbank and money market items, net | 505,155,836 |
| Financial assets measured at fair value through profit or loss | 71,634,419 |
| Derivatives assets | 59,124,666 |
| Investments, net | 615,787,980 |
| Investments in subsidiaries and associates, net | 1,750,424 |
| Loans to customers and accrued Interest receivables, net | |
| Interest receivables, net | 1,955,202,281 |
| Customers' liability under acceptances | – |
| Properties for sale, net | 9,503,474 |
| Premises and equipment, net | 45,428,666 |
| Other intangible assets, net | 1,719,866 |
| Deferred tax assets | 9,218,933 |
| Collateral placed with financial counterparties | 28,170,432 |
| Other assets, net | 19,798,265 |
| Total Assets | 3,395,290,082 |
| Liabilities and Shareholders' Equity | |
| Deposits | 2,514,330,947 |
| Interbank and money market items | 108,594,933 |
| Liability payable on demand | 4,563,127 |
| Financial liabilities measured at fair value through profit or loss | 21,045,983 |
| Derivatives Liabilities | 71,559,624 |
| Debt issued and borrowings | 147,693,187 |
| Bank's liability under acceptances | – |
| Provisions | 23,993,299 |
| Deferred tax liabilities | – |
| Other liabilities | 88,203,854 |
| Total Liabilities | 2,979,984,954 |

| | As of 31 March 2020 |
|---|------------------------|
| | (in thousands BT) |
| Shareholders' Equity | |
| Share capital | |
| Registered share capital | |
| 1,655,000 preferred shares of Baht 10 each | 16,550 |
| 3,998,345,000 common shares of Baht 10 each | 39,983,450 |
| Issued and paid-up share capital | |
| 1,908,842,894 common shares of Baht 10 each | 19,088,429 |
| Premium on common shares | 56,346,232 |
| Other reserves | 20,247,776 |
| Retained earnings | |
| Appropriated | |
| Legal reserve | 24,500,000 |
| Others | 106,500,000 |
| Unappropriated | 188,166,095 |
| Total Bank's Equity | 414,848,532 |
| Non-Controlling Interest | 456,596 |
| Total Shareholders' Equity | 415,305,128 |
| Total Liabilities and Shareholders' Equity | 3,395,290,082 |

Statements of Comprehensive Income – Consolidated

| | For the Year Ended 31 December | |
|---|---|-------------|
| | 2018 | 2019 |
| | (in thousands BT, except per share data and number of shares) | |
| Interest income | 110,780,806 | 112,565,219 |
| Interest expenses | 39,405,148 | 41,493,764 |
| Net interest income | 71,375,658 | 71,071,455 |
| Fees and service income | 37,437,166 | 39,280,197 |
| Fees and service expenses | 9,847,296 | 10,775,642 |
| Net fees and service income | 27,589,870 | 28,504,555 |
| Gains on tradings and foreign exchange transactions | 8,300,443 | 7,847,526 |
| Gains on investments | 8,008,787 | 19,764,691 |
| Share of profit from investment using equity method | 77,695 | 92,582 |
| Gains on disposal of assets | 1,048,631 | 2,134,552 |
| Dividend income | 3,781,176 | 3,769,070 |
| Other operating income | 1,218,024 | 561,599 |
| Total operating income | 121,400,284 | 133,746,030 |
| Other operating expenses | | |
| Employee's expenses | 28,773,505 | 26,725,848 |
| Directors' remuneration | 154,466 | 166,742 |
| Premises and equipment expenses | 10,466,827 | 11,788,808 |
| Taxes and duties | 3,367,073 | 3,364,301 |
| Others | 12,402,779 | 12,917,335 |
| Total other operating expenses | 55,164,650 | 54,963,034 |
| Impairment loss of loans and debt securities | 21,964,530 | 32,351,077 |
| Profit from operating before income tax expenses | 44,271,104 | 46,431,919 |
| Income tax expenses | 8,554,435 | 10,219,204 |
| Net profit | 35,716,669 | 36,212,715 |

| | For the Year Ended 31 December | |
|--|--|--------------------|
| | 2018 | 2019 |
| | (in thousands BT, except per share data and number of shares) | |
| Other comprehensive income (losses) | | |
| Items that will be reclassified subsequently to profit or loss . . | | |
| Gains (losses) on remeasuring available-for-sale investment . | | |
| Net change in fair value | (3,839,418) | 17,852,906 |
| Net amount transferred to profit or loss | (7,877,645) | (20,061,380) |
| Losses arising from translating the financial statements of foreign operations | (3,179,645) | (5,705,941) |
| Share of other comprehensive income of associate | 346 | 1,969 |
| Income tax relating to components of other comprehensive income (losses). | 2,399,421 | 487,574 |
| Items that will not be reclassified subsequently to profit or loss. | | |
| Actuarial gains (losses) on defined benefit plans | 399,452 | (1,695,259) |
| Income tax relating to components of other comprehensive income (losses). | (75,866) | 337,942 |
| Total comprehensive income | (12,173,355) | (8,782,189) |
| Net profit attributable to | 23,543,314 | 27,430,526 |
| Owners of the Bank | | |
| Non-controlling interest | 35,329,972 | 35,816,094 |
| | <u>386,697</u> | <u>396,621</u> |
| Total comprehensive income attributable to | 35,716,669 | 36,212,715 |
| Owners of the Bank | | |
| Non-controlling interest | 23,156,620 | 27,029,364 |
| | <u>386,694</u> | <u>401,162</u> |
| Basic earnings per share (Baht) | 23,543,314 | 27,430,526 |
| Weighted average number of ordinary shares (thousand shares) . . | 18.51 | 18.76 |

| | For the Three Months Ended 31 March | |
|---|--|------------------|
| | 2019 | 2020 |
| | (in thousands BT, except per share data and number of shares) | |
| Interest income | 28,365,067 | 28,625,157 |
| Interest expenses | 10,065,661 | 19,819,802 |
| Net interest income | 18,299,406 | 9,082,977 |
| Fees and service income | 9,586,961 | 2,729,081 |
| Fees and service expenses | 2,746,630 | 6,353,896 |
| Net fees and service income | 6,840,331 | (1,689,429) |
| Losses on financial instruments measured at fair value through profit or loss | – | – |
| Gains on tradings and foreign exchange transactions | 1,758,556 | 1,150,513 |
| Gains on investments | 774,674 | 12,127 |
| Share of profit from investment using equity method | 44,197 | 58,144 |
| Gains on disposal of assets | 155,839 | 485,967 |
| Dividend income | 637,152 | 203,473 |
| Other operating income | 117,295 | 26,394,493 |
| Total operating income | 28,627,450 | 26,394,493 |
| Employee's expenses | 6,562,675 | 6,836,054 |
| Directors' remuneration | 34,157 | 33,274 |
| Premises and equipment expenses | 2,738,130 | 2,295,767 |
| Taxes and duties | 816,504 | 780,823 |
| Others | 2,050,037 | 1,431,385 |
| Total operating expenses | 12,201,503 | 11,377,303 |
| Expected credit loss | – | 5,087,268 |
| Impairment loss of loans and debt securities | 5,078,319 | – |
| Profit from operating before income tax expenses | 11,347,628 | 9,929,922 |
| Income tax expenses | 2,224,469 | 2,168,655 |
| Net profit | <u>9,123,159</u> | <u>7,761,267</u> |

| | For the Three Months Ended 31 March | |
|--|--|---------------------|
| | 2019 | 2020 |
| | (in thousands BT, except per share data and number of shares) | |
| Other comprehensive income (losses) | | |
| Items that will be reclassified subsequently to profit or loss . . . | (152,159) | – |
| Losses on investments in debt instruments at fair value through other comprehensive income | – | 5,290,780 |
| Gains on remeasuring available-for-sale investment | | |
| Losses on cash flow hedges | – | (88,623) |
| Gains (losses) arising from translating the financial statements of foreign operations | (802,461) | 4,130,323 |
| Share of other comprehensive income of associate | 314 | – |
| Income tax relating to components of other comprehensive income (losses). | (1,077,535) | 107,735 |
| Items that will not be reclassified subsequently to profit or loss | | |
| Losses on investment in equity instruments designates at fair value through other comprehensive income | – | (23,516,952) |
| Gains on financial liabilities designated at fair value through profit or loss | – | 2,012,358 |
| Actuarial gains (losses) on defined benefit plans | 4,433 | (2,296) |
| Share of other comprehensive income of associate | – | 847 |
| Income tax relating to components of other comprehensive income (losses). | (2,081) | 4,322,017 |
| Total other comprehensive income | <u>3,413,450</u> | <u>(13,186,750)</u> |
| Total comprehensive income (losses) | <u>12,536,609</u> | <u>(5,425,483)</u> |
| Net profit attributable to | | |
| Owners of the Bank | 9,028,296 | 7,670,508 |
| Non-controlling interest | 94,863 | 90,759 |
| | <u>9,123,159</u> | <u>7,761,267</u> |
| Total comprehensive income attributable to | | |
| Owners of the Bank | 12,441,746 | (5,515,659) |
| Non-controlling interest | 94,863 | 90,176 |
| | <u>12,536,609</u> | <u>(5,425,483)</u> |
| Basic earnings per share (Baht) | 4.73 | 4.02 |
| Weighted average number of ordinary shares (thousand shares) . . | 1,908,843 | 1,908,843 |

Statements of Cash Flow – Consolidated

| | As of and for the Year Ended 31 December | |
|--|--|---------------------------|
| | 2018 | 2019 |
| | (in thousands BT) | |
| Cash flows from operating activities | | |
| Profit from operating before income tax expenses | 44,271,104 | 46,431,919 |
| Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities | | |
| Depreciation and amortisation expenses | 4,127,314 | 3,356,325 |
| Bad debt and doubtful accounts | 31,208,166 | 18,358,031 |
| Loss on debt restructuring | 1,142,911 | 3,606,499 |
| Gain on foreign exchange of long-term borrowings | (9,038,049) | (866,826) |
| Amortisation of premium on investment in debt securities | 208,974 | 890,939 |
| Unrealised (gain) loss on revaluation of trading securities | (270,285) | 219,138 |
| Unrealised loss on transfer of investments | – | 66,340 |
| Gain on disposal of securities for investments | (20,272,149) | (10,684,693) |
| Loss on impairment of investments | 507,458 | 2,675,906 |
| Share of profit from investment using equity method | (92,582) | (77,695) |
| Loss on impairment of properties for sale (reversal) | 909,267 | 1,058,423 |
| Gain on disposal of premises and equipment | (64,089) | (3,272) |
| Loss on impairment of other assets (reversal) | (46,722) | 91,824 |
| Provision expenses | 984,145 | 3,482,337 |
| Net interest income | (71,071,455) | (71,375,658) |
| Dividend income | (3,769,070) | (3,781,176) |
| Proceeds from interest income | 113,718,086 | 110,767,001 |
| Interest expenses paid | (40,865,236) | (39,083,462) |
| Proceeds from dividend income | 3,767,549 | 3,898,498 |
| Income tax paid | (9,630,583) | (12,134,523) |
| Increase in other accrued receivables | (637,904) | (85,964) |
| Increase (decrease) in other accrued expenses | 101,084 | 85,574 |
| Profit from operating before changes in operating assets and liabilities | 47,348,749 | 54,734,670 |
| (Increase) decrease in operating assets | | |
| Interbank and money market items | (20,810,795) | (14,357,978) ¹ |
| Investment in short-term securities | 373,514 | 6,289,689 |
| Loans to customers | 10,715,732 | (88,376,984) |
| Properties for sale | 1,803,018 | 1,692,313 |
| Other assets | (38,638,815) | (876,447) |

| | As of and for the Year Ended 31 December | |
|--|--|---------------------|
| | 2018 | 2019 |
| | (in thousands BT) | |
| Increase (decrease) in operating liabilities | | |
| Deposits | 44,322,627 | 15,726,256 |
| Interbank and money market items | (2,515,800) | 3,278,257 |
| Liability payable on demand | (1,699,853) | (28,599) |
| Short-term borrowings | 223,516 | (102,183) |
| Other liabilities | 15,068,983 | (1,621,895) |
| Net cash from operating activities | <u>56,190,876</u> | <u>(23,642,901)</u> |
| Cash flows from investing activities | | |
| Purchase of available-for-sale securities | (406,898,932) | (580,621,168) |
| Proceeds from disposal of available-for-sale securities | 438,671,785 | 507,543,770 |
| Purchase of held-to-maturity debt securities | (61,740,676) | (87,451,141) |
| Proceeds from redemption of held-to-maturity debt securities | 52,854,424 | 84,472,790 |
| Purchase of general investments | (3,388,875) | (9,304,111) |
| Proceeds from disposal of general investments | 5,373,981 | 2,242,534 |
| Purchase of investment in subsidiaries and associates | (200,001) | (124,267) |
| Proceeds from dividend income from subsidiaries and associates | 130,287 | 89,212 |
| Purchase of premises, equipment and leasehold | (1,686,958) | (1,715,299) |
| Proceeds from disposal of premises and equipment | 4,833 | 100,007 |
| Net cash from investing activities | <u>23,119,868</u> | <u>(84,767,673)</u> |
| Cash flows from financing activities | | |
| Cash received from issuance of senior unsecured notes | 38,847,808 | – |
| Cash paid for senior unsecured notes extinguishment | (29,131,439) | – |
| Cash received from issuance of subordinated notes | – | 36,727,413 |
| Increase in borrowings | 171,254 | 143,207 |
| Dividend paid | (12,065,986) | (12,092,402) |
| Dividend paid to non-controlling interest | (325,473) | (380,706) |
| Net cash from financing activities | <u>(2,503,836)</u> | <u>24,397,512</u> |
| Effect on cash due to changes in the exchange rates | <u>(51,842)</u> | <u>(124,694)</u> |
| Net increase in cash and cash equivalents | (3,078,711) | (4,303,979) |
| Cash and cash equivalents as at 1 January | <u>65,472,802</u> | <u>62,394,091</u> |
| Cash and cash equivalents as at 31 December | <u>62,394,091</u> | <u>58,090,112</u> |

Note:

(1) The Bank made changes on the presentation of 2018 for comparison in accordance with the current year presentations.

| | As of and for the Three Months Ended 31 March | |
|--|--|--------------|
| | 2019 | 2020 |
| | (in thousands BT) | |
| Cash flows from operating activities | | |
| Profit from operating before income tax expenses | 11,347,628 | 9,929,922 |
| Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities | | |
| Depreciation and amortisation expenses | 1,057,964 | 1,198,255 |
| Expected credit loss | – | 5,087,268 |
| Bad debt and doubtful accounts | 4,437,448 | – |
| Loss on debt restructuring (reversal). | 640,871 | – |
| (Gain) loss on foreign exchange of long-term borrowings | (2,305,036) | 11,379,482 |
| Amortisation of premium on investment in debt securities | 142,944 | 101,152 |
| Unrealized losses on financial instruments measured at fair value through profit or loss | – | 6,945,306 |
| Unrealised (gain) loss on revaluation of trading securities | (99,987) | – |
| Gains on financial instruments measured at fair value through other comprehensive income. | – | (1,150,518) |
| Gain on disposal of securities for investments. | (1,203,690) | – |
| Loss on impairment of investments | 429,016 | – |
| Share of profit from investment using equity method. | (44,197) | (12,127) |
| Loss on impairment of properties for sale (reversal) | 51,722 | 68,021 |
| Gain on disposal of premises and equipment. | (37,825) | (2,189) |
| Loss on impairment of other assets (reversal) | (6,646) | (12,449) |
| Provision expenses (reversal). | 273,115 | (7,657) |
| Net interest income | (18,299,406) | (19,819,802) |
| Dividend income | (637,152) | (485,967) |
| Proceeds from interest income | 27,680,679 | 26,407,476 |
| Interest expenses paid | (11,648,304) | (11,889,655) |
| Proceeds from dividend income | 246,331 | 129,905 |
| Income tax paid | (524,191) | (514,691) |
| Increase in other accrued receivables | (235,473) | (120,703) |
| Increase (decrease) in other accrued expenses | (1,850,697) | (2,008,825) |
| Profit from operating before changes in operating assets and liabilities | 9,415,114 | 25,222,204 |

| | As of and for the Three Months Ended 31 March | |
|--|--|---------------------|
| | 2019 | 2020 |
| | (in thousands BT) | |
| (Increase) decrease in operating assets | | |
| Interbank and money market items | (69,966,086) | (32,322,847) |
| Financial assets measured at fair value through profit or loss . . | – | (25,456,877) |
| Investment in short-term securities | (2,473,056) | – |
| Loans to customers | 53,260,527 | (64,018,453) |
| Properties for sale | 220,212 | 181,669 |
| Other assets | (4,722,589) | (18,260,698) |
| (Increase) decrease in operating liabilities | | |
| Deposits | 14,508,963 | 143,538,780 |
| Interbank and money market items | 9,370,254 | (25,751,390) |
| Liability payable on demand | 530,783 | (960,161) |
| Short-term borrowings | 20,625 | (153,634) |
| Other liabilities | (1,328,773) | 46,108,660 |
| Net cash from operating activities | <u>8,835,974</u> | <u>48,127,253</u> |
| Cash flows from investing activities | | |
| Purchase of investment securities measured at fair value through other comprehensive income | – | (105,289,213) |
| Purchase of available-for-sale securities | (130,957,078) | – |
| Proceeds from disposal of available-for-sale securities measured at FVOCI | – | 85,079,510 |
| Proceeds from disposal of available-for-sale securities | 122,099,751 | – |
| Purchase of investment securities measured at amortized cost . . | – | (29,536,780) |
| Purchase of held-to-maturity debt securities | (23,372,429) | – |
| Proceeds from redemption of investment securities measured at amortized cost | – | 26,354,431 |
| Proceeds from redemption of held-to-maturity debt securities . . | 22,363,531 | – |
| Purchase of general investments | (2,491,813) | – |
| Proceeds from disposal of general investments | 218,685 | – |
| Purchase of premises and equipment | (483,325) | (292,769) |
| Proceeds from disposal of premises and equipment | 38,638 | 9,932 |
| Net cash from investing activities | <u>(12,584,040)</u> | <u>(23,674,889)</u> |

| | As of and for the Three Months Ended 31 March | |
|--|--|-------------|
| | 2019 | 2020 |
| | (in thousands BT) | |
| Cash flows from financing activities | | |
| Increase in long-term borrowings | 43,414 | 5,579 |
| Cash paid for lease liabilities | – | (306,526) |
| Dividend paid | – | (9,544,214) |
| Net cash from financing activities | 43,414 | (9,845,161) |
| Effect on cash due to changes in the exchange rates | (37,704) | 97,525 |
| Net increase (decrease) in cash and cash equivalents | (3,742,356) | 14,704,728 |
| Cash and cash equivalents as at 1 January | 62,394,091 | 58,090,112 |
| Cash and cash equivalents as at 31 March | 58,651,735 | 72,794,840 |

RISK FACTORS

An investment in the Securities involves risks. Securityholders should carefully consider all of the information in this Offering Circular and, in particular, the risks described below before deciding to invest in the Securities.

The following describes some of the significant risks that could affect the Group and the value of the Securities. There may be other risks that are currently unknown and/or immaterial to the Group which could materially and adversely affect the Issuer's business operations, financial condition, results of operations and prospects. In addition, investing in securities of issuers in emerging market countries such as Thailand involves risks not typically associated with investing in the securities of companies in countries with more developed economies.

General Risks Relating to the Group's Business

The global outbreak of COVID-19 has, and will continue to, materially and adversely affect the Group's business

The Group's business has been, and will continue to be, materially adversely affected by the global outbreak of COVID-19. The outbreak of COVID-19 commenced in early 2020 and was declared a pandemic by the World Health Organisation on 11 March 2020.

The Group's profitability depends on the ability and willingness of customers to patronise the Group's hotel and food operations. In light of the contagious nature of the virus, various countries have introduced measures designed to slow the spread of the virus that directly and indirectly affect the Group's operations. In particular, countries have introduced strict border control and travel (both international and domestic) restrictions, ordered non-essential business operations to close and residents to stay at home with a limited range of exceptions. Such restrictions have had an adverse impact on the Group's business operations and will continue to have an impact for the foreseeable future. In particular, most of the Group's hotels have been closed or are operating with limited operations in compliance with various government restrictions. While Minor Food closed down most of its outlets in China since the peak of the outbreak in February 2020, those outlets have since reopened in March 2020. Since late March 2020, most of Minor Food's full dine-in restaurants have been closed in Thailand, Australia and New Zealand in response to government directives in each country, while outlets for delivery and takeaway have remained operational. These closures and restrictions have resulted in a material decline in the Group's revenue and profitability in the first three months of 2020, and they are expected to result in an even more substantial decline in these metrics in the six months ended 30 June 2020, with the Group's hotel business in particular expected to report an operating loss for this period.

The durations of border controls, travel and movement restrictions, and the longer-term effects of the COVID-19 pandemic on the Group's businesses are uncertain. While the Group has taken preventive and other measures to mitigate the impact of COVID-19, even when restrictions are lifted, there might be a period of significantly reduced demand for the Group's services. Should this be the case, this will continue to materially and negatively affect the Group's business operations, financial condition, results of operations and prospects.

The Group has applied the temporary exemption guidance to relieve the impact from COVID-19 (“temporary measures to relieve the impact from COVID-19”) announced by the Federation of Accounting Professions (“TFAC”) in the financial statements as of and for the three-month period ended 31 March 2020

With respect to the Group’s financial statements as of and for the three-month period ended 31 March 2020, the Group has applied the temporary measures to relieve the impact from COVID-19 announced by the TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020. The Group has chosen to apply temporary measures to relieve the impact from COVID-19 as follows:

- (a) not to include information related to COVID-19 as an impairment indicator and as assumptions in the financial projections to consider for impairment testing for goodwill and intangible assets under TAS 36 and recoverability of deferred tax assets;
- (b) not to include forward-looking information in valuing expected credit loss of receivables under a simplified model;
- (c) for exemptions and discounts received on rental fees as a result of the COVID-19 situation, reducing lease liabilities on the exempted portion throughout the period that the Group has received the exemptions and discounts of rental fees. The Group has also reversed depreciation charges on the right-of-use assets and interest expenses on lease liabilities. The differences between the reduction of the lease liabilities and the reversal of the depreciation expenses are recognised in other (gains) losses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification; and
- (d) the unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020.

If the financial statements of the Group were to be prepared without guidance by the TFAC to relieve the impact from COVID-19, its results of operations, cash flows and financial position may be different. In addition, upon the cessation of the accounting relief after 31 December 2020, there can be no assurance that the Group’s asset valuation as at and for the financial year ended 31 December 2021 will not be significantly affected to account for any impairment in the preceding year. Prospective investors should review the accounting policies applied in the preparation of the Group’s financial statements and consult their own professional advisers for an understanding of the impact of such accounting policies.

There can be no assurance that the Group will not breach the financial covenants under certain of its financing arrangements in the future, and if the lenders choose to exercise their rights in relation to any such future breach, it may have an adverse effect on the Group’s business, cash flows, financial condition and results of operations.

The terms of the Group’s outstanding debt require it to comply with various covenants and conditions, such as maintaining certain financial ratios which are tested periodically. The Group is also subject to various restrictive covenants under its financial arrangements. On 2 June 2020, the Group obtained approval from the holders of its debentures to allow waiver of compliance with its financial covenant for the testing periods beginning from the period ending 30 June 2020 up to and including the period ending 31 December 2020. For the duration of the waiver period, the Group has agreed to certain negative covenants relating to mergers and acquisitions, incurrence of loans and payment of dividends. The Group is also currently seeking waivers from the lenders of its bilateral and syndicated loan facilities with respect to compliance with the covenants to maintain certain financial ratios for future testing periods in accordance with the terms therein. There is no assurance that the Group will be in compliance with such financial covenants in the future and that the waivers from the Group’s lenders will be obtained. Accordingly, if the Group were to be in breach of the financial covenants in the future, there can be no assurance that:

- the necessary waivers from the Group’s lenders will be obtained at the time of the breach of the financial covenants;

- its lenders will not declare amounts to be immediately due and repayable; or
- its lenders will not impose additional operating and financial restrictions on it, or otherwise seek to modify the terms of the existing financing arrangements in ways that are materially adverse to the Group.

In addition, in the event that the Group is still unable to comply with the financial covenants after 31 December 2020, there can be no assurance that subsequent waivers will be obtained from the Group's lenders or debenture holders at such time.

Further, such events of default may also result in cross-defaults under certain other facility agreements, resulting in the outstanding amounts under such other facility agreements becoming capable of being declared due and payable immediately. In such circumstances, there can be no assurance that the Group will have sufficient resources to repay these borrowings. Failure to meet such obligations could result in enforcement action being taken by the relevant lenders, which would have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is subject to macroeconomic and other factors beyond its control as well as business, financial, operating and other risks, all of which may adversely affect the Group's financial results and growth

As of 31 March 2020, the Group had operations in 63 countries. With this footprint, the viability and profitability of the Group's businesses are significantly affected by global geopolitics and macroeconomic conditions. Other factors beyond the Group's control, as well as business, financial, operating and other risks, can adversely affect demand for its products and services. These factors include:

- fear of outbreaks or outbreaks of pandemic or contagious diseases, including the recent outbreak of the novel coronavirus ("COVID-19");
- changes and volatility in general economic conditions, including the severity and duration of any downturn in the Asian, Australian, United States of America ("U.S."), European or global economy and financial markets;
- war, civil unrest, terrorist activities or threats, and heightened travel security measures instituted in response to these events;
- climate change and resource scarcity such as water and energy scarcity;
- natural or man-made disasters, such as earthquakes, tsunamis, tornadoes, hurricanes, floods, wildfires, oil spills and nuclear incidents;
- low consumer confidence and high levels of unemployment;
- domestic and international political and geo-political conditions, including Brexit and changes in trade policy;
- changes in taxes and governmental regulations that influence or set wages, prices, interest rates, or construction and maintenance procedures and costs;
- the costs and administrative burdens associated with compliance with applicable laws and regulations;
- changes in operating costs, including, but not limited to, labour (including minimum wage increases), energy, food, workers' compensation, benefits, insurance, and unanticipated costs resulting from force majeure events;

- significant increases in the cost for healthcare coverage for employees and potential governmental regulations with respect to health coverage in each relevant jurisdiction;
- the lack of availability, or increase in the cost, of capital for the Group;
- the attractiveness of the Group's properties and services to consumers and potential owners and competition from other hotels and alternative lodging marketplaces, other restaurants and retail outlets; and
- cyclical nature of the Group's businesses.

These factors, and the reputational repercussions of any one or more of these factors, can adversely affect, and from time to time have adversely affected, one of the Group's business lines or the Group's business as a whole. How the Group manages any one or more of these factors, or any crisis, could limit or reduce demand for the Group's products or the services the Group provides, which in turn could adversely affect the Group's financial results and growth.

The Group may seek to expand through acquisitions of and investments in other businesses and properties, or through alliances and joint ventures; these acquisition activities may be unsuccessful or divert the Group's management's attention

The Group considers strategic and complementary acquisitions of and investments in other businesses, properties, brands, or other assets as part of the Group's growth strategy. The Group may also pursue opportunities in alliance or joint ventures with existing or prospective owners of managed or franchised properties in the industries in which the Group operates. In many cases, the Group will be competing for these opportunities with third parties that may have substantially greater financial resources than the Group does. Acquisitions of or investments in companies, businesses, properties, brands, or assets, as well as these alliances, are subject to risks that could affect the Group's business, including risks related to:

- spending cash and incurring debt;
- assuming contingent liabilities;
- contributing properties or related assets to hospitality ventures that could result in recognition of losses;
- creating additional transactional and operating expenses; or
- issuing shares of stock that could dilute the interests of the Group's existing shareholders.

The Group cannot assure that it will be able to identify opportunities or complete transactions on commercially reasonable terms or at all, or that the Group will realise any anticipated benefits from such acquisitions, investments or alliances. There may be high barriers to entry in many key markets and scarcity of available development and investment opportunities in desirable locations. Similarly, the Group cannot assure that it will be able to obtain financing for acquisitions or investments on attractive terms or at all, or that the ability to obtain financing will not be restricted by the terms of the Group's revolving credit facility or other indebtedness the Group may incur.

The success of any such acquisitions or investments will also depend, in part, on the Group's ability to integrate the acquisition or investment with the Group's existing operations. The Group may experience difficulty with integrating acquired businesses, properties or other assets, including difficulties relating to:

- coordinating sales, distribution and marketing functions;
- integrating logistics, information technology and accounting systems; and

- preserving the important licensing, distribution, marketing, customer, labour and other relationships of the acquired assets.

Any such acquisitions, investments or alliances could also demand significant attention from the Group's management that would otherwise be available for its regular business operations, which could harm the Group's business.

In addition, uncertainty about the effects of COVID-19 has resulted in significant disruption to capital and securities markets, which, if continues, may affect the Group's ability to raise new capital and refinance its existing debt. See "*Description of the Group's Business – Recent developments*".

The Group may not realise the expected benefits of acquisitions (if any) because of integration difficulties and other challenges

The success of any acquisition will depend, in part, on the Group's ability to realise all or some of the anticipated benefits from integrating the new business with the Group's existing businesses. The integration process may be complex, costly and time consuming. The difficulties of integrating the business include, among others:

- failure to implement the Group's business plan for the combined business;
- unanticipated issues in integrating the Group's logistics, information, accounting, communications and other systems;
- possible inconsistencies in standards, controls, procedures and policies between the new business and the Group's business;
- failure to retain key customers and suppliers;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;
- operating risks inherent in the new business and in the Group's business; and
- unanticipated issues, expenses and liabilities.

The Group may not be able to maintain the levels of revenue, earnings or operating efficiency that its business and the new business, respectively, have achieved or might achieve separately. In addition, the Group may not accomplish the integration of the new business smoothly, successfully or within the anticipated costs or timeframe. If the Group experiences difficulties with the integration process, the anticipated benefits of the acquisition may not be realised fully, or at all, or may take longer to realise than expected.

Moreover, the Group may not achieve the projected revenue and cost synergies related to the acquisition. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond the Group's control. If the Group achieves the expected benefits, they may not be achieved within the anticipated timeframe. Also, the synergies from the acquisition may be offset by costs incurred in consummating the acquisition, increases in other expenses, operating losses or problems in the business unrelated to the acquisition. As a result, there can be no assurance that such synergies will be achieved.

The Group is exposed to risks resulting from significant investments in owned and leased real estate, which could increase the Group's costs, reduce its profits, and limit its ability to respond to market conditions or restrict its growth strategy

As of 31 March 2020, the Group owned and leased approximately 72 per cent. of 76,320 hotel rooms, 50 per cent. of 2,362 restaurant outlets and 100 per cent. of 473 retail points of sales. Real estate ownership is subject to risks not applicable to managed properties, including:

- governmental regulations relating to real estate ownership;
- real estate, insurance, zoning, tax, environmental and eminent domain laws;
- the ongoing need for capital improvements and expenditures to maintain or upgrade properties and other expenses related to owning or leasing a property, such as insurance;
- risks associated with mortgage debt, including the possibility of default, fluctuating interest rate levels and the availability of replacement financing;
- risks associated with long-term contracts with fixed terms, including continuing obligations in the face of volatile or changing market conditions;
- fluctuations in real estate values or potential impairments in the value of the Group's assets; and
- the relative illiquidity and high transaction costs associated with real estate compared to other assets.

A decline in net turnover negatively affects profitability and cash flow generation to a greater extent with respect to the Group's owned or leased properties due to their high fixed-cost structure. Moreover, the Group may need to maintain, renovate or refurbish the Group's owned or leased properties, which can be challenging during periods in which the Group's cash generated from operations has declined. In addition, the fixed-cost nature of operating owned and leased hotels, restaurants and retail outlets may render any cost-cutting efforts less effective compared to the Group's managed and franchised businesses. For owned and leased hotels, the fixed cost accounts for about forty to fifty per cent. of hotel revenues. Given the labour intensive nature of the business, the Group focuses on improving staff productivity by investing in training and development to improve their skillset. In addition, the Group occasionally considers outsourcing back-of-house functions such as housekeeping and laundry operation to keep costs down.

For Minor Food, the fixed cost accounts for approximately thirty to forty per cent. of restaurant sales. The Group reviews costs regularly to determine areas to streamline costs. Raw materials and labour costs are the Group's highest expenses. The Group proactively re-engineers its menu offerings to keep food costs in line and employs part-time staff to control labour costs.

For Minor Lifestyle, the fixed cost accounts for approximately thirty to forty per cent. of retail sales. The Group proactively negotiates lease terms with its landlords and increase the variable component to protect profitability during the downturn. As a result, the Group may not be able to offset further net turnover reductions through cost cutting, which could further reduce the Group's margins.

The Group is also susceptible to volatility in property prices during periods of economic downturn, which may result in a decline in the Group's asset value and limits its flexibility to sell properties at a profit during such periods. In an unfavourable market, the Group may not be able to sell properties on commercially attractive terms, or at all, in the short term. Accordingly, the Group may not be able to adjust its portfolio promptly in response to economic or other conditions. In addition, because the Group's repositioning strategy depends in part upon its ability to sell properties and to use proceeds from such sales to fund operations under its leases or management agreements or to make capital expenditures, any inability to do so could impair its strategy.

Changes in accounting standards may impact the Group's financial condition or the classification of the Securities

The Group prepares and presents its financials in accordance with TFRS, and there may be new and revised accounting standards (such as TFRS 9, TFRS 15, TFRS 16) and interpretations in the future requiring adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new TFRS or any change or amendment to or any interpretation of TFRS will not have a significant impact on the Group's financial condition and results of operations. For example, when the TFRS 16 becomes effective in 2020, the asset (right of use of the asset) and lease liabilities will be increased as this accounting standard require the recognition of all lease agreement to asset and liabilities and rental expenses will be changes to depreciation and interest expenses in accordance with the lease agreement when reflected in the Group's consolidated income statements. Any change or amendment to, or any change or amendment to any interpretation of TFRS or any circumstances affecting the Group's financial condition that may affect its ability to retain the Securities as being accounted for as "equity" in respect of its financials, in the case that the Group is not able to manage such change of financial condition, may result in the reclassification of the Securities such that the Securities would no longer be classified or recognised as "equity", and will give the Issuer the right to elect to redeem the Securities.

The Group is subject to risks associated with leasing substantial amounts of space, including future increases in occupancy costs

The Group currently leases certain premises for its hotels, restaurants and retail outlets. The Group generally requests for renewal of its leases in advance, and leases are generally for a fixed term. For hotels, most of the Group's leases have a long term of 30 years or more. For restaurants and retail outlets, lease terms are generally for three years with options of three more years plus three more years and feature an approximate five to ten per cent. rent escalation every three years. In addition, market practice for leasing commercial space in certain high-value areas requires the payment of key money to lessors and/or the former tenant. Although the Group currently maintains good relationships with these lessors, there is no assurance that the Group will be able to maintain these good relationships with the lessors or renew these leases on the current terms. NHG currently leases certain buildings for its hotels. Generally, the lease agreements include a minimum rent payment and in some instances contain a variable clause based on revenues.

The Group's ability to effectively renew its existing leases or obtain new leases depends on the availability of locations that meet its criteria for traffic, square footage, lease economics, demographics and other factors. The Group may not be able to renew its existing leases on favourable terms or at all, including, for example, when the landlord is able to establish statutory grounds for non-renewal or if the leases do not have the benefit of statutory or contractual rights of renewal. See "*The Group is exposed to risks resulting from significant investments in owned and leased real estate, which could increase the Group's costs, reduce its profits, and limit its ability to respond to market conditions or restrict its growth strategy*".

Any favourable rental rates that the Group has been able to negotiate over the years when there were high-vacancy rates due in part to the state of the economy are not guaranteed to continue, and this may force the Group to pay higher rents once those leases expire or restaurants are closed in desirable locations. Such higher rent may mean increases in right of use assets and lease liabilities under the TFRS 16 standards.

If the Group fails to stay current with developments in the technology necessary for its business, its operations could be harmed and its ability to compete effectively could be diminished. Information technology system failures, delays in the operation of its information technology systems, or system enhancement failures, could also reduce its revenues and profits and harm the reputation of its brands and its businesses

The Group's businesses utilise a range of information technology systems that range from central reservation systems with respect to Minor Hotels, to maintaining and updating the Group's web and mobile application infrastructure with respect to Minor Food and Minor Lifestyle.

These information technology and other systems must be refined, updated or replaced with more advanced systems on a regular basis. Developing and maintaining these systems may require significant capital. If the Group is unable to replace or introduce information technology and other systems as quickly as the Group's competitors or within budgeted costs or schedules when these systems become out-dated or need replacing, or if the Group is unable to achieve the intended benefits of any new information technology or other systems, the Group's operations could be harmed and its ability to compete effectively could be diminished.

Moreover, the Group's information technology systems are vulnerable to damage or interruption from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins or similar events. The occurrence of any of these natural disasters or unanticipated problems at any of the Group's information technology facilities could cause interruptions or delays in the Group's business or loss of data, or render the Group unable to process reservations. In addition, if the Group's information technology systems are unable to provide the information communications capacity that the Group needs, or if its information technology systems suffer problems caused by installing system enhancements, the Group could experience similar failures or interruptions. If the Group's information technology systems fail and its redundant systems or disaster recovery plans are not adequate to address such failures, or if the Group's property and business interruption insurance does not sufficiently compensate the Group for any losses that it may incur, the Group's revenues and profits could be reduced and the reputation of the Group's brands as well as its business could be harmed.

The Group is exposed to risks related to cybersecurity threats and general information security incidents which may also expose the Group to liability under data protection laws

In the conduct of the Group's business, the Group increasingly collects, uses, transmits and stores data on its information technology systems. This data includes confidential information belonging to the Group, its guests, customers and other business partners, as well as personally identifiable information of individuals, including guests, customers and its employees. Like other global companies, the Group is subject to cybersecurity threats and incidents, ranging from employee error or misuse to individual attempts to gain unauthorised access to information technology systems, to sophisticated and targeted measures known as advanced persistent threats.

Although the Group devotes significant resources to network security, data encryption and other measures to protect its information technology systems and data from unauthorised access or misuse, there can be no assurance that these measures will be successful in preventing a cybersecurity or general information security incident. The Group also relies in part on the reliability of certain tested third parties' cybersecurity measures, including firewalls, virus solutions and backup solutions, and its business may be affected if these third-party resources are compromised.

Cybersecurity incidents may result in business disruption, the misappropriation, corruption or loss of confidential information (including personally identifiable information) and critical data (the Group's or that of third parties), reputational damage, litigation with third parties, regulatory fines, diminution in the value of the Group's investment in research and development and data privacy issues and increased information security protection and remediation costs. As these cybersecurity threats – and government and regulatory oversight of associated risks – continue to evolve, the Group may be required to expend

additional resources to remediate, enhance or expand upon the cybersecurity protection and security measures the Group currently maintains. For example, the Group is subject to Thailand's Personal Data Protection Act (the "PDPA") and may be subject to the EU's General Data Protection Regulation ("GDPR") in relation to the data of some of the Group's customers. Among other things, the PDPA and the GDPR constitute obligations relating to the security of certain personally identifiable information being collected and processed; there can be no assurance that the measures the Group has taken will be successful in preventing an incident, including a cybersecurity incident or other data breach, which results in a breach of the PDPA and the GDPR or other applicable data protection laws and subjects the Group to fines or compensation claims.

Future cybersecurity breaches, general information security incidents, further increases in data protection costs or failure to comply with relevant legal obligations regarding protection of data could therefore have a material adverse effect on the Group's results of operations, financial position and cash flows.

The Group's reputation is susceptible to reputational risk from adverse customer reviews

The Group's reputation is susceptible to reputational risk from adverse customer reviews. With the advent of online review platforms and social media marketing, the Group's customers may base their decisions on reviews by the Group's past customers. While the Group uses various tools to proactively assess market trends and stakeholders' satisfaction and expectations, the Group cannot assure that the reviews posted on social media are fair and accurate. In the event that the Group becomes the topic of negative news coverage on social media, this may adversely impact the brand and reputation of the Group and in turn adversely affect the Group's results of operations, financial position and cash flows.

Any failure to protect the Group's trademarks and intellectual property could reduce the value of its brand names and harm its business

The reputation and perception of the Group's brands are critical to its success in its respective industries. The Group regularly applies to register its trademarks in the jurisdictions in which the Group operates. In addition, Minor Food has agreements with the suppliers of the Group's proprietary products stating that the recipes and production processes associated with those products are the Group's property, confidential to the Group, and may not be provided to any other customer. However, the Group cannot assure that those trademark registrations will be successfully granted or existing trademarks will be successfully renewed. Such trademarks could also be challenged, invalidated or circumvented. In addition, there can be no assurance that these contractual protections will be effective, or that the other steps the Group takes to protect the Group's trademarks or intellectual property in the relevant jurisdictions in which the Group operates will be adequate to prevent others, including third parties or former colleagues, from copying or using the Group's trademarks or intellectual property without authorisation. The Group's intellectual property is also vulnerable to unauthorised use in certain jurisdictions, where the Group may not be adequately protected by local laws. If the Group's trademarks or intellectual property are copied or used without authorisation, the value of the Group's brands, reputation, competitive advantages and goodwill could be harmed.

Monitoring the unauthorised use of the Group's intellectual property is difficult. The Group may need to resort to litigation to enforce its intellectual property rights. Litigation of this type could be costly, force the Group to divert its resources, lead to counterclaims or other claims against the Group, or otherwise harm the Group's business.

Third-party claims that the Group infringes their intellectual property rights could subject the Group to damages and other costs and expenses

Third parties may make claims against the Group for infringing their intellectual property rights. Any such claims, even those without merit, could:

- be expensive and time consuming to defend;

- force the Group to stop providing products or services that use the intellectual property that is being challenged;
- force the Group to redesign or rebrand its products or services;
- divert the Group's management's attention and resources;
- force the Group to enter into royalty or licensing agreements to obtain the right to use a third party's intellectual property; or
- force the Group to pay significant damages.

In addition, the Group may be required to indemnify third-party owners of the hotels the Group manages or franchises for any losses they incur as a result of any such third-party infringement claims. Any necessary royalty or licensing agreements may not be available to the Group on acceptable terms. Any costs, lost revenues, changes to the Group's business, or management attention related to intellectual property claims against the Group, whether successful or not, could impact the Group's business.

As the Group derives a substantial portion of its revenues from operations outside of Thailand, the risks of doing business internationally could lower its revenues, increase its costs, reduce its profits or disrupt its business

The Group's operations outside of Thailand represented approximately 67 per cent. of the Group's revenues for the three-month period ended 31 March 2020. The contribution of the Group's operations outside of Thailand to the Group's revenues in the first quarter of 2020 is lower than normal because of the impact from COVID-19 on its international operations, especially in China for Minor Food and its international hotel business. The Group expects its international operations to account for a decreasing portion of its total revenues in the future at the normalized level. Notwithstanding the foregoing, the Group is subject to the risks of doing business outside of Thailand, including:

- the costs of complying with laws, regulations and policies (including taxation policies) of foreign governments relating to investments and operations, the costs or desirability of complying with local practices and customs, and the impact of various anti-corruption and other laws affecting the activities of Thai companies abroad;
- currency exchange rate fluctuations or currency restructurings;
- volatility in market interest rates, which may negatively impact the Group's cash flow;
- limitations/penalties on the repatriation of non-Thai earnings;
- import and export licensing requirements and regulations, as well as unforeseen changes in regulatory requirements, including imposition of tariffs or embargoes, export regulations, and controls and other trade restrictions;
- political and economic instability;
- the difficulty of managing an organisation doing business in many jurisdictions;
- uncertainties as to local laws and enforcement of contract and intellectual property rights, and occasional requirements for onerous contract clauses; and
- rapid changes in government, economic and political policies, political or civil unrest, acts of terrorism, or the threat of international boycotts.

Fluctuations in the value of certain foreign currencies against the Thai Baht could adversely affect demand for the Group's products and the Group's financial condition and results of operations

The Group receives a significant portion of revenues, such as franchise income, hotel management income, dividend income and income from foreign sources, in non-Thai Baht currencies. These revenues fluctuate according to the exchange rates against Thai Baht. However, they are naturally hedged, partially, against non-Thai Baht expenses, such as hotel management expenses, franchise expenses and costs of retail trading products. The Group also endeavours to reduce the foreign exchange risk exposure by quoting all room rates of domestic hotels in Thai Baht, instead of foreign currencies, in order to match the Group's Thai Baht revenues and Thai Baht expenses. In addition, as the Group expands its operations outside of Thailand, these overseas operations are also subject to the fluctuation of foreign currencies when their performance is consolidated into the Group's financial statements in Thai Baht terms.

In terms of funding, financing is generally sourced in the same currency as the assets being financed and future cash flow generated from those assets, thereby establishing natural currency hedging to the extent possible.

While these factors and the impact of these factors are difficult to predict, any one or more of them could lower the Group's revenues, increase its costs, reduce its profits or disrupt its business. In addition, conducting business in currencies other than Thai Baht subjects the Group to fluctuations in currency exchange rates, currency devaluations, or restructurings that could have a negative impact on the Group's financial results. The Group's exposure to foreign currency exchange rate fluctuations or currency restructurings will continue to grow if the relative contribution of the Group's operations outside of Thailand increases. The Group occasionally enters into foreign exchange hedging agreements with financial institutions to reduce certain of its exposures to fluctuations in currency exchange rates. However, these hedging agreements may not eliminate foreign currency risk entirely and involve costs and risks of their own, such as ongoing management time and expertise and external costs related to executing hedging agreements.

The Group is subject to certain legislation, regulation and government policies in the countries in which the Group operates

The Group's business operations and the properties the Group develops, owns and manages are subject to extensive laws and regulations of various local and foreign governments, including requirements addressing:

- the conduct of the Group's operations and the ownership of its properties;
- the management of hotels and food and beverage outlets, such as requirements that hotels must be registered, hotel managers must be licensed to manage the hotel or that appropriate licences are obtained for each food and beverage outlet the Group operates;
- competition laws, which generally prohibit anti-competitive behaviour;
- health and safety;
- the use, management, storage and disposal of hazardous substances and wastes;
- discharges of waste materials into the environment, such as refuse or sewage;
- water discharge and supply; and
- air emissions.

The Group is also subject to laws governing its relationship with its employees, including minimum wage, overtime, working conditions and work permit requirements. Also, the success of the Group's strategy to develop new properties and/or expand its existing properties may be dependent upon its obtaining necessary building permits or zoning variances from local authorities. Compliance with these laws and regulations can increase costs and reduce revenues and profits of the Group's resorts and hotels or otherwise adversely affect its operations.

The legislation, regulations and government policies in certain of these jurisdictions may be nascent and may be untested in courts or may have different interpretation and guidance, and regulatory authorities may exercise broad discretion in assessing the Group's compliance with applicable laws and regulations. Further, any changes in legislation, regulation and government policies in the main geographic markets the Group operates in, including changes relating to the business sectors in which the Group operates foreign investments, tax and foreign exchange currency controls, may adversely affect the Group's business and operations.

The Group may be exposed to unknown or unforeseen environmental liabilities

The Group is subject to various national and local environmental laws, ordinances and regulations relating to the environment which may impose or create significant potential environmental liabilities. Although the Group is not currently aware of any material environmental claims pending or threatened against it or any of its properties, no assurance can be given that a material environmental claim will not be asserted against it, and ultimately result in liability for the Group. The cost of defending against, and ultimately paying or settling, claims of liability or of remediating a contaminated property could have a material adverse effect on the Group's results of operations.

The Group depends on third-party operators for a significant number of its projects

A portion of the Group's growth strategy depends upon third-party owners/operators, and future arrangements with these third parties may be less favourable. The terms of the relevant management agreements and franchise agreements the Group enters into are influenced by contract terms offered by the Group's competitors, among other things. The Group cannot assure that any of its current arrangements will continue or that the Group will be able to enter into future collaborations, renew agreements, or enter into new agreements in the future on terms that are as favourable to the Group as those that exist today.

Development activities that involve the Group's co-investment with third parties may result in disputes that could increase project costs, impair project operations or increase project completion risks. Partnerships, joint ventures and other business structures involving the Group's co-investment with third parties which the Group has entered into or acquired generally include some form of shared control over the operations of the business and create added risks, including the possibility that other investors in such ventures could become bankrupt or otherwise lack the financial resources to meet their obligations, or could have or develop business interests, policies or objectives that are inconsistent with the Group's. Actions by another investor may present additional risks of project delay, increased project costs or operational difficulties following project completion. Such disputes may also be more likely to occur in difficult business environments.

The Group's business depends on its relationships with its third-party contractors, suppliers and outsourcing partners, and adverse changes in these relationships, any inability to enter into new relationships or performance failure by such third-party contractors, suppliers and outsourcing partners, could have a material adverse effect on the Group's business, results or operations, financial condition or prospects

The Group depends on the provision of products and services by third-party contractors and suppliers such as food and beverages suppliers, travel agents, construction contractors, hotel amenities suppliers, technical and IT service providers, payment service providers, logistics providers and housekeeping and laundry services providers. If any third-party contractor or supplier on which the Group relies in conducting the Group's businesses does not satisfactorily perform the services, the Group in turn may not

be able to provide an adequate service experience to the Group's guests and customers. Negative publicity or reviews by guests or customers resulting from the actions of outsourcing partners and third-party suppliers could also have an adverse effect on the Group's reputation and brands.

In addition, adverse changes in any of the Group's relationships with outsourcing partners and third-party suppliers or the inability to enter into new relationships with these parties, on commercially favourable terms, or at all, could adversely affect the Group's operations or otherwise cause disruption. The Group's arrangements with outsourcing partners and third-party suppliers may not remain in effect on current or similar terms, and the net impact of future pricing options may adversely affect the Group's financial position and results of operations. Some of our contracts with our third-party contractors and suppliers may be terminated prior to expiration if there are force majeure events (including the outbreak of a pandemic such as COVID-19). The loss or expiration of any of the Group's contracts with these products and services providers and the inability to negotiate replacement contracts with alternative service providers at comparable rates or to enter into such similar contracts in any of the Group's markets could have a material adverse effect on the Group's business, results or operations, financial condition or prospects.

The Group's expansion plans will place additional demands on the Group's management and key in-house operating divisions

Growth in the Group's hospitality, food and retail operations will place additional demands on the Group's management team, marketing team, in-house project management division and the Group's financial reporting and information systems. The Group's continued expansion will also require the Group to maintain the consistency of its products and the quality of its services to ensure that its business does not suffer as a result of any deviations, whether actual or perceived. In order to manage and support the Group's growth, the Group must continue to improve its existing operational, administrative and technological systems and its financial and management controls, and recruit, train and retain qualified management personnel as well as other administrative and sales and marketing personnel, particularly as the Group expands into new markets. There is no assurance that the Group will be able to effectively and efficiently manage the growth of its operations, recruit and retain qualified personnel and integrate new properties into the Group's operations. Any failure to effectively and efficiently manage the Group's expansion may materially and adversely affect its ability to capitalise on new business opportunities, which in turn may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group depends upon its senior executives and key field personnel to manage its business, and the departure of such personnel or the failure to recruit and retain additional personnel could adversely affect the Group's business

The Group's ability to maintain its competitive position depends to a large degree on the efforts and skills of the Group's senior executives who have extensive experience and knowledge of the industries in which the Group operates. The Group has entered into employment agreements with certain of its senior executives. However, the Group cannot guarantee that its senior executives will remain with the Group. Finding suitable replacements for the Group's senior executives could be difficult. Losing the services of one or more of these senior executives could adversely affect the Group's strategic relationships, including relationships with third-party proprietors and vendors, and limit its ability to execute its business strategies.

The Group also relies on the general managers at each of its owned, leased and managed properties to run daily operations and oversee the Group's employees. The Group's general managers are trained professionals in the hospitality industry and have extensive experience in many markets worldwide. Competition for personnel is intense, and the Group may not be able to attract and retain a sufficient number of qualified personnel in the future. The failure to retain, train or successfully manage the Group's key employees could negatively affect its operations.

If the insurance that the Group carries does not sufficiently cover damage or other potential losses involving its businesses, the Group's margins and cash flow could be reduced

The Group currently carries insurance that it believes is adequate for foreseeable losses and with terms and conditions that are reasonable and customary for each business sector in which the Group operates. Nevertheless, market forces beyond the Group's control could limit the scope of the insurance coverage that the Group can obtain in the future or restrict its ability to continue to buy insurance coverage at reasonable rates. Insurance costs may increase substantially in the future and may be affected by natural catastrophes, fear of terrorism and intervention by the government or a decrease in the number of insurance carriers. In addition, the recent disruption in the financial markets makes it more difficult to evaluate the stability of insurance companies or their ability to meet their payment obligations. In the event of a substantial loss, the insurance coverage that the Group carries may not be sufficient to pay the full value of its financial obligations or the replacement cost of any lost investment.

Certain types of losses that are significantly uncertain can be uninsurable or too expensive to insure. If an uninsured loss were to occur, the Group could experience significant disruption to its operations, suffer significant losses and be required to make significant payments for which the Group would not be compensated, any of which in turn could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. For example, the Group's insurance does not provide pandemic cover and as a result, the losses suffered by the Group pursuant to the COVID-19 outbreak is not reimbursed by insurers. Alternatively, the Group could lose some or all the capital the Group has invested in a property or enterprise, as well as the anticipated future net turnover from the property or enterprise. For example, the Group could also remain obligated for performance guarantees in favour of third-party hotel proprietors. The Group may not have sufficient insurance to cover awards of damages resulting from the Group's liabilities. If the insurance that the Group carries does not sufficiently cover damages or other losses, the Group's profits could be adversely affected. In addition, in the event of any significant claims by the Group, its insurance premiums may increase significantly.

The Group is exposed to risks associated with unlawful acts or other misconduct committed by its employees, such as unauthorized business transactions, bribery and breach of the Group's internal policies and procedures, or breach of laws, which may be difficult to detect or prevent.

Fraud or other misconduct conducted by the Group's employees (such as unauthorized business transactions and breaches of the Group's internal policies and procedures) or third parties (such as breach of law) may be difficult to detect and prevent and could subject the Group to financial loss, sanctions imposed by governmental authorities and harm the Group's reputation. The Group's risk management systems, information technology systems, and internal control procedures are designed to monitor its operations and overall compliance. However, the Group may not be able to identify non-compliance matters in a timely or effective manner. It is not always possible to detect and prevent fraud or other misconduct which may have previously occurred but was undetected and such fraud or misconduct may re-occur in the future. This could have a material adverse effect on the Group's results of operations, financial position and cash flows.

Adverse litigation judgments or settlements resulting from legal proceedings in which the Group may be involved in the normal course of the Group's businesses could reduce its cash flow, harm its financial position and limit the Group's ability to operate its business

In the normal course of the Group's businesses, the Group is often involved in various legal proceedings. The outcome of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely against the Group or a settlement involving a payment of a material sum of money were to occur, there could be a material adverse effect on the Group's financial condition and results of operations. Additionally, the Group could become the subject of future claims by third parties, including current or former third-party hotel proprietors, guests who use its properties, customers of its food outlets, employees, investors or regulators. Any significant adverse litigation judgments or settlements could

adversely affect the Group's cash flow and harm its financial position, and could limit its ability to operate its business. See "*Business – Legal Proceedings*".

The Group's businesses could suffer as a result of force majeure events

The Group's global footprint across the Asia Pacific, the Middle East, the Indian Ocean, Africa, Europe and South America exposes the Group's business to current and emerging climate change risks, particularly from changing landscapes, natural disasters and food security. In recent years, extreme and frequent climate events such as floods, drought and forest fires have occurred in Southeast Asia and Australia, where the Group has a significant presence. These events threaten the tourism and agriculture sectors, which may directly impact the Group's operations and cause supply chain interruptions. For example, Minor Hotels' occupancy rates, and consequently its results, are affected by periods of abnormal, severe or unseasonal weather conditions, including but not limited to natural disasters such as hurricanes, tsunamis, floods, earthquakes and other adverse weather and climate conditions. For example, the tsunami resulting from the 26 December 2004 Indian Ocean earthquake caused catastrophic damage to the Group's Anantara Royal Coco Palm Resort. Conversely, mild weather may increase occupancy levels in leisure destinations, particularly during the peak travel season. Weather also typically affects the Group's energy costs, which increase when there is an abnormally severe or prolonged winter or summer.

Minor Food and Minor Lifestyle's results may also be affected by periods of abnormal, severe or unseasonal weather conditions. Adverse weather (such as heavy rainfall or flooding) can deter consumers from shopping or dining in the Group's physical store locations. Moreover, unforeseen periods of warm or cold weather could render a portion of the Group's inventory incompatible with prevailing conditions. Unseasonal or other adverse weather conditions could therefore have a material adverse effect on the Group's revenue and, in turn, the Group's business, results of operations, financial condition and prospects.

In addition, the Group's businesses could be materially and adversely affected by the outbreak of public health epidemics in the main geographic markets in which the Group operates. In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu", occurred in Mexico and spread to other countries, including Thailand. In 2004, an outbreak of the H5N1 virus, also known as "bird flu", occurred in Southeast Asia and other regions, resulting in hundreds of deaths worldwide and significantly affecting Southeast Asia's economy. Vietnam, a regional neighbour of Thailand, reported two human fatalities caused by bird flu in January 2012. In 2013, an outbreak of the H7N9 virus, a different strain of "bird flu", occurred in China. More recently, the outbreak COVID-19 has spread rapidly and globally across multiple countries around the world. The extent of the impact of COVID-19 on the global economy and more specifically on the Group's business operations remains to be seen. See "*The global outbreak of COVID-19 has, and will continue to, adversely affect the Group's business*". Any future public health epidemics in Thailand or elsewhere where the Group operates could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's business operations may be affected by changing consumers' behaviour, in particular the current trend towards greener and healthier lifestyles

Following increased awareness regarding global warming and various health issues, consumers have become more conscious of the environmentally and their health. There is hence greater pressure on companies to operate more eco-efficiently and offer more eco-friendly and healthier products and services.

The Group strives for sustainability and works closely with its suppliers to reduce its environmental impact and to offer greener and healthier products to customers. The Group has set long-term environmental goals which include reducing greenhouse gas emissions as well as reducing the use of single-use plastics. Minor Hotels provides plastic straw-free, eco-friendly amenities, carries out sustainable and local sourcing, and has introduced Balance Wellness programs. Minor Food brands offers healthier alternatives for customers such as plant-based proteins, organic produces, and reduced-sugar ice creams.

While the Group seeks to operate more eco-efficiently and offer more eco-friendly and healthier products and services, its competitors are also doing so. The Group cannot assure that it will offer the most competitive eco-friendly and healthy products and services, or that the Group's customers perceive the Group to be environmentally-friendly. The Group may face reduced sales if customers turn to competitors who offer more competitive environmentally-friendly and healthy products and services or are perceived to be more environmentally-friendly.

The Group's international operations increase the risks associated with economic and trade sanctions imposed by the United States and other jurisdictions

To a limited extent, the Group operates in countries and regions that are or have been subject to economic or trade sanctions imposed by the United States and other jurisdictions. The Group currently has two hotels that are managed by NHG, including the NH Capri La Habana and NH Collection Victoria La Habana, both of which are wholly owned by Grupo Hotelero Gran Caribe, S.A in Cuba.

The Group strives to comply with all applicable rules and regulations, including applicable sanctions. However, sanctions are complex and evolve quickly, and the Group cannot predict how they may develop. The Group also cannot predict the nature, scope or effect of future regulatory requirements to which the Group's operations might become subject. Future regulations could limit the countries in which some of the Group's products may be sold, or could restrict the Group's access to, or increase the cost of obtaining, products from foreign sources.

Any violation of applicable sanctions could lead to fines, compliance costs, reputational harm, and direct or indirect losses. Any new sanctions or changes to current sanctions could have a material adverse effect on the Group's business, financial condition and results of operations.

Public information about the Group has not been verified for purposes of this Offering Circular, and Securityholders should not rely upon on it

The Group regularly publicly discloses, in the ordinary course of its business, information about its business, plans and operating prospects. This information (in particular, any forward-looking information) includes various assumptions, including estimates and assumptions about prices, competition and worldwide demand for the Group's products and services. The Group's actual results of operations may differ significantly from budgeted amounts and the Group's plans may change significantly or may not materialise. Such publicly available information about the Group is not part of this Offering Circular and has not been prepared, verified or otherwise authorised in connection with the Offering. Securityholders should rely only on the information in this Offering Circular when making an investment decision.

Risks Related to the Minor Hotels Business

The hospitality industry in which the Group operates is highly competitive

For the financial year ended 31 December 2019 and the three months ended 31 March 2020, Minor Hotels contributed 76 per cent. and 70 per cent. of the Group's revenue, respectively. A number of factors, many of which are inherent to the hospitality industry and beyond the Group's control, could materially and adversely affect Minor Hotels, including but not limited to the following:

- increased competition from other hotels in the market for guests, meetings and special events such as weddings that could affect occupancy levels and revenue at the Group's hotels;
- increased competition from other accommodation options and alternatives such as Airbnb, which may offer more attractive rates for guests;

- increases in operating costs due to inflation, labour costs, workers' compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences and other factors that may not be offset by increased room rates;
- anticipating and responding to the needs of the Group's customers;
- differentiating the quality of the Group's hotel services and products with respect to the Group's competitors;
- developing and maintaining a strong brand image and a reputation for consistent quality and service across the Group's hotels;
- competitively and consistently pricing the Group's rooms and achieving customer perception of value;
- undertaking effective and appropriate promotional activities and effectively responding to promotional activities of the Group's competitors;
- maintaining and developing effective website designs, mobile applications and online presence;
- attracting and retaining talented employees and management teams;
- dependence on business and commercial travel, leisure travel and tourism, all of which may fluctuate, tend to be seasonal and are subject to the adverse effects of national and international market conditions;
- success of the food and beverage operations, spa and retail services within the Group's properties;
- increases in maintenance or capital improvements;
- changes in regulations or changes in the application of regulations in the countries in which the Group operates, such as health and liquor licensing laws and laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits, which could affect any government licences necessary to operate the Group's hotels, including the preparation and sale of food and beverages; and
- adverse effects of a downturn in the hospitality and tourism industry.

The Group operates in various markets that contain many competitors. Each of the Group's hotel brands competes with major hotel chains, as well as home and apartment-sharing services, in national and international venues. The Group's ability to remain competitive and to attract and retain business and leisure travellers depends on the Group's success in distinguishing the quality, value, brand reputation, location and efficiency of the Group's rooms and services, including its loyalty programmes and consumer-facing technology platforms and services, from those offered by others.

If the Group cannot compete successfully in these areas, the Group's operating margins could contract, its market share could decrease and its earnings could decline. Further, certain factors such as changes in the desirability of particular locations or travel patterns of customers, decreased airline capacities and routes, rising oil prices and travel costs as well oversupply of lodging products in each relevant market could have a negative impact on the hospitality industry generally and hamper the Group's ability to increase room rates or occupancy in those markets.

The hospitality industry is cyclical and a worsening of global economic conditions or low levels of economic growth could adversely affect the Group's revenues and profitability as well as cause a decline in or limitation of its future growth

Consumer demand for the Group's products and services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Declines in consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence and high unemployment or adverse political conditions can lower the revenues and profitability of the Group's owned properties and the amount of management fee revenues the Group is able to generate from its managed properties. In addition, expenses associated with managing, franchising, licensing or owning hotels, spas and residential and serviced properties are relatively fixed. These costs include personnel costs, interest, rent, property taxes, insurance, and utilities, all of which may increase at a greater rate than the Group's revenues and/or may not be able to be reduced at the same rate as declining revenues. Where cost-cutting efforts are insufficient to offset declines in revenues, the Group could experience a material decline in margins and reduced or negative cash flows. If the Group is unable to decrease costs significantly or rapidly when demand for its hotels and other properties decreases, the decline in the Group's revenues could have a particularly adverse impact on its net cash flows and profits. This effect can be especially pronounced during periods of economic contraction or slow economic growth. Economic downturns generally affect the results derived from owned properties more significantly than those derived from managed properties, given the greater exposure owners have to the properties' performance. The Group's proportion of owned and leased properties compared to the number of properties the Group manages for third-party owners is larger than that of many of its competitors and, as a result, an economic downturn could have a greater adverse effect on the Group's results of operations. As a result, changes in consumer demand and general business cycles can subject and have subjected the Group's revenues, earnings and results of operations to significant volatility.

Uncertainty regarding the future rate and pace of economic growth in different regions of the world makes it difficult to predict future profitability levels. Additionally, if economic weakness were to affect any particular regions of the world, it could have an adverse impact on the Group's revenues and negatively affect its profitability.

The Group's ability to grow its business depends, in part, upon its ability to enter into new management agreements, and there is no guarantee that the Group will be able to enter into management agreements on terms that are favourable to the Group, or at all

The Group also competes with other hotel operators for management agreements with its Anantara, Avani, Oaks, Tivoli, NH Hotels, NH Collection, nhow and Elewana Collection brands, based primarily on the value and quality of the Group's management services, brand name recognition and reputation, experience and track record of success in certain regions, ability and willingness to invest its capital in third-party properties or hospitality venture projects, level of management fee revenue and terms of management agreements and the economic advantages to the hotel proprietor of retaining the Group's management services and using its brand name. Other competitive factors for management agreements include relationships with third-party hotel proprietors and investors and the Group's previous performance with such hotel proprietors or investors, including institutional owners of multiple properties, marketing support and reservation and e-commerce system capacity and efficiency. The Group believes that its ability to compete for management agreements primarily depends upon the success of the properties that the Group currently manages. The terms of any new management agreements that the Group obtains also depend upon the terms that its competitors offer for those agreements. In addition, if the availability of suitable locations for new properties decreases, planning or other local regulations change or the availability or affordability of financing is limited, the supply of suitable properties for the Group's management could be diminished. The Group may also be required to agree to limitations on the expansion of its brands in certain geographic areas to obtain a management agreement for a property under development, which could prohibit the Group from managing or owning other properties in areas where further opportunities exist. If the properties that the Group manages perform less successfully than those of its competitors, if the Group is unable to offer terms as favourable as those offered by its competitors

or if the availability of suitable properties is limited, the Group's ability to compete effectively for new management agreements could be reduced.

Premature termination of the Group's management or franchise agreements could hurt the Group's financial performance

The Group competes to enter into management contracts. The Group's ability to compete effectively is based primarily on the value and quality of its management services, brand name recognition and reputation, availability of suitable properties in certain geographic areas, and the overall economic terms of its contracts and the economic advantages to the property owner of retaining the Group's management services and using its brands, which include the Anantara, Avani, Oaks, Tivoli, NH Hotels, NH Collection, nhow and Elewana Collection brands. If the properties that the Group manages or franchises perform less successfully than those of its competitors, if the Group is unable to offer terms as favourable as those offered by its competitors, or if the availability of suitable properties is limited, its ability to compete effectively for new management could be reduced.

The Group's hotel management agreements may be subject to premature termination in certain circumstances, such as the bankruptcy of a hotel owner, or a failure under some agreements to meet specified financial or performance criteria that are subject to certain risks described in this section, which the Group fails or elects not to cure. If terminations occur for these or other reasons, the Group may need to enforce its right to damages for breach of contract and related claims, which may cause the Group to incur significant legal fees and expenses. Any damages the Group ultimately collects could be less than the projected future value of the fees and other amounts the Group would have otherwise collected under the relevant agreements. A significant loss of agreements due to premature terminations could hurt the Group's financial performance or its ability to grow its business.

The Group has a limited ability to manage third-party risks associated with its hospitality venture investments, which could reduce the Group's revenues, increase costs, lower profits and increase liabilities

The Group participates in numerous hospitality ventures with third parties. For example, the Group has entered into joint ventures to develop the Avani Fares Resort in the Maldives, the Avani Hua Hin in Thailand, and the Oaks Bodhgaya in India. In the future, the Group may also buy and develop properties in hospitality ventures with the sellers of the properties, affiliates of the sellers, developers or other third parties. The Group's hospitality venture partners may have shared or majority control over the operations of its hospitality ventures. As a result, the Group's investments in hospitality ventures involve risks that are different from the risks involved in investing in real estate independently. These risks include the possibility that the Group's hospitality ventures or its partners:

- go bankrupt or otherwise are unable to meet their capital contribution obligations;
- have economic or business interests or goals that are or become inconsistent with the Group's business interests or goals;
- are in a position to take action contrary to the Group's instructions, requests, policies or objectives, or applicable laws;
- subject the property to liabilities exceeding those contemplated;
- take actions that reduce the Group's return on investment; or
- take actions that harm the Group's reputation or restrict its ability to run its business.

For these and other reasons, it could be more difficult for the Group to sell its interest in any hospitality venture or to pursue the venture's activities, which could reduce its ability to address any problems the

Group may have with those properties or respond to market conditions in the future, and could lead to impairments of such investments. As a result, the Group's investments in hospitality ventures could lead to impasses with the Group's partners or situations that could harm the hospitality venture, which could reduce the Group's revenues, increase costs and lower profits.

In addition, in conjunction with financing obtained for the Group's hospitality ventures, the Group may provide debt repayment guarantees, standard indemnifications to lenders for loss, liability, or damage occurring as a result of the Group's actions or actions of the other hospitality venture owners.

The development of new hotels and the expansion of existing hotels are subject to a number of risks beyond the Group's control, including insufficient growth in demand for hotel rooms

In order to remain competitive, the Group incurs significant capital investment to increase its hotel room portfolio. It typically takes several months or years from the commencement of a project to completion of a new hotel, and demand for hotel rooms in particular locations may change significantly between the time the Group makes the decision to enter a particular market or region and the time at which a hotel commences operations. If future demand for the Group's hotels does not match the growth in its hotel room portfolio, the Group may experience lower occupancy than expected or be required to lower its room rates in a particular hotel to attract customers, which could have an adverse effect on the profitability of the Group's investments and results of operations.

Risks Related to the Minor Food Business

The retail food industry in which the Group operates is highly competitive

The retail food industry in which the Group operates is highly competitive, with significantly lower barriers to entry with respect to price and quality of food products, new product development, digital engagement, advertising levels and promotional initiatives, customer service, reputation, restaurant location, and attractiveness and maintenance of properties. If consumer or dietary preferences change, if the Group's marketing efforts are unsuccessful, or if the Group's restaurants are unable to compete successfully with other retail food outlets in new and existing markets, the Group's business could be adversely affected. The Group also faces growing competition in certain markets as a result of convergence in grocery, convenience, delicatessen and restaurant services, including the offering by the grocery industry of convenient meals, including pizzas and entrées with side dishes, which may impact the Group's portfolio of house brands. Competition from delivery aggregators and other food delivery services has also increased in recent years, particularly in urbanised areas, and is expected to continue to increase. Increased competition could have an adverse effect on the Group's sales, profitability or development plans, which could harm the Group's financial condition and operating results.

The Group may be unable to obtain suitable locations for new restaurants or retail outlets, and the quality of the locations of the Group's current restaurants may decline

The success of the Group's restaurants and retail outlets depends in large part on their locations. As demographic and economic patterns change, current locations may not continue to be attractive or profitable. Possible declines in neighbourhoods where the Group's restaurants and retail outlets are located or adverse economic conditions in areas surrounding those neighbourhoods could result in reduced revenue in those locations. In addition, some of the Group's restaurants may require drive-through sites with specific characteristics – and there are a limited number of suitable sites available in the Group's various geographic markets. Desirable locations for new openings or for the relocation of existing restaurants or retail outlets may not be available at an acceptable cost when the Group identifies a particular opportunity, and the Group may face competition for the same or nearby locations. Furthermore, the Group may relocate or open restaurants and retail outlets in new areas in anticipation of future development which ultimately do not materialise. The occurrence of one or more of these events could adversely affect the Group's business, results of operations and financial condition.

The Group holds a master franchise for the Burger King, Dairy Queen, Swensen's, Bonchon and Sizzler trademarks and trade names in Thailand and are therefore highly dependent on the Group's franchisor

The Group has entered into master franchise agreements with Burger King, Swensen's, Bonchon, Sizzler and Dairy Queen, pursuant to which the Group has the exclusive right to use certain trademarks and trade names associated with these restaurant brands to open and operate a total of 1,069 restaurants (603 owned and 466 franchised outlets) as of 31 March 2020 and select and offer sub-franchisees the right to operate such restaurants.

The Group does not own the Burger King, Dairy Queen, Swensen's, Bonchon and Sizzler brands, and the Group is therefore highly dependent on its franchisors. Moreover, each master franchise agreement contains certain undertakings, and failure to reach certain restaurant opening milestones may result in fines, although the Group would be able to continue to operate its existing network under certain conditions. The early termination of any master franchise agreement could adversely affect the Group's business, results of operations and financial condition.

The Group cannot control or influence the actions of its master franchisors, and any of its master franchisors may take actions that could harm the Group, as it may at any time have economic, business or legal interests or goals that are inconsistent with the Group's. Certain actions taken by the Group's master franchisors may adversely affect its business operations such as the franchisor requiring its franchisees to adopt a product offering that the Group does not believe would be popular with consumers in Thailand or the other jurisdictions in which the Group operates. Moreover, if they do not adequately protect their respective brands and other intellectual property rights, the Group's competitive position, business, results of operations and financial condition could be adversely affected.

Additionally, pursuant to the master franchise agreements with Swensen's and Dairy Queen (the "**Master Franchise Agreements**"), the Group is required to comply with operational programmes established by its master franchisors. For example, the Master Franchise Agreements require that the Group's restaurants comply with specified design criteria. In addition, the Group's master franchisors generally have the right to require the Group to remodel its restaurants to conform to the then-current image of Swensen's and Dairy Queen brands, which may require the capital expenditure of considerable funds. Failure to conform to these requirements could constitute a breach of the Master Franchise Agreements, which could adversely affect the Group's competitive position, business, results of operations and financial condition.

The Group's franchisees may not be willing or able to renew their franchise agreements with the Group

The Group enters into two types of agreements with its franchisees: master franchise and sub-franchise agreements under The Pizza Company, Swensen's, Dairy Queen, The Coffee Club, Thai Express and Benihana brands.

These agreements have a typical duration of 10 years (renewable under certain conditions). The Group's franchisees who have entered into such agreements to operate one or several restaurants may be unwilling or unable to renew their franchise agreements with the Group for a number of reasons, including low sales volumes, high rental costs, lack of profitability or a desire to retire. If the Group's franchisees cannot, or decide not to, renew their franchise agreements with the Group, the Group will have to find a replacement franchisee to operate their restaurants or otherwise operate them itself. If a substantial number of franchises are not renewed, the Group's business, results of operations and financial condition could be adversely affected.

Incidents involving food safety and food-borne illnesses could adversely affect guests' perception of the Group's brand, result in lower sales and increase operating costs

Food safety is a top priority, and the Group dedicates substantial resources to ensure the safety and quality of the food the Group serves in its restaurants. The Group has a comprehensive food safety assurance programme and implements an array of preventive measures to ensure the safety of the Group's products.

The Group's sourcing team work closely with its critical Tier 1 core food product suppliers on food safety, quality and traceability of core food products within the Group's supply chain.

In 2019, the Group's Supply Chain Management and Corporate Sustainability team prioritized Thailand local Tier 1 food and packaging suppliers by the Group's spending, criticality to the Group's business, and substitution availability. The team selected top 18 per cent. of this group to be assessed on sustainability risk. Only two suppliers were initially identified as high-risk suppliers. However, after discussions with the Group's Supply Chain Management team, the Group's Corporate Sustainability team embarked upon an on-site audit of 23 high-risk and medium-risk suppliers and 2 low-risk suppliers to ensure their compliance to local environment, occupational health and safety, and human rights regulations. The Group also undertook the second-year follow-up audits on 22 out of the 34 critical suppliers. The audits of the remaining critical suppliers were postponed to early 2020 due to suppliers' unavailability.

At the Group's operations level, all employees undergo training on food safety and handling to ensure the Group's high standards are followed during food handling and meal preparations. Nevertheless, the Group faces food safety risks, including the risk of food-borne illness and food contamination, which are common both in the restaurant industry and the food supply chain, and cannot be completely eliminated. The Group relies on third-party food suppliers and distributors to properly handle, store and transport the Group's ingredients to its restaurants. Any failure by the Group's suppliers, or their suppliers, could cause the Group's ingredients to be contaminated, which may be difficult to detect before the food is served. Additionally, the risk of food-borne illness may also increase whenever the Group's food is served outside of its control, such as by third-party delivery services. The Group is further exposed if the Group's sales through unaffiliated third-party delivery channels increase, if the Group continues to conduct pilots with third-party delivery partners or if the Group enters into a formal arrangement with one or more third-party delivery partners.

Regardless of the source or cause, any report of food-borne illnesses or food safety issues, whether accurate or not, at one or more of the Group's restaurants, including those operated by the Group's franchisees, could adversely affect the Group's brand and reputation, which in turn could result in reduced guest traffic and lower sales. If any of the Group's customers become ill from food-borne illnesses, the Group could be forced to temporarily close one or more restaurants. Furthermore, any instances of food contamination, whether at the Group's restaurants or not, could subject the Group or its suppliers to voluntary or involuntary food recalls – the costs to conduct such recalls could be significant and could interrupt the Group's supply to unaffected restaurants or increase the cost of its ingredients.

If the Group does not anticipate and address evolving consumer preferences, the Group's food business could suffer

The Group's continued success depends on its ability to anticipate and respond effectively to continuously shifting consumer demographics and trends in food sourcing, food preparation, food offerings and consumer preferences (such as food offerings and methods to order and pay) in the "casual dining" segment. In order to deliver a relevant experience for the Group's customers amid a highly competitive, value-driven operating environment, the Group must continually implement initiatives to adapt at an aggressive pace. There is no assurance that these initiatives will be successful and, if they are not, the Group's financial results could be adversely impacted.

Risks Related to the Minor Lifestyle Business

The Group operates in the highly competitive retail and contract manufacturing industry, and the size and resources of some of the Group's competitors may allow them to compete more effectively than the Group, which could result in loss of the Group's market share

The Group faces intense competition in the retail and contract manufacturing industry. The Group competes primarily with speciality retailers, department stores, catalogue retailers and e-commerce businesses that engage in the sale of fashion apparel and lifestyle products. The Group competes on

quality, design, customer service and price. Many of the Group's competitors are, and many of the Group's potential competitors may be, larger and have greater financial, marketing and other resources, devote greater resources to the marketing and sale of their products, generate greater international brand recognition, local market penetration or adopt more aggressive pricing policies than the Group can.

Consumers increasingly seek retail experiences which emphasise value, personalisation and an omni-channel environment where the store, mobile and online shopping experience are tightly integrated. The Group actively keeps up with consumer trends to better address consumer needs and stay connected with its consumers through its privilege programme, Minorplus membership. While the Group endeavours to meet these evolving customer expectations, there can be no assurance that the Group will do so effectively or without incurring substantial expense, which could impact the Group's results of operations and liquidity.

If the Group is unable to predict fashion trends or react to changing consumer preferences in a timely manner, the Group's sales will decrease

Success in the retail and contract manufacturing industry depends in substantial part on the Group's ability to:

- originate and define product and fashion trends;
- anticipate, predict and react to changing consumer demands in a timely manner; and
- translate market trends into desirable, saleable products far in advance of their offerings in the Group's stores, on its websites and in its catalogues.

As the Group enters into agreements for the purchase of merchandise well in advance of the season in which the merchandise will be sold, the Group is vulnerable to changes in consumer demand, pricing shifts and suboptimal merchandise selection and timing of merchandise purchases. The Group attempts to mitigate the risks of changing fashion trends and product acceptance in part by devoting a portion of the Group's product line to classic styles that are not significantly modified from year to year. Nevertheless, if the Group misjudges the market for the Group's products or overall level of consumer demand, the Group may be faced with significant excess inventories for some products and missed opportunities for others. The Group's brands' images may also suffer if customers believe the Group is no longer able to offer the latest fashions or if the Group fails to address and respond to customer feedback or complaints. The occurrence of these events, among others, could hurt the Group's financial results and liquidity by decreasing sales. The Group may respond by increasing markdowns or initiating marketing promotions to reduce excess inventory, which would further decrease the Group's gross profits and net income.

The retail industry is cyclical, and a decline in consumer spending on apparel and accessories could reduce the Group's sales and profitability

The retail industry in which the Group operates is cyclical. Purchases of apparel and lifestyle products are sensitive to a number of factors that influence the levels of consumer spending, including general economic conditions and the level of disposable consumer income, the availability of consumer credit, interest rates, foreign exchange rates, taxation, consumer confidence in future economic conditions and demographic patterns. Because apparel and lifestyle products generally are discretionary purchases, declines in consumer spending patterns may impact the Group more negatively as a speciality retailer. Therefore, the Group may not be able to grow revenues or increase profitability if there is a decline in consumer spending patterns or the Group decides to slow or alter its growth plans in anticipation of or in response to a decline in consumer spending.

The Group's retail activities are subject to customs, advertising, consumer protection, data privacy, product safety, zoning and occupancy and labour and employment laws that could require the Group to modify its current business practices, incur increased costs or harm its reputation if it does not comply

The Group is subject to numerous laws and regulations, including customs, truth-in-advertising, consumer protection, general data privacy, health information privacy, identity theft, online privacy, product safety, unsolicited commercial communication and zoning and occupancy laws that regulate retailers generally and/or govern the importation, promotion and sale of merchandise and the operation of retail stores and warehouse facilities.

If these regulations were to change or were violated by the Group's management, associates, suppliers, buying agents or trading companies, the costs of certain goods could increase, or the Group could experience delays in shipments of its goods, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for the Group's merchandise and hurt its business and results of operations. Failure to protect personally identifiable information of the Group's customers or associates could subject the Group to considerable reputational harm as well as significant fines, penalties and sanctions. In addition, changes in minimum wage laws (if any) and other laws relating to employee benefits could cause the Group to incur additional wage and benefits costs, which could hurt its profitability. See "*A proportion of the Group's assets and operations are located in Thailand and the Group is subject to economic, legal and regulatory uncertainties in Thailand*".

Legal requirements frequently change and are subject to interpretation, and the Group is unable to predict the ultimate cost of compliance with these requirements or their effect on the Group's operations. The Group may be required to make significant expenditures or modify its business practices to comply with existing or future laws and regulations, which may increase the Group's costs and materially limit its ability to operate its business. The Group expects the costs of compliance and risks to its business in this area to increase as the Group expands its international and e-commerce business. See "*The Group is subject to certain legislation, regulation and government policies in the countries in which the Group operates*".

The Group's sales are seasonal in nature, and fluctuations in its results of operations for the fourth fiscal quarter would have a disproportionate effect on the Group's overall financial condition and results of operations

In order to prepare for the Group's peak shopping season, the Group must order and keep in stock significantly more merchandise than it would carry at other times of the year. Any unanticipated decrease in demand for its products during the peak shopping season could require the Group to sell excess inventory at a substantial markdown, which could reduce the Group's net sales and gross profit. Additional unplanned decreases in demand for the Group's products could produce further reductions to its net sales and gross profit.

The Group may not accurately perceive consumer demands and fashion trends and respond appropriately. If its misjudges, fails to identify or fails to react swiftly to changes in consumer preferences and fashion trends, it could result in a significant increase in the Group's inventories, which may lead to higher markdowns to clear excess inventories and lower sales revenue and operating profits. Conversely, if it underestimates or fails to respond to consumer demand for its products, the Group may experience inventory shortages and lower revenue and profitability than it may have otherwise realised. Failure to offer products to keep up with popular trends could also negatively impact the Group's brand image as a retailer.

Risks Relating to Thailand

A proportion of the Group's assets and operations are located in Thailand and the Group is subject to economic, legal, and regulatory uncertainties in Thailand

A proportion of the Group's assets and operations, including the Group's headquarters, are located in Thailand. Consequently, the Group is subject to political, legal and regulatory conditions in Thailand that differ in certain significant respects from those prevailing in other countries with more developed economies. Any instability or downturn in Thailand's economy could have a material adverse effect on the Group's business operations, financial condition, results of operations and prospects, and the market price of the Securities.

The Group's businesses and operations in Thailand are subject to the changing economic conditions prevailing from time to time in Thailand. According to the National Economic and Social Development Board of Thailand, Thailand's Gross Domestic Product ("GDP") grew by 4.0 per cent. in 2017, 4.1 per cent. in 2018 and 2.4 per cent. in 2019. As of 18 May 2020, the Office of the National Economic and Social Development Council estimated that Thailand's GDP for 2020 is expected to decrease by minus 6.0 per cent. to minus 5.0 per cent., respectively. The prospects for the local, regional and global economies are uncertain. Any contraction in Thailand's GDP could lead to a reduction in the demand for the Group's products and services, which could have a material adverse effect on the Group's business operations, financial condition, results of operations and prospects.

From 1996 to 1998, international credit rating agencies, including Moody's, Standard and Poor's Ratings Services, a division of the McGraw Hill Companies, Inc ("S&P") and Fitch, lowered Thailand's sovereign rating as well as various Thai corporate debt ratings. With the improved performance of the Thai economy in 1999 to 2003, there was corresponding improvement in these credit ratings. Political unrest in late 2008 and early 2009 again put downward pressure on Thailand's sovereign ratings. Thailand's sovereign foreign currency long-term ratings are currently rated "Baa1" with a stable outlook by Moody's, "BBB+" with a stable outlook by S&P and "BBB+" with a stable outlook by Fitch. Future lowering of the credit ratings for Thai sovereign debt may make it more expensive for the Group to obtain additional debt financing for its working capital and capital expenditures, which could have an adverse effect on its financial condition. Additionally, a downgrade of Thailand's sovereign ratings may have a negative effect on the Group's credit rating.

Factors that may adversely affect the Thai economy, directly or indirectly, include:

- global economic conditions;
- political instability;
- other regulatory, political or economic developments in or affecting Thailand;
- exchange rate fluctuations and the exchange control policy by the Bank of Thailand;
- a prolonged period of inflation, deflation or economic stagnation, or an increase in regional interest rates;
- other external recessions or potential economic downturns in the United States, Asia or elsewhere in the world;
- changes in taxation;
- consumer confidence;

- travel restrictions imposed by the government, which would affect the level of tourist arrivals and tourism spending;
- natural disasters and extreme weather conditions, including tsunamis, earthquakes, fires, drought and similar events;
- flooding and other extreme weather conditions;
- a potential recurrence or outbreak of COVID-19, avian influenza, severe acute respiratory syndrome, or other infectious or contagious diseases, in Thailand or other Asian countries;
- scarcity of credit or other financing, resulting in lower demand for products and services;
- fluctuations in oil prices and other commodity prices; and
- threatened terrorist activities and other acts of violence in Southeast Asia, including bombing incidents in Bangkok and violence in the southern parts of Thailand.

Additionally, prior governments have, in the past, intervened in the Thai economy and occasionally made significant changes in policy, including, among other things, foreign exchange controls and capital controls, policies concerning wage and price controls and limits on imports, at times partially reversing such policies soon after the new policies were announced. In addition, Thailand has also passed legislation effective from April 1, 2018, to increase the minimum wage nationwide but with different levels depending on the provinces of Thailand. Any such increase will increase our labour costs, and to the extent such increased costs cannot be partially or entirely mitigated, could have a negative impact on our results of operations and profitability. The Group's business operations, cash flows, financial condition, results of operations and prospects may be adversely affected by any future minimum wage increases and other changes in Government policies. There is no assurance that the Government will not in the future re-impose restrictive foreign exchange controls that may affect the outward remittance of funds, including distributions or other payments payable on the Securities. The Group's business operations, financial condition, results of operations and prospects, and the market price of the Securities, may be adversely affected by future changes in government policies.

The Group cannot assure that economic, legal and regulatory conditions in Thailand will be stable or not deteriorate in the future. Changes in Thailand could materially and adversely affect the Group's business, cash flow, financial condition, results of operations and prospects.

Fluctuations in the value of the Thai Baht could adversely affect the Group's financial condition and results of operations

In mid-1997, the substantial depreciation of the Thai Baht triggered the Asian financial crisis. During this time, the value of the Thai Baht against the U.S. dollar has fluctuated from time to time, from a high of THB23.15 on 17 June 1997 to a low of THB55.5 on 12 January 1998. The weighted-average interbank exchange rate as of 1 June 2020 published by the Bank of Thailand was THB31.734 = U.S.\$1.00. The Group cannot assure that the value of the Thai Baht will not decline or continue to fluctuate significantly against the U.S. dollar or other currencies in the future.

As the Group receives a significant portion of revenues in Thai Baht, these revenues fluctuate according to the strength of the Thai Baht. The economic, market and political conditions in other countries could have an influence on the Thai economy. Any widespread global financial instability or a significant loss of investor confidence in other emerging market economies may adversely affect the Thai economy, which could materially and adversely affect the Group's business, financial condition, results of operations, prospects or reputation.

Political conditions in Thailand will have a direct impact on the Group's business and the market price of the Securities

The Group's business, financial condition, results of operations and prospects may be influenced in part by the ongoing political situation in Thailand, which has been unstable from time to time. On 22 May 2014, Thailand's Army Commander-in-Chief General Prayuth Chan-ocha declared a coup. The National Council for Peace and Order ("NCPO") was then established, comprising leaders from the army, navy, air force and police. The 2007 Constitution was abrogated in May 2014 and then replaced with an interim Constitution in July 2014, which was replaced by the current Constitution in April 2017. The new coalition government was formed after the election in March 2019 but in September 2018, the King of Thailand endorsed the bills required for a general election to take place. The Constitution states that once the law takes effect, the NCPO must hold an election for 500 members of the House of Representatives within 150 days. Thailand subsequently held its general elections for the members of the House of Representatives on 24 March 2019. After that, on 7 May and 8 May 2019, the Election Commission of Thailand announced the official results of the election of the members of the House of Representatives. On 5 June 2019, the Parliament's meeting passed a resolution to elect General Chan-ocha as the Prime Minister of Thailand. The appointment of the new Prime Minister was officially published in the Royal Gazette on 11 June 2019. Following the appointment of the new Prime Minister, the appointment of the new cabinet members was officially published in the Royal Gazette on 10 July 2019.

It is difficult to accurately predict the effects of this political upheaval on Thailand's political and economic conditions or on the Group. There can be no assurance that there will be no further political disruptions in the future. The outcome of the coalition government leadership, including its impact on political, economic and legal conditions in Thailand, cannot be predicted at this stage and remains uncertain. It is also unclear whether the coalition government leadership will lead to policy reforms affecting the industry generally or the Group in particular. Additionally, no assurance can be made that these events will not lead to further political demonstrations or slower economic growth nor will the political environment in Thailand be stable. Prolonged political instability in Thailand could have a material adverse effect on the economic and legal conditions in Thailand, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Continued violence, terrorist attacks and other conflicts in Thailand and regional instability could adversely affect the Group's business, financial condition, results of operations and prospects

In recent years, there have been political protests, other protests as well as terrorist attacks, domestically and internationally which have affected Thailand. Since 2004, there have been a large number of casualties and injuries arising from violence, including the fatal attacks in southern Thailand, Bangkok and elsewhere. On 17 August 2015, a bomb exploded at the Erawan Shrine in Bangkok, killing 20 people and injuring more than 100 others, and a series of bombings in August 2016 in Hua Hin, Surat Thani, Phuket and Trang near to where the Group owns or operates some of its businesses. Recently, in August 2019, six bombs exploded across Bangkok, injuring four people. The bombings coincided with the ASEAN security summit taking place in the city. Continued violence could lead to widespread unrest in Thailand or a major terrorist incident in Thailand similar to those in other parts of Southeast Asia. If the security condition deteriorates and violence spreads across Thailand, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group may be adversely affected by terrorist attacks and international instability

Global geopolitical events, as well as events occurring in response to or in connection with such events or conflicts, including future terrorist attacks against targets South East Asia or other regions, rumours or threats of terrorist attacks or war and trade and tourism disruptions, all of which may affect the Group's suppliers or customers who are principally located in Thailand, may adversely affect the Group's operations. In addition, violent acts arising from, and leading to, instability and unrest as well as political

or economic developments related to these crises could adversely affect the Thai economy and the global economy, and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Non-enforceability of non-Thai judgments may limit Securityholders' ability to recover damages from the Group in Thai courts

The Group is a public limited company incorporated in Thailand. A number of its directors and executive officers are residents of Thailand. The assets of its directors and executive officers are located throughout the world, including Thailand. As a result, it may be difficult for Securityholders to effect service of process upon the Group or its directors and executive officers outside of Thailand or enforce against the Group or directors and executive officers judgments obtained in courts outside of Thailand.

Under Thai law, judgments entered by an English court or any other non-Thai court are not enforceable in Thailand. Any judgment or order obtained in a court outside of Thailand would not be enforced as such by the courts of Thailand, but such judgment or order in the discretion of a court in Thailand may be admitted as evidence in new proceedings instituted in such court, which would consider the issue on the evidence before it. Although a non-Thai judgement could be introduced as evidence in a court proceeding in Thailand, a Thai court would be free to examine any new issues arising in the case. Thus, to the extent the Securityholders are entitled to bring a legal action against the Group, its director or executive officers, they may be limited in their remedies and any recovery. To the extent Securityholders are entitled to any recovery with respect to the Securities in any Thai proceedings, recovery might be limited to payments in Baht.

Thailand is subject to potential sanctions from other countries which may impact its economy

In April 2015 the European Union (the "EU") gave a yellow card warning to Thailand for the failure to address illegal, unreported and unregulated fishing in compliance with EU illegal, unreported and unregulated fishing regulation. On 18 June 2015, the International Civil Aviation Organisation ("ICAO") "red flagged" Thailand for failing to solve significant safety concerns on applicable ICAO standards; the red flag status was lifted in October 2017. With regard to human trafficking, Thailand was placed in Tier 3 on the 2015 U.S. annual report on Trafficking in Persons issued by the State Department of the United States for the failure to fully comply with the minimum standards for the elimination of trafficking, and not making significant efforts to do so. This status was upgraded to the Tier 2 watchlist in 2016 and 2017, and was subsequently upgraded to Tier 2 in 2018 and 2019. Such sanctions against Thailand or the failure to comply with such international standards may have a material adverse effect on the Thai economy, which may in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group prepares its financial statements on the basis of TFRS, which differs from IFRS and other accounting principles, with which investors may be more familiar

The financial information included in this Offering Circular was prepared in accordance with TFRS, guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Thai Securities and Exchange Commission and the Stock Exchange of Thailand ("SET"), which differ in certain significant respects from IFRS (See "Summary of Principal Differences Between TFRS and IFRS") and other accounting and financial reporting standards with which investors may be more familiar. This Offering Circular does not include a reconciliation of the Group's financial statements to IFRS, and there can be no assurance that such reconciliation would identify material quantitative differences. If the Group's financial statements are prepared in accordance with IFRS or such other accounting principles, its results of operations and financial condition could be materially different. Accordingly, there can be no assurance that the identified differences in the section of this Offering Circular entitled "Summary of the Significant Differences Between TFRS and IFRS" represent all material differences related to the Group as at and for the years 2018, 2019 and the three months ended 31 March 2019 and 2020. The degree to which the Group's financial statements included in this Offering Circular will provide meaningful

information is entirely dependent on investors' level of familiarity with Thai accounting practices under TFRS and Thai financial reporting requirements. Prospective investors should review the TFRS accounting policies applied in the preparation of the Group's financial statements and consult their own professional advisers for an understanding of the differences between TFRS and IFRS and those with which they may be more familiar.

Thailand is currently undergoing a programme to converge TFRS with IFRS. The convergence with IFRS going forward as well as regular revision of accounting estimates and assumptions may impact the Group's financial statements and, accordingly, their comparability with prior years' financial statements. Furthermore, the Group may change the composition and/or the nature of its products and services in response to the accounting impact of changes introduced by the new IFRS-based TFRS. The preparation for compliance, as well as actual compliance, is likely to result in costs to the Group and may have a material adverse effect on its results of operations.

Risks Relating to the Bank

Difficult conditions and turbulence in the domestic and global economy and financial markets may adversely affect the Bank's business, asset quality, capital adequacy and results of operations

The Bank has been, and in the future will continue to be, materially affected by geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation and the availability and cost of capital and credit. In particular, the Bank is affected by challenging conditions in the financial markets and the economy in Thailand, other Asian countries and globally. There are a number of uncertainties ahead in the global markets. Since the global financial crisis in 2007, the global market has experienced significant volatility and negative sentiment driven by concerns over U.S. economic policy, monetary policy of major central banks, Chinese economy, trade protectionism policy and weakness in commodities. On July 31, 2019, the U.S. Federal Reserve Bank lowered interest rates for the first time since the global financial crisis in 2007, reversing the course of U.S. monetary policy of consistently raising interest rates. The current administration has indicated plans to gradually decrease rates in the future. Moreover, uncertainties over further rate cuts remain as U.S.-China trade tensions continue to take stage. The slow economic recovery in Japan and Europe as well as impact from Brexit have led to higher global volatility. Concerns over possible inflation or deflation, uncertainty relating to currency exchange rates and interest rates, the availability and cost of credit, continued high debt levels in Europe and China, trade tensions and disputes among the world's major economies, volatility in commodity, oil, debt and equity prices, geopolitical issues and unstable financial markets in Thailand and other countries to which the Bank is exposed, all contributed to a general decline in lending activity by financial institutions and in commercial lending markets and increased volatility. According to the National Economic and Social Development Board of Thailand, Thailand's GDP grew by 4.0 per cent. in 2017, 4.1 per cent. in 2018 and 2.4 per cent. in 2019. As of 18 May 2020, the Office of the National Economic and Social Development Council estimated that Thailand's GDP for 2020 is expected to decrease by minus 6.0 per cent. to minus 5.0 per cent., respectively. Since December 2019, there is an ongoing outbreak of COVID-19 which has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on 12 March 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with any resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets and/or may result in a global recession. In particular, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession. To the extent that these factors impact the countries in which the Bank operates, the Bank may face challenges in growing its business in such countries. In particular, continuing difficulties in financial and economic conditions could result in deterioration in the quality of the Bank's assets and larger provisioning, allowances for loan losses and write-offs.

There can be no assurance that the domestic and global economic downturn will not result in a material increase in the Bank's non-performing loan levels in the future. As a result of difficult conditions and turbulence in the domestic and global economy and financial markets, the Bank may be forced to scale back certain of its core lending activities and other operations and/or fund its operations at a higher funding cost or face a tightening in its net interest margin, any of which may have a negative impact on its earnings and profitability. There remain uncertainties as to the nature and extent of recovery in Thailand, Asia and the global economy, including in the markets in which the Bank operates, which may have a material effect on its business, cash flows, financial condition, results of operations and prospects.

Since a significant portion of the Bank's loan portfolio is secured by real estate and other assets, a decline in collateral values or delays in enforcing the Bank's collateral may adversely affect the value of the Bank's loan portfolio and the Bank's ability to realise collateral values

A significant portion of the Bank's loans is secured by real estate and other assets, the value of which is affected by economic conditions. A downturn in the real estate market, if any, will result in an increase of the Bank's net exposures, i.e., the principal amount of a number of loans in excess of the value of the underlying collateral. Real estate values could also be negatively affected by environmental issues like the one in Map Ta Phut, Rayong, which resulted in lawsuits and suspended business operations in the area in 2009 and 2010, or natural disasters such as the flooding that occurred in the second half of 2011. If the Thai economy in general, or real estate values in particular, deteriorate, downward adjustments to the value of the collateral securing the Bank's loans may be required in future periods. Any decline in the value of the collateral securing non-performing loan may result in an increase in the Bank's charges for bad debts and doubtful accounts and a reduction in the recovery from collateral realisation, which may reduce the Bank's net profit and capital and may adversely affect the Bank's financial condition and results of operations. Any significant increase in loan loss provisioning requirements may adversely affect the Bank's capital and could cause the Bank to require additional capital.

Although a significant portion of the Bank's loans are secured, bankruptcy laws and procedures in Thailand are not comparable to those in the United States and certain other countries, and the foreclosure process in Thailand tends to be comparatively lengthy. While the law provides for expedited procedures for the enforcement of certain types of collateral, in practice, lenders generally end up submitting a petition to a Thai court or face challenges by borrowers which could result in delays that, in some cases, can last several years and lead to deterioration in the physical condition and market value of the collateral. As a result, it may take several years for banks to take control of collateral underlying non-performing loans, and a particular loan may be classified as non-performing for several years before it is ultimately written off and the collateral foreclosed through successful court proceedings.

In general, Thai commercial banks must dispose of foreclosed real estate within five years of foreclosure. The Bank considers this to be a potentially significant limitation in an environment of prolonged distressed real estate values, which may result from economic conditions in Thailand and around the world. There can be no assurance that the Bank would be able to dispose of any particular foreclosed property at adequate values within such a period, or at all.

The failure to recover the expected value of the collateral could adversely affect the Bank's future financial performance and the Bank's shareholders' equity.

Guidelines for non-performing loan classifications in Thailand may be less stringent than those in other countries

The Bank of Thailand's regulations with respect to loan classifications and provisioning, in certain circumstances, may be less stringent than those applicable to banks in the United States and other countries. This may result in particular loans being classified as non-performing later or in a category reflecting a lower degree of risk than that in such countries. In addition, the amount of the Bank's non-performing loan as well as reserves may be lower than would be reported if the Bank was located in

such countries. Further, if the Bank changes its provisioning policies to become more in line with international practices or otherwise, its results of operations may be adversely affected.

Loan restructurings often result in receiving lower interest payments and, occasionally, lower principal payments

Under the Bank of Thailand guidelines on debt restructuring procedures, financial institutions may restructure loans through the reduction of interest rates and/or principal amounts, extension of the terms and/or other methods (excluding granting additional credit to repay an existing debt). The Bank of Thailand's regulations further provide that when a borrower makes three consecutive payments under the terms of a restructured loan, the Bank may remove the loan from non-performing status and treat it as a normal loan for provisioning and other purposes. Although the Bank's non-performing loan ratio may improve as more loans are restructured, the Bank will generally receive lower interest payments than originally required by the loans and, in some cases, the Bank will collect less than the original principal amount of the loans. Any future restructuring may result in decreased revenues and income and adversely affect the Bank's business, cash flows, financial condition, results of operations and prospects.

If a significant portion of the Bank's restructured loans revert to non-performing status as a result of failed restructurings, the Bank's financial condition and results of operations may be adversely affected

As has been the case with many banks in Thailand, a number of the Bank's restructured loans have become non-performing loans again as a result of failed restructurings. The Bank has adopted several methods to restructure a number of its problem loans; for example, the Bank agreed with borrowers to reschedule principal payments until later periods and/or to set interest payments at a relatively low level for a certain time frame followed by larger interest payments in later periods to match the Bank's expectation of the borrowers' ability to service the loans. The relatively low principal and/or interest payments improve the likelihood that a restructured loan will be categorised as performing during the period of such payments. However, future principal and/or interest payments that are higher have in many cases resulted in the loan becoming non-performing again where the borrower has been unable to make such larger payments in the later periods. In addition, a significant number of the Bank's non-performing loan have been restructured based on various assumptions regarding the timing and extent of the recovery of the borrower involved and the economy in Thailand and globally, which in many cases have not been and may not be realised. The Bank's current and future restructuring activities use similar methods and assumptions and are therefore subject to the same types of risk. In particular, the success of a large portion of the Bank's restructured loans is highly dependent on economic growth in Thailand and globally, which helps borrowers make gradually increasing debt service payments. Consequently, a slowdown or downturn in the economy of Thailand or globally could result in a material increase in the number of failed restructurings and a corresponding increase in the number of non-performing loan on the Bank's statement of financial position and may have a material adverse effect on the Bank's financial condition and results of operations. As of June 30, 2019, approximately 30.4 per cent. of the aggregate principal amount of the Bank's outstanding domestic non-performing loans represented loans which became non-performing during the six months ended June 30, 2019 and which have been previously restructured.

Risks Relating to the Securities

The Securities may only be redeemed or purchased under certain circumstances

The Issuer is under no obligation to redeem the Securities at any time and the Securities can only be disposed of by sale. Holders who wish to sell their Securities at any time prior to the First Call Date (at which point the Securities will either be redeemed in full by the Issuer or, failing which, acquired by the Guarantor (see "*Terms and Conditions of the Securities*")) may be unable to do so at a price at or above the amount they paid for them, or at all, if insufficient liquidity exists in the market for the Securities.

Holders of the Securities will not receive Distribution payments if the Issuer validly elects to defer Distribution payments

The Issuer may (including prior to the First Call Date at which point the Securities will either be redeemed in full by the Issuer or, failing which, acquired by the Guarantor (see “*Terms and Conditions of the Securities*”)), at its sole discretion, elect to defer any scheduled Distribution on the Securities for any period of time unless, during the six months ending on the day before that scheduled Distribution Payment Date, a Compulsory Distribution Payment Event (as defined in the Conditions) has occurred. The Issuer is subject to certain restrictions in relation to the payment of discretionary dividends and/or other distributions or payments on its Junior Securities or Parity Securities (as defined in the Conditions) and the discretionary redemption and repurchase of its Junior Securities or Parity Securities until all outstanding Arrears of Distribution are satisfied. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the Conditions subject to compliance with the foregoing restrictions. Although Distributions are cumulative, the Issuer may defer payment for an indefinite period of time by delivering the relevant deferral notices to the holders of the Securities, and holders of the Securities have no rights to claim any Distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral. Any deferral of Distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals.

Notwithstanding the Distribution deferral provision of the Securities, investors should note that the Guarantor has agreed in the Trust Deed to acquire from each Securityholder, upon the occurrence of a Bankruptcy Event or a Non-Call Event, the Securities held by such Securityholder (in whole but not in part) at the Redemption Price.

Holders may not have any claim against the Guarantor in the event of its insolvency and any such insolvency would not itself lead to the Securities becoming immediately due and payable

An insolvency of the Guarantor will not provide holders with any right to declare any amount owing under the Securities to be immediately due and payable. Furthermore, if the Guarantor were to become insolvent prior to the time when holders have a claim against the Guarantor under the Securities or the Guarantee, then holders will have no claim to prove in any proceedings involving the Guarantor and its creditors. Any claims made against the Guarantor in connection with the Securities and the Guarantee will rank *pari passu* with the claims of the Guarantor’s unsecured senior creditors in accordance with applicable laws.

There is uncertainty on whether certain terms of the Securities will be enforceable

Section 655 of the Civil and Commercial Code of Thailand provides that, with certain exceptions, overdue interest shall not bear interest unless the parties to an agreement validly agree in writing that, in the event that interest is overdue for a period of at least one year, the overdue interest will be added to the principal and shall itself bear interest. Condition 5.6(a) provides that any amount of Distribution validly deferred pursuant to the terms of the Securities will constitute Arrears of Distribution and each amount of Arrears of Distribution will bear interest from and including the date which is a Distribution Payment Date falling 12 months from the date on which it is first deferred and will bear interest as if it constituted the principal of the Securities at the prevailing Distribution Rate. There is some uncertainty as to whether such Arrears of Distribution would be deemed to be “due” at the point of time of first deferral, as a matter of Thai law. If a Thai court interprets that the Arrears of Distribution is not deemed to be “due” at such point of first deferral, the fifth paragraph of Condition 5.6(a) of the Conditions may not be enforceable under Thai law, which may result in the Securityholders’ inability to receive the interest on any amount of Arrears of Distribution. Even though the terms of the Securities are governed by English law, the position under Thai law may be relevant to Condition 5.6(a) if, at the point of enforcement of judgment in Thailand, a Thai court considers that the term is against public order or good morals in Thailand.

The Issuer may raise other capital and incur other indebtedness or liabilities which affects the price of the Securities

The Issuer may raise additional capital through the issuance of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other indebtedness and liabilities which the Issuer may issue or incur and which may rank senior to, or *pari passu* with, the Securities. The issuance of any such securities or the incurrence of any such other indebtedness and liabilities may reduce the amount (if any) recoverable by holders of Securities on the Issuer's winding-up, and may increase the likelihood of a deferral of a Distribution under the Securities. The issuance of any such securities or the incurrence of any such other indebtedness and liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of holders to sell their Securities.

The Securities may not be a suitable investment for all investors

The Securities are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Securities must determine the suitability of that investment in light of their own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The ratings assigned to the Securities may be lowered or withdrawn.

The ratings assigned to the Securities may be lowered or withdrawn entirely in the future. The Securities are expected to be rated "Baa2" by Moody's and "BBB" by Fitch. The ratings represent the opinions of the ratings agencies and their assessment of the Issuer's and the Guarantor's ability to perform their respective obligations under the terms of the Securities and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. The Issuer has no obligation to inform Securityholders of any such revision, downgrade or withdrawal. In addition, the Issuer cannot assure that rating agencies other than Moody's and Fitch would not rate the Securities differently. A suspension, reduction or withdrawal at any time of the rating assigned to the Securities or the assignment by a rating agency other than Moody's or Fitch of a rating of the Securities lower than those provided may adversely affect the market price of the Securities.

An active trading market for the Securities may not develop

The Securities are a new issue of securities for which there is currently no trading market. No assurance can be given that the Issuer will obtain or be able to maintain a listing of the Securities on the SGX-ST or that an active trading market for the Securities will develop or as to the liquidity or sustainability of any such market, the ability of Holders to sell their Securities or the price at which Holders will be able to sell their Securities. The Managers are not obliged to make a market in the Securities and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Managers.

The liquidity and price of the Securities following the offering may be volatile

The price and trading volume of the Securities may be highly volatile. Factors such as variations in the Group's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Securities to change. Any such developments may result in large and sudden changes in the volume and price at which the Securities will trade. There is no assurance that these developments will not occur in the future.

The Securities will be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System(s)

The Securities will be represented by a Global Certificate. Such Global Certificate will be deposited with a common depository for Euroclear and Clearstream, Luxembourg (each of Euroclear and Clearstream, Luxembourg, a "Clearing System"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive the Securities. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Certificate. While the Securities are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Securities are represented by a Global Certificate, the Issuer will discharge its payment obligations under the Securities by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the Securities. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Developments in other markets may adversely affect the market price of the Securities

The market price of the Securities may be adversely affected by declines in the international financial markets and world economic conditions. The market for Thai securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including Thailand. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Securities could be adversely affected.

Investment in the Securities may subject investors to foreign exchange risks

The Securities are denominated and payable in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Securities entails foreign exchange-related risks, including possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, because of, among other things, economic, political and other factors over which the Issuer has no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Securities below their stated coupon rates and could result in a loss when the return on the Securities is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Securities.

The insolvency laws of Thailand and other local insolvency laws may differ significantly from those of other jurisdictions with which the holders of the Securities are familiar

Because the Issuer is incorporated under the laws of Thailand, any insolvency proceeding relating to the Issuer would likely involve Thai insolvency laws, the procedural and substantive provisions of which may differ significantly from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Securities are familiar. Securityholders should analyse the risks and uncertainties carefully before investing in the Securities.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the Official List of the SGX-ST, which standards may be different from those applicable to companies in certain other countries

The Issuer will be subject to reporting obligations in respect of the Securities to be listed on the Official List of the SGX-ST. The disclosure and corporate governance standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries or regions such as the United States or the United Kingdom. As a result, the level of information that is available may not correspond to the level to which investors in the Securities are accustomed.

Holders may suffer erosion in the return on their investments due to inflation

Holders may suffer erosion in the return on their investments due to inflation. Holders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected rise in inflation could reduce the actual returns to holders.

There are limited remedies for default under the Securities

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution pursuant to the Conditions. Notwithstanding any of the provisions relating to non-payment, the right to institute Winding-Up (as defined in the Conditions) proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. The only remedy available to any holder of the Securities for recovery of amounts in respect of the Securities following the occurrence of a Non-Payment Event, is to (x) institute any legal proceedings against the Issuer and/or (y) prove the Securityholders' claims in any legal proceedings against the Issuer and/or (ii) the occurrence of a Winding-Up Event, is to prove the Securityholders' claims in proceedings for the Winding-Up of the Issuer. In order to exercise such a remedy, holders of the Securities of at least one-fifth in principal amount of the Securities will be required to take action collectively, and individual holders of the Securities holding less than such amount will not be able to proceed without the support of other holders of the Securities. See Condition 11.

The Issuer's obligations under the Securities are structurally subordinated to all existing and future liabilities and obligations of each of the Issuer's subsidiaries

The Issuer's obligations under the Securities are structurally subordinated to all existing and future liabilities and obligations of each of the Issuer's subsidiaries. Claims of creditors of such entities will have priority as to the assets of such entities over the Issuer's creditors, including holders of the Securities seeking to enforce the Securities. Moreover, the Issuer's interests in its subsidiaries could be reduced in the future. The Securities do not contain any restriction on the Issuer's ability or the Issuer's subsidiaries' abilities to incur additional debt or other liabilities.

Integral multiples of less than the specified denomination may result in illiquidity in the Securities

The denominations of the Securities are U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Therefore, it is possible that the Securities may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$1,000. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than U.S.\$200,000 will not receive a definitive certificate in respect of such holding of Securities (should definitive certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more denominations. If definitive certificates are issued, holders should be aware that Securities with aggregate principal amounts that are not an integral multiple of U.S.\$1,000 may be illiquid and difficult to trade.

The Securities contain certain provisions regarding modification and waivers of the Conditions, the Trust Deed or the Agency Agreement, which may affect the rights of holders of the Securities

The Conditions contain provisions for calling meetings of holders of the Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Securities, including holders of the Securities who did not attend and vote at the relevant meeting and holders of the Securities who voted in a manner contrary to the majority. In addition, an Extraordinary Resolution in writing signed by or on behalf of the holders of the Securities of not less than 75 per cent. of the aggregate principal amount of Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of the Securities duly convened and held. The Trust Deed also provides that the Trustee may, without the consent of the holders, agree to any modification of any provision to the Conditions, the Trust Deed or the Agency Agreement, which is not materially prejudicial to the interests of the holders or which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven as described in Condition 15.2. Any such modification shall be binding on the holders of the Securities.

The Trustee may decline to take actions requested by the holders

Under the Trust Deed, in certain circumstances the Trustee may, at its sole discretion, request the holders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes steps and/or actions and/or initiates proceedings on behalf of the holders. The Trustee shall not be obliged to take any such steps and/or actions and/or initiate any such proceedings if no such indemnity or security or pre-funding is provided to its satisfaction. Even if the holders agree to indemnify and/or provide security to and/or pre-fund the Trustee, the time taken to agree to the indemnity and/or security and/or pre-funding may have an impact as to when such steps and/or action is taken and/or proceedings can be initiated. In addition, notwithstanding the provision of an indemnity or security or pre-funding to the Trustee, the Trustee may decline to take the steps and/or action and/or proceedings can be initiated requested by the holders if it determines that such actions are not permitted under the terms of the Trust Deed or applicable law.

Risks Relating to the Guarantee

The Guarantee will remain in full effect only until the earlier of (i) the payment of all sums payable in respect of the Securities having been paid in full, (ii) to the extent that the Guarantor has complied with its obligations under the Trust Deed, the day immediately following the First Call Date and (iii) solely with respect to any Securityholder who fails to deliver the written notice on or prior to the Securityholder Notice Deadline in the manner required under Condition 7.13, the day immediately following the Securityholder Notice Deadline

Pursuant to Condition 4 of the Securities, the Guarantee will remain in full effect only until the earlier of (i) the payment of all sums payable in respect of the Securities having been paid in full, (ii) to the extent that the Guarantor has complied with its obligations hereunder, the day immediately following the First Call Date and (iii) solely with respect to any Securityholder who fails to deliver the written notice on or prior to the Securityholder Notice Deadline in the manner required under the Conditions, the Holders of the Securities will not have the benefit of the Guarantee thereafter and have to rely solely on the Issuer's ability to fulfil its obligations under the Securities. The expiry of the Guarantee could also have an adverse impact on the trading price of the Securities and/or the ability of holders to sell their Securities.

Any futures change in rules and regulations governing the Guarantor may restrict or limit the Guarantor's ability to comply with its obligations to purchase the Securities

The Guarantor operates in a heavily regulated environment under the supervision of the Ministry of Finance and the Bank of Thailand. The Guarantor is also subject to the banking, corporate and other laws in effect in Thailand from time to time. Currently, there is no rule or regulation restricting or limiting the Guarantor to purchase any hybrid securities (such as the Securities). However, there is no assurance that such rule or regulations will not be enacted in the future. If additional rules or regulations are introduced, it may restrict or limit the Guarantor's ability to comply with its obligations to purchase the Securities under the Conditions.

Certain provisions under the Guarantee may not be enforceable against the Guarantor in a Thai court

A judgment of a foreign court will not be enforced by a Thai court but may, at the sole discretion of the court, be admissible as evidence in an action in a Thai court. Therefore, even if the Trustee and the Securityholders have already obtained a judgment against the Guarantor in a foreign country, the Trustee and the Securityholders would still have to bring another action against the Guarantor in a Thai court. As the Guarantee is governed by English law, in order for the Trustee and the Securityholders to enforce the Guarantee against the Guarantor in a Thai court, the Trustee and the Securityholders would be required to prove English law to the satisfaction of the Thai court and such English law must not be considered to be contrary to the public order or good morals of the people of Thailand. If the Thai court deems that the provisions of the Guarantee which the Trustee and the Securityholders are looking to enforce are contrary to the public order or good morals of the people of Thailand whereby the scope of concept of public order and good morals of the people of Thailand has not been definitely established by Thai Supreme Court, such provisions will not be enforceable against the Guarantor. See “-Thai guarantee law has imposed certain limitations and requirements which may adversely affect the Trustee and the Securityholders' ability to enforce their rights under the Guarantee fully”.

Thai guarantee law has imposed certain limitations and requirements which may adversely affect the Trustee and the Securityholders' ability to enforce their rights under the Guarantee fully

Even though the Trustee and the Securityholders may have certain rights as provided in the Guarantee, such rights may be limited under Thai guarantee law or not fully enforceable. For instance, if an Enforcement Event (as defined in the Trust Deed) shall occur and be continuing, the Trustee and the Securityholders may declare, among other things, the principal amount of the Securities and accrued and unpaid Distributions, Arrears of Distribution and Additional Distribution Amounts due and payable. However, under Thai guarantee law, the Guarantor may (in its absolute sole discretion) determine either

to (i) pay in full the principal amount, together with accrued and unpaid Distributions, Arrears of Distribution and Additional Distribution Amounts on the date of payment or (ii) pay any amount under the Securities in accordance with the original due date of such payment as if the Enforcement Event and acceleration had not occurred. That is, even though a Non-Payment Event has occurred during the terms of the Guarantee and the Securities have been accelerated pursuant to Condition 11 of the terms and conditions of the Securities, the Securityholder may not receive a full payment of the principal amount of the Securities and accrued and unpaid Distributions, Arrears of Distribution and Additional Distribution Amounts, which have been accelerated, from the Guarantor if the Guarantor opts to make the payment in accordance with the original due date of such payment rather than making the full payment in one lump sum.

Thai guarantee law does not permit the Guarantor to waive or contract out of its rights to raise its own defences and defences of the Issuer against the Trustee and the Securityholders in connection with claims under the Securities and the Trust Deed. Therefore, the Guarantor is able to assert any defences it has and/or defences of the Issuer against the Trustee and the Securityholders during the enforcement process of the Guarantee, which may materially and adversely affect the recovery of any amount claimed under the Guarantee from the Guarantor.

Thai guarantee law does not allow parties to contract out of the right of recourse of the guarantor against the debtor for principal and interest discharged by the guarantor including for losses and damages suffered or incurred by the guarantor by reason of its guarantee upon making either full or partial payment under the underlying obligations. However, it is unclear from this provision of law as to whether the guarantor can agree to subordinate its rights to the holders of the relevant securities to which the guarantee relates in receiving payment from the debtor, which would effectively result in the guarantor only receiving payment from the debtor after all outstanding debts have fully been paid to such holders. There is currently no court decision or precedent as to how Thai courts will interpret and construe this Thai guarantee law provision. It is possible in the case of the Securities and the Guarantee that a Thai court could take the view that the Guarantor is able to take immediate recourse against the Issuer to the extent of any principal amount of the Securities, Distributions, Arrears of Distribution, Additional Distribution Amounts, premium or interest discharged by it (whether in full or in part) and for losses and damages suffered or incurred by it by reason of its Guarantee, even though the terms of the Guarantee provide otherwise. Any such action on the part of the Guarantor could result in a lower recovery for the Securityholders in the event of any enforcement action in relation to the Securities and the Guarantee.

Thai guarantee law mandatorily releases the Guarantor from its obligations under the Guarantee if the Trustee or the Securityholders have granted the Issuer an extension of time to perform its obligations without consent of the Guarantor. Any pre-consent by the Guarantor in any agreements to any an extension of time to perform the Issuer's obligations granted by the Trustee or the Securityholders is unenforceable.

In order to enforce the Guarantee against the Guarantor, the Trustee and the Securityholders have to strictly comply with the requirements and procedures provided under the Thai guarantee law, some of which are still not definitively established. Failure to do so could limit the amounts recoverable under the Guarantee

Thai guarantee law requires that a creditor must send a written notice to a guarantor within 60 days of the date of the debtor's default, failing which the creditor shall not have the right to any interest or compensation that accrues after such 60-day period. Furthermore, the creditor shall not have the right to demand payment from the guarantor before such written notice reaches the guarantor. Therefore, if the Trustee or Securityholders gives a notice of default to the Guarantor later than 60 days from the date of the default, the Trustee and the Securityholders will not have the right to claim from the Guarantor Distributions, Arrears of Distribution, Additional Distribution Amounts, premium, interest, costs, damages or expenses payable following such 60-day period. In addition, Thai guarantee law uses the term "default" which has not been definitely established particularly whether it would include both monetary and a non-monetary breach of an agreement by the debtor, without it being required to constitute a typical "event of default". The payment and non-payment defaults are much broader in nature than an event of default

where usually a remedy period or grace period or a percentage voting requirement of creditors is accorded to. Therefore, it is easier for the Issuer to trigger monetary and non-monetary breaches of the Trust Deed and the terms and conditions of the Securities than an occurrence of an Enforcement Event. If the Thai court takes the view that a default includes payment and non-payment default, and if the Trustee or Securityholders fails to give a notice of such default to the Guarantor within 60 days from the date of the default, the Trustee and the Securityholders will not be entitled to claim from the Guarantor Distributions, Arrears of Distribution, Additional Distribution Amounts, premium, interest, costs, damages or expenses payable following such 60-day period.

The Trustee and the Securityholders may not be able to recover any debt in excess of the Maximum Guaranteed Amount

In accordance with the terms and conditions of the Securities and the Trust Deed, the Guarantor's obligations under the Guarantee are limited to the Maximum Guaranteed Amount. Unpaid principal, Distributions, Arrears of Distribution, Additional Distribution Amounts, premium (if any) or interest on the Securities may end up being greater than the Maximum Guaranteed Amount and, as a result, the Trustee or Securityholders may not be able to recover amounts in excess of the Maximum Guaranteed Amount from the Guarantor.

For the avoidance of doubt, if any sums payable in respect of the Guarantee (including the principal amount of the Securities, any Distributions, any Arrears of Distribution and any Additional Distribution Amounts) (to the extent obligations are owed thereunder) have been paid by the Guarantor, the payment obligations of the Guarantor under the Guarantee and any Mandatory Acquisition Obligations shall be reduced to the extent of such amounts paid.

The obligations of the Guarantor under the Guarantee will be released and discharged upon the obligations of the Issuer under the Trust Deed and the Securities having been extinguished

Under Thai guarantee law, following the extinguishment of the obligations of the Issuer under the Trust Deed and the Securities by any cause whatsoever, the Guarantor will be released from its obligations under the Guarantee, regardless of whether the obligations of the Issuer may have subsequently revived or been reinstated for whatever reasons. Although there are no precedents in interpreting this provision of law, if all amounts payable by the Issuer under the Trust Deed and the Securities have been fully satisfied by the Issuer, but the Trustee and/or the Securityholders are subsequently ordered by any competent authority to return all or portion of such sum to the Issuer or its creditors for whatever reasons, it is likely that the Trustee and/or the Securityholders will no longer have any right of recourse against the Guarantor under the Guarantee for such returned amount because the obligations of the Guarantor under the Guarantee will have already been released and discharged when the obligations of the Issuer under the Trust Deed and the Securities have been fully satisfied. In such event, the rights of the Trustee and the Securityholders to recover in full any amounts claimed against the Guarantor under the Guarantee may be materially and adversely affected.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Conditions of the Securities which (subject to modifications and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Securities:

The U.S.\$300,000,000 Guaranteed Perpetual Capital Securities (the “**Securities**” or “**Security**”, as the case may be, which expression shall in these terms and conditions (the “**Conditions**”), unless the context otherwise requires, include any further securities issued pursuant to Condition 17 and forming a single series with the Securities) of Minor International Public Company Limited (the “**Issuer**”) are constituted by a Trust Deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated 29 June 2020 made between the Issuer, Bangkok Bank Public Company Limited (the “**Guarantor**”), acting through its Hong Kong Branch, as the guarantor and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include any successor appointed from time to time under the Trust Deed) as trustee for the Securityholders. The appointment, retirement and removal of the Trustee shall be in accordance with the terms prescribed in the Trust Deed.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. For so long as any Security remains outstanding, copies of the Trust Deed and the Agency Agreement (as amended and/or supplemented from time to time, the “**Agency Agreement**”) dated 29 June 2020 made between the Issuer, the Registrar, the Trustee and other Agents named in it, are available for inspection by the Securityholders upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent, at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.) at the principal office of the Trustee (being at the Issue Date at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Principal Paying Agent. The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. The Securityholders are deemed to have accepted the appointment of the Trustee.

*The owners shown in the records of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) of book-entry interests in Securities are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.*

1 Form, Principal Amount and Title

1.1 Form and principal amount

The Securities are issued in registered form and available and transferable in minimum amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (referred to as the “**principal amount**” of a Security). A certificate (each a “**Certificate**”) will be issued to each Securityholder in respect of its registered holding of Securities. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Securityholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

1.2 Title

The person in whose name a Security is registered in the Register will (except as otherwise required by law) be treated as the absolute owner of that Security for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating such person. In these Conditions “**Securityholder**” and (in relation to any Security) “**holder**” means the person in whose name a Security is registered in the Register.

2 Transfers of Securities and Delivery of New Certificates

2.1 Transfers

Subject to Conditions 2.4 and 2.5 and except as otherwise required by applicable law, a Security may be transferred by depositing the Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or the Transfer Agent together with such evidence as the Registrar or the Transfer Agent may require to prove the title of the transferor and the authority of the individual who has executed the form of transfer, without service charge and subject to payment of any taxes, duties and other governmental charges in respect of such transfer. In the case of a transfer of part only of a holding of Securities represented by one Certificate, a new Certificate will be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

For a description of certain restrictions on transfers of interests in the Securities, see “Subscription and Sale.”

2.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Securities will, within five Business Days of receipt by the Registrar or the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Security to the address specified in the form of transfer. For the purposes of this Condition, “**Business Day**” shall mean a day, other than a Saturday, Sunday or public holiday on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described herein (see “The Global Certificates – Registration of title”), owners of interests in the Securities will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Securities are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all of the Securities in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Securities not so transferred will, within five Business Days of receipt by the Registrar or the Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Securities not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

2.3 Formalities free of charge

Registration of transfer of Securities will be effected without charge to the relevant Securityholder subject to (a) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (b) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (c) such regulations as the Issuer may from time to time agree with the Registrar and the Trustee (and as initially set out in the Agency Agreement).

2.4 Closed periods

No Securityholder may require the transfer of a Security to be registered during the period of 15 days ending (and including) on the due date for any payment of principal, premium or interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) on that Security.

2.5 Regulations

All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfer of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available (free of charge to the Securityholder and at the Issuer's, failing which the Guarantor's, expense) by the Registrar to any Securityholder upon written request and proof of holding and identity satisfactory to the Registrar and is available at the specified office of the Transfer Agent following prior written request and proof of holding and identity satisfactory to the Transfer Agent.

3 Status

3.1 Status of the Securities

The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and senior obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of applicable law.

3.2 No voting right

The Securities do not confer any voting rights on Securityholders with respect to the Issuer's Common Shares or any other class of share capital of the Issuer.

4 Guarantee

Pursuant to the guarantee set out in the Trust Deed (the "**Guarantee**"), the Guarantor has given for the benefit of the Securityholders an unconditional and irrevocable guarantee (subject to the Maximum Guaranteed Amount) for the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Securities as and when the same shall become due according to these Conditions. The Guarantee constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and senior obligations of the Guarantor (save for such as may be preferred by mandatory provisions of applicable law). The Guarantee will remain in full effect until the earliest of (i) the payment of all sums payable in respect of the Securities having been paid in full, (ii) to the extent that the Guarantor has complied with its obligations hereunder (including, but not limited to, any obligations under the Guarantee and any Mandatory Acquisition Obligation), the day immediately following the First Call Date and (iii) solely with respect to any Securityholder who fails to deliver the written notice on or prior to the Securityholder Notice Deadline in the manner required under Condition 7.13, the day immediately following the Securityholder Notice Deadline.

"**Maximum Guaranteed Amount**" means the aggregate amounts payable from time to time by the Issuer in respect of the Securities as and when such amounts shall become due in accordance with these Conditions (which shall include any principal amount, premium, Distributions, Arrears of Distribution (including any Additional Distribution Amounts) and Additional Amounts in respect of, or on, the Securities, and other amounts payable by the Issuer under the Securities), which amount

is equal to no more than 110 per cent. of the principal amount of the Securities outstanding as of the Issue Date, being U.S.\$330,000,000.

For the avoidance of doubt, if any sums payable in respect of the Guarantee (including any principal amount, premium, Distributions and Arrears of Distribution (including Additional Distribution Amounts) and any Additional Amounts) (to the extent obligations are owed thereunder) have been paid by the Guarantor, the amount of the payment obligations of the Guarantor under the Guarantee and any Mandatory Acquisition Obligation shall be reduced to the extent of such amounts paid by the Guarantor (such remaining amount, the “**Outstanding Payment Obligation Amount**”).

5 Distributions

5.1 Distribution Rate and Distribution Payment Dates

The Securities bear interest (“**Distributions**”) on their outstanding principal amount from and including the Issue Date at the applicable Distribution Rate and will be payable, subject to Condition 5.7, semi-annually in arrear on 29 June and 29 December in each year (each a “**Distribution Payment Date**”) with the first Distribution Payment Date being 29 December 2020.

The rate of interest payable from time to time in respect of the Securities (the “**Distribution Rate**”) will be:

- (a) in respect of the period from and including the Issue Date to but excluding 29 June 2023 (the “**First Call Date**”), 3.10 per cent. per annum; and
- (b) from and including each Reset Date (including the First Call Date) to but excluding the immediately following Reset Date, at the relevant Reset Distribution Rate determined by the Calculation Agent on the relevant Reset Determination Date and notified to the Securityholders in accordance with Condition 14 and to the Principal Paying Agent and the Issuer.

5.2 Distribution accrual

Each Security will cease to bear Distributions from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Security is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event Distributions will continue to accrue as provided in the Trust Deed.

5.3 Calculation of broken Distributions

Distributions will be calculated on the basis of a 360-day year comprised of twelve 30-day months. When a Distribution is required to be calculated in respect of a period of less than a full six months, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5.4 Determination of Distribution Rate or Reset Distribution Rate

The Issuer shall or procure an independent advisor or agent to, if the Calculation Agent defaults at any time in its obligation to determine the Reset Distribution Rate, determine the Distribution Rate in accordance with this Condition 5 or, if such determination is not possible or practicable in accordance with this Condition 5, at such rate as, in its absolute discretion (acting in good faith and in a commercially reasonable manner and having regard to the procedure described in this Condition 5), it shall deem fair and reasonable in all the circumstances.

5.5 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Calculation Agent, will (in the absence of gross negligence, wilful default or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Agents and all Securityholders and no liability to the Issuer or the Securityholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

5.6 Distribution deferral

- (a) Unless a Compulsory Distribution Payment Event has occurred, the Issuer may, at its sole and absolute discretion, elect to defer, in whole or in part, payment of any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Securityholders in accordance with Condition 14, and to the Guarantor, the Trustee, the Principal Paying Agent and the Registrar, not more than 10 nor less than seven Business Days prior to a scheduled Distribution Payment Date (an “**Optional Deferral Event**”).

Such notice to the Trustee shall be accompanied by a certificate signed by two Authorised Signatories confirming that no Compulsory Distribution Payment Event has occurred. The Trustee shall be entitled to accept such certificate as sufficient evidence of the occurrence of an Optional Deferral Event, and to accept the same without verification or investigation, in which event it shall be conclusive and binding on the Securityholders.

A “**Compulsory Distribution Payment Event**” will occur if, during the six-month period ending on the day before the relevant scheduled Distribution Payment Date, either or both of the following has occurred:

- (i) any discretionary dividends, discretionary distributions (whether in cash or otherwise) or other discretionary payments have been declared, paid or made on any of the Issuer’s Junior Securities or Parity Securities (except, in relation to Parity Securities, where such dividend, distribution or other payment is made on a pro rata basis with payment on the Securities); or
- (ii) the Issuer has in its discretion redeemed, reduced, cancelled, bought-back or acquired for any consideration any of its Junior Securities or its Parity Securities (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a pro rata purchase by the Issuer of the Securities).

Any partial payment of any Distribution by the Issuer shall be shared by the Securityholders of all Securities then outstanding on a pro rata basis.

Any amount of Distribution validly deferred pursuant to the terms of the Securities will constitute “**Arrears of Distribution**”. Each amount of Arrears of Distribution will bear interest from and including the date which is a Distribution Payment Date falling twelve (12) months from the date on which it was first deferred and will bear interest as if it constituted the principal of the Securities at the prevailing Distribution Rate (the amount of such interest being an “**Additional Distribution Amount**”). The Additional Distribution Amount accrued up to any Distribution Payment Date will be added for the purpose of calculating the Additional Distribution Amount accruing thereafter to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

If the Calculation Agent is unable to calculate any Additional Distribution Amount pursuant to this provision, it may refrain from doing so until it receives instructions to its satisfaction from the Issuer, as to the methodology, failing which the Issuer shall procure an independent advisor or other agent to determine the Additional Distribution Amount, in accordance with this provision and applicable Thai laws relating to calculation of compound interest.

- (b) The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution and Additional Distribution Amounts by complying with the foregoing notice requirement applicable to any deferral of Distributions. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can be deferred pursuant to the provisions of this Condition 5.6.
- (c) The Issuer:
 - (i) may pay any Arrears of Distribution (in whole or in part and including any Additional Distribution Amounts) at any time by giving notice of such election to the Securityholders in accordance with Condition 14, and to the Guarantor, the Trustee, the Principal Paying Agent and the Registrar, not more than 10 nor less than seven Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
 - (ii) in any event must pay any outstanding Arrears of Distribution (in whole but not in part and including any Additional Distribution Amounts) on the earliest to occur of:
 - (A) the next Distribution Payment Date immediately following a breach by the Issuer of Condition 5.6(d);
 - (B) the date on which the Securities are to be redeemed;
 - (C) the date of any variation of the Securities pursuant to Condition 8; and
 - (D) the Winding-Up of the Issuer.

Any partial payment of outstanding Arrears of Distribution and Additional Distribution Amounts by the Issuer shall be shared by the Securityholders of all Securities then outstanding on a pro rata basis.

- (d) If an Optional Deferral Event has occurred, the Issuer will not:
 - (i) declare, pay or make any discretionary dividends, discretionary distributions (whether in cash or otherwise) or other discretionary payments on, and will procure that no discretionary dividend, discretionary distribution or other discretionary payment is declared, paid or made on any of its Junior Securities or its Parity Securities (except, in relation to the Parity Securities of the Issuer, where such dividend, distribution or other payment is made on a pro rata basis with payment on the Securities); or
 - (ii) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities in its discretion (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a pro rata purchase by the Issuer of Securities),

in each case, unless and until the Issuer (A) has satisfied in full all outstanding Arrears of Distribution and any Additional Distribution Amounts or (B) is permitted to do so by an Extraordinary Resolution of the Securityholders.

- (e) Notwithstanding any other provision in these Conditions, the Trust Deed or the Agency Agreement, the deferral of payment of any Distributions, Arrears of Distribution and Additional Distribution Amounts in compliance with this Condition 5.6 shall not constitute a default for any purposes (including, without limitation, pursuant to Condition 11). For the avoidance of doubt, nothing in this Condition 5.6 shall restrict the ability of any Subsidiary of the Issuer to declare and pay dividends, advance loans or otherwise make payments to the Issuer.

5.7 Trustee under no duty

The Trustee shall not be under any duty to (and will not be responsible for any loss arising from any failure by it to) monitor whether the Issuer may defer Distributions in accordance with the Conditions, whether the Issuer has complied with the Conditions and, unless it has received a notice in writing from the Issuer or the Securityholders (in accordance with the Trust Deed and Condition 14 as applicable) to the contrary, the Trustee may assume that the Issuer has complied with the provisions mentioned above. The Trustee shall not be under any duty to monitor or make any calculation (or verification thereof) in connection with the amount of Additional Distribution Amount and shall not be responsible to Securityholders for any loss arising from any failure by it do so.

6 Payments

6.1 Payments in respect of Securities

Payment of principal and Distributions will be made in U.S. dollars by transfer to the registered account of the Securityholders. Payments of principal and premium (if any) and payments of Distributions due otherwise than on a Distribution Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Agents (other than the Calculation Agent). Distributions on Securities due on a Distribution Payment Date will be paid to the holder shown on the Register at the close of business on the date (the “**record date**”) being the fifteenth day before the relevant Distribution Payment Date.

For the purposes of this Condition, a Securityholder’s “**registered account**” means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business, in the case of principal and premium (if any) and interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) due otherwise than on a Distribution Payment Date, on the second Payment Business Day before the due date for payment and, in the case of interest due on a Distribution Payment Date, on the relevant record date.

6.2 Payments subject to applicable laws

Payments in respect of principal, premium (if any) and interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) on Securities are subject in all cases to: (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto.

6.3 No commissions

No commissions or expenses shall be charged to the Securityholders in respect of any payments made in accordance with this Condition.

6.4 Payment on Payment Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the Payment Business Day preceding the due date for payment or, in the case of a payment of principal and premium (if any) or a payment of interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) due otherwise than on a Distribution Payment Date, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Securityholder is late in surrendering its Certificate (if required to do so).

“**Payment Business Day**” means a day (other than a Saturday, Sunday or a public holiday) on which commercial banks are open for business in Bangkok, Singapore, Hong Kong, London, New York City and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

6.5 Partial payments

If the amount of principal, premium (if any) or interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) which is due on the Securities is not paid in full, the Registrar will annotate the Register with a record of the amount of principal, premium (if any) or interest in fact paid.

6.6 Agents

The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that there will at all times be:

- (a) a Principal Paying Agent;
- (b) so long as the Securities are listed by the Issuer on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, a paying agent in Singapore in the event that definitive Certificates are issued, and, in the event that the Global Certificate is exchanged for definitive Certificates, the Issuer will give notice of all material information with regard to the delivery of the Securities in definitive form (including details of the paying agent in Singapore); and
- (c) a Registrar.

Notice of any termination or appointment and of any changes in specified offices given to the Securityholders promptly by the Issuer in accordance with Condition 14.

7 Redemption, Purchase and Mandatory Acquisition

7.1 No fixed redemption date

The Securities are perpetual securities and have no fixed redemption date.

7.2 Redemption at the option of the Issuer

The Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities on the First Call Date or on any following Distribution Payment Date at the Redemption Price.

7.3 Redemption on the occurrence of a Tax Deductibility Event

- (a) If a Tax Deductibility Event has occurred and is continuing, the Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities: (a) at any time prior to the First Call Date, at the Special Redemption Price; or (b) on or at any time after the First Call Date, at the Redemption Price.

A “**Tax Deductibility Event**” will occur if, as a result of any change in, expiration of or amendment to, the tax laws of the Relevant Jurisdiction or any regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Relevant Jurisdiction is a party, which change, expiration, amendment or treaty becomes effective on or after 22 June 2020 (a “**Change in Law**”), amounts (including Distributions, Arrears of Distribution and Additional Distribution Amounts) payable by the Issuer in respect of the Securities are no longer or will no longer be fully deductible by the Issuer for corporate income tax purposes in the Relevant Jurisdiction.

- (b) No notice of redemption may be given pursuant to this Condition 7.3 earlier than 90 days prior to the earliest day on which amounts payable by the Issuer in respect of the Securities would no longer be fully deductible by the Issuer for corporate income tax purposes in the Relevant Jurisdiction. Prior to any such notice of redemption, the Issuer will deliver or procure that there is delivered to the Trustee:
- (i) a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that a Tax Deductibility Event has occurred; and
 - (ii) an opinion of an independent legal or tax adviser of recognised standing to the effect that a Tax Deductibility Event has occurred,

and the Trustee shall be entitled to (but shall not be obliged to) accept and rely upon the above certificate and opinion without further investigation or query and without liability to the Securityholders or any other person, as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

7.4 Redemption on the occurrence of a Withholding Tax Event

- (a) If at any time a Withholding Tax Event has occurred and is continuing, the Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities at the Redemption Price.

A “**Withholding Tax Event**” will occur if, as a result of any Change in Law, the Issuer has or will become obliged to pay Additional Amounts with respect to the Securities in excess of the level of Additional Amounts which would have been applicable to a payment with respect to the Securities on 22 June 2020 and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. For the avoidance of doubt, a change of jurisdiction or domicile of the Issuer shall not be considered a reasonable measure for these purposes.

- (b) No notice of redemption may be given pursuant to this Condition 7.4 earlier than 90 days prior to the earliest day on which the Issuer would be for the first time obliged to pay the relevant excess Additional Amounts on payments due in respect of the Securities. Prior to any such notice of redemption, the Issuer will deliver or procure that there is delivered to the Trustee:
- (i) a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that a Withholding Tax Event has occurred and that the obligation to pay the relevant excess Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it; and
- (ii) an opinion of an independent legal or tax adviser of recognised standing to the effect that the Issuer has or will become obliged to pay the relevant excess Additional Amounts as a result of a Withholding Tax Event,

and the Trustee shall be entitled to accept the above certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders. The Trustee shall be protected and shall have no liability to any Securityholder or any other person for so accepting and relying on any such certificate and opinion.

7.5 Redemption on the occurrence of an Accounting Event

If an Accounting Event has occurred and is continuing, the Issuer may, having first given the Required Notice (along with a notice signed by two Authorised Signatories that such Accounting Event has occurred and is continuing), redeem all (but not some only) of the Securities: (a) at any time prior to the First Call Date, at the Special Redemption Price; or (b) on or at any time after the First Call Date, at the Redemption Price.

An “**Accounting Event**” will occur if, as a result of any changes or amendments to, or change in the interpretation of, relevant accounting standards, the Securities must not or must no longer be recorded as “equity” in the Issuer’s financial statements pursuant to those relevant accounting standards.

7.6 Redemption on the occurrence of a Change of Control Event

- (a) At any time on or after the First Call Date, if a Change of Control Event has occurred and is continuing, the Issuer may, having first given the Required Notice (along with a notice signed by two Authorised Signatories that such Change of Control Event has occurred and is continuing), redeem all (but not some only) of the Securities at the Redemption Price.

- (b) If the Issuer elects not to redeem the Securities within 60 days following the occurrence of a Change of Control Event in accordance with Condition 7.6(a), then the applicable Distribution Rate will increase by 2.00 per cent. per annum with effect from the next following Distribution Payment Date (or, if the relevant Change of Control Event occurs on or after the date that is five Business Days prior to the next Distribution Payment Date, the next following Distribution Payment Date). Notice of such increase of the Distribution Rate will be provided by the Issuer to the Securityholders and the Guarantor in accordance with Condition 14 and to the Principal Paying Agent and the Trustee within three Business Days of the occurrence of such event.

A “**Change of Control Event**” will occur if either (i) the Permitted Holders are collectively, directly or indirectly, the beneficial owners (as such term is used in Rule 13d-3 of the Exchange Act) of less than 25.0 per cent. of the total voting power of the voting stock of the Issuer or (ii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner,” directly or indirectly, of total voting power of the voting stock of the Issuer greater than such total voting power held beneficially by the Permitted Holders.

“**Permitted Holders**” means William Ellwood Heinecke, Minor Holding (Thai) Limited, Kathleen Ann Heinecke, Heinecke Foundation, Zall Holdings Limited and Minor BKH Limited.

So long as the Securities are represented by the Global Certificate, a right of a Securityholder to redemption of the Securities following the occurrence of a Change of Control Event will be effected in accordance with the rules of the relevant clearing systems.

7.7 Purchases

Subject to the applicable laws and regulations, the Issuer or any of its Subsidiaries may at any time purchase Securities in any manner and at any price.

7.8 Redemption in the case of minimal outstanding amounts

In the event that the Issuer or any of its Subsidiaries has repurchased (and effected corresponding cancellations of) 75 per cent. or more of the principal amount of the Securities initially issued (which will include for these purposes any further securities issued that are consolidated and form a single series with the Securities in accordance with Condition 17), the Issuer may, having first given the Required Notice, redeem all (but not some only) of the Securities at the Redemption Price.

7.9 Cancellations

All Securities which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its Subsidiaries will forthwith be cancelled, and accordingly may not be reissued or resold.

7.10 Notices final

Upon the expiry of any notice as is referred to in Condition 7.2, 7.3, 7.4, 7.5, 7.6, or 7.8 the Issuer will be bound to redeem the Securities to which the notice refers in accordance with the terms of such paragraph.

7.11 Mandatory acquisition

The Guarantor will acquire from each Securityholder, upon the occurrence of a Mandatory Acquisition Event during the period commencing on the Issue Date and in the case of (i) a Bankruptcy Event, ending 30 days prior to the First Call Date, and (ii) a Non-Call Event, ending on the First Call Date, in each case as described in Condition 7.12, the Securities held by such Securityholder (in whole but not in part) at the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of the Mandatory Acquisition Date), in accordance with the terms of this Condition 7 (the “**Mandatory Acquisition Obligations**”). The Mandatory Acquisition Obligations of the Guarantor pursuant to this Condition 7.11 shall constitute direct, general, senior and unconditional obligations of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and senior obligations of the Guarantor (save for such as may be preferred by the mandatory provisions of applicable law).

The Mandatory Acquisition Obligations are not cumulative, and upon a Mandatory Acquisition Obligation being triggered and properly exercised by the Guarantor, the other Mandatory Acquisition Obligation shall terminate.

All Mandatory Acquisition Obligations of the Guarantor shall terminate upon (i) all sums payable in respect of the Securities having been paid in full or (ii) the day immediately following the Securityholder Notice Deadline in relation to any Securityholder who fails to deliver the written notice in the manner required under Condition 7.13 at or prior to the Securityholder Notice Deadline.

“**Mandatory Acquisition Event**” means either a Bankruptcy Event or a Non-Call Event.

7.12 (a) Bankruptcy Event

If a Bankruptcy Event occurs at any time from the Issue Date to 30 days prior to the First Call Date, to the extent permitted by applicable law, the Guarantor shall purchase on the Bankruptcy Date all, but not less than all, of the Securities held by all of the Securityholders at the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of the Mandatory Acquisition Date).

If a Bankruptcy Event occurs during such period, the Issuer shall immediately, and in any event within three Business Days of such occurrence, deliver a written notice of such occurrence to the Guarantor, the Securityholders and the Trustee, together with any documents evidencing such occurrence.

“**Bankruptcy Date**” means the date that is the earlier of the date that is (i) 10 Business Days after the Guarantor receives from the Issuer a written notice that a Bankruptcy Event has occurred, and (ii) 14 Business Days after the occurrence of the Bankruptcy Event has been (A) published in the royal gazette or the local press or is otherwise made public or (B) disclosed to the Stock Exchange of Thailand or (C) registered with the Department of Business Development, Ministry of Commerce (whichever is earlier).

“**Bankruptcy Event**” means adjudication by a court of competent jurisdiction or a resolution declaring that the Issuer is subject to (i) winding-up or liquidation in accordance with the Public Company Limited Act B.E. 2535 (as amended) or (ii) any foreign law proceedings having the same effect as those described under (i).

(b) Non-Call Event

If the Issuer does not elect to redeem the Securities on the First Call Date as provided for in Condition 7.2 (a “**Non-Call Event**”), to the extent permitted by law, the Guarantor shall purchase on the First Call Date (such date, the “**Non-Call Date**”) all, but not less than all, of the Securities held by all of the Securityholders at the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of on the Mandatory Acquisition Date).

“**Mandatory Acquisition Date**” means the Bankruptcy Date or the Non-Call Date, as applicable.

7.13 Purchase following a Mandatory Acquisition Event; Guarantor as transferee

In connection with a Mandatory Acquisition Event, each Securityholder shall deliver a written notice to the Guarantor, as soon as reasonably practicable, and in any event by not less than five days prior to the relevant Mandatory Acquisition Date (the “**Securityholder Notice Deadline**”), that specifies (a) the name of such Securityholder, (b) the Mandatory Acquisition Date, (c) the principal amount of the Securities to be purchased by the Guarantor, (d) the ISIN and Common Code or other identifying numbers of the Securities held by it, (e) the Condition of the Securities under which the Mandatory Acquisition Obligation has become triggered, (f) the cash account and securities account details for settlement and (g) the contact telephone and facsimile numbers of such Securityholder. If any Securityholder fails to deliver such written notice at or prior to the Securityholder Notice Deadline, all payment obligations under the Guarantee and all Mandatory Acquisition Obligations of the Guarantor with respect to any Securities held by such Securityholder shall terminate.

Any notices to be given to the Guarantor under this Condition 7 shall be copied to appropriate parties, including the Trustee, the Principal Paying Agent or the clearing systems, as the case may be. In the event that a Mandatory Acquisition Obligation is triggered, each Securityholder shall also authorise the clearing systems to block its position in the Securities held by such Securityholder and notify the Trustee and Principal Paying Agent of such exercise.

Payment by the Guarantor of the Redemption Price (subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of the Mandatory Acquisition Date) will be in U.S. dollars and will be made simultaneously with delivery of the Securities into the designated securities account of the Guarantor.

The acquisition of Securities from a Securityholder by the Guarantor in connection with a Mandatory Acquisition Event shall be invalid if not accompanied by the definitive Certificate (other than the Global Certificate) that represents the Securities. In such case, the Guarantor shall not be required to purchase those Securities and any Mandatory Acquisition Obligations with respect to such Securities shall terminate.

Notwithstanding the foregoing, for so long as the Securities are held in global form through the clearing systems, the exercise of any Mandatory Acquisition Obligation will be effected in accordance with the rules of the relevant clearing systems.

Upon the purchase of Securities in accordance with this Condition 7.13, the Guarantor, as transferee of such Securities, will be entitled to any and all rights of a Securityholder with respect to the Securities so acquired.

For the avoidance of doubt, to the extent that all sums payable in respect of the Guarantee up to the Maximum Guaranteed Amount (including any principal amount, premium, Distributions and Arrears of Distribution (including any Additional Distribution Amounts)) (to the extent obligations are owed thereunder) have been paid in full (and not in part) by the Guarantor, the Mandatory Acquisition Obligations shall terminate.

Notwithstanding any other provision in these Conditions, the obligations of the Guarantor with respect to payments to be made as a result of a Mandatory Acquisition Event shall not exceed an amount equal to the Outstanding Payment Obligation Amount as of the Mandatory Acquisition Date.

8 Variation

The Issuer may (without any requirement for the consent or approval of the Securityholders or the Guarantor) at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 14 and to the Guarantor, the Trustee, the Principal Paying Agent and the Registrar, vary the terms of the Securities with the effect that they remain or become (as the case may be) Qualifying Securities if, prior to giving such notice, a Tax Deductibility Event, Withholding Tax Event or Accounting Event has occurred and is continuing.

The Trustee shall be obliged to agree with the Issuer in the variation of the terms of the Securities so that they remain or become Qualifying Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such variation if the terms of the proposed Securities as so varied or the participation in or assistance with such variation would impose, in the Trustee's opinion, more onerous obligations upon it and provided that the Issuer has paid the Trustee's fees, costs and expenses in connection with the variation.

The Issuer shall deliver a certificate signed by two Authorised Signatories and an opinion of counsel confirming that such variation is required so that the Securities remain or become Qualifying Securities and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the requirement for the occurrence of such variation and that such securities remain or become Qualifying Securities in which event it shall be conclusive and binding on the Securityholders.

In connection with any variation in accordance with this Condition 8, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such variation in accordance with the foregoing provisions shall not be permitted if any such variation would itself give rise to a Tax Deductibility Event, Withholding Tax Event or Accounting Event with respect to the Securities.

9 Taxation

9.1 Payment without withholding

All payments in respect of the Securities, the Guarantee and the Mandatory Acquisition Obligations by or on behalf of the Issuer and the Guarantor, as the case may be, shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In the event that such withholding or deduction is required by law, the Issuer or the Guarantor, as the case may be, will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the respective amounts which would have been receivable

in respect of the Securities in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Security:

- (a) presented for payment by or on behalf of a holder who is liable to the Taxes in respect of the Security by reason of his having some connection with the Relevant Jurisdiction (including being a citizen, resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in the Relevant Jurisdiction) other than the mere holding of the Security or receipt of the principal, premium (if any) or interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) in respect thereof;
- (b) presented for payment by or on behalf of a holder who failed to (i) provide information concerning the holder's nationality, residence, identity or connection with the Relevant Jurisdiction or (ii) make any declaration or other similar claim or satisfy any information or reporting requirement, in the case of either (i) or (ii), after the Issuer, the Guarantor or the relevant tax authority requested such holder to do so;
- (c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Security to another paying agent; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming (whether or not such is in fact the case) that day to have been a Payment Business Day.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible for paying any Taxes, withholding or other payment referred to in this Condition 9 or otherwise in connection with the Securities or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Securityholder or any other person to pay such Taxes, withholding or other payment or be responsible to provide any notice or information in relation to the Securities in connection with payment of such Taxes, withholding or other payment imposed by or in any jurisdiction, including without limitation any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) or other amount under or in respect of the Securities without deduction or withholding for or on account of any Taxes, withholding or other payment imposed by or in any jurisdiction.

9.2 Interpretation

In these Conditions:

- (a) “**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by an Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Securityholders by the Issuer in accordance with Condition 14; and
- (b) “**Relevant Jurisdiction**” means the Kingdom of Thailand or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) on the Securities.

9.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any Additional Amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

10 Prescription

Claims in respect of principal, premium (if any) and interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) will become prescribed unless made within 10 years (in the case of principal and premium (if any)) and five years (in the case of interest) from the Relevant Date (as defined in Condition 9.2(a)).

11 Non-Payment Event

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution of the Securityholders shall (subject in each case to being pre-funded and/or secured and/or indemnified to its satisfaction), give notice to the Issuer that the Securities are, and they shall accordingly forthwith become, immediately due and repayable at the Redemption Price:

- (a) if default is made in the payment of any principal, premium (if any) or interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) due in respect of the Securities or any of them, except where such default is caused by a delay in the transmission system of payment and the Issuer has fully paid such amount within three Business Days from the original due date thereof (a “**Non-Payment Event**”); or
- (b) on a Winding-Up of the Issuer (a “**Winding-Up Event**”),

upon which the Trustee may, subject to the provisions of Condition 12, (i) in respect of a Non-Payment Event, (x) institute any legal proceedings against the Issuer and/or (y) prove the Securityholders’ claims in any legal proceedings against the Issuer and/or (ii) in respect of a Winding-Up Event, prove the Securityholders’ claims in proceedings for the Winding-Up of the Issuer.

12 Enforcement

- (a) Notwithstanding any of the provisions in these Conditions, the right to institute any legal proceedings or prove the Securityholders’ claims in any legal proceedings (other than any Winding-Up proceedings) against the Issuer is limited to circumstances where a Non-Payment Event has occurred.
- (b) Without prejudice to Condition 11, the Trustee may at any time, at its discretion and without notice, and if so requested in writing by the holders of at least one-fifth in principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution of the Securityholders shall (subject in each case to being pre-funded and/or secured and/or indemnified to its satisfaction), take such proceedings against the Issuer or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Securities and the Guarantee (other than any payment obligation of the Issuer under or arising from the Securities or the Trust Deed (including without limitation payment of any principal or Distributions, Arrears of Distribution or Additional Distribution Amounts, in respect of the Securities) and any damages awarded for breach of any payment obligations).

- (c) No Securityholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed under the Trust Deed, fails so to do within a reasonable period and the failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer and the Guarantor as those which the Trustee would be entitled to exercise.
- (d) The Trustee shall not be obliged to take any of the actions referred to in these Conditions against the Issuer or the Guarantor to enforce the terms of the Trust Deed, the Securities or the Guarantee unless (i) it shall have been so requested by an Extraordinary Resolution of the Securityholders or in writing by the Securityholders of at least one-fifth in principal amount of the Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, and the relevant provisions of the Agency Agreement, at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Notices

All notices to the Securityholders will be valid if mailed to them at their respective addresses in the Register maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Securityholders shall be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, for communication by it to entitled Securityholders in substitution for notification as required by the Conditions.

15 Meetings of Securityholders, Modification, Waiver and Authorisation

15.1 Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including without limitation the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Securities for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Securities held or represented by him or them, except that, at any meeting the business of which is:

- (i) to modify the circumstances in which the Issuer is entitled to redeem or purchase the Securities or the dates on which a Distribution is payable in respect of the Securities;

- (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or amount of a Distribution on or to vary the method of calculating the Distribution Rate on, the Securities;
- (iii) to modify or cancel the Guarantee;
- (iv) to modify or cancel any provision in relation to the Guarantor's obligations under the Mandatory Acquisition Obligations;
- (v) to change the currency of payment of the Securities; or
- (vi) to amend this provision or to modify the provisions concerning the quorum required at any meeting of the Securityholders or the majority required to pass an Extraordinary Resolution,

the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting, not less than one-third, of the principal amount of the Securities for the time being outstanding.

The Trust Deed provides that each of the following shall constitute an “**Extraordinary Resolution**”: (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (b) a resolution in writing signed by or on behalf of Securityholders of not less than 75 per cent. in principal amount of the Securities for the time being outstanding (a “**Written Resolution**”) and (c) any resolution passed by way of consent given by way of Electronic Consent (as defined in the Trust Deed) through and in accordance with the procedures of the relevant clearing system(s) by or on behalf of the Securityholders of not less than 75 per cent. in principal amount of the Securities for the time being outstanding. A Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders. An Extraordinary Resolution passed by the Securityholders will be binding on all Securityholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

15.2 Modification, waiver and authorisation

The Trustee may agree, without the consent of the Securityholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Securityholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

In connection with any modification in accordance with this Condition 15.2, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading. In respect of any proposed modification in accordance with the foregoing provisions, the Issuer shall provide a certificate signed by two Authorised Signatories of the Issuer stating that the proposed modification would not itself give rise to a Tax Deductibility Event, Withholding Tax Event or Accounting Event with respect to the Securities. The Trustee shall be entitled to accept such certificate as sufficient evidence in which event it shall be conclusive and binding on the Securityholders.

Any such modification in accordance with the foregoing provisions shall not be permitted if any such modification would itself give rise to a Tax Deductibility Event, Withholding Tax Event or Accounting Event with respect to the Securities.

15.3 Trustee to have regard to interests of Securityholders as a class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver or authorisation), the Trustee shall have regard to the general interests of the Securityholders as a class but shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

15.4 Notification to the Securityholders

Any modification, abrogation, waiver or authorisation shall be binding on the Securityholders and, unless the Trustee agrees otherwise, any modification shall be notified by the Issuer to the Securityholders as soon as practicable thereafter in accordance with Condition 14.

16 Indemnification of the Trustee and its Contracting with the Issuer

16.1 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Securityholders, including, without limitation, (a) provisions relieving it from taking any steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or these Conditions and in respect of the Securities and payment or taking other actions unless first indemnified and/or secured and/or prefunded to its satisfaction and (b) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (x) to evaluate its risk in any given circumstance by considering the worst-case scenario and (y) to require that any indemnity or security given to it by the Securityholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may rely without liability to Securityholders, the Issuer, the Guarantor or any other person on any report, confirmation, certificate or information from or any advice or opinion of any legal advisers, accountants, auditors, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, opinion, certificate, information or advice, in which event such report, confirmation, opinion, certificate, information or advice shall be binding on the Issuer, the Guarantor and the Securityholders.

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Securities of the duties and obligations on their part expressed in respect of the

same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

None of the Trustee or any Agent shall be liable to any Securityholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Securityholders. The Trustee shall be entitled to rely on any direction, request or resolution of Securityholders given by holders of the requisite principal amount of Securities outstanding or passed at a meeting of Securityholders convened and held in accordance with the Trust Deed.

Neither the Trustee nor any of the Agents shall be under any obligation or be required to ascertain whether any Accounting Event, Bankruptcy Event, Change of Control Event, Compulsory Distribution Payment Event, Non-Call Event, Non-Payment Event, Optional Deferral Event, Tax Deductibility Event or Withholding Tax Event has occurred or may occur or and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer. Neither the Trustee nor the Agents shall be responsible or liable to the Securityholders, the Issuer or any other person for any loss or liability arising from any failure to do so.

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and the Issuer's Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Securityholder shall not rely on the Trustee in respect thereof.

16.2 Trustee contracting with the Issuer

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Securityholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17 Further Issues

The Issuer is, to the extent permitted under applicable laws and subject to the prior written consent of the Guarantor, at liberty from time to time without the consent of the Securityholders to create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the first payment of Distributions thereon) and so that the same shall be consolidated and form a single series with the outstanding securities of any series (including the Securities) constituted by the Trust Deed or any supplemental deed. Any further securities or bonds which are to form a single series with the outstanding Securities or bonds of any series (including the Securities) constituted by the Trust Deed or any supplemental deed shall, and any other further securities or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Securityholders and the holders of securities or bonds of other series in certain circumstances where the Trustee so decides.

18 Governing Law and Submission to Jurisdiction

18.1 Governing law

The Trust Deed, the Agency Agreement, the Securities and the Guarantee and any non-contractual obligations arising out of or in connection with the Trust Deed or the Securities are governed by, and will be construed in accordance with, English law.

18.2 Jurisdiction of English courts

Each of the Issuer and the Guarantor irrevocably agrees for the benefit of the Trustee and the Securityholders that the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Agency Agreement, the Securities or the Guarantee (including any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Securities or the Guarantee) and accordingly has submitted to the non-exclusive jurisdiction of the English courts.

The Issuer and the Guarantor have in the Trust Deed and, in the case of the Issuer, in the Agency Agreement, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Agents and the Securityholders may take any suit, action or proceeding (together referred to as “**Proceedings**”) arising out of or in connection with the Trust Deed, the Agency Agreement, the Securities or the Guarantee, respectively (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Securities or the Guarantee) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

18.3 Appointment of process agent

The Issuer irrevocably and unconditionally appoints Law Debenture Corporate Services Inc. for the time being as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person for that purpose and notify such appointment to the Trustee.

The Guarantor irrevocably and unconditionally appoints its office in London for the time being as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person for that purpose and notify such appointment to the Trustee.

18.4 Sovereign immunity

To the extent permitted under applicable laws, each of the Issuer and the Guarantor has irrevocably and unconditionally waived and agreed not to raise with respect to the Trust Deed, the Agency Agreement, the Securities and the Guarantee any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, to the extent that it has such sovereign or other immunity as at the Issue Date or at any time thereafter, and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

19 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the Security or the Guarantee is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer and/or the Guarantor or otherwise) by the Trustee or any Securityholder in respect of any sum expressed to be due to it from the Issuer and/or the Guarantor, as the case may be, shall only constitute a discharge to the Issuer and/or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the Security or the Guarantee, as the case may be, that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Security, the Issuer and the Guarantor shall jointly and severally indemnify it against any loss sustained by it as a result. In any event, the Issuer and the Guarantor shall jointly and severally indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 19, it shall be sufficient for the Trustee or the Securityholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and/or the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Trustee or any Securityholder and shall continue to be in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Security or any other judgment or order.

20 Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Security or the Guarantee, except to the extent expressly provided for in these Conditions and in the Trust Deed, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21 Definitions

“**Accounting Event**” has the meaning given to it in Condition 7.5.

“**Additional Amounts**” has the meaning given to it in Condition 9.1.

“**Additional Distribution Amount**” has the meaning given to it in Condition 5.6(a).

“**Agency Agreement**” has the meaning given to it in the preamble to these Conditions.

“**Agent**” or “**Agents**”, as the case may be, means each of the Registrar, the Transfer Agent, the Calculation Agent, the Principal Paying Agent and any other paying agent appointed pursuant to the Agency Agreement.

“**Arrears of Distribution**” has the meaning given to it in Condition 5.6(a).

“**Authorised Signatory**” has the meaning given to it in the Trust Deed.

“**Bankruptcy Date**” has the meaning given to it in Condition 7.12(a).

“**Bankruptcy Event**” has the meaning given to it in Condition 7.12(a).

“**Business Day**” means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Bangkok, Singapore, Hong Kong and New York City.

“**Calculation Agent**” means The Bank of New York Mellon, London Branch, or any calculation agent which may be appointed by the Issuer from time to time to carry out the functions specified to be undertaken by it under these Conditions.

“**Certificate**” has the meaning given to it in Condition 1.1.

“**Change in Law**” has the meaning given to it in Condition 7.3(a).

“**Change of Control Event**” has the meaning given to it in Condition 7.6.

“**Clearstream, Luxembourg**” has the meaning given to it in the preamble to these Conditions.

“**Code**” has the meaning given to it in Condition 6.2.

“**Common Share**” means a fully paid ordinary share in the capital of the Issuer.

“**Compulsory Distribution Payment Event**” has the meaning given to it in Condition 5.6(a).

“**Conditions**” has the meaning given to it in the preamble to these Conditions.

“**Distributions**” has the meaning given to it in Condition 5.1.

“**Distribution Payment Date**” has the meaning given to it in Condition 5.1.

“**Distribution Rate**” has the meaning given to it in Condition 5.1.

“**Euroclear**” has the meaning given to it in the preamble to these Conditions.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

“**Extraordinary Resolution**” has the meaning given to it in Condition 15.1.

“**First Call Date**” has the meaning given to it in Condition 5.1(a).

“**Guarantee**” has the meaning given to it in Condition 4.

“**Guarantor**” has the meaning given to it in the preamble to these Conditions.

“**holder**” has the meaning given to it in Condition 1.2.

“**Initial Spread**” means 2.882 per cent. per annum.

“**Issue Date**” means 29 June 2020.

“**Issuer**” has the meaning given to it in the preamble to these Conditions.

“**Junior Security**” means: (i) any class of the Issuer’s share capital (including preference shares); (ii) any security issued by the Issuer which is subordinated or which ranks, or is expressed to rank, junior to the Issuer’s obligations in respect of the Securities (including, without limitation, the THB15 billion 5.85 per cent. Subordinated Perpetual Securities); and (iii) any security guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer’s obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank junior to the Issuer’s obligations under the Securities.

“**Mandatory Acquisition Date**” has the meaning given to it in Condition 7.12(b).

“**Mandatory Acquisition Event**” has the meaning given to it in Condition 7.11.

“**Mandatory Acquisition Obligations**” has the meaning given to it in Condition 7.11.

“**Maximum Guaranteed Amount**” has the meaning given to it in Condition 4.

“**Non-Call Date**” has the meaning given to it in Condition 7.12(b).

“**Non-Call Event**” has the meaning given to it in Condition 7.12(b).

“**Non-Payment Event**” has the meaning given to it in Condition 11(a).

“**Optional Deferral Event**” has the meaning given to it in Condition 5.6(a).

“**Outstanding Payment Obligation**” has the meaning given to it in Condition 4.

“**Parity Security**” means any class of security issued or guaranteed by the Issuer which ranks or is expressed to rank *pari passu* with the Securities (including, without limitation, the U.S.\$300,000,000 Guaranteed Senior Perpetual Capital Securities issued on 4 December 2018).

“**Payment Business Day**” has the meaning given to it in Condition 6.4.

“**Permitted Holders**” has the meaning given to it in Condition 7.6.

“**principal amount**” has the meaning given to it in Condition 1.1.

“**Principal Paying Agent**” means The Bank of New York Mellon, London Branch at its specified office or any successor principal paying agent appointed under the Agency Agreement at its specified office.

“**Proceedings**” has the meaning given to it in Condition 18.2.

“**Qualifying Securities**” means securities that:

- (a) have terms not materially less favourable to an investor from the terms of the Securities and:
 - (i) are issued by the Issuer;
 - (ii) would rank *pari passu* with the Securities on a Winding-Up of the Issuer, shall preserve the Securityholders’ rights to any payment of accrued and unpaid Distributions, Arrears of Distribution and Additional Distribution Amounts and shall contain terms which provide for the same Distribution Rate, Distribution Payment Dates and redemption events, from time to time applying to the Securities, and other terms of such securities are substantially identical (as reasonably determined by the Issuer and an independent investment bank) to the Securities, save for the modifications or amendments to such terms that are specifically required to be made in order to avoid or resolve the Tax Deductibility Event, Withholding Tax Event or, as the case may be, Accounting Event; and
- (b) are listed on the Official List of the Singapore Stock Exchange or another securities exchange of international standing regularly used for the listing and quotation of securities offered and traded in the international markets.

“Redemption Price” means the principal amount of the Securities plus (i) any Distributions accrued to, but excluding, the date fixed for redemption, (ii) any Arrears of Distribution and (iii) any Additional Distribution Amounts. Any Redemption Price to be paid by the Guarantor pursuant to these Conditions shall be subject to a maximum amount equal to the Outstanding Payment Obligation Amount as of the Mandatory Acquisition Date.

“Register” has the meaning given to it in Condition 1.1.

“Registrar” means The Bank of New York Mellon SA/NV, Luxembourg Branch at its specified office or any successor registrar appointed under the Agency Agreement at its specified office.

“Relevant Date” has the meaning given to it in Condition 9.2(a).

“Relevant Jurisdiction” has the meaning given to it in Condition 9.2(b).

“Required Notice” means:

- (a) not less than 30 nor more than 60 days’ notice to the Securityholders in accordance with Condition 14; and
- (b) notice to the Registrar and the Trustee and the Guarantor not less than 15 days before the giving of the notice referred to in (a),

which notice shall be irrevocable and shall specify the date fixed for redemption.

“Reset Date” means the First Call Date and each subsequent date which is the third anniversary of any Reset Date.

“Reset Determination Date” means, in relation to the calculation of a Reset Distribution Rate, the second Business Day before the commencement of the relevant Reset Period.

“Reset Distribution Rate” in respect of any Reset Period means the Treasury Rate calculated on the Reset Determination Date in respect of that Reset Period plus the Initial Spread plus the Step-Up Margin.

“Reset Period” means the period from and including the First Call Date to but excluding the next Reset Date and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date.

“Securities” has the meaning given to it in the preamble to these Conditions.

“Securityholder” has the meaning given to it in Condition 1.2.

“Securityholder Notice Deadline” has the meaning given to it in Condition 7.13.

“Special Redemption Price” means 101 per cent. of the principal amount of the Securities plus (i) any Distributions accrued to, but excluding, the date fixed for redemption, (ii) any Arrears of Distribution and (iii) any Additional Distribution Amounts.

“Step-Up Margin” means 6.00 per cent. per annum.

“Subsidiary” means any corporation or other entity of which more than 50 per cent. of the total voting power of shares, securities or other ownership interests entitled to vote in the election of the board of directors or other persons performing similar functions is at the time directly or indirectly owned by the Issuer.

“**Tax Deductibility Event**” has the meaning given to it in Condition 7.3.

“**Taxes**” has the meaning given to it in Condition 9.1.

“**Transfer Agent**” means The Bank of New York Mellon SA/NV, Luxembourg Branch at its specified office or any successor transfer agent appointed under the Agency Agreement at its specified office.

“**Treasury Rate**” means the rate in per cent. per annum equal to the yield, under the heading that represents the average for the week immediately prior to the Reset Determination Date, appearing in the most recently published statistical release designated “H.15(519)” (currently set out on the website <http://www.federalreserve.gov/releases/h15/current/default.htm>) or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded non-inflation indexed U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities,” for the maturity corresponding to three years. If such release (or any successor release) is not published during the week preceding the Reset Determination Date or does not contain such yields, “Treasury Rate” shall be obtained from an internationally recognised investment bank selected by the Issuer.

“**Trust Deed**” has the meaning given to it in the preamble to these Conditions.

“**Trustee**” has the meaning given to it in the preamble to these Conditions.

“**Winding-Up**” means, with respect to the Issuer, a final and effective order or resolution by a competent authority in the jurisdiction of the Issuer for the liquidation or bankruptcy (where it leads to liquidation) or similar proceedings having the same effect as liquidation or bankruptcy (where it leads to liquidation) in respect of the Issuer or a final and effective resolution by the Issuer’s shareholders for the liquidation of the Issuer.

“**Winding-Up Event**” has the meaning given to it in Condition 11(b).

“**Withholding Tax Event**” has the meaning given to it in Condition 7.4(a).

“**Written Resolution**” has the meaning given to it in Condition 15.1.

THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Securities in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions. The following is a summary of certain of those provisions. Terms defined in the Conditions have the same meaning in the paragraphs below.

The Securities will be represented by a Global Certificate which will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg.

Under the Global Certificate, the Issuer subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the registered holder hereof on the date(s) as all or any of the Securities represented by the Global Certificate may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Securities on each such date and to pay Distributions (if any) on the principal amount of the Securities outstanding from time to time represented by the Global Certificate calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

The Global Certificate may be exchanged in whole but not in part (free of charge) for certificates representing definitive Securities (“**Definitive Certificates**”) only upon the occurrence of an Exchange Event. An “**Exchange Event**” means the Issuer has been notified that Euroclear or Clearstream, Luxembourg, as appropriate, is unwilling or unable to continue as a clearing system in connection with the Global Certificate, or that it has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or that it has announced an intention permanently to cease business or has in fact done so and, in each case, a successor clearing system approved by the Trustee is not appointed by the Issuer within 90 days after receiving such notice from Euroclear or Clearstream, Luxembourg.

In the event of the occurrence of any Exchange Event, Euroclear and/or Clearstream, Luxembourg, as the case may be, acting on the instructions of any holder of an interest in the Global Certificate may give notice to the Registrar requesting an exchange. Any exchange shall occur no later than 21 days after the date of receipt of the relevant notice by the Registrar. Exchanges will be made upon presentation of the Global Certificate at the office of the specified office of the Registrar by the holder hereof on any day (other than a Saturday or Sunday) on which banks are open for general business in Bangkok, Singapore, London and New York City. The aggregate nominal amount of Definitive Certificates issued upon an exchange of the Global Certificate will be equal to the aggregate nominal amount of the Global Certificate. On an exchange in whole of the Global Certificate, the Global Certificate shall be surrendered to the Registrar.

In addition, the Global Certificate will contain provisions which modify the Conditions as they apply to the Securities evidenced by the Global Certificate. The following is a summary of those provisions:

Accountholders: For so long as all of the Securities are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a particular aggregate principal amount of such Securities (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (as the case may be) as to the aggregate principal amount of such Securities standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Securities (and the expression “**Securityholders**” and references to “**holding of Securities**” and to “**holder of Securities**” shall be construed accordingly) for all purposes other than with respect to payments on such Securities, the right to which shall be vested, as against the Issuer and the Trustee, solely in the nominee for the relevant clearing system (the “**Relevant**”).

Nominee”) in accordance with and subject to the terms of the Global Certificate. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Relevant Nominee.

Cancellation: Cancellation of any Security following its redemption or purchase by the Issuer or any of its Subsidiaries will be effected by reduction in the aggregate principal amount of the Securities in the Register and by the annotation of the appropriate schedule to the Global Certificate.

Payments: Payments of principal, premium (if any) and interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) in respect of Securities represented by the Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Securities, against presentation and surrender of the Global Certificate to or to the order of the Principal Paying Agent or such other Agent as shall have been notified to the holder of the Global Certificate for such purpose. Distributions of amounts will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures. A record of each payment made will be endorsed on the appropriate schedule to the Global Certificate by or on behalf of the Principal Paying Agent and shall be *prima facie* evidence that payment has been made. For the purposes of Condition 6.1, so long as the Securities as evidenced by the Global Certificate are held on behalf of Euroclear and/or Clearstream, Luxembourg, the record date in respect of the Securities shall be the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date.

Notices: So long as all the Securities are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Securityholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by the Conditions. Whilst any of the Securities held by a Securityholder are represented by the Global Certificate, notices to be given by such Securityholder may be given by such Securityholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Trustee and Euroclear and Clearstream, Luxembourg may approve for this purpose.

Registration of title: Registration of title to Securities in a name other than that of the Relevant Nominee will not be permitted unless Euroclear or Clearstream, Luxembourg notifies the Issuer that it is unwilling or unable to continue as a clearing system in connection with the Global Certificate and a successor clearing system approved by the Trustee is not appointed by the Issuer within 90 days after receiving such notice from Euroclear or Clearstream, Luxembourg. In these circumstances title to a Security may be transferred into the names of holders notified by the Relevant Nominee in accordance with the Conditions, except that Certificates in respect of Securities so transferred may not be available until 21 days after the request for transfer is duly made. The Registrar will not register title to the Securities in a name other than that of the Relevant Nominee for a period of 15 calendar days preceding the due date for any payment of principal, premium (if any) or interest (including Distributions, Arrears of Distribution and Additional Distribution Amounts) in respect of the Securities.

Transfers: Transfers of book-entry interests in the Securities will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

USE OF PROCEEDS

The net proceeds from this offering, after deduction of discounts and commissions and estimated expenses incurred in connection with this offering, are expected to be approximately U.S.\$296 million. The Issuer intends to use the net proceeds it receives for the purposes of refinancing of existing indebtedness and working capital purposes.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, the means of the average buying (transfer) rates and the average selling rates published by the Bank of Thailand. The average buying (transfer) rates and average selling rates are calculated by averaging the foreign exchange counter rates quoted by commercial banks registered in Thailand. No representation is made that the Baht or U.S. dollar amounts set forth herein and referred to elsewhere in this Offering Circular could have been, or could be, converted into U.S. dollars or Baht, as the case may be, at the rates indicated, at any particular rates, or at all.

| | <u>At Period End</u> | <u>Year ended 31 December</u> | | |
|----------------|----------------------|-------------------------------|------------|-------------|
| | | <u>Average</u> | <u>Low</u> | <u>High</u> |
| | | <i>(Baht per dollar)</i> | | |
| Period | | | | |
| 2018 | 32.45 | 32.32 | 31.14 | 33.47 |
| 2019 | 30.15 | 31.05 | 30.15 | 32.37 |
| 2020 | | | | |
| January | 31.13 | 30.43 | 30.11 | 31.16 |
| February | 31.62 | 31.34 | 31.02 | 31.85 |
| March | 32.67 | 32.09 | 31.38 | 32.94 |
| April | 32.38 | 32.64 | 32.34 | 33.09 |
| May | 31.85 | 32.04 | 31.85 | 32.45 |

Source: Bank of Thailand

Currently, a managed float system is being applied by the Bank of Thailand. Prior to the applicability of the floating currency system, the Bank of Thailand maintained the value of the Baht on the basis of a basket of foreign currencies, the composition of which was based on Thailand's main trading partner countries. There is no assurance that the value of Baht exchange rates will not depreciate or fluctuate in the future, or that the current monetary policy will still be applied. The uncertainty also applies to the Government's level of success in stabilising, protecting, increasing the value of and devaluing the Baht.

Thailand currently has few foreign exchange controls. Foreign currency can be brought into Thailand without restriction. However, any person bringing foreign currency into Thailand is required to sell such foreign currency to an authorised agent or to deposit it in a foreign currency account within 360 days, except in the case of foreigners staying in Thailand for no longer than three months, and for foreign embassies and international organisations. Remittances of foreign currency out of Thailand are subject to certain reporting requirements and/or submission of documents (as the case may be).

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Group's consolidated capitalisation and indebtedness as at 31 March 2020:

- on an actual basis; and
- as adjusted to give effect to the issue of the Securities.

This table should be read in conjunction with “*Use of Proceeds*”, and the Group's consolidated financial information and the related notes thereto included elsewhere in this Offering Circular.

| | As at 31 March 2020 | | | |
|--|---------------------------|------------------------------|---------------------------|------------------------------|
| | Actual | | As adjusted | |
| | THB ('000) | U.S.\$ | THB ('000) | U.S.\$ |
| Liabilities | | | | |
| Total current liabilities | 55,098,392 | 1,736,257,390 | 55,098,392 | 1,736,257,390 |
| Non-current liabilities | | | | |
| Lease liabilities | 83,089,129 | 2,618,299,899 | 83,089,129 | 2,618,299,899 |
| Derivatives liabilities | 2,098,515 | 66,128,285 | 2,098,515 | 66,128,285 |
| Long-term borrowings | 50,742,297 | 1,598,988,372 | 50,742,297 | 1,598,988,372 |
| Debentures | 60,125,921 | 1,894,684,597 | 60,125,921 | 1,894,684,597 |
| Employee benefits obligations | 1,369,485 | 43,155,133 | 1,369,485 | 43,155,133 |
| Deferred tax liabilities | 25,116,663 | 791,474,853 | 25,116,663 | 791,474,853 |
| Other non-current liabilities | 2,638,878 | 83,156,173 | 2,638,878 | 83,156,173 |
| Total non-current liabilities | <u>225,180,888</u> | <u>7,095,887,312</u> | <u>225,180,888</u> | <u>7,095,887,312</u> |
| Total liabilities | <u>280,279,280</u> | <u>8,832,144,702</u> | <u>280,279,280</u> | <u>8,832,144,702</u> |
| Equity | | | | |
| Issuance of Securities | – | – | 9,520,200 | 300,000,000 ⁽²⁾ |
| Equity attributable to owners of the parent | 69,974,159 | 2,205,021,712 | 69,974,159 | 2,205,021,712 |
| Non-controlling interests | 10,260,479 | 323,327,630 | 10,260,479 | 323,327,630 |
| Total equity | <u>80,234,638</u> | <u>2,528,349,342</u> | <u>89,754,838</u> | <u>2,828,349,342</u> |
| Total capitalisation and indebtedness⁽¹⁾ | <u>360,513,918</u> | <u>11,360,494,044</u> | <u>370,034,118</u> | <u>11,660,494,044</u> |

Note:

- (1) The total capitalisation and indebtedness for each period is derived from the sum of the total liabilities and total equity for the relevant period.
- (2) Securities to be issued represent the aggregate principal amount of the Securities, without taking into account, and before deduction of underwriting fees and commissions and other estimated transaction expenses payable.

Except as disclosed above, there have been no material changes to the Group's capitalisation or indebtedness since 31 March 2020.

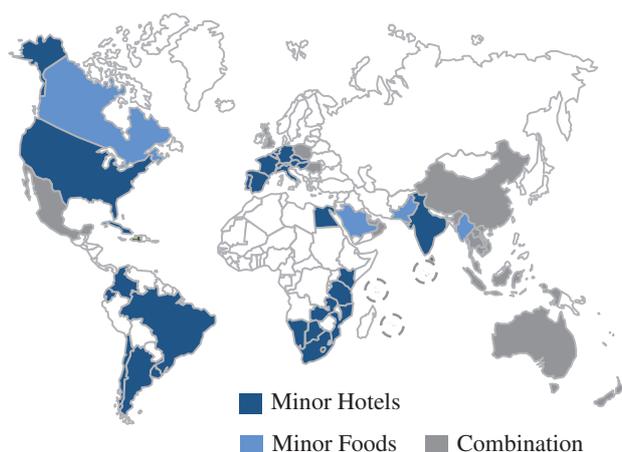
BUSINESS

Overview

Minor International PCL (“MINT”) is one of the largest hospitality and leisure companies in the Asia Pacific region. As of 31 March 2020, MINT has a market capitalisation of over U.S.\$2.3 billion, with 530 hotels and resorts, 2,362 restaurant outlets and 473 retail trading outlets. MINT strives to be a leader in delivering exceptional experiences that anticipate and satisfy customers’ aspirations and positively impact stakeholders.

As of and for the three-month period ended 31 March 2020, MINT’s core revenues, gross profit and total assets were THB22,421 million (U.S.\$707 million), THB11,771 million (U.S.\$371 million) and THB360,514 million (U.S.\$11,360 million), respectively. MINT’s core revenues grew from THB78,499 million (U.S.\$2,474 million) for the year ended 2018 to THB123,385 million (U.S.\$3,888 million) for the year ended 2019. MINT’s gross profit grew from THB49,689 million (U.S.\$1,566 million) for the year ended 2018 to THB64,946 million (U.S.\$2,047 million) for the year ended 2019 and has maintained a gross profit margin of approximately 50 per cent. in the last three years. In addition, MINT’s total assets decreased from THB268,081 million (U.S.\$8,448 million) as of 31 December 2018 to THB254,184 million (U.S.\$8,010 million) as of 31 December 2019.

MINT’s business consists of three segments: Minor Hotels, Minor Food and Minor Lifestyle. For the three-month period ended 31 March 2020, Minor Hotels, Minor Food and Minor Lifestyle contributed 70 per cent., 25 per cent. and 5 per cent. of core revenues. As at the date of this Offering Circular, the Group had footprint in 63 countries.



Recent Developments

COVID-19

The Group’s business has been and will continue to be materially adversely affected by the novel coronavirus (“COVID-19”) pandemic. The outbreak of COVID-19 commenced in early 2020 and was declared a pandemic by the World Health Organisation on 11 March 2020.

The virus is present in substantially all of the jurisdictions in which the Group operates. Many countries have introduced strict border controls and travel (both international and domestic) restrictions and have also ordered residents to stay at home with a limited range of exceptions. For example, on 22 March 2020, the Bangkok Metropolitan Administration (“BMA”) ordered the temporary closure of COVID-19 high risk venues in Thailand, and additional closures and restrictions on business, including hotels and restaurants, were subsequently implemented throughout Thailand. The governments of other countries where the Group operates have also adopted measures and recommendations to slow the spread of COVID-19. These measures and recommendations affect and will continue to materially affect the Group’s business units

both directly and indirectly, and the Group is anticipating a period of significant economic disruption because of them. In addition, these measures have evolved rapidly and are likely to continue to do so. As of the date of this Offering Circular, many of these countries or individual regions or cities have started easing restrictions as governments seek to restart the economies in their countries.

As the situation continues to evolve, the Group adopts a customised approach specific to the evolving dynamics at the market level, depending on various factors and across different geographies. MINT is structured to ensure the continuity of its business operations and it has put in place plans to swiftly respond to any incidence of COVID-19 at its offices, hotels and outlets and will act upon the guidance of relevant local authorities. Since mid-May, the Group has started to see gradual recovery in business trends as a number of countries began to initiate lockdown easing and announced plans to reopen their borders. MINT anticipates further recovery in June and the remainder of the year as hotels continue to reopen and restaurants gradually see space utilisation of outlets increase as social-distancing rules are eased, although such recovery could be reversed if there is further spread or recurrence of COVID-19.

Business Performance Update

MINT reported core revenue for the three months ended 31 March 2020 of Baht 22,421 million, decreasing by 22 per cent. year-on-year. This was attributable to the adverse impact from the COVID-19 outbreak on all three business units, most notably the challenging environment of Minor Hotels globally and Minor Food in China. In the face of the closure of a large number of its hotels, food and beverage outlets, and lifestyle points of sale, as well as significantly decreased international demand due to travel and lockdown restrictions, MINT expects to report a further significant deterioration in its performance for the six months ending 30 June 2020, both as compared to the corresponding period in 2019 and as compared to the three months ended 31 March 2020. As part of the Group's cost reduction initiatives, the Group has also undertaken a reorganisation of its workforce in the second quarter of 2020 and the associated restructuring cost is expected to further impact its financial performance for the six months ending 30 June 2020. See also "*Risk Factors – The global outbreak of COVID-19 has, and will continue to, materially and adversely affect the Group's business.*"

Minor Hotels

COVID-19 and efforts to contain it had a significant impact on the travel industry starting in the first quarter of 2020. During the five months ended 31 May 2020, Minor Hotel was adversely impacted by the COVID-19 outbreak due to declining global travel. Travel restrictions and bans on incoming international flights in most regions resulted in temporary hotel closures. The situation has continued to deteriorate in the second quarter, and the Group expects its performance for the six months ending 30 June 2020 to be significantly worse than in the first quarter of 2020.

As the pandemic accelerated around the world, the Group saw a significant decline in occupancy and Revenue per Available Room ("**RevPAR**") in all regions. Coupled with a lower average daily rate ("**ADR**") in line with industry trends, the organic RevPAR of the entire portfolio around the world declined approximately 55 per cent. in the first five months of 2020 as compared to the corresponding period in 2019. Most of the Group's hotels were temporarily closed or remained open with limited operation in April and May 2020. Drastic measures to contain the spread of the COVID-19 pandemic, including the total lockdown of entire cities, led to a steep drop in demand, resulting in an average occupancy of approximately 32 per cent. for the five-month period ended 31 May 2020, representing a 36 per cent. decrease as compared to the corresponding period in 2019.

Based on the business performance of Minor Hotel as of the date of this Offering Circular, MINT expects to report a material operating loss for Minor Hotel for six months ending 30 June 2020, and a significant RevPAR decline for its properties in the six months ending 30 June 2020 as compared to the corresponding period in 2019. MINT does not expect to see a material improvement in RevPAR performance or operating losses of Minor Hotel until the spread of COVID-19 has moderated and governments have lifted border controls and travel restrictions.

In view of the fluidity of the situation and lack of visibility on the timeline for containment of this global pandemic, the recovery trajectory remains uncertain. As the headwinds to overall demand in the hospitality industry are expected to continue in the near term, this is expected to have a significant impact on Minor Hotel's business and financial performance. The levels of cancellations remain high for stays through the first half of 2020, with limited cancellations for stays in the second half of 2020, and some deferred and rebooked into the later part of 2020 or early 2021. While MINT expects the level of bookings to be materially lower in the financial year ending 31 December 2020 compared to previous years, the full extent of the financial impact of this unprecedented situation for the remaining period of the financial year ending 31 December 2020 or beyond cannot be conclusively determined at this point in time, and will depend on several factors including the duration of the pandemic, potential for further extension of movement restrictions in the cities which the Group operates, as well as the trajectory for recovery when the pandemic is under control. The Group continues to engage with its customers to navigate through this crisis.

Average Occupancy, Average Daily Rate and RevPAR

The tables below set forth certain Average Occupancy, Average Daily Rate and RevPAR figures for the periods indicated.

| | Average Occupancy ⁽¹⁾ (System-wide) | | | | | | | |
|--|--|------|---|------|-------|------|------|------|
| | Year ended 31 December | | Three-month period ended 31 March | | April | | May | |
| | 2019 | 2018 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| Majority Owned Hotels | 71 | 70 | 46 | 65 | 1 | 72 | 2 | 74 |
| <i>Thailand</i> | 76 | 77 | 53 | 82 | 1 | 79 | 1 | 67 |
| <i>Maldives</i> | 60 | 66 | 66 | 73 | 0 | 79 | 0 | 49 |
| <i>Europe and LATAM</i> ⁽²⁾ | 71 | 70 | 46 | 65 | 1 | 72 | 9 | 56 |
| Joint Ventures | 52 | 53 | 41 | 56 | 7 | 55 | 13 | 42 |
| Managed Hotels | 64 | 63 | 48 | 64 | 4 | 60 | 7 | 58 |
| MLRs ⁽³⁾ | 77 | 79 | 71 | 77 | 23 | 77 | 31 | 73 |
| Average | 70 | 69 | 49 | 66 | 4 | 71 | 6 | 71 |

Notes:

- (1) Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Average Occupancy⁽¹⁾ (Organic)

| | Year ended 31 December | | Three-month period ended 31 March | | April | | May | |
|---|------------------------|------|-----------------------------------|------|-------|------|------|------|
| | 2019 | 2018 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (%) | | (%) | | (%) | | (%) | |
| Majority Owned Hotels | 69 | 70 | 46 | 65 | 1 | 72 | 3 | 74 |
| <i>Thailand</i> | 76 | 77 | 54 | 82 | 1 | 79 | 1 | 67 |
| <i>Maldives</i> | 60 | 66 | 60 | 73 | 0 | 79 | 0 | 49 |
| <i>Europe and LATAM⁽²⁾</i> | 70 | 70 | 46 | 65 | 1 | 72 | 2 | 75 |
| Joint Ventures | 52 | 53 | 41 | 56 | 7 | 55 | 13 | 42 |
| Managed Hotels | 65 | 63 | 51 | 64 | 5 | 60 | 8 | 58 |
| MLRs ⁽³⁾ | 77 | 79 | 69 | 77 | 23 | 77 | 31 | 73 |
| Average | 69 | 69 | 49 | 66 | 4 | 71 | 6 | 71 |

Notes:

- (1) Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Average Daily Rate⁽¹⁾ (System-wide)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|-----------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 3,846 | 4,587 | (16) | 3,810 | 3,748 | 2 | 2,660 | 4,029 | (34) | 2,741 | 4,070 | (33) |
| <i>Thailand</i> | 6,137 | 6,307 | (3) | 7,322 | 7,301 | 0 | 4,380 | 6,038 | (27) | 8,403 | 4,956 | 70 |
| <i>Maldives</i> | 28,066 | 26,531 | 6 | 35,683 | 35,841 | 0 | 32,794 | 31,932 | 3 | n.a. | 22,963 | n.a. |
| <i>Europe and LATAM⁽²⁾</i> | 3,657 | 4,085 | (10) | 3,487 | 3,414 | 2 | 2,635 | 3,830 | (31) | 2,649 | 4,094 | (35) |
| Joint Ventures | 7,909 | 8,152 | (3) | 7,530 | 7,281 | 3 | 3,006 | 7,087 | (58) | 3,174 | 4,958 | (36) |
| Managed Hotels | 4,389 | 5,330 | (18) | 4,641 | 4,963 | (6) | 5,579 | 5,667 | (2) | 5,883 | 4,224 | 39 |
| MLRs ⁽³⁾ | 3,797 | 4,297 | (12) | 3,702 | 4,124 | (10) | 2,674 | 3,845 | (30) | 2,288 | 3,580 | (36) |
| Average | 3,978 | 4,775 | (17) | 3,982 | 4,021 | (1) | 3,240 | 4,272 | (24) | 3,050 | 4,048 | (25) |

Notes:

- (1) Average daily rate represents hotel room revenues divided by the total number of room nights sold in a given period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Average Daily Rate⁽¹⁾ (Organic)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|-----------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 4,351 | 4,587 | (5) | 3,784 | 3,748 | 1 | 2,650 | 4,029 | (34) | 2,737 | 4,070 | (33) |
| <i>Thailand</i> | 6,137 | 6,307 | (3) | 7,325 | 7,301 | 0 | 4,380 | 6,038 | (27) | 8,403 | 4,956 | 70 |
| <i>Maldives</i> | 28,066 | 26,531 | 6 | 35,683 | 35,841 | 0 | 32,794 | 31,932 | 3 | n.a. | 22,963 | n.a. |
| <i>Europe and LATAM⁽²⁾</i> | 3,807 | 4,043 | (6) | 3,448 | 3,414 | 1 | 2,624 | 3,830 | (31) | 2,562 | 3,987 | (36) |
| Joint Ventures | 7,915 | 8,152 | (3) | 7,530 | 7,281 | 3 | 3,006 | 7,087 | (58) | 3,174 | 4,958 | (36) |
| Managed Hotels | 5,133 | 5,330 | (4) | 4,866 | 4,963 | (2) | 5,748 | 5,667 | 1 | 6,079 | 4,224 | 44 |
| MLRs ⁽³⁾ | 3,797 | 4,297 | (12) | 3,702 | 4,124 | (10) | 2,674 | 3,845 | (30) | 2,288 | 3,580 | (36) |
| Average | 4,473 | 4,775 | (6) | 3,990 | 4,021 | (1) | 3,248 | 4,272 | (24) | 3,057 | 4,048 | (24) |

Notes:

- (1) Average daily rate represents hotel room revenues divided by the total number of room nights sold in a given period.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

RevPAR⁽¹⁾ (System Wide)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|-----------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 2,729 | 3,190 | (14) | 1,752 | 2,444 | (28) | 28 | 2,914 | (99) | 67 | 3,021 | (98) |
| <i>Thailand</i> | 4,654 | 4,872 | (4) | 3,889 | 5,951 | (35) | 26 | 4,783 | (99) | 110 | 3,316 | (98) |
| <i>Maldives</i> | 16,878 | 17,623 | (4) | 21,506 | 26,190 | (18) | 5 | 25,164 | (100) | 0 | 11,301 | (100) |
| <i>Europe and LATAM⁽²⁾</i> | 2,607 | 2,853 | (9) | 1,599 | 2,211 | (28) | 28 | 2,767 | (99) | 60 | 3,006 | (98) |
| Joint Ventures | 4,136 | 4,343 | (5) | 3,067 | 4,063 | (25) | 222 | 3,892 | (94) | 411 | 2,076 | (80) |
| Managed Hotels | 2,823 | 3,361 | (16) | 2,234 | 3,172 | (30) | 243 | 3,407 | (93) | 388 | 2,445 | (84) |
| MLRs ⁽³⁾ | 2,937 | 3,391 | (13) | 2,641 | 3,188 | (17) | 611 | 2,961 | (79) | 709 | 2,621 | (73) |
| Average | 2,793 | 3,318 | (16) | 1,935 | 2,655 | (27) | 115 | 3,014 | (96) | 187 | 2,882 | (94) |

Notes:

- (1) Revenue per available room is calculated by multiplying ADR charged and the average occupancy achieved for a given period. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenue or transport, telephone and other guest service revenues generated by a hotel.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

RevPAR⁽¹⁾ (Organic)

| | Year ended 31 December | | | Three-month period ended 31 March | | | April | | | May | | |
|---|------------------------|--------|--------|-----------------------------------|--------|--------|--------------|--------|--------|--------------|--------|--------|
| | 2019 | 2018 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % | (Baht/night) | | % |
| Majority Owned Hotels | 3,005 | 3,190 | (6) | 1,757 | 2,444 | (28) | 29 | 2,914 | (99) | 69 | 3,021 | (98) |
| <i>Thailand</i> | 4,663 | 4,872 | (4) | 3,948 | 5,951 | (34) | 26 | 4,783 | (99) | 110 | 3,316 | (97) |
| <i>Maldives</i> | 16,878 | 17,623 | (4) | 21,506 | 26,190 | (18) | 5 | 25,164 | (100) | 0 | 11,301 | (100) |
| <i>Europe and LATAM⁽²⁾</i> | 2,650 | 2,818 | (6) | 1,595 | 2,211 | (28) | 29 | 2,767 | (99) | 62 | 3,006 | (98) |
| Joint Ventures | 4,138 | 4,343 | (5) | 3,067 | 4,063 | (25) | 222 | 3,892 | (94) | 411 | 2,076 | (80) |
| Managed Hotels | 3,331 | 3,361 | (1) | 2,486 | 3,172 | (22) | 285 | 3,407 | (92) | 457 | 2,445 | (81) |
| MLRs ⁽³⁾ | 2,937 | 3,391 | (13) | 2,558 | 3,188 | (20) | 611 | 2,961 | (79) | 709 | 2,621 | (73) |
| Average | 3,102 | 3,318 | (7) | 1,967 | 2,655 | (26) | 121 | 3,014 | (96) | 196 | 2,882 | (93) |

Notes:

- (1) Revenue per available room is calculated by multiplying ADR charged and the average occupancy achieved for a given period. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenue or transport, telephone and other guest service revenues generated by a hotel.
- (2) Europe and the Americas include hotels under NHG portfolio and hotels in Portugal and Brazil. As the Group commenced consolidation of NHG in the fourth quarter of fiscal year 2018, the operational performance of NHG was only reflected in the fourth quarter of fiscal year 2018 and the full year fiscal year 2019.
- (3) Properties under Management Letting Rights in Australia and New Zealand.

Operational status as of 31 May 2020

Continued closure of the Group's hotel properties has eroded its RevPAR performance. However, there have been early signs of improving demand trends. For example, two hotels under management contract in China were closed in February 2020 at the peak of the COVID-19 crisis but resumed operations in April 2020 and are experiencing a ramp up in demand, particularly from domestic tourism. Notwithstanding the foregoing, although some countries started to ease lockdown restrictions, many others still remain under strict quarantine and maintain travel restrictions, which has resulted in recent significant declines in occupancy, especially during April. In May, Minor Hotels began selectively reopening some hotels, particularly in northern Europe. As of 31 May 2020, approximately 73 per cent. of the Group's properties remain closed. The Group anticipates that additional hotels will be reopened in the second half of June and July, in both Europe and Asia, including Thailand.

Set out below is a summary of the status of the business operations of the Group's hotel properties in the respective regions as at 31 May 2020:

- **Thailand:** The Group's hotels, including restaurants and bars within the properties, in Bangkok and the provinces were temporarily closed from 1 April 2020. The actions taken were in accordance with the government's announcement to help curb the spread of COVID-19 and to safeguard the health of guests and staff, while simultaneously reducing operating costs. Since early May, six restaurants in Bangkok hotels have reopened in compliance with the post-COVID guidelines with inspections completed by the local district officials. In late May 2020, Anantara Siam Bangkok, the Group's flagship hotel in Bangkok, reopened. Hotels in Hua Hin were also operational in early June while selected hotels in Phuket, Samui, Pattaya and Khon Kaen are scheduled to reopen later in June and in July 2020.

- ***Indian Ocean and Neighbouring Countries:*** Minor Hotels continues to monitor the change in government policies and directives in each country. Since early April, all properties in the Maldives and some hotels in Sri Lanka, Indonesia, Cambodia, Laos, Malaysia and India have been temporarily closed. The hotels in Vietnam resumed operations in May 2020, where national marketing campaigns by the government to boost domestic tourism have fuelled domestic demand. Two properties in China reopened in mid-March 2020 where occupancy levels have been holding up well. Furthermore, selected hotels in Laos, Cambodia and Indonesia reopened in late May 2020. AVC's two sales operations in China and Taiwan have gradually re-opened in late March and April 2020, respectively, to accommodate China-based members.
- ***Australia and New Zealand:*** All hotels remain operational. Minor Hotels particularly sought out "self-isolation" business from passengers arriving at airports during the lockdown period as the government required all people entering Australia to self-quarantine in a hotel for 14 days. Domestic travel restrictions in Australia continue to be relaxed.
- ***Middle East and Africa:*** Properties in the Middle East, which are all under management contracts, are in various stages of recovery, where they are in full operation, partial operation or closure based on the local regulations. MINT has been in close cooperation with property owners and has crafted country-specific responses to situations on the ground. In late May 2020, several hotels in the Middle East resumed operations while the remaining hotels are targeted to be reopened between July and September 2020. In Africa, most hotels remain in operation at reduced business level with various stages of lockdown in majority of the countries. Some hotels nearby prominent attractions, such as the Victoria Falls in Zambia, were operating fully in May 2020. All closed properties remain in a state of readiness to resume operations.
- ***Europe and Latin America:*** In order to reduce costs and preserve liquidity in this difficult environment, the short-term strategy has been to close the maximum number of hotels. Since early April, over 90 per cent. of the hotels in Europe and approximately 75 per cent. of the hotels in Latin America were temporarily closed. Towards the end of May, NH started to reopen some of its hotels in Europe, primarily in central Europe and the Benelux countries. At the end of May, 81% and 90% of hotels in Europe and Latin America, respectively, remained closed.

Minor Hotels will continue to monitor the change in government policies and assess the demand in each country in light of the plan to reopen each of its hotels. In the meantime, each brand is heightening its sanitisation and hygiene standards in collaboration with industry experts, including Anantara's "Stay with Peace of Mind", Avani's "AvaniSHIELD", Oak's "SureStay" and NH Hotel Group's "Feel Safe at NH". Minor Hotels sees the importance of brand reliability in the face of the new normal. Key brands have worked with relevant authorities and renowned certification companies in their jurisdictions to obtain certifications in order to generate confidence and trust and meet customers' new expectations for hygiene and protection. For instance, Anantara Siam was the first hotel in Thailand to be awarded the "Amazing Thailand Safety and Health Administration: SHA" certificate by the Tourism Authority of Thailand in May 2020 and the Group expects other hotels in the portfolio to follow suit. NH Hotel Group and SGS, a leading inspection, verification, testing and certification company, have combined their experience and knowledge in the development of a comprehensive safety and hygiene protocol. Furthermore, in order to keep the brands' top-of-mind position, Minor Hotels rolled out promotional campaigns, such as the 'Anantara Escapism' to showcase interesting and light-hearted content from its hotels. Minor Hotels will focus on wellness and medi-spa in partnership with specialists, including Anantara and Verita, aiming at boosting immunity and longevity. St Regis is partnering with Clinique la Prairie Aesthetics & Medical Spa as well. Minor Hotel has also actively promoted the advanced purchase of pre-paid hotel bookings to increase its sales during this period.

Minor Food

In response to orders by several governments to enforce strict social distancing and restrict public activity, Minor Food temporarily closed some of its food and beverage outlets in most of the countries in which it operates, resulting in a substantial drop in dine-in sales. Accordingly, Minor Food brands shifted their focus to delivery and takeaway segments, which are also expected to be a key sales driver during June 2020, as dine-in sales also begin to increase. Notwithstanding the shift to the delivery and takeaway segments, the Group saw same-store-sales and total system sales decline 15.8 per cent. and 20.5 per cent. year-on-year respectively, for the five-month period ended 31 May 2020. Coupled with a sharp reduction in tourist numbers due to travel restrictions, Minor Food expects to record a significant deterioration in same-store-sales and total system sales for the six months ending 30 June 2020 amidst the challenging retail environment.

The tables below set out the percentage change of Minor Food's same-store-sales and the total-system sales for the periods indicated:

| | Year ended | | Three-month | April | May |
|--------------------------------------|-------------|-------------|--------------|--------|--------|
| | 31 December | 31 December | period ended | | |
| | 2018 | 2019 | 31 March | 2020 | |
| | (%) | | | (%) | |
| Average Same-Store Sales | (3.3) | (3.0) | (10.5) | (25.6) | (28.1) |
| Thailand. | (3.1) | (4.4) | (6.9) | 1.6 | (12.9) |
| Australia | (2.6) | (1.3) | (7.9) | (70.1) | (49.0) |
| China. | (5.9) | 0.1 | (49.4) | (42.1) | (13.1) |
| Average Total-System Sales | 0.2 | 5.0 | (5.8) | (47.8) | (37.8) |
| Thailand. | 5.4 | 2.7 | 5.5 | (28.0) | (25.7) |
| Australia | (13.3) | (1.2) | (12.5) | (83.1) | (53.0) |
| China. | 4.4 | 14.7 | (59.1) | (40.9) | (15.6) |

Operational status as of 31 May 2020

Set out below is a summary of the status of the business operations of Minor Food in its respective regions of operation as at 31 May 2020:

- Thailand:** In accordance with the Thai government's announcement in late March 2020, Minor Food closed full dine-in restaurants nation-wide, while delivery and takeaway units, which account for more than 60 per cent. of total units in Bangkok and its surrounding areas, remained operational. Since the beginning of May, Thailand has started to reopen standalone dine-in locations and stores in shopping malls, with operations adjusted to official public health and social distancing regulations. In early June, most restaurants started to accommodate more customers and experienced increased space utilisation in their outlets as social distancing rules have been gradually eased by the Thai authorities. As of 31 May 2020, 1,451 of the Group's 1,753 outlets nationwide were open.
- China:** Minor Food re-opened most of its 100 outlets in China in the beginning of March, with 95 per cent. of the outlets operational as at 31 May 2020. Minor Food's China hub is experiencing a quick recovery as the COVID-19 situation subsides. As the situation stabilizes and improves, Minor Food in China was profitable at the store level in April and May, and it expects to recover to pre-crisis sales levels by June 2020. Sales continue to improve week on week, tracking ahead of the Group's best-case scenario projections.

- **Australia and New Zealand:** The Coffee Club outlets have been impacted by the two national governments' requirements to close dine-in restaurants and cafes. In March, Minor Food's restaurants in Australia were in operation but only for delivery and take-away, while restaurants in New Zealand were closed. As at 31 May 2020, over 80 per cent. of the total of 364 outlets were open. With the easing of lockdown restrictions in both countries, MINT expects dine-in services to gradually resume starting in June 2020.

Minor Lifestyle

In late March 2020, approximately 93 per cent. of Minor Lifestyle's points of sale nationwide, in Bangkok and its surrounding areas, were closed at the peak of the pandemic outbreak in accordance with the Thai government's announcement. As of 31 May 2020, 98 per cent. of Minor Lifestyle's points of sale have since reopened. Notwithstanding the reopening of its points of sale, Minor Lifestyle has increased its focus on its on-line channels and capitalised on increased demand for hand sanitiser and other cleaning solutions at manufacturing units.

The Group saw same-store-sales and total system sales decline 48.6 per cent. and 47.3 per cent. respectively for the five-month period ended 31 May 2020 compared to the corresponding period in 2019. It is expected that the mandatory store closures, implementation of safe distancing measures in the Group's stores, restrictions on movement and travel, and the overall effect that COVID-19 has on the retail sector and the market in general, amongst other things, will in aggregate have a material impact on Minor Lifestyle's operations and earnings during this period. The Group expects that the weaker retail sector for the remaining period of the financial year ending 31 December 2020 will intensify the near-term challenges of Minor Lifestyle.

Cash Flow and Balance Sheet

As of the date of this Offering Circular, the Group has saved approximately 30 per cent. of financial year 2020's budgeted costs and expenses. At the outset of the pandemic, MINT's immediate priority was to preserve cash flow and liquidity. MINT continues to maintain its cash position and unutilised credit facilities in order to ensure sufficient liquidity going forward. Cash outflows have been reduced across its business units and across all geographies via cost reduction initiatives, including in the areas of payroll, rental and other operating costs. The Group had cash on hand of THB 21 billion and THB 22 billion and credit facilities of THB 27 billion and THB 27 billion as at 31 March 2020 and 30 April 2020, respectively. The Group's cash position and credit facilities availability has improved since 31 March 2020 to the date of this Offering Circular with NH Hotel Group obtaining a credit facility for a further EUR 250 million in May 2020. Furthermore, all of the Group's significant capital expenditure investments in 2020 have been suspended and will only proceed to the extent the Group has a contractual obligation to incur an expenditure. Accordingly, as at 31 May 2020, annual capital expenditure plans for MINT have been cut by almost half, to approximately THB 11 billion, and MINT continues to explore ways to further reduce or delay investments. The Group has also, subject to shareholders' approval, applied to withhold dividend payments for financial year 2019, reducing cash outflow by THB2.3 million.

Given that the Group does not see any definitive abatement of the COVID-19 pandemic, the Group obtained approval from the holders of its debentures on 2 June 2020 for a waiver of financial covenant testing for the next three financial quarters. For the duration of the waiver period, the Group has agreed to certain negative covenants relating to mergers and acquisitions, incurrence of loans and payment of dividends. Waiver consent from the lenders of its bilateral and syndicated loan facilities is expected to follow in the second half of June. See also "*Risk Factors – There can be no assurance that the Group will not breach the financial covenants under certain of its financing arrangements in future, and if the lenders choose to exercise their rights for any such future breach, it may have an adverse effect on the Group's business, cash flows, financial condition and results of operations.*"

MINT has suspended dividend payments for the year ended 31 December 2019 and continues to monitor its liquidity position on an ongoing basis as the pandemic evolves.

Capital Management Plans

The Board has approved a comprehensive plan to raise capital in the total amount of THB25 billion through various instruments, including the issuance of the guaranteed senior perpetual capital bonds, a rights offering and 3-year warrants. The share capital increases are subject to shareholders' approval at the annual general meeting of the shareholders to be held on 19 June 2020. The aforesaid capital increase programme will be completed between 2020 and 2023.

The rights offering, which targets to raise approximately THB 10 billion of capital, is expected to be completed in the third quarter of 2020. MINT also aims to raise additional equity in the total amount of approximately THB5 billion through the issuance of warrants. The warrants, which will be issued after the rights offering transaction is completed, will have a tenure of three years from the issue date. The exercise price of the warrants will be set at a premium of no more than 10 per cent. to the market price in the third quarter of 2020. The rights offering ratio and price, together with the warrant allotment ratio and exercise price, will be determined before the issuance of the two instruments.

Update on Mitigation Plans

As COVID-19 spread globally, MINT has set up a senior crisis management team which comprises representatives from all business units and relevant support functions to take proactive measures to mitigate negative financial and operational impacts. Business contingency plans have been implemented around the world and MINT continues to adjust these in response to the global situation. The senior crisis management team is carefully monitoring the situation and working with senior leadership to act decisively in this challenging business environment and communicate necessary actions and activities across all business units. MINT is seeking to minimise the impact on revenue and profitability by means of several cost-cutting initiatives to reduce both fixed costs and percentage of variable costs to total revenues. The initiatives have already been implemented across business units and support functions and across geographies.

A strategic roadmap has also been developed to navigate the Group during and post-COVID-19. The Group remains focused both short-term as well as medium-and long-term measures. MINT continues to re-evaluate its assessment of the long-term effects of COVID-19 on consumer behaviour, ways of living, supply chains and distribution. MINT believes that identifying shifts in consumer behaviour and trend-spotting are the key to modifying or re-inventing its business models to stay relevant in the market.

MINT has introduced various cost-cutting measures to help ensure the ongoing success of the Group's business. Non-prioritised expenses are being reduced and tight cost control measures are being implemented. All staff travel has been suspended, as well as advisory and training initiatives. Marketing and advertising costs have been substantially reduced in low-activity businesses, in particular, the hotel business in Europe. Negotiations with landlords are taking place globally, including in Europe and for restaurant outlets, to reduce or suspend rent payments. Conversations with suppliers have been initiated for discounts and/or better payment terms. Executives' monthly salaries world-wide have been reduced and all employees' annual merit increases have been postponed, both for at least three months. MINT is reviewing full-time and part-time work allocation, temporary optimisation of workforce productivity and working hours for efficiency, and is implementing leave without pay schemes. Cost savings are still on-going. As of 31 May 2020, the Group projects that that full-year 2020 expenses will be down 25 per cent. from 2019 and 30 per cent. down compared to 2020 budget.

Due to the uncertainty of the impact of the pandemic, the Group remains committed to planning for a wide range of scenarios for the year 2020 and beyond. As a result of the operating and financial strategies that MINT has implemented, the Group strongly believes that it has sufficient liquidity and will continue to be able to successfully adapt as the situation evolves.

Minor Hotels

MINT continues to engage its customers with an aim of revenue maximisation. These initiatives include reducing cancellations of stays by allowing for postponement of bookings, promoting domestic travel in countries that are impacted by COVID-19 and driving revenue in less impacted regions. While the Group has implemented cost saving initiatives across properties and geographies, the Group remains committed to maintaining readiness for the recovery after the pandemic.

Minor Food

As part its revenue initiatives in Thailand, Minor Food has strengthened its delivery capabilities to capture sales and has adjusted delivery hours in key areas. Cost-saving initiatives include proactive supply chain management for efficient sourcing, negotiating better payment terms with suppliers and rental negotiations with the Group's landlords. The Group has also assessed store opening hours in tourist attractions and continued to put importance on food safety and strong brand reputation which will become increasingly important for the food and beverage business.

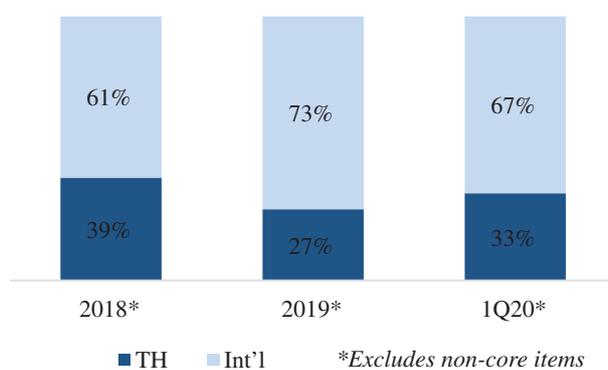
Looking ahead, MINT maintains its readiness to progressively resume its operations after the abatement of the COVID-19 pandemic. MINT recently launched the "Business Beyond COVID" initiative project to prepare for the new normal for all three business units by focusing on a solid fact-base of industry and competitor dynamics. On a longer term horizon, MINT has taken the opportunity to streamline its cost structure with the aim to improve efficiency, while strengthening its digital capabilities to optimise its operations.

For more information, see also "*Risk Factors – The global outbreak of COVID-19 has, and will continue to, adversely affect the Group's business*".

Competitive Strengths

High quality diversified portfolio reduces concentration risks and provides stability to income generation.

MINT has implemented a solid diversification strategy with three business lines in hospitality, restaurants and lifestyle across geographies, with a portfolio of high-quality assets in hard-to-replicate and hard-to-compete locations. In terms of business mix, 70 per cent. of MINT's revenues came from Minor Hotels, while 25 per cent. and 5 per cent. of revenues came from Minor Food and Minor Lifestyle, respectively, during the three months ended 31 March 2020. In terms of geography, MINT's footprint was in 63 countries as of 31 March 2020 across its hospitality and restaurant businesses. During the three months ended 31 March 2020, 33 per cent. of MINT's revenues came from Thailand, while the remaining 67 per cent. were generated internationally outside Thailand, with the key markets being Europe, Latin America, Australia, the Maldives and China.

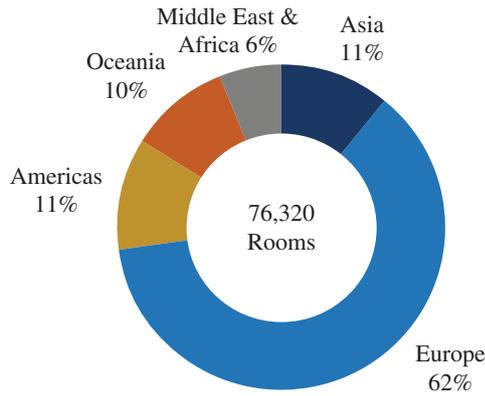


For its hospitality business, MINT enjoys a well-diversified portfolio across different geographies and market segments. In terms of geographic diversification, Minor Hotels has a global presence across Europe (304 hotels), Asia & Oceania (120 hotels), Americas (60 hotels) and Africa & Middle East (46 hotels), which provides income stability and reduces concentration risk. As a result, its revenues are well spread across Thailand, Europe, the Maldives and Middle East, Oceania, America and others.

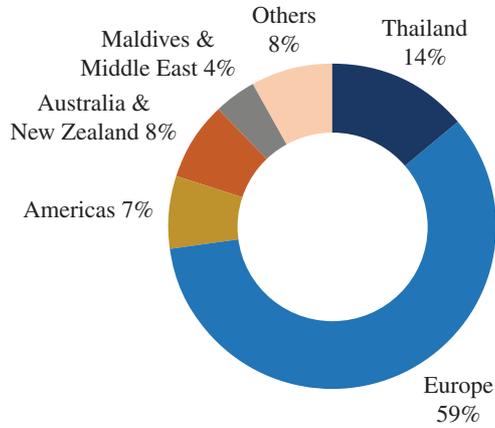
The table below shows the number and proportion of rooms the Group has in each country/region as of 31 March 2020.

| Country/Region | Rooms | (%) |
|------------------------|---------------|------------|
| Thailand | 5,092 | 7 |
| Spain | 12,193 | 16 |
| Benelux | 9,894 | 13 |
| Italy | 8,017 | 11 |
| Germany | 10,425 | 14 |
| Latam | 8,163 | 11 |
| Others | 22,536 | 28 |
| Total | 76,320 | 100 |

**SYSTEM-WIDE ROOM CONTRIBUTION
By Geography**



**1Q20 REVENUE CONTRIBUTION
By Geography**



Source: Company Information

In terms of its target segment, Minor Hotels has a portfolio of 11 in-house brands as well as complementary mixed-use business and strategic partnerships with other leading hotel brands worldwide. Minor Hotels’ strategic brand portfolio allows it to target a diversified customer base across the midscale, upscale and luxury segments, reducing reliance on any particular segment while positioning it to effectively access the broad customer base in the hospitality market.

The following chart sets forth the contribution by each Minor Hotel brand to Minor Hotel’s revenue for the year ended 31 December 2019:



A leading global hospitality and leisure platform with an established market position and strong brand recognition.

MINT is among the top 20 largest hospitality groups globally (by number of rooms) and is the largest hospitality player in Southeast Asia. As a leading Asian-European hospitality platform, MINT has a global presence in 63 countries across 530 hotels and resorts, 2,362 restaurant outlets and 473 points of sale as of 31 March 2020. MINT's diversification, scale and strong branding have underpinned an excellent sales and distribution network to compete more effectively.

Furthermore, its strong branding allows MINT to generate customer loyalty, increase the appeal of its offering and distinguish itself from its competitors. The strength of the brands is further evidenced by various third-party awards and rankings. For example, Minor Hotels received Runner-Up Award in Overall Brand Performance 2017 by Global Hotel Alliance, while many of Minor Hotels properties were awarded in the 2019 Conde Nast Traveller Readers' Choice Awards, including Naladhu Private Island Maldives, which was voted No. 1 Best Resort in the Indian Ocean and No. 9 Best Resort in the World and Anantara Hua Hin, which was voted No. 3 Resort in Thailand, No. 3 Top Resort Hotel in Southeast Asia and No. 9 Top Resort Hotel in Asia. For the restaurant business, Minor Food was awarded Thailand's Top Corporate Brand Values 2018 in F&B Sector by the Faculty of Commerce and Accountancy, Chulalongkorn University and the SET for three consecutive years. In addition, Minor Food was awarded the Global Restaurant Industry Service Award by the Global Restaurant Leadership Conference in 2019 and the Best Operator of Burger King by Restaurant Brands International in 2019.

MINT continues realizing synergies through ongoing business integration with NHG, which provides various potential value creation opportunities primarily focused on revenue expansion and cost optimisation with greater scale. This integration allows for 1) the creation of a global customer base through effective cross selling between Asia and Europe, and combined loyalty programmes; 2) rebranding and cross brand global expansion, which increase revenue opportunities via potential room rate increases; 3) price improvement and strengthened relationship with partners and suppliers through economies of scale; and 4) a larger and more experienced human capital base through knowledge transfer, talent development and workforce mobility. As an example for successful cross brand expansion, leveraging NHG's relationship with real estate investors in Europe together with Minor Hotel's Anantara luxury brand, Anantara Villa Padierna Palace Benahavís Marbella, the first Anantara in Spain, opened its doors in mid-2019. Anantara will also debut in Ireland with the rebranding of The Marker Hotel in Dublin. Furthermore, NHG agreed with Covivio to operate the Boscolo portfolio of eight hotels, of which three in prime European cities such as Rome, Venice and Prague will be rebranded to Anantara.

Defensive and non-cyclical restaurant business provides added stability to earnings and cash flows.

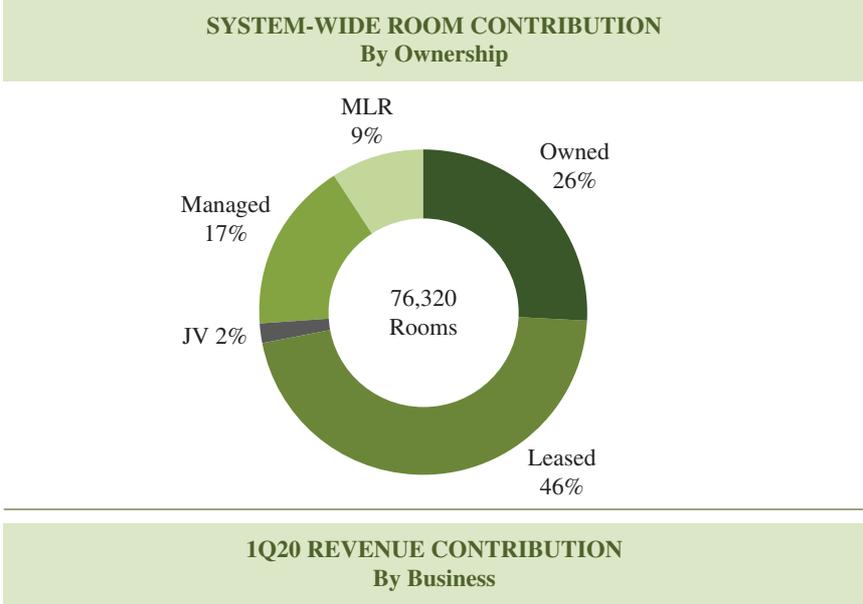
MINT's food business adds a defensive and non-cyclical element to the Group's portfolio, thereby providing added stability to MINT's earnings and cash flows. Minor Food operates in three main hubs, with 75 per cent., 9 per cent. and 6 per cent. of its revenues coming from Thailand, Australia and China, respectively, during the three months ended 31 March 2020. It is also well diversified across different household brands, with The Pizza Company being the largest contributor to Minor Food, contributing 28 per cent. of its revenue during the three months ended 31 March 2020, followed by The Coffee Club, Burger King and Sizzler contributing 12 per cent., 10 per cent. and 9 per cent. of its revenues, respectively. Minor Food also maintains a dedicated balance between its owned outlets and franchised outlets, each accounting for 50 per cent. of its 2,362 outlets as of 31 March 2020. For the year ended 31 December 2019, the Group's owned outlets contributed 93 per cent. of Minor Food's core revenue while franchised outlets accounted for seven per cent.

In addition, Minor Food continues pushing for digital transformation to improve its digital loyalty programs across brands and hubs, excels on its own delivery applications, as well as strengthen its relationship with third-party delivery aggregators to capture rapidly changing consumer markets and sales across the region.

Majority owned/leased hotel portfolio provides increased certainty of income generation and is complemented by a quality managed hotel portfolio.

MINT’s current hotel portfolio comprises 74 per cent. of hotels that are owned, leased or operated through a joint venture and 26 per cent. managed hotels (based on the number of rooms).

The high percentage of ownership in its hotel business provides certainty of income, increased flexibility to operate, renovate or re-brand easily, as well as potential monetization ability such as strategic asset rotation.



While the owned and leased portfolio is Minor Hotels’ key growth driver, management letting rights portfolio provides Minor Hotels with stable growth, and management contracts offer higher profitability with minimal capital investment.

Diversified funding sources and prudent financial management supported by capital recycling utilizing a strategic asset rotation strategy.

MINT is fully committed to proactively managing its capital structure and maintaining a balanced funding mix, using a variety of both domestic and international sources, including bank loans, access to debt capital markets (such as senior debentures and perpetual bonds) and equity capital markets (such as rights issues and warrants). MINT continuously evaluates its funding options, with the objectives to maximize the quality of both debt and equity and to extend the average maturities of the portfolio while optimizing funding costs.

For example, MINT successfully issued its first USD-denominated perpetual bond to international investors and its first Baht-denominated perpetual bond to domestic investors in 2018. MINT is also a regular issuer of Baht-denominated bonds in domestic debt capital markets. MINT recently announced a comprehensive capital structure strengthening plan to raise THB25 billion capital through various instruments, including perpetual bonds, rights issue and warrants, to be completed between 2020 and 2023. In addition, MINT has established strong relationships with over 20 domestic and international banks, who have supported and will continue to provide funding support to the Group.

In addition, MINT has implemented its strategic asset rotation strategy, which demonstrates its ability to recycle capital and strengthen MINT's balance sheet. The hotels under such strategy would remain within Minor Hotels' portfolio as leased and managed hotels, which enables MINT to continue enjoying the upside of these hotels' performance. Successful transactions in 2019 include the sale and leaseback of three Tivoli hotels in Lisbon, Portugal, and the sale of three joint-ventured hotels in the Maldives but retained under management contracts.

Protecting cash flow and preserving liquidity remain MINT's priority. As of April 2020, MINT had cash on hand of THB22 billion and unutilized credit facilities of THB27 billion, together with additional unutilized credit facilities of Euro 250 million from NHG.

Strong corporate governance and risk management policies, supported by an experienced and qualified management team.

MINT has prudent risk management policies which include (i) maintaining a conservative internal policy on leverage which is below its current debt covenants; (ii) maintaining a credit rating by TRIS at prudent level since 2007; and (iii) hedging its foreign currency exposure via cross currency swap contracts and foreign exchange forward contracts.

A strong comprehensive system of corporate governance is in place and is taken seriously by MINT's board of directors and management team. MINT is recognised as Thailand's Most Honoured Company, Institutional Investor's All-Asia Executive Team 2018 Rankings, the No. 2 Best Managed Companies in Thailand 2017 by FinanceAsia and was also awarded the Best SET Sustainability Awards for two consecutive years in 2018 and 2019 by the SET. In addition, MINT has been included in numerous sustainability indices, including Dow Jones Sustainability Emerging Markets Index, the FTSE4Good Emerging Index, the MSCI ESG Leaders Index and the list of Thailand Sustainability Investment by the SET. MINT was also the winner of the Board of the Year Awards 2018 among SET-listed companies with market capitalization of over THB100 billion for its excellence in good corporate governance and outstanding board and director professionalism, by the Thai Institute of Directors.

MINT is led by an experienced, highly qualified and dedicated senior management team, who have an average of more than 10 years of experience with the company. The agile management team has demonstrated its ability to manage its business through economic cycles and to move swiftly amidst rapidly changing environment. The management team has a proven track record of consistently delivering the results as per MINT's five-year strategy as described below.

Strategies

MINT is disciplined with its growth strategy, and has rolling five-year strategic plans, which are updated every year. Delivering sustainable earnings means not only driving revenues and net profit in the long-term, but also disciplined investment and deployment of capital. The Group’s most recent five-year strategic plan, which was set in December 2019, which was before the COVID-19 pandemic, called for a CAGR of 15 to 20 per cent. of net profit over the next five years and core and organic return on invested capital of 11 per cent. by 2024. In addition to the high-level financial and strategic objectives, MINT also focused on organisational transformation for better and faster execution. In order to achieve such targets, the Group intends to build the foundation through six strategic pillars:

1. winning brand portfolio;
2. value capture and productivity;
3. investments, partnerships & acquisitions;
4. innovation and digital;
5. empowered people and team; and
6. sustainability framework.

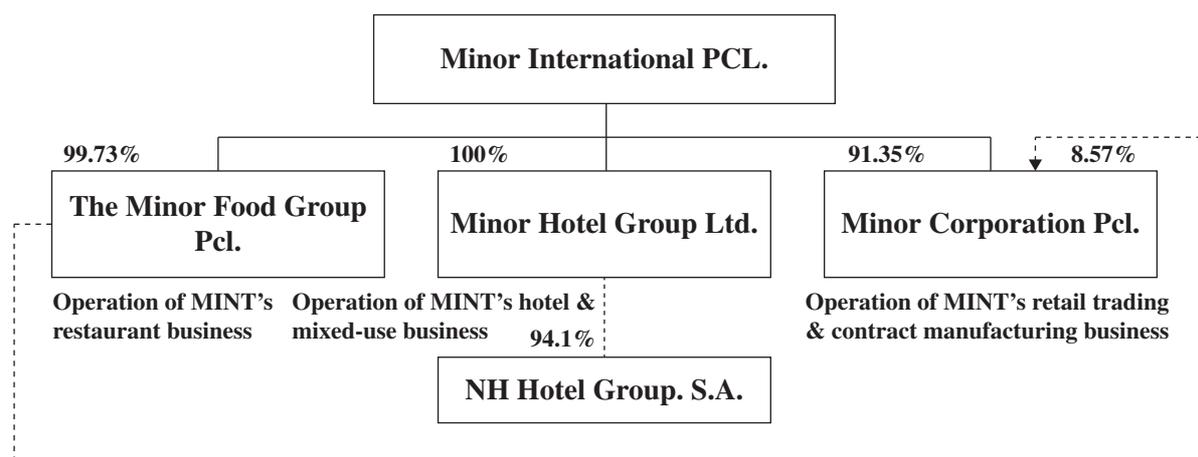
With today’s world changing faster than ever, MINT’s focus in 2020 onwards as an organization needs to be agile. In order to achieve the company’s ultimate goal “to be a leader in delivering exceptional experiences that anticipate and satisfy customers’ aspirations and positively impact stakeholders”, MINT will drive the enterprise-wide transformation process. As a service company, people are the foundation of MINT’s business, and therefore MINT will continue to invest in its people, and ensure that the way the Company manages and drives change is effective, and that team members at all levels are engaged and committed to change, and are willing to adapt to new ways of working. In addition, MINT, more than ever, will focus on customers, and invest in innovation, digital and technology, as opposed to only capital expenditure for the physical expansion of hotel rooms and restaurant outlets. Lastly, MINT remains committed to sustainability, with the aim to positively impact its stakeholders.

History and Milestones

| Year | Key Milestones |
|---------------------|---|
| 1978 | • Minor International (“MINT”), named Royal Garden Resort Co., Ltd. at that time, was established with the opening of Royal Garden Resort Pattaya, the first hotel in the portfolio. Today, the hotel is known as AVANI Pattaya Resort & Spa. |
| 1980 | • As the exclusive franchisee, MINT introduced an international pizza brand to Thailand with the first outlet in Pattaya. |
| 1982 | • Minor Corporation, now Minor Lifestyle, was founded to engage in the manufacturing household goods and distribution of lifestyle products in Thailand. |
| 1988-1993 | • MINT’s three businesses were listed separately on The Stock Exchange of Thailand as Royal Garden Resort Public Company Limited (“RGR”), The Pizza Public Company Limited (“PIZZA”) and Minor Corporation Public Company Limited (“MINOR”). |
| 2001-2005 | • RGR acquired PIZZA and took the new name of Minor International Public Company Limited, with MINT as its acronym. |

| Year | Key Milestones |
|------------|--|
| | <ul style="list-style-type: none"> • MINT developed its first own luxury hotel brand called Anantara and its own pizza brand called The Pizza Company. • Significant steps were taken to expand hotel business outside of Thailand with the investments in the Maldives and subsequently Sri Lanka and East Africa. |
| 2006 | <ul style="list-style-type: none"> • MINT launched its first real estate development project, The Estates Samui, adjacent to its Four Seasons Resort Koh Samui. |
| 2008 | <ul style="list-style-type: none"> • The hotel management business debuted with the opening of Anantara Seminyak Bali Resort in Indonesia. • Major investments were made in international restaurant brands, including The Coffee Club, Australia’s largest home-grown café group, and Thai Express, the Thai casual-dining restaurant concept from Singapore. |
| 2009 | <ul style="list-style-type: none"> • MINOR was merged into MINT, resulting in the three businesses under one umbrella. |
| 2010 | <ul style="list-style-type: none"> • MINT launched Anantara Vacation Club, the point-based timeshare business under its own brand. |
| 2011 | <ul style="list-style-type: none"> • The acquisition of Oaks Hotels & Resorts, the leading operator of serviced apartment business in Australia, was the first entry point of MINT’s hotel business into the country. |
| 2012 | <ul style="list-style-type: none"> • MINT made significant entrance into the restaurant business in China through the investment in Beijing Riverside & Courtyard, a distinctive restaurant chain specialising in Sichuan barbecue fish. |
| 2014 | <ul style="list-style-type: none"> • MINT expanded its presence in Africa with the acquisition of Mozambique portfolio and six hotels in Zambia, Botswana, Namibia and Lesotho. |
| 2015 | <ul style="list-style-type: none"> • MINT’s geographical presence was expanded into Europe and South America with the acquisition of Tivoli Hotels & Resorts. |
| 2017 | <ul style="list-style-type: none"> • MINT’s hotel business entered into the UK with a significant investment in Corbin & King. |
| 2018 | <ul style="list-style-type: none"> • MINT made a further move into Europe and accelerated its global footprints with a significant investment in NHG. |
| 2019 | <ul style="list-style-type: none"> • MINT launched the 1112 Delivery platform which has all of Minor Food’s brands in one mobile application to capture the growing trend of delivery business. • MINT announced the establishment of the Asian Institute of Hospitality Management in Academic Association with Les Roches Global Hospitality Education. • MINT announced a global partnership with Verita Healthcare Group with Inaugural Health Centre at Anantara Riverside Bangkok Resort. • MINT acquired Bonchon restaurants in Thailand. |
| 2020 | <ul style="list-style-type: none"> • NH Hotel Group announced that it will operate the prestigious former Boscolo portfolio in Europe. • MINT obtained the master franchise rights to expand Bonchon Chicken in Thailand. |

Company Structure



Main Sources of Income

| | | 2018 (Restated) | | 2019 | | Three-month period ended 31 March 2020 | |
|--|---|------------------|---------------|-------------------|---------------|--|---------------|
| | | Revenue | (%) | Revenue | (%) | Revenue | (%) |
| (Baht million except percentages) | | | | | | | |
| Business | Operated by | | | | | | |
| Hotel and related services operations ⁽¹⁾ | Minor International Pcl. and its subsidiaries, affiliates in hotel group | 48,476.08 | 62.04 | 91,439.77 | 70.85 | 15,440.82 | 68.39 |
| Food and beverage ⁽²⁾ | The Minor Food Group Pcl. and its subsidiaries, affiliates in Food group | 22,080.50 | 28.26 | 22,665.78 | 17.56 | 5,412.15 | 23.97 |
| Distribution and manufacturing | Minor Corporation Pcl. and its subsidiaries, affiliates in distribution and manufacturing group | 4,380.96 | 5.61 | 4,917.11 | 3.81 | 989.07 | 4.38 |
| Other income ⁽³⁾ | | 3,194.52 | 4.09 | 10,038.94 | 7.78 | 734.28 | 3.25 |
| Total revenues | | 78,132.06 | 100.00 | 129,061.60 | 100.00 | 22,576.32 | 100.00 |

Notes:

- (1) Include management services, sales of real estates, rental income from property business and revenues from entertainment operations.
- (2) Includes franchise fee income.
- (3) Includes dividend income and interest income.

Minor Hotels

Minor Hotels' business consists of hotel business (which can be further subdivided into owned and leased hotels, joint venture hotels, management hotels and management of serviced suites), and mixed-use businesses consisting of plaza and entertainment business, residential property development and vacation club business ("Anantara Vacation Club"). Minor Hotels' key geographic markets are Thailand, Europe, Australia and New Zealand, The Americas, the Maldives, Africa and Middle East with presence in 55 countries. Minor Hotels reported pre-TFRS16 core loss of THB2,675 million (U.S.\$84 million) for the three-month period ended 31 March 2020, a decline from the core profit of THB128 million reported for the three-month period ended 31 March 2019. This decrease was mainly attributable to the challenging operating conditions of all key markets due to travel disruptions across regions especially in March from the impact of the COVID-19 pandemic.

The following table sets forth the revenues generated by segments:

| | Revenues | | | | | |
|--|---|-----------------------------------|----------------------------|---|---|----------------------------|
| | Year ended 31 December 2018 | Year ended 31 December 2019 | Change 2018-2019 (%) | Three-month period ended 31 March 2019 | Three-month period ended 31 March 2020 | Change 2019-2020 (%) |
| | <i>(THB million except percentages)</i> | | | | | |
| Hotels (owned and managed) . . | 45,564 | 87,629 | 92 | 19,862 | 14,989 | (25) |
| Real Estate (residences & Anantara Vacation Club) . . . | 5,013 | 6,561 | 31 | 1,368 | 781 | (43) |
| Total | 50,577 | 94,189 | 86 | 21,230 | 15,770 | (26) |

Hotels

As of 31 March 2020, MINT has 530 hotels and serviced suites with over 76,320 rooms in its portfolio, consisting of 125 hotels that are majority owned, 226 leased hotels, 25 joint-venture hotels, 94 hotels under management contracts, and 60 serviced suite properties.

MINT's owned and leased hotels are operated under the Anantara, Avani, NH Hotels, NH Collection, nhow, Tivoli, Oaks, Elewana Collection, Four Seasons, St. Regis, JW Marriott and Radisson Blu brands. During the three-month period ended 31 March 2020, owned and leased hotels represented 85 per cent. of Minor Hotels' core revenues and declined by 26 per cent. compared to the three-month period ended 31 March 2019. For the year ended 31 December 2018 and 2019, owned and leased hotels reported core revenues of THB37,839 million (U.S.\$1,192 million) and THB80,054 million (U.S.\$2,523 million) respectively. During the year ended 31 December 2019, owned and leased hotels represented 85 per cent. of Minor Hotels' total revenues and increased by 112 per cent. compared to the year ended 31 December 2018.

2018 was an important year for Minor Hotels as it made a significant investment to acquire NH Hotel Group, the sixth largest hotel chain in Europe. The investment marked a strategic progression for MINT to cement its position in the European hospitality industry and accelerate its global footprints. The combination of the two portfolios created a network of more than 540 hotels with a reach across Asia, Oceania, the Middle East, Africa, Europe and the Americas at that time.

In 2019, Minor Hotels remained committed to expanding and growing its business whilst simultaneously focusing on the strength of the balance sheet position. Minor Hotels successfully implemented an asset rotation strategy, with the objective to continue growing its business while also taking into consideration the limitation of its resources. Minor Hotels sold three Tivoli hotels in Lisbon, two Anantara hotels and one Naladhu in the Maldives; while retaining the hotels within its portfolio under lease and management agreements.

As part of the integration with NH Hotel Group, Minor Hotels has accelerated the expansion of the Anantara brand. While building on its relationship with real estate investors in Europe to acquire additional hotels under lease agreements, NH Hotel Group successfully leveraged the Anantara brand to enter the luxury hospitality segment. Anantara Villa Padierna Palace Benahavís Marbella, the first Anantara in Spain, opened its doors in mid-2019 as the second European Anantara alongside Portugal. In Ireland, a lease contract has been signed for an Anantara in Dublin. Furthermore, in early 2020, NH Hotel Group entered into a lease agreement with Covivio for the prestigious former Boscolo portfolio of eight hotels, of which three will be rebranded to Anantara, marking the brand's debut in three key European cities.

Minor Hotels continued to expand its presence, and closed 2019 with 535 hotels and 78,360 rooms, both an increase of 4 per cent. from 2018. The new openings were across each of Minor Hotels' brands, from Anantara to Avani, Tivoli, Oaks, NH Collection, NH Hotels, nhow and Elewana Collection. In terms of geography, the expansion covered not only existing geographies, but also new countries, including Tunisia, Mauritius, Ireland and Andorra, resulting in Minor Hotels' presence in 57 countries by the end of 2019.

Minor Hotels also offers serviced apartment accommodation service through its management letting rights ("MLR") business model, primarily under the Oaks and Avani brands in Australia and New Zealand.

As at 31 March 2020, Minor Hotels has a total of 60 properties with over 7,180 rooms under MLRs. The MLR portfolio continued to be an important revenue contributor of the hospitality business, accounting for 8 per cent. of Minor Hotels' revenues during the three-month period ended 31 March 2020 and saw a revenue increase of 6 per cent. year-on-year. For the year ended 31 December 2019, Minor Hotels reported MLR revenues of THB5,554 million (U.S.\$175 million), a 9 per cent. decrease year on year, primarily from the weakening of the Australian dollars against Thai Baht. For the period, MLR revenue increased by 2 per cent. in Australian dollar terms.

Minor Hotels has hotel management business, which enables Minor Hotels to continue to grow its brand presence without requiring capital investment. Consequently, hotel management contracts yield relatively higher profitability levels and higher return on invested capital. As at 31 March 2020, Minor Hotels had 94 third party-owned hotels with a total of 12,626 rooms under management, a decline of 9 per cent. from the prior year. The hotels under management contracts spanned 33 countries under the Anantara, Avani, Oaks, Tivoli, NH Collection, NH Hotels, nhow and Elewana Collection brands. During the three-month period ended 31 March 2020, management contracts contributed 2 per cent. of Minor Hotels' revenues.

During the three-month period ended 31 March 2020, core revenue from hotel and related services operations declined by 24 per cent. compared to the same period last year. Despite the strong operations of NH Hotel Group up until February 2020 and hotels in the Maldives in January, a decrease in core revenue year-on-year in the quarter was mainly attributable to the challenging operating conditions of all key markets due to travel disruptions across regions especially in March from the impact of the COVID-19 pandemic. Meanwhile, management income for the three months ended 31 March 2020 also posted a decline of 34 per cent. year-on-year, primarily from decreasing organic RevPar of managed hotels in all markets, as well as, the exit of some hotel management contracts.

Hotels overview as of 31 March 2020

| | Owned | | Leased | | Joint Venture | | Managed | | MLR | | Total | |
|----------------------|-------|--------|--------|--------|---------------|------|---------|-------|-------|------|-------|--------|
| | Hotel | Room | Hotel | Room | Hotel | Room | Hotel | Room | Hotel | Room | Hotel | Room |
| Africa | 5 | 935 | – | – | 17 | 839 | 8 | 423 | – | – | 30 | 2,197 |
| Botswana | 1 | 196 | – | – | – | – | – | – | – | – | 1 | 196 |
| Kenya | – | – | – | – | 5 | 65 | 5 | 42 | – | – | 10 | 107 |
| Lesotho | – | – | – | – | 2 | 263 | – | – | – | – | 2 | 263 |
| Mozambique | 1 | 181 | – | – | 4 | 395 | – | – | – | – | 5 | 576 |
| Namibia | 1 | 173 | – | – | – | – | – | – | – | – | 1 | 173 |
| Seychelles | – | – | – | – | – | – | 1 | 124 | – | – | 1 | 124 |
| Tanzania | – | – | – | – | 6 | 116 | – | – | – | – | 6 | 116 |
| Zambia | 2 | 385 | – | – | – | – | – | – | – | – | 2 | 385 |
| Mauritius | – | – | – | – | – | – | 1 | 164 | – | – | 1 | 164 |
| Tunisia | – | – | – | – | – | – | 1 | 93 | – | – | 1 | 93 |
| Americas | 24 | 3,589 | 22 | 2,652 | – | – | 14 | 2,164 | – | – | 60 | 8,405 |
| Argentina | 12 | 1,524 | – | – | – | – | 3 | 620 | – | – | 15 | 2,144 |
| Brazil | 2 | 504 | 1 | 180 | – | – | – | – | – | – | 3 | 684 |
| Chile | 4 | 498 | – | – | – | – | 1 | 85 | – | – | 5 | 583 |
| Colombia | – | – | 13 | 1,355 | – | – | – | – | – | – | 13 | 1,355 |
| Cuba | – | – | – | – | – | – | 2 | 251 | – | – | 2 | 251 |
| Ecuador | – | – | 1 | 124 | – | – | – | – | – | – | 1 | 124 |
| Haiti | – | – | – | – | – | – | 1 | 72 | – | – | 1 | 72 |
| Mexico | 4 | 685 | 7 | 993 | – | – | 7 | 1,136 | – | – | 18 | 2,814 |
| Uruguay | 1 | 136 | – | – | – | – | – | – | – | – | 1 | 136 |
| USA | 1 | 242 | – | – | – | – | – | – | – | – | 1 | 242 |
| Asia | 29 | 3,670 | – | – | 8 | 990 | 21 | 3,420 | – | – | 58 | 8,080 |
| Cambodia | 1 | 39 | – | – | – | – | 1 | 80 | – | – | 2 | 119 |
| China | – | – | – | – | – | – | 2 | 321 | – | – | 2 | 321 |
| India | – | – | – | – | 1 | 78 | – | – | – | – | 1 | 78 |
| Indonesia | 1 | 29 | – | – | – | – | 3 | 171 | – | – | 4 | 200 |
| Laos | – | – | – | – | – | – | 1 | 53 | – | – | 1 | 53 |
| Malaysia | 1 | 103 | – | – | – | – | 1 | 315 | – | – | 2 | 418 |
| Maldives | 1 | 79 | – | – | 1 | 134 | 3 | 197 | – | – | 5 | 410 |
| Sri Lanka | 2 | 246 | – | – | 4 | 460 | – | – | – | – | 6 | 706 |
| Thailand | 20 | 2,992 | – | – | 1 | 196 | 8 | 1,904 | – | – | 29 | 5,092 |
| Vietnam | 3 | 182 | – | – | 1 | 122 | 1 | 90 | – | – | 5 | 394 |
| Korea | – | – | – | – | – | – | 1 | 289 | – | – | 1 | 289 |
| Europe | 65 | 11,376 | 204 | 32,018 | – | – | 35 | 4,205 | – | – | 304 | 47,599 |
| Austria | – | – | 7 | 1,340 | – | – | – | – | – | – | 7 | 1,340 |

| | Owned | | Leased | | Joint Venture | | Managed | | MLR | | Total | |
|-----------------------|-------|--------|--------|--------|---------------|-------|---------|--------|-------|-------|-------|--------|
| | Hotel | Room | Hotel | Room | Hotel | Room | Hotel | Room | Hotel | Room | Hotel | Room |
| Belgium | 8 | 1,117 | 6 | 1,197 | | | | | | | 14 | 2,314 |
| Czech | | | | | | | 3 | 581 | | | 3 | 581 |
| France | | | 4 | 721 | | | 1 | 150 | | | 5 | 871 |
| Germany | 5 | 1,000 | 51 | 9,425 | | | | | | | 56 | 10,425 |
| Hungary | | | 1 | 160 | | | | | | | 1 | 160 |
| Italy | 13 | 1,872 | 37 | 5,656 | | | 3 | 489 | | | 53 | 8,017 |
| Luxembourg | 1 | 148 | | | | | | | | | 1 | 148 |
| Poland | | | | | | | 1 | 93 | | | 1 | 93 |
| Portugal | 11 | 2,293 | 2 | 171 | | | 4 | 345 | | | 17 | 2,809 |
| Romania | | | 1 | 83 | | | 1 | 76 | | | 2 | 159 |
| Slovakia | | | | | | | 1 | 117 | | | 1 | 117 |
| Spain | 13 | 1,977 | 70 | 8,685 | | | 17 | 1,531 | | | 100 | 12,193 |
| Switzerland | | | 2 | 260 | | | 1 | 122 | | | 3 | 382 |
| Netherlands | 14 | 2,969 | 21 | 4,012 | | | 1 | 451 | | | 36 | 7,432 |
| UK | | | 1 | 121 | | | 1 | 190 | | | 2 | 311 |
| Andorra | | | | | | | 1 | 60 | | | 1 | 60 |
| Ireland | | | 1 | 187 | | | | | | | 1 | 187 |
| ME | | | | | | | 16 | 2,414 | 1 | 168 | 17 | 2,582 |
| Oman | | | | | | | 2 | 251 | | | 2 | 251 |
| Qatar | | | | | | | 5 | 676 | | | 5 | 676 |
| UAE | | | | | | | 9 | 1,487 | 1 | 168 | 10 | 1,655 |
| Oceania | 2 | 445 | | | | | | | 59 | 7,012 | 61 | 7,457 |
| Australia | 2 | 445 | | | | | | | 54 | 6,418 | 56 | 6,863 |
| New Zealand | | | | | | | | | 5 | 594 | 5 | 594 |
| Grand Total | 125 | 20,015 | 226 | 34,670 | 25 | 1,829 | 94 | 12,626 | 60 | 7,180 | 530 | 76,320 |

Customers

MINT has a centralised sales and marketing system, with integrated customer and hotel database to support its widespread operations. The system enables data management optimisation, big data analytics and effective customer communication to spearhead growth.

MINT's customers in the hotel business consist of both Thais and foreigners and are classified into three main groups:

Travel agencies, both traditional and online agencies. Domestic and overseas travel agencies act as hotel booking intermediaries between MINT and customers during the sales process. Rooms sold through travel agencies is the largest source of booking for MINT.

Independent travellers. Individuals make bookings directly with hotels via both offline channels such as telephone and walk-ins, and online channels such as the Company's website and email.

Meetings, incentive travel, conventions, exhibitions (“MICE”). The MICE group consists of large groups, usually planned well in advance. They normally generate additional revenues such as banqueting and catering income, in addition to room revenue for MINT.

MINT has a diversified customer base with no single country accounting for more than 15 per cent. in its hotel business:

Customer breakdown by geography (excluding hotels in Europe and Oceania)

| Country/Continent | 2018 | 2019 |
|-----------------------------|-------------|-------------|
| | (%) | |
| Thailand | 6 | 6 |
| East Asia | 31 | 30 |
| South Asia | 5 | 6 |
| Middle East | 11 | 12 |
| Europe | 25 | 25 |
| The Americas | 11 | 11 |
| Australasia | 3 | 3 |
| Africa and others | 8 | 7 |
| Total | 100 | 100 |

Top five feeder markets (excluding hotels in Europe and Oceania)

| Country | 2018 | 2019 |
|-----------------------------|-------------|-------------|
| | (%) | |
| 1. China | 14 | 13 |
| 2. United Kingdom | 6 | 6 |
| 3. Thailand | 6 | 6 |
| 4. America | 6 | 6 |
| 5. Germany | 5 | 5 |

The target groups for MINT’s hotel business consist of three types:

- Leisure travellers
- Business travellers
- MICE travellers

Pricing and Seasonality

The hotel business is highly seasonal during the year. This seasonal nature of the tourist demand affects the hotel pricing ability. In the past, MINT had high occupancy rates during the periods from January to March and October to December, which is due to the corresponding high tourist seasons of MINT’s key operating markets such as Thailand, the Indian Ocean, including the Maldives and the United Arab Emirates. However, MINT’s overall occupancy and room rates have become less volatile during the year,

with the recent acquisition of hotels in Europe, whose high tourist season is from April to September. In addition, Oaks Hotels and Resorts in Australia is less affected by seasonality as its main customers are domestic business travellers.

In setting room rates, MINT considers current occupancy level of the hotel, seasonality factors, operating costs, as well as market rates offered by competitors in the same hotel segment in each particular destination. However, during low seasons or low-demand periods, MINT implements promotional strategies such as special occasion discounts, co-promotional packages with other hotels within the portfolio for special offers, special complementary services, and special promotions with credit card issuers, amongst others.

Sales and distribution channels

Sales and distribution activities in the hotel business can be separated into three channels:

Direct sales via MINT's sales department and the websites of its respective brands. MINT's sales agents offer rooms directly to end customers, other sales agencies and meeting & seminar groups, both domestic and international.

Selling via distributors, tour/travel agencies and OTAs. These distributors are third-party intermediaries who distribute rooms for MINT. MINT's distributors and tour/travel agencies are located across Asia, Australia, Europe and the U.S. and offer hotel reservation service, airline tickets, or sometimes airline ticket plus hotel room package. MINT works with distributors and tour/travel agencies with large business network, strong profile and reputation, extensive experience and ability to generate high sales volume. Likewise, MINT distributes hotel rooms through leading OTAs such as Agoda.com, Expedia.com and Booking.com, amongst others, in order to take advantage of the online platforms of such third parties to expand MINT's customer base and gain tractions in new markets globally.

Others include walk-ins and referrals, which can come from media channels, referrals or existing customers.

Plaza and Entertainment Business

MINT owns and operates three shopping plazas adjacent to its hotels to complement their operations, namely Riverside Plaza in Bangkok, Royal Garden Plaza in Pattaya and Turtle Village in Phuket. In addition, MINT is the operator of seven entertainment outlets in Royal Garden Plaza, which include the famous Ripley's Believe It or Not Museum and The Louis Tussaud's Waxworks.

Residential Property Development

MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. MINT has completed the sales of the first two projects, The Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Resort Koh Samui, and St. Regis Residences, with 53 residential units located above The St. Regis Bangkok. As at the date of this Offering Circular, the available properties in Thailand include the Layan Residences by Anantara and Avadina Hills by Anantara, both of which are in Phuket, and Anantara Chiang Mai Serviced Suites. The current overseas project is Torres Rani in Maputo, Mozambique. Furthermore, to ensure continuity of sales from the residential business in the future, two residential development projects are currently under construction, with sales activities expected to commence in 2020. Anantara Ubud Residences comprises 15 residential villas located in Bali's highlands. Anantara Desaru Residences consists of 20 residential villas on the Desaru Coast of south-east Malaysia.

Pricing

In setting selling prices of its residences, MINT considers the brand value, location, unique architecture and design, well-thought out layout, high-quality construction, hotel facilities and number of units in the building. MINT also compares its prices with other residential projects nearby to ensure its competitiveness. MINT positions its products as exclusive and ultra-luxury. For example, the selling price of The Residences by Anantara, Layan in Phuket ranges from U.S.\$6 million to U.S.\$15 million.

Customers

The target market of MINT's residential projects are primarily high net-worth individuals and families who look for the best leisure experience in prime location with a scenic view. MINT does not target investors or buyers for speculation as the project is developed to provide distinguished relaxing experience, aesthetic living and true happiness.

Anantara Vacation Club

Anantara Vacation Club is a collection of luxurious shared-ownership villas and apartments located in a variety of resort destinations for the use of its owners. Anantara Vacation Club owners purchase club points that are backed by unencumbered real estate assets, held in trust for their benefit and security. The number of club points owned determines the resort destination, time of year, length of stay, and the type of accommodation available to members of the Anantara Vacation Club. MINT will grow the Anantara Vacation Club business, as it is expected to continue to be one of the revenue and net profit drivers in the long term.

In terms of product offering, Anantara Vacation Club has a total inventory of 241 club units in Koh Samui, Phuket, Queenstown in New Zealand, Bali in Indonesia, Sanya in China, Chiang Mai and Bangkok as of 31 March 2020. Anantara Vacation Club has 14,835 club point owners as of 31 March 2020.

Target Customers

Anantara Vacation Club targets mid-to high-end customers. Most customers of the Anantara Vacation Club come from Asian countries as per the table below.

| | <u>2018</u> | <u>2019</u> |
|---------------------|-------------|-------------|
| | (%) | |
| Country | | |
| China | 38 | 39 |
| Thailand. | 12 | 11 |
| Singapore. | 8 | 8 |
| Hong Kong | 8 | 8 |
| Malaysia | 7 | 7 |
| Taiwan. | 4 | 4 |
| Japan | 4 | 4 |
| Others | 19 | 18 |
| Total | 100 | 100 |

Procurement of product and services

With the extensive experience and expertise in developing hotels and real estates, MINT has the ability to develop rooms and villas to meet customers' demand and expectations. As most of the Anantara Vacation Club inventory units are adjacent to the hotels owned or managed by MINT, MINT can cross-sell hotel services to Anantara Vacation Club members, while the inventory can be managed efficiently, which results in lower operating costs.

Sales and distribution channels

MINT set up six preview centers, one each in Phuket, Samui, Chiang Mai, Bali in Indonesia, and two in Bangkok and two call centers in Phuket and China to provide information and educate consumers about AVC's products and services. MINT is also now in the process of opening new mini Preview Centers in China – Shanghai, Guiyang, Guangzhou, etc. to test the market and mitigate impact from COVID-19.

Minor Food

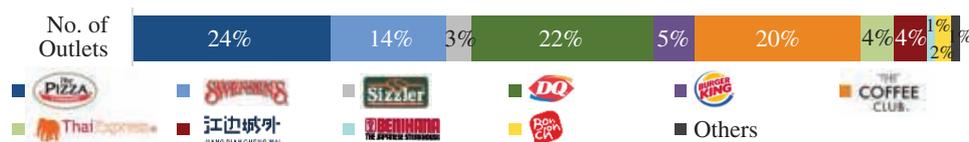
Minor Food is operated through its subsidiary Minor Food Group Plc., and is one of the largest casual dining and quick service restaurant operations in Asia, with 2,362 restaurant outlets in 26 countries across the region, the majority of which are in Thailand, China, Oceania, the Middle East, Europe, Canada, Mexico and other countries in Asia. The following table sets forth the number of restaurant outlets operated under the various brands during the years ended 31 December 2018 and 2019 and as at 31 March 2020:

| | 2018 | 2019 | As at 31 March 2020 |
|--------------------------------|--------------|--------------|--------------------------------|
| Number of Outlets | | | |
| Equity | | | |
| The Pizza Company | 264 | 260 | 257 |
| Burger King | 109 | 121 | 121 |
| Swensen's | 122 | 117 | 115 |
| Dairy Queen | 256 | 259 | 255 |
| Sizzler | 66 | 65 | 66 |
| The Coffee Club | 89 | 111 | 112 |
| Thai Express | 72 | 67 | 65 |
| Riverside | 70 | 91 | 90 |
| Bonchon | – | – | 46 |
| Benihana | – | – | 2 |
| Breadtalk | 47 | 107 | – |
| Others* | 64 | – | 52 |
| Total Outlets | 1,159 | 1,198 | 1,181 |
| Franchise | | | |
| The Pizza Company | 264 | 310 | 319 |
| Burger King | – | – | – |
| Swensen's | 194 | 205 | 206 |
| Dairy Queen | 247 | 263 | 260 |
| Sizzler | – | – | – |
| The Coffee Club | 349 | 349 | 356 |
| Thai Express | 23 | 23 | 23 |
| Riverside | – | – | – |
| Bonchon | – | – | – |
| Benihana | – | – | 17 |
| Breadtalk | – | 29 | – |
| Others* | 34 | – | – |
| Total Outlets | 1,111 | 1,179 | 1,181 |

Note:

* Others include restaurants in the UK, Breadtalk (Thailand) and restaurant operators at airports.

The following chart sets out the percentage of outlets for each brand as at 31 December 2019:



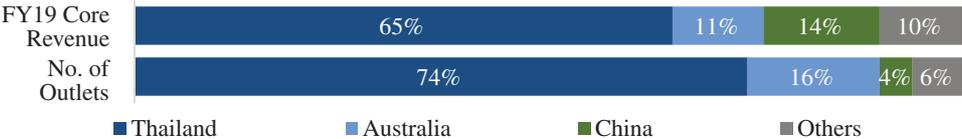
The following table sets forth the number of domestic and international outlets as well as type of ownership as at 31 December 2018 and 2019 and 31 March 2020:

| | 2018 | 2019 | As at 31 March 2020 |
|--------------------------------|--------------|--------------|---------------------|
| Number of Outlets | | | |
| Domestic | | | |
| Equity | 949 | 962 | 951 |
| Franchise | 551 | 616 | 616 |
| International | | | |
| Equity | 210 | 236 | 230 |
| Franchise | 560 | 563 | 565 |
| Total Outlets | 2,270 | 2,377 | 2,362 |

Minor Food was the first company to introduce international-style pizza to Thailand in the early 1980's and has always been recognised as an innovator and pioneer in the Asian food services sector, with a passion to develop its restaurants into market leaders. Minor Food's restaurant brands include, among others, The Pizza Company, The Coffee Club, Riverside, Thai Express, Swensen's, Dairy Queen, Sizzler, Burger King, Benihana and Bonchon. During the three-month period ended 31 March 2020, Minor Food generated core revenue of THB5,664 million (U.S.\$178 million), a decrease of 11 per cent. compared to the core revenue of THB6,367 million (U.S.\$201 million) during the three-month period ended 31 March 2019. Meanwhile, core net profit of THB475 million during the three-month period ended 31 March 2019 turned into a pre-TFRS 16 core loss of THB82 million during the three-month period ended 31 March 2020, from the impact of COVID-19, primarily on its operation in China in February. For the year ended 31 December 2019, Minor Food generated core revenue and core profit of THB24,233 million (U.S.\$764 million) and THB1,210 million (U.S.\$38 million), an increase of 3 per cent., a decrease of 20 per cent., respectively compared to the core revenue and core profit of THB23,484 million (U.S.\$740 million) and THB1,183 million (U.S.\$37 million), respectively, for the year ended 31 December 2018.

Minor Food operates under a hub system across three main markets – Thailand, Australia and China – as well as other markets across 26 countries in Asia, Oceania, Middle East, Europe, Canada and Mexico. Thailand is the home of its head office and the origination of its restaurant business and remains its largest hub, contributing 75 per cent. of Minor Food's total core revenue during the three-month period ended 31 March 2020. The brands in Thailand include The Pizza Company, Swensen's, Dairy Queen, Sizzler, Burger King, The Coffee Club, Benihana, Thai Express and Bonchon. Based on the data collected from Ministry of Commerce, Minor Food has an estimated market share of 35 per cent. of western casual dining in Thailand. Australia and China contributed 9 per cent. and 6 per cent., respectively to Minor Express and Bonchon. Based on the data collected Food's total core revenue during the three-month period ended 31 March 2020. Australia operates The Coffee Club as the major brand in the country, together with the coffee roasting business under Nomad. China operation is primarily driven by Riverside, with some contribution from Sizzler and Thai Express.

The following charts set forth the contribution from the Group’s operations in the major hubs to Minor Food’s core revenue as well as the percentage of outlets in each hub for the year ended 31 December 2019:



One of Minor Food’s key focuses in 2019 was digital transformation, both on the frontend and backend. The digital business unit was set up to strengthen the Group’s digital capabilities. Digital platform and mobile applications are being implemented across Minor Food’s hubs to enhance customer experience. Key initiatives include loyalty programs, delivery service and data analytics. Minor Food’s focus on improving its delivery service platform is a timely mitigant amidst COVID-19 shutdowns, which saw an increase in the demand for delivery services which Minor Food was able to leverage.

In 2019, Minor Food also took the opportunity to reevaluate and realign its investment portfolio. Capital was committed to areas of growth, including investment in new brands with high potential such as Bonchon, and outlet expansion in China. At the same time, Minor Food reassessed its existing portfolio, and exited some of its investments, including BreadTalk Thailand, GrabThai in the UK and Ribs & Rumps in Australia.

In March 2020, Minor Food completed the acquisition of Bonchon and now has the right to expand the brand in Thailand. Bonchon is an international restaurant brand reputable for its Korean-style fried chicken and other Korean-inspired dishes. Bonchon has over 40 outlets in Thailand, primarily in Bangkok. Leveraging on its operating platform, Minor Food will be able to accelerate the growth of the brand, through both physical stores and delivery service, capturing the fast-growing Asian food and chicken concept.

Products and services

MINT’s brands are market leaders and widely popular with unique product offerings across various food categories as follows:

Pizza

Minor Food operates a pizza chain under its own brand, “The Pizza Company”, which offers a wide variety of pizzas. The Pizza Company focuses on offering high-quality products by carefully selecting ingredients in every steps such as cheese from its own factory, seasonings, fresh pizza topping, unique crust and full-flavoured pizza sauce made from fresh tomatoes. The Pizza Company offers dine-in, delivery and take away services. Key food menu items are pizzas, pastas, main dishes and appetisers such as chicken wings and salads, amongst others.

Minor Food solely owns trademark rights of The Pizza Company through MFG IP Holding (Singapore) Pte., Ltd., a 100 per cent. subsidiary of Minor Food.

Since 2004, Minor Food started franchising The Pizza Company in Thailand. As of 31 March 2020, Minor Food had a total of 255 equity-owned outlets in Thailand (including two outlets in Thailand airport and 2 equity-owned outlets in the Maldives, 174 franchised outlets in Thailand and 145 franchised outlets outside of Thailand. Most restaurant outlets are located in department stores, business districts and residential areas. The target market is the mid-to high-end market segment. It currently has overseas franchise businesses in United Arab Emirates, Bahrain, Oman, Cambodia, Laos, Vietnam, Myanmar and Saudi Arabia.

Burger

Minor Food operates its burger chain under the brand “Burger King”, which is globally well-known for its burgers such as its famous “Whopper”, featuring flame-grilled quality ingredients for great tasting burgers. Burger King provides dine-in, delivery and takeaway services. The main menu items are hamburgers and french fries.

Burger (Thailand) Limited, a 97 per cent. subsidiary of Minor Food, operates burger business by franchising the “Burger King” brand from the U.S. Minor Food is the master franchisee of Burger King in Thailand.

As of 31 March 2020, there were a total of 115 Burger King outlets in Thailand, including 17 outlets in airports, and 6 outlets overseas. Traditionally, most of Burger King outlets are located in department stores and tourist areas because the brand targets mid-to high-end market segment, as well as foreigners and tourists. However, more recently over the past few years, Burger King has expanded to the suburban areas of Bangkok and other major cities in order to capture the domestic market.

Premium Ice cream

Minor Food operates its ice cream chain under the brand “Swensen’s”, which is the first premium ice cream brand in Thailand. Today, Swensen’s continues to be the leading ice cream brand in the market. A wide variety of sundae menu items and a pleasant store ambience, as well as excellent customer service to deliver highest customer satisfaction. Swensen’s provides dine-in, delivery and takeaway services. Its main customers are the mid-to high-end market segment, including teenagers and families. Its core products are ice cream sundaes, ice cream scoops, ice cream cakes and ice cream quarts amongst others.

Swensen’s (Thai) Limited, a 100 per cent. subsidiary of Minor Food, operates Swensen’s by franchising the brand from International Franchise Holding (Labuan) Ltd. which is also a 100 per cent. subsidiary of Minor Food. Swensen’s (Thai) Limited has the rights to open equity-owned outlets and sub-franchise the brand in Thailand, Cambodia, Laos, Vietnam, Myanmar and Pakistan.

As of 31 March 2020, there were 114 equity-owned outlets in Thailand, 1 overseas equity-owned outlets, 179 franchised outlets in Thailand and 27 overseas franchised outlets. Most of outlets are located in department stores, business districts and residential areas. Furthermore, International Franchise Holding (Labuan) Ltd. can also sub-franchise Swensen’s brand outside of Thailand. At present, the Company sub-franchises Swensen’s brand in Cambodia, Laos, Vietnam, Myanmar and Pakistan.

Soft-Serve Ice Cream

Minor Food operates a soft-serve ice cream concept under the brand “Dairy Queen” through a kiosk model. Dairy Queen is famous for its signature ‘Blizzard’ menu item, which offers full and rich flavours. Dairy Queen provides only takeaway and delivery service. Its core products are “Blizzard”, “Moolatte” milkshake and ice cream cake. Dairy Queen’s main customers range from lower-end to high-end market segments.

Minor DQ Limited, a 100 per cent. subsidiary of Minor Food, operates Dairy Queen by franchising the Dairy Queen brand from the U.S. Minor DQ Limited is the master franchisee of “Dairy Queen” in Thailand with rights to operate both equity-owned and franchised outlets.

As of 31 March 2020, Dairy Queen had 252 equity-owned outlets in Thailand, 17 outlets in airports, 3 overseas outlets and 260 franchised outlets in Thailand. Most outlets are located in department stores, business districts and residential areas.

Steak, Seafood and Salad

'Sizzler' offers various types of steaks and a large salad bar featuring a wide variety of items as compared to other steakhouse chains. "Sizzler" provides dine-in and delivery service, while takeaway service which has recently been launched was the grab-and-go concept with salads, sandwiches and fruit juices. Its core products are steak, seafood and salad. Because Sizzler focuses on serving high-quality food, it targets mid-to high-end market segment.

SLRT Limited and Sizzler China Pte. Limited, a 100 per cent. and 50 per cent. subsidiary of Minor Food, respectively, operate Sizzler by franchising the "Sizzler" brand from the U.S. MINT is the master franchisee with rights to open equity-owned outlets in Thailand and China and franchised outlets in China.

As of 31 March 2020, there were 66 'Sizzler' outlets in total, of which 58 outlets are in Thailand and 8 outlets in China. Most outlets are located in department stores, business districts and residential areas.

In February 2018, Minor Food purchased a 75 per cent. stake in Benihana Holdings Pte. Ltd. As a result, Minor Food holds the global trademark and IP rights for "Benihana" in Asia (excluding the islands of Japan), Middle East, Europe, Australia, Africa, Canada and Mexico. "Benihana" is a steak and sushi restaurant, and is the pioneer of "Teppan-yaki" dining, where chefs combine dazzling performance and cooking freshest ingredients in front of diners.

As at 31 March 2020, Benihana's portfolio includes two owned restaurants in Piccadilly and Chelsea in London, and another 17 franchised restaurants in the UK, Romania, Slovakia, Canada, Kuwait, Lebanon, Saudi Arabia, the UAE, Indonesia, Thailand and Mexico. Minor Hotels is the franchisee of three stores in Thailand.

Coffee

Minor Food today has 70 per cent. stake in Minor DKL Food Group Pty. Ltd. (previously known as "The Coffee Club Holding Pty. Ltd.") through its subsidiary, Delicious Food Holding (Australia) Pty Ltd. Minor DKL operates restaurants and coffee shops in Australia, New Zealand and others countries under the brand "The Coffee Club". The Coffee Club is the largest coffee chain by revenue in Australia.

As of 31 March 2020, there were total of 453 outlets. Out of the total 108 equity-owned outlets, 58 outlets were in Thailand and 50 outlets in Australia, the Maldives, United Arab Emirates, Saudi Arabia, Seychelles, Qatar, Laos, and Vietnam. In addition, there were 345 franchised outlets in Australia, New Zealand, Indonesia, Cambodia and China.

Nomad Coffee Group Pty. Ltd. (previously under the name "VGC Food Group Pty. Ltd."), a 70 per cent. subsidiary of Minor DKL, is a leading and award-winning specialty roasting house, supplying over 500 tonnes of freshly roasted coffee annually and a cafe chain under the brand Coffee Hit, a unique specialty coffee franchise system offering an enhanced retail coffee experience to customers via beverage and whole-bean trade. As of 31 March 2020, there were a total of 15 outlets, of which 4 are equity-owned outlets and 11 were franchised outlets.

Fish Dishes

As of 31 March 2020, Minor Food holds 100 per cent. of Beijing Riverside & Courtyard Investment Management Co., Ltd. ("**Riverside**"). Riverside operates a casual dining restaurant in China under the brand "Riverside & Courtyard", which specialises in Sichuan barbecue fish. Launched in 2005, Riverside has successfully built up strong brand equity and customer loyalty for traditional sizzling fish dishes, combining countryside cooking with well-groomed service and contemporary decoration.

As of 31 March 2020, there are 89 equity owned outlets, of which 35 outlets are in Beijing, 25 outlets in Shanghai and 29 outlets in other cities.

Korean Food

In November 2019, Minor Food made an investment of 100 per cent. stake in Chicken Time Co., Ltd., a chain restaurant company, operating popular Bonchon chicken brand in Thailand. The investment allowed Minor Food to operate existing Bonchon stores in Thailand. Near the end of the first quarter of 2020, Minor Food acquired an effective 70 per cent. stake in Spoonful Pte. Ltd., Singapore and Spoonful (Thailand) Co., Ltd. which are the master franchise rights holder of Bonchon in Thailand and the operator of future Bonchon expansion in Thailand, respectively. With the majority stake in Spoonful SG and Spoonful TH, MINT has effectively become the exclusive Bonchon master franchise licensee in the country with long-term exclusive territorial rights and ability to expand and sub-franchise.

Bonchon brand, which was established in 2002 in Korea, has become a strong global brand as Korean cuisine and Korean-style fried chicken have gained increasing popularity worldwide. The brand differentiates itself with a specialized Korean-style fried chicken glazed with its signature sauces. With its strong brand equity and customer loyalty for distinctive super crispy chicken and other Asian fusion dishes, Bonchon restaurants have rapidly expanded worldwide, spanning across nine countries including the US, Bahrain, Kuwait, the Philippines, Singapore, Cambodia, Vietnam, Myanmar and Thailand.

As of 31 March 2020, there are 46 equity owned outlets, of which 42 outlets are in Bangkok, two outlets are in Thailand airport and two outlets in other cities.

Pricing Policy

Amidst intense competition facing the casual dining market, the Company considers cost of goods and services, prices of competitors and current macro-economic conditions when setting prices.

Procurement of Product and Service

Minor Food operates fast-casual dining services through over 2,300 restaurant outlets and also invests in two manufacturing plants that produce cheese and ice cream to support the operation of restaurants under Minor Food as well as supply the products to other non-related companies.

Manufacturing

Minor Food has four manufacturing plants to ensure the availability and reliability of its key raw materials. Minor Dairy Limited produces a variety of premium ice cream products and toppings for food brands under Minor Food such as Swensen's, Dairy Queen and Burger King, as well as supplies the same quality ingredients to leading customers outside the group. Minor Cheese Limited produces a wide range of cheeses and cheese blends, including mozzarella, cheddar, string cheese, parmesan, mascarpone, cream cheese and sour cream. MCL is a key supplier to various restaurant operations of Minor Food as well as a major supplier to companies in the Thai and regional food services sector. Pecan Deluxe produces ice cream toppings and Nomad operates the coffee roasting plant.

Raw Materials and Source of Raw Materials

Raw materials are divided into three categories, which are:

- Frozen ingredients such as processed meat, frozen seafood, cheese, ice cream, frozen potatoes, frozen vegetables and fruits, amongst others.
- Fresh produce such as dairy products, eggs, fresh vegetables and fruits, amongst others.
- Others such as powdered milk, flour, bread, spices, canned food, processed fruits, vegetable oil, coffee, sugar, beverage and packaged food, amongst others.

The Group's raw materials stem mainly from two sources:

- Local sourcing for fresh milk, eggs, sausages, processed meat, vegetables, fruits, sugar, canned food, beverages and packaged food, amongst others. This accounts for approximately 60 to 65 per cent. of total raw materials.
- International sourcing, can be divided into two categories:
 - Through distributors in Thailand for frozen potatoes, frozen vegetables and fruits, spices, almond, coffee bean, ingredients for producing and decorating ice cream, amongst others. This accounts for approximately 70 to 75 per cent. of total raw materials.
 - Direct imports for cheese, skimmed milk powder, ingredients for producing ice cream, canned food, some types of processed beef, amongst others. This accounts for approximately 5 to 10 per cent. of total raw materials.

Geographic Markets

Thailand

Thailand is Minor Food's biggest contributor by revenues. As of 31 March 2020, Minor Food had a total of 1,567 outlets in Thailand under the brands The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, The Coffee Club and Bonchon, an increase of 5 per cent. from 30 March 2019. Of the total number of outlets, 1,181 are company-owned while the remaining 1,181 are franchised.

For the three months ended 31 March 2020, total-system-sales (including sales from franchised outlets) decreased by 5.8 per cent. year-on-year. The positive total-system-sales of Thailand hub supported by the store expansion, together with the contribution of Bonchon which was recently added in the portfolio, partially helped alleviate the slowdown of Minor Food in China and Australia. Overall same-store-sales declined by 10.5 per cent. year-on-year as operations across all markets were impacted by the COVID-19 outbreak. Local governments of all regions have adopted measures to curb the spread of the disease which resulted in the temporary closure of stores and a drop in dine-in sales. Accordingly, all Minor Food's brands shifted their focus to delivery and takeaway segments which have become the key sales drivers in the quarter.

Thailand hub reported total-system-sales growth of 5.5 per cent. year-on-year in for the three months ended 31 March 2020, attributable to resilient performance of the brands suitable for delivery, including The Pizza Company and Burger King, together with the addition of Bonchon brand. For the three months ended 31 March 2020, overall same-store-sales, however, declined by 6.9 per cent. year-on-year. Although most of the key brands reported strong same-store-sales growth in January, this only partially offset the adverse impact of the COVID-19 outbreak since February. Furthermore, at the end of March, dine-in stores were closed temporarily while the operations of the remaining were scaled down to only delivery and takeaway functions. Nevertheless, The Pizza Company continued to see growth in customer counts and achieved 3.4 per cent. same-store-sales growth in the quarter. This was driven by its delivery initiatives including "Zero Touch Delivery" campaign, free delivery on its 1112 Delivery application and partnership with selected third-party delivery aggregator to enhance its delivery sales, together with positive feedback of its new menus and marketing campaigns such as Pizza 149. Meanwhile, other brands including Sizzler, The Coffee Club and Bonchon also focused on driving the delivery and takeaway markets, especially on 1112 Delivery platform and cloud kitchens by leveraging The Pizza Company's store space in order to cover more delivery trade zone especially in high density household area with limited investment.

| Brand | No. of Outlets | | | | |
|-----------------------------|----------------|--------------|--------------|---------------|--------------|
| | Equity | Franchise | Thailand | International | Total |
| The Pizza Company | 257 | 319 | 429 | 147 | 576 |
| Swensen's | 115 | 206 | 293 | 28 | 321 |
| Sizzler | 66 | – | 58 | 8 | 66 |
| Dairy Queen | 255 | 260 | 512 | 3 | 515 |
| Bonchon | 46 | – | 46 | – | 46 |
| Burger King | 121 | – | 115 | 6 | 121 |
| The Coffee Club | 112 | 356 | 58 | 410 | 468 |
| Thai Express | 65 | 23 | 8 | 80 | 88 |
| Riverside | 90 | – | 0 | 90 | 90 |
| Benihana | 2 | 17 | 3 | 16 | 19 |
| Others | 52 | – | 45 | 7 | 52 |
| Total | 1,181 | 1,181 | 1,567 | 795 | 2,362 |

* As of March 2020

Throughout 2019, Thailand experienced challenging macro backdrop, particularly evident in upcountry operations, with same-store-sales under pressure. In addition, competition in Bangkok remained high, as more retail space is being allocated to food and beverage outlets in shopping malls, and disruption in the food delivery service intensified. As such, many operators focused on marketing campaigns with value proposition during the weak consumption environment. In order to combat competition in the delivery service space, Minor Food focused on food delivery service, both on its own platform and third-party delivery aggregators, especially during the second half of 2019, resulting in an improving same-store-sales trend in the fourth quarter.

Minor Food continued to strengthen its digital capabilities throughout 2019. The digital business unit was established to consolidate database and digital platform across brands, digitize loyalty program with data analytics for personalization, and excel in the delivery space and other disruptive initiatives. On the front end, in early 2019, Minor Food reinforced its delivery capability with the launch of its own 1,112 Delivery application, where all of Minor Food brands are on one mobile application, and can be ordered in one single order, one delivery and one bill. Later in the year, with the goal to increase its share in the delivery market, Minor Food strengthened its partnership with third party delivery aggregators, which successfully expanded its delivery sales in new market segments.

Facing weak domestic consumption, Minor Food continued to selectively expand its network of outlets. In order to accommodate the fast-growing demand of delivery service, the majority of The Pizza Company's new outlets are delivery with seats format, which require lower investment, but generate higher profitability. The Coffee Club expanded through co-creation outlets in partnership with other consumer brands, such as Toyota and Sansiri. In addition to physical outlet expansion, Minor Food looked for ways to improve sales of its outlets. As a result, The Pizza Company's high traffic locations initiated breakfast set offerings, while selective The Coffee Club outlets operated 24-hour services.

With today's rapid change in consumer tastes, product innovation is as important. All brands continued to innovate in order to remain relevant with customers. The Pizza Company introduced new crusts and toppings such as Cheesy Shrimp Pizza and Super Cheese Pizza. Swensen's launched the extension of its bingsu, the Korean shaved ice product line with bingsu cake and bingsu drinks. Sizzler offered a healthy product line, including plant-based menus and cold pressed juice. Dairy Queen continued to innovate blizzard flavors including salted egg and unicorn. Burger King moved forward with its successful launches

of Thai rice dishes, such as sweet and sour chicken, salted chicken and Thai spiced chicken. The Coffee Club's Thai Kao Tom set became one of the most popular dishes for the brand.

In addition to the organic growth of existing brands, the addition of Bonchon to the Thailand portfolio will also fuel growth of Minor Food going forward, both in terms of physical outlet expansion and delivery potential.

Australia

As at 31 March 2020, Australia hub had a total of 468 outlets, compared to 466 outlets in 31 March 2019. Total-system-sales of Australia hub decreased by 12.5 per cent. year-on-year for the three months ended 31 March 2020, as a result of a decrease of 7.9 per cent. in same-store-sales, dragged most notably by negative growth in March due to the pandemic, the government's announcement to temporarily close dine-in restaurants, as well as, the permanent closure of underperforming stores. Nevertheless, despite the difficult retail environment, including the impact of the bushfires, the first two months of the quarter demonstrated a very strong result as same-store-sales of Australia hub in the first two months of the year remained positive for the fourth and fifth consecutive month, attributable to improving domestic operations of The Coffee Club through brand renewal strategy and the strengthening of loyalty program and delivery platform. In March, as over 80 per cent. of total outlets were in operation but only for delivery and takeaway, Minor Food launched "The Coffee Club Pantry" and "The Coffee Club @ Home", delivering groceries and coffee bean through its own website and third-party e-commerce website on top of its regular food delivery. Going forward, digital will continue to be a key driver of the Coffee Club in Australia, with delivery sales and mobile application transactions building sales momentum.

The Coffee Club remained the largest contributor to the hub, contributing over 90 per cent. of the hub's total-system-sales for the year ended 31 December 2019. The number of The Coffee Club outlets in Australia declined during the year as operations in the country underwent outlet rationalization because of the slowdown in domestic consumption. The number of The Coffee Club outlets outside of Australia, however, continued to grow rapidly. In addition to existing markets of Thailand, the UAE, the Maldives, Indonesia, Seychelles, China, Qatar and Cambodia, the brand debuted in Vietnam, Laos and Saudi Arabia in 2019.

In 2019, Australia hub put effort in turning around its performance amidst the country's decelerating growth. A digital loyalty program was launched in order to better connect with customers and encourage traffic frequency. Many new product launches increased the brand's relevancy, such as Brunch Bowls, Rose Iced Latte and Lavender Iced Latte. In addition, the partnership with UberEats for delivery service also contributed to the turnaround.

Nomad, Australia hub's wholesale coffee roaster business, continued to sell its coffee beans through Aldi, Australia's third largest supermarket chain. Nomad remained a driver of Australia hub's growth, where its sales grew by 15 per cent. in 2019 from the previous year.

China

In China, Minor Food operates Riverside, Sizzler and Thai Express brands, with the majority of the operation, whether in terms of number of outlets, revenue or net profit contribution coming from Riverside. As at 31 March 2020, China hub had a total of 102 outlets, an increase of 13 per cent., driven by the expansion of the Riverside brand, while some of the non-performing outlets under the Sizzler and Thai Express brands were closed down. China hub's total-system-sales and same-store-sales for the three months ended 31 March 2020 declined by 59.1 per cent. and 49.4 per cent. year-on-year, respectively. The temporary closure of majority of stores in response to the strict lock down of many cities in the country especially in February due to COVID-19 outbreak offset the positive same-store-sales growth during the first three weeks of January. Nevertheless, same-store-sales improved in March, following the reopening of the outlets and Minor Food's effort on delivery. To regain its sales momentum and drive store traffic, China hub will focus on building customer loyalty, launching new menus and improving delivery

offerings. As the epidemic alerts in most of the cities including Beijing are lowered, together with all sales initiatives kicking in, Minor Food expects the recovery to be even stronger from May onwards. Furthermore, China hub views this as the opportunity to streamline its outlets, by applying early closure of non-strategic brands and locations at minimal cost, while securing good locations to cautiously expand the Riverside brand.

During 2019, China hub focused on driving quality outlet growth of the Riverside brand, especially in Beijing and Shanghai. Riverside now has outlets in top traffic shopping malls in both Beijing and Shanghai, propelling the brand to Shanghai's number one grilled fish brand. During the year, the brand launched its loyalty program, which successfully attracted over 600,000 members in the five-month period since its launch. In an effort to address the increasing concerns of food safety and product quality in China, Riverside partnered with Bright Food Group, who supplies Riverside with "live" fish that are 100 per cent. farm-to-chopstick traceable. In addition to the reliability of the brand, the effort will also elevate customers' perception towards the brand.

Other Markets

Beyond the three main hubs of Thailand, China and Australia, Minor Food operated 397 outlets in 23 countries in Asia, the Middle East, the Indian Ocean, Europe and the Americas as at 31 March 2020. While these markets are small today, some of them have potential to grow and meaningfully contribute revenue and net profit in the future.

Minor Food operates The Pizza Company, Swensen's, Thai Express, Burger King and The Coffee Club in Cambodia, Laos, Myanmar and Vietnam ("CLMV") market. CLMV has been one of the fastest growing markets for Minor Food over the past four years. As of March 2020, the number of outlets increased by 3 per cent., ending the year with 176 outlets.

The Middle East is another region of growth for Minor Food, where the number of outlets increased to 65 in the first quarter of 2020 from 56 in 2018, representing 12 per cent. growth.

Minor Lifestyle

Minor Lifestyle consists of retail trading and contract manufacturing business operated through its subsidiary, Minor Corporation Pcl. Minor Lifestyle is a leading distributor of international lifestyle consumer brands in Thailand focusing primarily on fashion, lifestyle, and household products through retail, wholesale and direct marketing channels. Minor Lifestyle can be divided into four categories: lifestyle fashion, household and kitchen equipment, education equipment and contract manufacturing.

As of 31 March 2020, Minor Lifestyle had a total of 473 retail outlets and points of sale, a decrease of 13 points of sales from 486 points at the end of the first quarter of 2019, primarily from the closing down of the Save My Bag brand. Of the 473 points of sale, 83 per cent. are operated under fashion brands, while the remaining 17 per cent. are under household brands. For the three-month period ended 31 March 2020, Minor Lifestyle's reported core revenue and pre-TFRS16 core loss of THB986 million (U.S.\$31 million) and THB78 million (U.S.\$2 million) represented a decrease of 21 per cent. and 355 per cent., respectively compared to the core revenue and core profit of THB1,251 million (U.S.\$39 million) and THB31 million (U.S.\$1 million) for the three-month period ended 30 March 2019. For the year ended 31 December 2019, Minor Lifestyle's reported core revenue and core loss of THB4,962 million (U.S.\$156 million) and THB67 million (U.S.\$2 million) which represented an increase of 12 per cent. and a decline of 48 per cent. respectively compared to the core revenue and core profit of THB4,439 million (U.S.\$140 million) and THB130 million (U.S.\$4 million) for the year ended 31 December 2018.

In the three months ended 31 March 2020, total retail trading & contract manufacturing revenue decreased by 21 per cent. year-on-year, due to COVID-19 outbreak which resulted in lower foot traffic and consumer spending and slowdown of the tourism sector. However, the manufacturing operations were relatively resilient during this difficult time with only a slight dip of 1 per cent. in revenue, attributable to strong

sanitizer sales through both wholesale and retail channels and higher demand of cleaning products in March. For retail trading business including fashion and home and kitchenware, overall sales were 27 per cent. lower year-on-year, impacted by reducing customer traffic, challenging competitive environment and the temporary store closures in accordance with the government's measures despite a surge in e-commerce sales driven by brands' standalone website and other partnership channels.

The lower operating leverage from overall sales shortfall, together with loss contribution of Scomadi tampered overall EBITDA of retail trading & contract manufacturing for the three months ended 31 March 2020. At the beginning of 2020, Minor Lifestyle entered into a partnership to own and operate Scomadi, the British designed scooter brand, which still generates losses at its initial stage of the business. Consequently, EBITDA of retail trading and contract manufacturing excluding the impact from TFRS16 turned into a loss with negative EBITDA margin of (4.2) per cent. in the three months ended 31 March 2020. Including the impact from the adoption of TFRS16, EBITDA loss in the three months ended 31 March 2020 was THB7 million.

The following is a brief description of the Group's various categories of products within the Minor Lifestyle business:

Fashion Apparel

Minor Lifestyle distributes fashion apparels under various international brands, such as Esprit, Brooks Brothers, Bossini, OVS, Etam, Charles & Keith, Radley and Anello.

Esprit

Esprit differentiates itself from competition with high product quality, product durability, classic style and comfort for working group with the age of 30 years and older. As of 31 March 2020, there were 83 points of sales of Esprit in Thailand.

Brooks Brothers

Founded in 1818 in the U.S., Brooks Brothers has been a leading apparels brand for two centuries. It was the first brand that offers ready-to-wear suits and since then has had the honour of dressing presidents of the U.S., including the 44th President, Barack Obama. With unique designs for both men and women and extensive selections of both formal and casual clothing, Brooks Brothers has been very successful in the U.S. and expanded to overseas. As of 31 March 2020, Brooks Brothers had five points of sales in Thailand.

Bossini

The Bossini brand is well-known for its high-quality winter wear such as down and winter jackets, as well as high-quality and nice design T-shirts. As of 31 March 2020, Bossini had 79 points of sales in Thailand.

OVS

OVS is Italy's no.1 fast fashion clothing from Italy which new product release every month. OVS products include clothing and accessories for all ages and cover every lifestyle, casual and work wears. OVS is the new brand to penetrate into the fast fashion market which offers high quality, competitive prices and fashionable trends. As at 31 March 2020, there were 11 points of sales of OVS in department stores and leading shopping centers in Thailand.

ETAM

Etam, a leading lingerie brand with over 100 years of history, was established in 1916. The brand is known for its unique design tailored for various body shapes, elegant French lace, flexible texture and high comfort. As a result, it became very popular in France and other countries worldwide. In Thailand, ETAM

provides a new alternative in the lingerie market with its aesthetics and competitive pricing. The brand caters to students and the working group in Thailand. As of 31 March 2020, there were 26 points of sales of ETAM in department stores and leading shopping centres in Thailand.

Charles & Keith

Charles & Keith focuses on the mid-market by offering the same design quality as other imported high-end brands but at more affordable prices. For the handbag segment, although Charles & Keith faces competition from local handbag brands, it continues to focus on a design, quality of material and price strategy in order to maintain its market share. As part of its growth strategy, Charles & Keith focuses on strengthening its customer base, recruit new customers and improving its service quality to ensure excellent customer service. In addition, as at 31 December 2019, Charles & Keith had expanded its online channel with its own website, www.charleskeith.co.th with local fulfillment. As of 31 March 2020, Charles & Keith had 43 points of sales in Thailand.

Radley London

A handbags and accessories brand for women founded in 1998, Radley London is a world class brand with the outstanding and functional design. As the women handbag market in Thailand continues to grow, Radley offers unique products that are distinctive in style and classic in quality and finish. Radley's key customers include both Thai and foreign students and working group. As of 31 March 2020, Radley had 30 points of sales in Thailand.

Anello

Anello, a fashion bag brand from Japan for teenagers is extremely popular, thanks to its highly functional design and affordable prices. Anello targets students and working group, both women and men. As of 31 March 2020, there were 116 point of sales in Bangkok and other key provinces of Thailand.

Household

Minor Lifestyle's household products range from cookware and kitchenware, to design-led kitchen and bathroom accessories, and children's books and encyclopaedias.

ZWILLING

ZWILLING is active in the premium kitchenware market. As part of its growth strategy, ZWILLING will focus on product enhancement and pricing strategy to maintain competitiveness in the market and attract new customers. Furthermore, ZWILLING drives a proactive marketing strategy to gain market share from its competitors, and implement activity-based and digital marketing initiatives to increase brand awareness and improve brand image among new target markets. Recently, ZWILLING has added a new distribution channel via TV-home shopping channel, which has high growth potential for kitchenware products. As of 31 March 2020 there were 28 points of sales of ZWILLING in Thailand.

Bodum

Bodum is a coffee press maker and kitchenware brand from Copenhagen, Denmark. Bodum offers high quality coffee and tea solutions and household accessories. Bodum innovates to create great designs at affordable prices based on the guiding principle that form follows functionality. As of 31 March 2020, there were 25 points of sales of Bodum in Thailand.

Joseph Joseph

Joseph Joseph is a UK-based homeware manufacturer best known for its design-led products. The brand aims to design everyday products with a core problem-solving approach. Its innovative and functional

products have received international recognition and many worldwide awards. Joseph Joseph is currently available in over 100 countries. In Thailand, there are 27 point of sales as of 31 March 2020. Home-Shopping and e-commerce also support the strategic marketing campaigns to reach out to new generations and capture the targeted audiences.

To maintain and cultivate the existing customer base, Minor Lifestyle also developed its Minor Plus programme to drive customer satisfaction such as reservation service of new products, special discounts, privileges on special occasions and to cross sell across its portfolio of brands.

Minor Smart Kids books and interactive equipment are available in various languages and targets children looking to improve their language skills. The business unit also offers a variety of other kids educational and development products.

These products were offered through direct sales channels and accept payment in the form of cash, credit card (both cash and installment), bank transfer and via a digital payment service, Fin-Tech. As of 31 March 2020, there are four major distribution channels, including direct sale to households or residences, sale through seminars, roadshow and school activities, pop-up stores in high traffic areas i.e. hyper markets, kid's fairs, hospitals, book fair or kid's activities fair, amongst others.

Contract Manufacturing

NMT Ltd., Minor Lifestyle's subsidiary, is one of the country's largest contract manufacturers of household and personal care products. NMT manufactures acid-based fast-moving consumer goods such as mouth rinse, baby wipes, fabric softeners and air fresheners for the world's leading consumer product companies such as SC Johnson, Unilever, Colgate, Johnson & Johnson, and Lion. In addition, NMT is a contract manufacturer of industrial cleaning products for Diversey Hygiene. Recently with the COVID-19 outbreak, NMT has been producing high-demand products including sanitizer. The manufacturing facility in Pathumthani province, Thailand currently has a maximum capacity of approximately 100,000 tonnes per annum.

E-Commerce

Minor Lifestyle sells its products through standalone websites for selected brands, such as Charles and Keith and Anello, and also through third-party Market Place channels for Radley, Esprit and other brands. The revenue contribution from the sale through e-commerce is less than 1 per cent. of total Minor Lifestyle's revenues.

Sales and distribution channels

The Company distributes lifestyle fashion and cosmetics products through three channels: firstly the retail channel, including through its own outlets or points of sales in department stores, secondly, the corporate channel for corporate clients such as employees, executives and corporate gifts and lastly, through e-commerce. In response to an increase in internet users and online transactions, the Company developed a sales channel by marketplaces in 2019, expanding its distribution channel for internal brands.

Target group

With wide selections of fashion apparels and household products, MINT caters to a broad market, including both women and men across all age range. Its main customers are students, young workers, housewives, businessmen and anyone who have passion for fashion and household products with income level in the mid-to higher range.

For the contract manufacturing business, MINT's main customers are international companies which have large purchase orders of household products for both the domestic market and the export market for neighbouring countries.

Procurement of product and service

As a distributor of international brands, MINT imports brand name products from overseas and distributes them domestically. Manufacturers, which are the brand principals in the U.S., Singapore, Hong Kong, Germany, France, England, Denmark and Japan, determine production location based on where they can easily source raw materials and save transportation cost, as well as where the wage rate is lower than the country of origin. Therefore, most products are manufactured in China, India, and Bangladesh, while some are also manufactured in Thailand.

For the contract manufacturing business, MINT orders raw materials from local distributors, who source these materials from both domestic and international markets. Customers source most of their raw materials themselves and negotiate raw material prices directly with their suppliers. However, parts of the required raw materials are sourced by MINT in order to lower manufacturing costs.

Competition and Competitive Strengths

Minor Hotels

Minor Hotels compete against hotel and lodging operators both at the global and destination level. The factors that Minor Hotels take into account include brand recognition and reputation, location, guest satisfaction, room rates, quality of service, amenities, quality of accommodations, security, and the ability to earn and redeem loyalty programme points.

With the recent development in technology disruption, Minor Hotels' competitive landscape has expanded further than the traditional hotel operators. Today, Minor Hotels also competes with large companies that offer online travel services as part of their business model, including online travel agents ("OTA's"), search engines such as Google, and the sharing economies business such as Airbnb that allow travellers to book short-term rentals of homes and apartments as an alternative to hotel rooms.

Each of MINT's key hotel brands, Anantara, AVANI, Oaks, Tivoli and NH possesses its own competitive strengths:

- *Anantara*. The Company's flagship Anantara brand appeals to the luxury segment, targeting high-end travellers who value indigenous experience. It competes with international hotel brands, including Four Seasons, JW Marriott, Grand Hyatt, Mandarin Oriental, Shangri-La and Six Senses. Anantara differentiates itself by embracing local culture of each destination into every aspect of its hotel, from hotel design to guest experience.
- *Avani*. Avani appeals to the upscale customer segment with a contemporary and relaxed atmosphere, blending modern design and seamless service. It competes with both international and local hotel brands. Its international competitors include Marriott, Hyatt, Hilton and Pullman, while local competitors vary by each destination.
- *Oaks*. Oaks offers a range of superior accommodation, from hotel rooms to furnished serviced apartments. The brand is renowned for its central city locations and affordable price point with dominant presence in Australia. Its competitors include Accor Hotel Group, I H G Hotel Group and Mantra Hotel Group. Accor Hotel Group's brands include Sofitel, Pullman, MGallery, Novotel, Mercure, ibis, All Season and E Tap. According to Jones Lang LaSalle, Accor has the highest market share in Australia and New Zealand, as of 2018. InterContinental Hotels Group's brands include InterContinental, Crowne Plaza, Holiday Inn, Holiday Inn Express and Staybridge Suites. Mantra Hotel Group's brands include Peppers, Mantra, BreakFree and Art Series.
- *Tivoli*. Tivoli exudes European elegance and a rich history. The brand appeals to both luxury and upscale segments, attracting travellers with exceptional comfort and strategic locations from thriving cities to beach paradises. Tivoli properties are mainly located in Portugal, its home country. Tivoli

is one of Portugal's top five largest hotel operators. Its competitors include international hotel groups such as Marriott Hotels & Resorts and Accor Hotels, as well as regional hotel operators such as Pestana Hotels & Resorts and Vila Galé Hotéis in Portugal.

- *NH*. NH appeals to the mid to upscale market, offering comfortable and functional rooms and modern business facilities in excellent locations and with the best value for money. NH hotels are strategically located in major capitals across Europe and Americas. Its competitors include both international and local hotel brands. Its international competitors include Accor Hotel Group, InterContinental Hotels Group and Radisson Hotel Group, whereas its local competitors vary by each destination.
- *NH Collection*. NH Collection hotels are premium hotels located in capital cities with exclusive locations in historical classic or contemporary landmarks buildings. The brand caters to the upscale customer segment due to its remarkable elegant décor and gastronomic offerings which integrate local flavours. Its competitors include Marriott International's Sheraton, Westin, and Marriot brands, AccorHotels's Pullman Hotels & Resorts brand, and Raddison Blu brand.
- *nhow*. nhow features unconventionally designed hotels, and appeal to the upper upscale customer segment. Located in iconic buildings within capital cities, every nhow hotel has its own personality that incorporates a singular concept inspired by the city vibe. The hotels feature forms of architecture, design and technology by visionary architects and interior designers, allowing each nhow hotel to become a distinctive landmark for both guests and the inhabitants of the city. Its competitors include Marriott International's W Hotels brand as well as Meliá Hotels International's ME brand,

Due to the nature of the timeshare business whose success depends on a well-known brand name, a strong network, the number of inventory units and facilities to serve both domestic and international travellers, there are not many players in the timeshare business that are competing with Anantara Vacation Club, especially in Asia. Key competitors include global hotel chains such as Marriott International.

The residential market, especially the high-end and branded residences for sale segment, has shown stable growth. In terms of marketing initiatives, real estate developers normally organise promotional activities during the first phase of construction. Minor Hotels' residential projects are differentiated from others with its hotel services. For example, the latest project, Layan Residences by Anantara in Phuket, is part of the mixed-use business, in which these villas are located next to the hotel to allow residents to use the hotel facilities. Main competitors of Layan Residences by Anantara include Banyan Tree Grand Residences, Andara Signature and Point Yamu by COMO.

Minor Food

The casual dining and quick service restaurant industry is highly competitive and fragmented, with restaurants competing on factors such as taste, price, food quality, service, location and the ambience and condition of the restaurant. For hot chain restaurants, the Group's primary competitors include both international restaurant chains such as KFC, Pizza Hut and Domino's, domestic restaurant chains such as MK Suki, Oishi and Sukishi. For cold chain restaurants, competitors include Baskin Robins and After You. In addition, there are many new players and local players entering the market. To a lesser extent, Minor Food may also compete with companies outside of the traditional restaurant industry, such as grocery store chains as well as convenience food stores, cafeterias and other dining outlets.

Another type of competitor that has emerged more recently is online food aggregators. With the operators such as Food Panda and Lineman, the food delivery service has opened up many more choices for the consumers. At the same time, Minor Food believes that there is more opportunity as market size has also expanded. Minor Food has been the pioneer in the delivery business with pizza delivery since 1989. Today, in addition to the Group's own delivery platform, 1112 Delivery, Minor Food brands also utilise third-party delivery services in order to expand its customer base.

Minor Lifestyle

The retail trading and contract manufacturing industries are highly competitive. Many fast-fashion brands have aggressively entered the market with large investments, big outlets, wide selections of products and aggressive pricing. This has affected existing brands that used to dominate the market as consumers have more choices. Minor Lifestyle competes primarily with other retail traders, department stores, catalogue retailers and e-commerce businesses that engage in the sale of fashion apparel and household products. The Group competes on quality, design, customer service and price. The Group believes that its primary competitive advantages are consumer recognition of the brands, accessibility of its products through its outlets and e-channels and the locations of stores with MINT’s relationship with landlords for both Minor Food and Minor Lifestyle shops. In addition, the Group believes its success depends in substantial part on its ability to originate, define and communicate product and fashion trends as well as to timely anticipate, predict and react to changing consumer demands and consequently quickly change its portfolio of brands.

Research and Development, Intellectual Property

The Company does not own patents but has broad substantive and geographical trademark coverage for its brands across its hotel and food businesses. For example, as of 31 March 2020, the Company has hundreds of registered trademarks in over 50 countries across its portfolio of hotel brands, in addition to a large number of pending trademark applications. The Company also has broad, international trademark protection across its portfolio of food brands. The Company has secured such domain name rights as it believes are required and appropriate for the operation of its business. The Company actively manages its intellectual property and continuously assesses the need for additional filings and responds to infringements or challenges of its intellectual property rights. The Group believes its trademarks have significant value and it intends to continue to vigorously protect them against infringement.

In addition, Minor Foods has agreements with the suppliers of its proprietary products stating that the recipes and production processes associated with those products are the Group’s property, confidential to the Group, and may not be provided to any other customer.

Minor Food has a dedicated research and development (“**R&D**”) team for each of its restaurant brands. They are responsible for driving product and service innovation, from the initial planning to production or implementation. Through collaboration with other departments, suppliers and customers, the R&D team serves as a driving force to create competitive advantages by way of anticipating market trends, accelerating new product developments, improving existing products and services and optimising operations. Successful R&D projects include the development of new pizza dough by The Pizza Company, which provided a new growth platform for the brand and the use of automated grill machines by Sizzler to improve product consistency and speed of service.

NHG owns or has rights to certain trademarks or trade names that it uses in conjunction with the operation of its businesses.

Employees

As of 31 December 2019, MINT, including NH Hotel Group had approximately 79,700 employees. The Group believes relations with its employees are positive.

The following table sets forth the number of employees by segment as of 31 December 2019.

| | <u>31 December 2019</u> |
|---------------------------|-------------------------|
| Segment | |
| Minor Hotels | 36,675 |
| Minor Food | 40,114 |
| Minor Lifestyle | 2,555 |
| Corporate Office. | 356 |

Health and Environment

Minor International established a group-wide environmental policy to encourage business units to take action in mitigating global warming and climate change and to conserve biodiversity of the areas where it has footprint. The Group believes that to achieve its long-term environmental goals, it has to constantly benchmark itself against the policies, relevant legal requirements, and international standards. All business units under the Group are subject to national, regional, state or provincial, and local laws and regulations that govern the emission or discharge of wastes or other materials into the environment or otherwise relate to protecting the environment. Those environmental provisions include requirements that address health and safety; the use, management, and disposal of hazardous substances and wastes; and emission or discharge of wastes or other materials. The Group believes that its operation and development of hotel properties, factories, restaurants and retail outlets comply, in all material respects, with environmental laws and regulations. In addition, the Group advocates for biodiversity protection and conservation.

The Group places emphasis on the health and safety of its employees, and is in compliance with a range of local health and safety laws and regulations in the countries and regions the Group operates. The Group has established the Occupational Health & Safety and Well-being Framework in which it continuously drives the 4Rs (Risk-Respond-Review-Refine) approach in the workplace, body and mind, family and society, and finance.

The Group generally reviews its health and safety standards on a periodic basis, as its operations are subject to routine government authority inspections. The Group's human resources department maintains a health and safety manual for its employees and provides periodic safety training to its employees. The Group provides social security insurance for its employees, as required by local laws. The Group's operations are subject to inspections and audits to ensure the Group meets international health and safety standards.

The Group does not compromise on consumers' health and safety. Safety and quality of food served in hotels and restaurants are strictly monitored. At the operations level, all employees undergo training on food safety and handling to ensure high standards are followed during food handling and meal preparations.

The Group continues its efforts to uplift our supply chain management practice by both enhancing its Minor Food and Minor Hotels SCM teams' knowledge in sustainable supply chain as well as organize knowledge sharing sessions on sustainability and related laws and regulations for suppliers. Prior to engaging in business transaction with the Group, suppliers sign the Business Partner Code of Conduct which includes aspects of human rights, health and safety of employees, and environmental compliance. In Thailand, key suppliers undergo a self-assessment process whereby those who are identified with high risks are audited on-site, and follow with remedial action plans. Efforts are underway to expand sustainable supply chain practices to global business units.

Corporate Social Responsibility (“CSR”)

The Group's successful footprint in 63 countries is a result of endeavours that have been and will continue to be driven by its pursuit for excellence. To ensure that the Group continues this success into the future, one critical component is its approach to corporate social responsibility and sustainability.

The Group has engaged in several charitable activities that over time has evolved into its corporate social responsibility programmes. Since 2011, the Group has developed its sustainability framework and strategy. The company's visions, core values and the business strategy, as well as the interests of its stakeholders, are key guides to how the Group forms its sustainability directions. The Group assesses the materiality of issues that are both important to the Group and to its stakeholders to establish Minor International's sustainability framework, and then develop its long-term sustainability strategy and plans. The Group's Sustainability Framework comprises of four drivers: driving people development, engaging in end-to-end customer experience, committing to long-term and sustainable partnerships, and managing environmental impact. These four drivers are reinforced by two critical enablers: good corporate governance and social responsibility mindset.

The Group develops a rolling 5-year sustainability strategy which is endorsed by the board of directors at its annual strategic planning meeting and progress is also reviewed quarterly by its board of directors. The Group's strategy drives it towards achieving its sustainability vision, by converting the Group's aspirations into actions. The strategy builds on Minor International's Sustainability Framework and is aligned with the Group's overall strategic direction. It is also aligned with relevant UN Sustainable Development Goals, as part of Minor's support as a responsible corporate citizen.

Minor International established a Sustainability Committee, which is chaired by its Group Chief Sustainability Officer, meeting once a quarter to discuss implementation plans and review progress of sustainability initiatives. Operationally, the corporate sustainability department is responsible for updating and executing the Group's rolling 5-year sustainability strategy. The team consults with senior management teams of all business units, and works closely with all business units to embed sustainability through all its business processes, ensuring its sustainability initiatives and practices are aligned with the group's overall strategic direction. The team also facilitates by monitoring and communicating progress of the Group's sustainability initiatives and practices.

Minor International's sustainability strategy comprises of three pillars: 1) people development, 2) sustainable value chain and 3) planet protection. These three pillars are reinforced by two critical enablers: 1) good governance and 2) shared value creation.

People development: The Group considers itself to be in the 'people business'. Its current operations in 63 countries are engaging over 79,000 employees, and touching lives of many more in families and communities. People development is therefore one of the Group's core values and main sustainability pillars. The Group recognizes that without sustainable and capable people in the company and the society, it will not be able to grow and stay competitive. The Group continues its momentum to enhance people's capabilities within its sphere of influence through its three-tiered human capital development approach: developing grassroots, workforce, and talents and leaders.

Sustainable value chain: To achieve the Group's aspiration of continually competing on the world stage sustainably, Minor International is committed to creating a sustainable business through establishing long-term and sustainable partnership with its partners ranging from farmers, suppliers, to business partners. The Group focuses its efforts on creating and sharing mutual long-term growth and sustainability with its partners while enriching end-to-end customer engagement by offering exceptional services and products to customers.

Planet protection: The Group has the obligation to minimize impact of its presence to the environment and the surrounding communities, from design, construction, operations, and renovation. In response to climate change, Minor International strives to efficiently utilize natural resources such as raw materials, water, and energy. It is also mindful of its discharges and emission such as waste, wastewater, and carbon dioxide and tries to manage and minimize them where possible. In addition, the Group supports biodiversity protection especially in the areas where it has footprints.

Good corporate governance practices: The Group strives to build a strong platform for a sustainable organisation by practising good corporate governance in all business operations. Minor International is a certified company of Thailand's Private Sector Collective Action Coalition Against Corruption.

Shared value creation. The Group realizes that the competitiveness of the company and the health of its relevant communities and environment are mutually dependent. Recognizing the connection between socio-environmental and economic progress gives Minor the power to create truly sustainable growth. The Group promotes the concept of 'shared value creation' which aims to encourage its operations to create competitive business while addressing social and environmental needs. The Group believes its relentless attempt to build a culture where everyone lives and works with sustainability and Shared Value concept can create sustainable future for both the business and the society.

In 2019, Minor International has been included in the Dow Jones Sustainability Emerging Markets Index in Hotels, Resorts and Cruise Lines Industry, the MSCI ESG Leaders Index as well as the FTSE4Good Index Series. The Group also received Best Sustainability Award from the SET in the category of companies with a market capitalisation of over THB100 billion and also included in the SET Thailand Sustainable Investment Index. Minor International was rated 'Excellent' for the 7th consecutive year in the Corporate Governance Report of Thai Listed Companies 2019, published by the Thai Institute of Directors Association. Moreover, the Group was recognized as the winner of the Board of the Year Awards 2018 among SET-listed companies with market capitalization of over THB100 billion for its excellence in good corporate governance and outstanding board and director professionalism, by the Thai Institute of Directors.

The Group also has many projects and initiatives around its sustainability strategic pillars and strategic enablers which are set out in greater detail in its annually published sustainability report.

Insurance

The Group has comprehensive insurance policies that covers loss/damage and legal liability that may be incurred in respect of its business and properties. The Group's coverage includes property damage/business interruption, third party legal liability, directors & officer's liability, professional liability, construction work, commercial crime, cyber liability, political violence and personal accident insurance. The Group's liability insurance policy also has umbrella covered for operation of its subsidiaries, managed hotels & properties. The Group employs a risk management policy that helps it analyse which aspects of its business and properties need specific levels of insurance, identify all potential risks that could affect its business, the likelihood and impact of those risks, plan how to mitigate and prevent those risks, monitor and manage any new risks.

In addition, the Group employs large international insurance brokers to help negotiate conditions and diversifies its risks to other established reinsurance companies so that it applies its insurance resources efficiently and in the most cost-effective manner. The Group also employs an external professional valuation company to reassess 100 per cent. replacement value of its properties.

The Group considers its insurance coverage to be in accordance with industry standards and suitable for its business.

Legal Proceedings

From time to time the Group may be involved in legal proceedings or other disputes in the ordinary course of its business. Other than as described below, the Group is not aware of any material legal proceedings, claims or disputes currently existing or pending against the Group that may have a material adverse effect on its business or results of operations as of the date of this Offering Circular.

On 15 February 2019, the Group initiated legal action in Thailand against Marriott International, Inc. and its Thai subsidiary Luxury Hotels & Resorts (Thailand) Ltd. (together, "Marriott"), alleging wrongful acts committed by Marriott in the course of its management of the JW Marriott Phuket Resort & Spa, which is owned by the Group. The Group's claim against Marriott is in the amount of THB570.6 million. Subsequently, Marriott brought a counterclaim against the Group in arbitration in Singapore, claiming that the Group's legal action in Thailand constituted a breach of the dispute resolution provisions of the hotel management agreement and seeking principally injunctive relief. Both the Singapore arbitration and the Thai litigation remain ongoing.

MANAGEMENT

Board of Directors

The Board is the governing body of the Group. The Issuer's articles of association, as amended, specifies that the Board consists of at least five Directors, but not more than twelve Directors. The quorum requirement for meetings of the Board is at least half the number of Directors. As of 31 March 2020, the Board comprised the following members:

| <u>Name</u> | <u>Age</u> | <u>Designation</u> |
|--|------------|---|
| William Ellwood Heinecke | 70 | Chairman of the Board and Management Committee |
| Khunying Jada Wattanasiritham | 74 | Chairwoman of the Audit Committee/Chairwoman of the Compensation Committee/Independent Director |
| Charamporn Jotikasthira | 62 | Chairman of Risk Management Oversight Committee/Independent Director |
| Suvabha Charoenying | 56 | Chairwoman of the Nominating and Corporate Governance Committee/Independent Director |
| Anil Thadani | 73 | Director |
| Thiraphong Chansiri | 54 | Director |
| Paul Charles Kenny | 70 | Director |
| Emmanuel Jude Dillipraj Rajakarier . . . | 54 | Group Chief Executive Officer/Director |
| John Scott Heinecke | 48 | Director |
| Edward Keith Hubennette | 68 | Independent Director |
| Niti Osathanugrah | 46 | Director |

The Board meets regularly as per the Issuer's articles of association with a minimum of 4 meetings each year. During the years ended 31 December 2018 and 2019, 8 meetings were held for each respective year.

A brief profile of each member of the Company's Board is set forth below.

William Ellwood Heinecke was appointed as Chairman of the Group's Board of Directors on 1 September 1978. He is also the Group's Group Chief Executive Officer and the Chairman of its Risk Management Oversight Committee. He concurrently serves as an Independent Director and Chairman of the Nomination, Compensation and Corporate Governance Committee of Indorama Ventures Pcl, as Chairman and Director of MINT's subsidiaries and as Director of Pacific Cross International Ltd. Notably, he previously served as a Director of Sermsuk Pcl, a director of S&P Syndicate Pcl., a director of Saatchi & Saatchi Limited as well as the Chairman and Managing Director of Ogilvy & Mather (Thailand) Limited. He received an Honorary Doctorate in Business Administration from Yonok College, Lampang.

Khunying Jada Wattanasiritham was appointed as an Independent Director of the Group's Board of Directors on 25 April 2008. She is also the Chairwoman of the Group's Audit Committee and Compensation Committee as well as a member of the Nominating and Corporate Governance Committee. She concurrently serves as an Independent Director, Chairman of the Corporate Social Responsibility Committee and Member of the Nomination, Compensation and Corporate Governance Committee of The Siam Commercial Bank Pcl., as Chairman of SCB Life Assurance Pcl., Chairman of Chubb Samaggi Insurance Pcl., Chairman of Siam Paragon Development Co., Ltd., Director of Siam Piwat Co., Ltd. and Director and Treasurer of The Thai Red Cross Society. She previously served as President and Chief Executive Officer of the Siam Commercial Bank Pcl. She holds a master's degree in economic development from Williams College in Massachusetts, USA, as well as bachelors and masters degrees in natural sciences and economics from the University of Cambridge in the UK.

Charamporn Jotikasthira was appointed as an Independent Director of the Group's Board of Directors on 4 April 2017. He is also a member of the Group's Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. He concurrently serves as an Executive Director of Bangkok Bank Public Company Limited, an Independent Director, Member of the Audit Committee and Chairman of the Risk Management Committee of Singha Estate Pcl., a Director of The Thai Silk Company (Jim Thompson), a Member of the Chulabhorn Royal Academy Council, a Director of the Office of the National Strategic Committee, a Director of the Suksapattana Foundation as well as a Director of the Foundation for Research in Information Technology. Notably, he previously served as President of Thai Airways International Pcl. and as the President of the Stock Exchange of Thailand. He holds a Master of Business Administration from Harvard University in Massachusetts, USA.

Suvabha Charoenying was appointed as an Independent Director of the Group's Board of Directors on 22 January 2016. She also serves as the Chairwoman of the Group's Nominating and Corporate Governance Committee and is also a member of the Audit Committee, and Compensation Committee. She concurrently serves as a Director of SF Corporation Pcl., a Director of Family Office Co., Ltd. and as Vice Chairman of the Thai Financial Planner Association (TFPA). Notably, she served as Chief Executive Officer of Schroder Asset Management Ltd. and as Managing Director of Thanachart Securities Pcl. She holds a Master of Business Administration in Finance and Marketing, as well as a Bachelor of Business Administration in Finance and Banking from Assumption University in Bangkok, Thailand.

Anil Thadani was appointed as a Director of the Group's Board of Directors on 26 June 1998. He is also a member of the Group's Compensation Committee and Nominating and Corporate Governance Committee. He concurrently serves as a Director of Rajadamri Hotel Pcl., Founder and Chairman of Symphony Asia Holdings Pte. Ltd. and Director of its subsidiaries, Founder and Director of Symphony International Holdings Limited (listed on the London Stock Exchange) and Director of its subsidiaries, a Member of the Board of Trustees and Chairman of the Singapore Management University ("SMU") Enterprise Board, a Member of the SMU Committee for Institutional Advancement, as well as a Member of the International Institute for Strategic Studies. He holds a Master of Business Administration from the University of California in Berkeley, USA as well as a Master of Science from the University of Wisconsin in Madison, USA.

Thiraphong Chansiri was appointed as a Director of the Group's Board of Directors on 26 August 2013. He is also a member of the Group's Compensation Committee. He concurrently serves as President and CEO of Thai Union Group Pcl. and Director of its subsidiaries, Councillor of Thailand Management Association and he is on the Board of Trustees of Siam Technology College. He holds a Master of Business Administration from the University of San Francisco in San Francisco, USA as well as a Bachelor of Business Administration in Marketing from Assumption University in Bangkok, Thailand.

Paul Charles Kenny was appointed as a Director of the Group's Board of Directors on 29 April 1997. He concurrently serves as the Chief Executive Officer and Director of the Minor Food Group Pcl. and as director of its subsidiaries. He holds certifications from the General Management Programme of Ashridge Management College in the UK and the Director Certificate Programme ("DCP") from the Thai Institute of Directors Association.

Emmanuel Jude Dillipraj Rajakarier was appointed as a Director of the Group's Board of Directors on 14 November 2008. He concurrently serves as the Chief Operating Officer of Minor International Pcl. and as Chief Executive Officer and Director of Minor International Pcl.'s subsidiaries. Notably, he previously served as Deputy Chief Financial Officer of Orient-Express Hotels, Trains & Cruises and as Group Financial Controller of Easi Solutions Pcl. He holds a Master of Business Administration from the United Kingdom and a Bachelor of Computer Systems Analysis and Design from Sri Lanka.

John Scott Heinecke was appointed as a Director of the Group’s Board of Directors on 11 November 2013. He concurrently serves as the Chief Operating Officer of the Hot Chain of the Minor Food Group Pcl. Notably, he previously served as Vice President of the Minor Food Group Pcl. and as General Manager of SLRT Limited. He holds bachelors’ degrees in Marketing and International Business from Washington State University in Pullman, USA.

Edward Keith Hubennette was appointed as a Director of the Group’s Board of Directors on 3 April 2018. He concurrently serves as the Managing Director of OPA Associates. Notably, he previously served as Vice President of Marriott Hotels International in United Kingdom & Ireland, Vice President Hawaii & South Pacific of Marriott Hotels International in Honolulu, Hawaii and Vice President Asia & South Pacific of Marriott Hotels International, Hong Kong.

Niti Osathanugrah was appointed as a Director of the Group’s Board of Directors on 23 May 2018. He concurrently serves as the Director, Executive Director, Nomination and Remuneration Committee of Osatspa Plc, Director and Managing Director of Bangkok Rinvest Co., Ltd. Notably, he previously served as Director, Nomination and Remuneration Committee, Risk Management Committee at Charn Issara Development Plc. He holds a Master of Arts in Economic Law from Chulalongkorn University, Thailand and a Bachelor of Arts in Economic and Political Science, Amherst College, USA.

The business address of all the Group’s directors is the Group’s registered office.

At every annual general meeting, one-third of the directors must retire from office. The directors to retire during the first and second years after the Group’s incorporation are to be drawn by lots. In subsequent years, directors who have been in office for the longest period will retire. However, a director whose term in office expires can be re-elected.

Executive Management

The Executive Management of the Issuer as of 31 March 2020 comprised the following persons:

| Name | Age | Designation |
|--|-----|--|
| Emmanuel Jude Dillipraj Rajakarier . . . | 54 | Group Chief Executive Officer/Director |
| Brian James Delaney | 43 | Chief Financial Officer |
| Kulshaan Singh | 46 | Chief People Officer |
| Chaiyapat Paitoon | 48 | Chief Strategy Officer |
| Kosin Chantikul | 37 | Chief Investment Officer |
| John Scott Heinecke | 48 | Chief Sustainability Officer |

Emmanuel Jude Dillipraj Rajakarier, please see above under “ –Board of Directors”.

Brian James Delaney was appointed Corporate Chief Financial Officer on 1 April 2016 and has been employed by the Group in various capacities since 2012. He holds a Master of Accounting from UCD Michael Smurfit Graduate Business School in Dublin, Ireland.

Kulshan Singh was appointed Chief People Officer on 1 October 2019 and has been employed by the Group in various capacities since 2001. He holds a Master of Business Administration with a specialization in Human Resources from the XLRI School of Management in Jamshedpur, India and a Bachelors of Engineering in Industrial Engineering from the Thapar Institute of Engineering and Technology in India.

Chaiyapat Paitoon was appointed Deputy Corporate Chief Financial Officer & Strategic Planning on 1 April 2016 and has been employed by the Group in various capacities since 2010. He holds a Masters of Business Administration in Finance and International Business from the University of Notre Dame in Indiana, USA and a Bachelor of Accountancy from Chulalongkorn University in Bangkok, Thailand.

Kosin Chantikul was appointed Senior Vice President of Investments and Acquisitions in 1 May 2018 and has been employed by the Group in various capacities since 2013. He holds a Bachelor of Arts in Economics from Wesleyan University in the USA.

The Issuer has constituted four committees including: (a) Audit Committee; (b) Nominating and Corporate Governance Committee; (c) Risk Management Oversight Committee; and (d) Compensation Committee.

John Scott Heinecke, please see above under “ –Board of Directors”.

Sub-Committees

Audit Committee

The Audit Committee is responsible for reviewing the financial information of the Group in order to monitor the integrity of the Group’s consolidated financial statements, its accounts prepared for disclosure, internal audit reports, external audit management letters and subsequent follow-up audits; together with management’s responses to them. The Audit Committee also monitors, reviews and evaluates the adequacy and effectiveness of the Group’s internal audit function and internal controls, the Group’s accounting and financial reporting and risk management processes, as well as the Group’s compliance with relevant laws and regulations. The Audit Committee informs the Board of matters which may significantly impact the financial condition or affairs of the business, in a timely manner, and regularly updates the Board about Audit Committee activities and makes appropriate recommendations.

The Audit Committee comprises three independent directors of the Board. The Group’s Corporate Chief Financial Officer and Head of Internal Audit & Risk Management serve as ex-officio members, and the following directors served as the members of the Audit Committee as at 31 March 2020:

| Name | Designation |
|--|-------------|
| Khunying Jada Watthanasiritham | Chairman |
| Charamporn Jotikasthira | Member |
| Suvabha Charoenying | Member |

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is mainly responsible for identifying qualified individuals to become directors by considering the skills, knowledge, expertise and experience, etc. as well as determining the composition and compensation of the Board and its Committees. The Nominating and Corporate Governance Committee is also monitoring processes to assess Board effectiveness by develop and recommend to the Board for its approval of an annual self-evaluation process of the Board and its Committees. In addition, the Committee also develops and recommends to the Board for its approval a set of corporate governance principles, and also review the principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary.

The Nominating and Corporate Governance Committee comprises four directors of the Board and the following directors served as the members of the Committee as at 31 March 2020:

| Name | Designation |
|---|-------------|
| Suvabha Charoenying | Chairwoman |
| Khunying Jada Wattanasiritham | Member |
| Anil Thadani | Member |
| Charamporn Jotikasthira | Member |

Risk Management Oversight Committee

The main role and responsibilities of the Risk Management Oversight Committee are to review overall implementation of risks management process across the Group, and to ensure that key risks are identified and effectively managed. As such, the Risk Management Oversight Committee focuses on and reviews risks such as operational and strategic risks through appropriate risk indicators and management information to ensure that key risks are identified and are effectively managed. In addition to the above, the Risk Management Oversight Committee is also responsible for reviewing and/or recommending the policies and programmes relating to risk management and compliance. The Risk Management Oversight Committee, where appropriate, advises the Board through Audit Committee on corrective action to mitigate the effects of specific risks in case such risks are beyond the prudent levels decided by the Risk Management Oversight Committee.

The Risk Management Oversight Committee comprises four directors of the Board and the following directors served as the members of the Committee as at 31 March 2020:

| Name | Designation |
|-----------------------------------|-------------|
| Charamporn Jotikasthira | Chairman |
| Edward Keith Hubennette | Member |
| Niti Osathanugrah | Member |
| John Scott Heinecke | Member |

Compensation Committee

The main role and responsibilities of the Compensation Committee are to assist the Board in developing and evaluating potential candidates for senior executive positions, including the Chief Executive Officer, and to oversee the development of executive succession plans. In addition to the above, the Compensation Committee is also responsible for reviewing the corporate goals and objectives with respect to compensation for the Chief Executive Officer, senior executive officers, and equity and non-equity incentive compensation. The Compensation Committee maintains regular contact with the leadership of the Group, reviews annual leadership evaluation process and compensation structure. The Compensation Committee, where appropriate, also reviews and advises the Board on the Group’s compensation discussion and analysis.

The Compensation Committee comprises five Directors of the Board. The membership of the Committee as at 31 March 2020 was as follows:

| <u>Name</u> | <u>Designation</u> |
|---|--------------------|
| Khunying Jada Wattanasiritham | Chairwoman |
| Anil Thadani | Member |
| Charamporn Jotikasthira | Member |
| Suvabha Charoenying | Member |
| Thiraphong Chansiri | Member |

The total remuneration (directors' fees) expenses paid to the Group's Directors as a group was approximately THB2.15 million (U.S.\$0.07 million) for the three months ended 31 March 2020.

Management benefit expenses of the Group and the Company for the three months ended 31 March 2020 were THB128 million and THB31 million, respectively. Management remuneration comprised of short-term benefits such as salaries, bonus and other allowances.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information about the Group's "Principal Shareholders", defined as top 10 shareholders of its outstanding common shares as at 31 March 2020.

| Name of Shareholders | Number of Shares | Proportion of Shareholding (%) ⁽¹⁾ |
|---|------------------|---|
| 1. Group of Mr. William Ellwood Heinecke ⁽²⁾ | 1,539,988,109 | 33 |
| 1.1 Mr. William Ellwood Heinecke | 150,071,715 | 3 |
| 1.2 Minor Holding (Thai) Limited | 727,767,680 | 16 |
| 1.3 Mrs. Kathleen Ann Heinecke | 5,200 | 0 |
| 1.4 Heinecke Foundation | 630,031 | 0 |
| 1.5 Zall Holdings Limited | 617,396,500 | 13 |
| 1.6 Minor BKH Limited | 44,116,983 | 1 |
| 2. Thai NVDR Co., Ltd. | 550,805,776 | 12 |
| 3. Mr. Niti Osathanugrah | 409,634,851 | 9 |
| 4. Raffles Nominees (Pte) Limited | 226,085,166 | 5 |
| 5. South East Asia UK (Type C) Nominees Limited | 186,829,857 | 4 |
| 6. Social Security Office | 88,778,759 | 2 |
| 7. State Street Europe Limited | 88,406,621 | 2 |
| 8. Administration Account | 84,628,115 | 2 |
| 9. Bank of Singapore Limited | 44,537,460 | 1 |
| 10. Thanpuying Tassanawalai Sornsongkram | 44,116,983 | 1 |

Notes:

(1) Percentages based on total issued common shares of the Issuer.

(2) This list of shareholder is grouped under the Notification of SEC Kor Chor 17/2551 dated 15 December 2008, as amended, not Section 258 of the Securities and Exchange Act, B.E. 2535 (1992) (including any amendment thereof).

Source: *The Thailand Securities Depository Co. Ltd.*

DESCRIPTION OF THE BANK

The information included below is for information purposes only and is based on, or derived or extracted from publicly available information. The Company has taken reasonable care in the compilation and reproduction of the information. None of the Company, the Joint Lead Managers, the Trustee and the Agents or their respective affiliates, directors, employees, agents, advisers, officers or representatives has independently verified such information. No representation or warranty, express or implied, is made or given by the Company, the Joint Lead Managers, the Trustee or the Agents as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.

The Bank's shares are listed on the Stock Exchange of Thailand (the "SET"). The Bank files periodic reports and other information with the SET, including audited financial statements for each financial year and interim report for each three-month period.

The Securities will have the benefit of the Guarantee which will be provided by the Guarantor. The Guarantee will remain in full effect until the earlier of (i) the payment of all sums payable in respect of the Securities having been paid in full, (ii) to the extent that the Guarantor has complied with its obligations hereunder (including, but not limited to, any obligations under the Guarantee and any Mandatory Acquisition Obligation), the day immediately following the First Call Date and (iii) solely with respect to any Securityholder who fails to deliver the written notice on or prior to the Securityholder Notice Deadline in the manner required under Condition 7.13, the day immediately following the Securityholder Notice Deadline. Investors should note that the Securities will either be redeemed in full by the Issuer, or failing which, acquired by the Guarantor on the First Call Date.

The Bank began operations on 1 December 1944 and have been listed on the Stock Exchange of Thailand (the "SET") since 1975. As of 31 March 2020, the Bank had THB3,395.3 billion in total assets, THB415.3 billion in total shareholders' equity, THB2,116.0 billion in total loans and THB2,514.3 billion in total deposits. As of 29 May 2020, the Bank's market capitalization was THB208.1 billion based on a closing price of THB109 on the Domestic Main Board of SET.

The Bank provides a wide range of financial services in Thailand and abroad. The Bank's main business activities are conducted through five key business units: Corporate, Commercial, Business, Consumer and International. The Bank's business lending products include long-term and short-term loans, trade financing facilities, working capital facilities, overdraft and check discounting services. The Bank also provides a variety of fee-based products and services, such as cash management, transaction banking, loan guarantees, bid bonds, performance bonds, fund transfers, remittances, investment banking services, treasury products and securities services. The Bank's consumer products and services include deposits, credit and debit card services, housing loans, bancassurance and mutual funds and transaction and payment services. The Bank's International Banking facilities cater to both Thai and international customers.

The Bank has an extensive domestic branch network, which, as of 31 March 2020, consisted of over 1,000 domestic branches, and is among the most extensive networks among Thai banks. The Bank currently has approximately 17.3 million domestic deposit accounts and one of the largest deposit bases in Thailand. In addition, as of 31 March 2020, the Bank operated in 31 locations internationally, in Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, United Kingdom, United States and Vietnam.

The Bank's net interest income for the first quarter of 2020 increased by 15.3 percent from the previous quarter due to corporate loan growth and the change in recognition of interest income from loans using the effective interest rate method. These factors saw the net interest margin stand at 2.52 percent. Net fees and service income decreased by 22.4 percent predominantly due to lower fees from loan-related services. The Bank's other operating income declined mainly from the high base achieved in the fourth quarter of 2019 due to a one-off gain on investment of THB14,988 million as well as from new accounting standards on financial instruments measured at fair value whose valuation was affected by the unprecedented Covid-19 outbreak which resulted in poor market conditions. The Bank's operating expenses decreased by

28.8 percent. The Bank has introduced safety and protection measures for customers, employees and other stakeholders, whose health, hygiene and wellbeing are its priority, whereby regular management meetings have been convened to promptly manage and adjust the measures since the early days of COVID-19. The cost-to-income ratio stood at 43.1 percent. The expected credit loss sharply decreased as the Bank set aside a one-off higher provision in the previous quarter to strengthen the loan loss reserves before the adoption of the Thai Financial Reporting Standard No. 9 (TFRS 9).

At the end of March 2020, the Bank's total loans amounted to THB2,115,950 million, an increase of 2.7 percent from the end of 2019, due to an increase in large corporate and international lending and in line with the pipeline projections at the end of last year. The ratio of non-performing loan ("NPL") was 3.5 percent with the strong loan loss reserves to NPL ratio at 203.9 percent. The Bank continues to assist customers and support them through the COVID-19 crisis, while strengthening loan portfolio quality through robust control of credit underwriting and risk management and maintaining the allowance for doubtful accounts at a prudent level. This is in line with the Bank's conservative business management approach under both normal economic conditions and recession.

At the end of March 2020, the Bank's loan to deposit ratio was 84.2 percent. The total capital adequacy ratio, Common Equity Tier 1 capital adequacy ratio and Tier 1 capital adequacy ratio of the Bank and its subsidiaries were 18.5 percent, 15.7 percent and 15.7 percent respectively, above the Bank of Thailand's minimum capital requirements.

Key Financial Ratios

| | As at | | |
|---|------------------|---------------------|---------------------|
| | 31 March 2020 | 31 December 2019 | 31 December 2018 |
| | | (%) | |
| Financial Ratio | | | |
| Loan to deposit ratio ⁽¹⁾ | 84.2 | 86.5 | 89.5 |
| NPL to total loans | 3.5 | 3.4 | 3.4 |
| Loan loss reserve to NPL | 203.9 | 220.2 | 190.9 |
| Return on average assets ⁽²⁾ | 0.93 | 1.13 | 1.13 |
| Return on average equity ⁽²⁾ | 7.32 | 8.45 | 8.73 |
| Net interest margin (NIM) | 2.52 | 2.35 | 2.40 |
| Cost to income ratio | 43.1 | 41.1 | 45.4 |
| Common Equity Tier 1 capital to risk assets ratio | 15.67 | 17.01 | 16.43 |
| Total capital adequacy ratio | 18.48 | 20.04 | 17.96 |

Notes:

(1) Less deferred revenue

(2) Attributable to owners of the Bank

Sources and Utilization of Funds

The primary sources of funds as of 31 March 2020 were THB2,514,331 million or 74.1 per cent. in deposits, THB414,848 million or 12.2 per cent. in shareholders' equity attributable to owners of the Bank, THB168,739 million or 5.0 per cent. in debt issued and borrowings including financial liabilities measured at Fair Value Through Profit or Loss ("FVTPL"), and THB108,595 million or 3.2 per cent. in interbank and money market liabilities.

The utilisation of funds comprised THB2,115,950 million or 62.3 per cent. in loans, THB689,172 million or 20.3 per cent. in net investments including financial assets measured at FVTPL and net investments in associates, and THB505,156 million or 14.9 per cent. in net interbank and money market assets.

Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios, including the Common Equity Tier 1 capital adequacy ratio at no less than 4.50 per cent., the Tier 1 capital adequacy ratio at no less than 6.00 per cent., and the Total capital adequacy ratio at no less than 8.50 per cent. – measured as a percentage of total risk-weighted assets. The Bank of Thailand also requires a capital conservation buffer of more than 2.50 percent. It requires the Bank, which is identified as a Domestic Systemically Important Bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement, which gradually raised the Common Equity Tier 1 ratio by 1.00 per cent., beginning with a 0.50 percent increase from 1 January 2019, rising to 1.00 per cent. from 1 January 2020 onwards. To satisfy the Bank of Thailand’s minimum levels and capital buffer requirements, the Bank in 2020 is required to maintain the Common Equity Tier 1 capital adequacy ratio at more than 8.00 per cent., the Tier 1 capital adequacy ratio at more than 9.50 per cent., and the Total capital adequacy ratio at more than 12.00 per cent. – measured as percentages of total risk-weighted assets.

As of 31 March 2020, the regulatory capital position of the Bank’s financial group according to the consolidated financial statements was THB463,299 million, Common Equity Tier 1 capital adequacy was THB392,840 million, and Tier 1 capital adequacy was THB392,914 million. The total capital adequacy ratio was 18.48 percent, the Common Equity Tier 1 capital adequacy ratio was 15.67 per cent., and the Tier 1 capital adequacy ratio was 15.67 per cent.. The Bank’s liquidity coverage ratio was 314 per cent. and 288 per cent. as at 31 December 2019 and 31 December 2018, respectively.

Consolidated

| | Capital | | | Capital Adequacy Ratio | | |
|--|----------------|---------------|------------|------------------------|---------------|------------|
| | March 2020 | December 2019 | March 2019 | March 2020 | December 2019 | March 2019 |
| | (Million Baht) | | | | | |
| Total capital | 463,299 | 478,740 | 429,548 | 18.48% | 20.04% | 18.12% |
| Tier 1 capital | 392,914 | 406,529 | 394,189 | 15.67% | 17.01% | 16.63% |
| Common Equity Tier 1 capital | 392,840 | 406,463 | 394,128 | 15.67% | 17.01% | 16.63% |

The Bank

| | Capital | | | Capital Adequacy Ratio | | |
|--|----------------|---------------|------------|------------------------|---------------|------------|
| | March 2020 | December 2019 | March 2019 | March 2020 | December 2019 | March 2019 |
| | (Million Baht) | | | | | |
| Total capital | 453,268 | 471,262 | 413,127 | 18.58% | 20.20% | 17.90% |
| Tier 1 capital | 383,530 | 399,842 | 378,459 | 15.72% | 17.14% | 16.40% |
| Common Equity Tier 1 capital | 383,530 | 399,842 | 378,459 | 15.72% | 17.14% | 16.40% |

Adoption of certain new accounting standards under the Thai Financial Reporting Standards relating to financial instruments

For the financial year ending 31 December 2020, the Bank and its subsidiaries have adopted certain new accounting standards under TFRS relating to financial instruments issued by the Federation of Accounting Professions (TFAC) and announced in the Royal Gazette, applying to financial statements of the periods beginning on or after 1 January 2020. The significant changes in principle from the adoption can be summarised as follows:

- Guidance on the classification and measurement of financial instruments at either fair value or amortized cost based on determination the type of financial instruments, the contractual cash flow characteristics and the business model.
- Impairment assessment using the expected credit loss approach. The instruments that are in the scope of impairment requirement are loan receivable and financial assets which are debt instruments that are not measured at fair value through profit or loss, loan commitment and financial guarantee contract. The expected credit loss and its movement shall be recognized to reflect the change of credit risk since initial recognition.
- Hedge accounting which determines the type of transactions eligible for hedge accounting requirement, the types of instruments that qualify for hedging instruments and hedged items, and effectiveness testing which is more aligned with risk management strategy.
- Principle for presentation of hybrid instruments, financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.
- Disclosure requirement that enable the users of financial statements to evaluate how significant financial instrument may have on the financial position and performance. The disclosure also includes the nature and extent of risks arising from the financial instruments and how such risks are managed.

Adoption of a pack of Standards in relation to financial instruments results to have the following changes to the financial statements and accounting policies of the Bank for the periods beginning on or after 1 January 2020:

Classification of financial assets

Financial assets – Debt instrument

The Bank has classified its financial assets – debt instrument as subsequently measured at either amortized cost or fair value in accordance with the Bank’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

- A financial asset measured at Amortized Cost (“**AMC**”) only if both of the following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset measured at Fair Value through Other Comprehensive Income (“**FVOCI**”) if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset measured at FVTPL unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset may be designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Investment in equity instrument

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments as the financial asset measured at FVOCI, except for those equity investments measured at FVTPL in accordance with the Bank's Investment Policy.

The significant changes can be summarized as follows:

- The held-to-maturity (“**HTM**”) and available-for-sale (“**AFS**”) investment in debt securities as well as available-for-sale (“**AFS**”) and general investment (“**GI**”) in equity securities are removed.
- Classify the whole HTM debt securities to be financial asset measured at AMC.
- Classify almost AFS debt securities to be financial asset measured at FVOCI.
- Classify almost investment in equity securities to be financial asset measured at FVOCI except for some that are classified to be financial assets measured at FVTPL in accordance with the Bank's Investment Policy, or some items that are classified as ‘Debt’ in accordance with the financial reporting standards and their contractual cash flows are not solely payments of principal and interest on the principal amount outstanding.
- The investment in equity securities which are elected to be measured at FVOCI cannot be subsequently revoked. All gains and losses are presented in other comprehensive income except for dividend which is recognized in profit or loss.
- The interest income from loans recognition method has changed to the effective interest rate method (Effective Interest Rate: EIR). Therefore, fee income directly related to lending (EIR Related Fee), such as Front End Fee, is recognized as interest income over the expected life of loans.

Classification of financial liabilities

Classification of financial liabilities mainly remain unchanged for the Bank. Majority of financial liabilities continue to be measured at AMC. The criteria for designating a financial liability to be measured at FVTPL are as follows:

- Eliminates or significantly reduces an accounting mismatch.
- A group of financial instruments is managed and their performance is managed on a fair value basis.

Impairment of financial assets

The TFRS 9 impairment requirements are based on an expected credit loss model from the model and management overlay for the factors which are not captured by the model. TFRS 9 requires the Bank to record an allowance for expected credit loss (“**ECLs**”) for all loans and investment in debt securities which are not measured at FVTPL, together with loan commitments and financial guarantee contracts. The allowance is measured basing on the ECLs associated with the probability of default in the next twelve months except for the case that there has been a significant increase in credit risk since origination and credit impaired, the allowance is based on the ECLs associated with the probability of default over the expected life of the financial instrument. Overall, impairment under TFRS 9 results in earlier recognition of credit losses than under the previous practice.

| | Book value as at 31 December 2019 | The impact from the adoption of new accounting standards in relation to financial instruments | | | Book value as at 1 January 2020 |
|--|--|---|---------------------|--|--|
| | | Classification and measurement | Hedge accounting | Allowance for expected credit loss | after the adoption of new accounting standards in relation to financial instruments |
| (Million Baht) | | | | | |
| Liabilities | | | | | |
| Financial liabilities measured at fair value through profit or loss | – | 20,106 | – | – | 20,106 |
| Derivatives liabilities | 37,837 | – | 1,599 | – | 39,436 |
| Debt issued and borrowings | 144,681 | (8,227) | – | – | 136,454 |
| Bank's Liability under acceptance . . . | 1,627 | (1,627) | – | – | – |
| Provisions | 18,702 | – | – | 5,758 | 24,460 |
| Deferred tax liabilities | 2,364 | 1,253 | (211) | – | 3,406 |
| Others | 2,583,416 | (703) | – | – | 2,582,713 |
| Total liabilities | 2,788,627 | 10,802 | 1,388 | 5,758 | 2,806,575 |
| Shareholders' equity | | | | | |
| Other reserves | 34,472 | (559) | (848) | 610 | 33,675 |
| Retained earnings | 317,845 | 63 | 5 | 2,886 | 320,799 |
| Others | 75,799 | 2 | – | – | 75,801 |
| Total shareholders' equity | 428,116 | (494) | (843) | 3,496 | 430,275 |
| Total liabilities and shareholders' equity | 3,216,743 | 10,308 | 545 | 9,254 | 3,236,850 |

As of 1 January 2020, the Bank's total capital adequacy ratio, Common Equity Tier 1 capital adequacy ratio and Tier 1 capital adequacy ratio each increased by 9 basis points to 20.1 per cent., 17.1 percent. and 17.1 per cent., respectively.

Recent Developments

Impact of COVID-19 on the Thai Banking Industry

The commercial banking system in Thailand continues to face challenges from the effects of the COVID-19 outbreak on economic and financial systems in the first quarter of 2020.

In accordance with the Bank of Thailand's measures, commercial banks should focus on assisting debtors, especially within the SMEs sector, in 2020. The Bank of Thailand has issued a measure to provide a six-month loan payment holiday for all SMEs with a credit line not exceeding THB100 million, aiming to provide them with much-needed liquidity. Those with a line of credit with a commercial bank or a specialized financial institution not exceeding THB100 million are automatically eligible to pause payments of both principal and interest for six months. Additionally, the BOT has also allocated THB500 billion for soft loans to commercial banks at a low interest rate of 0.01 per cent. annually for two years to support liquidity for SMEs which operate domestically, have a credit line with a financial

institution not exceeding THB500 million, and had a non-NPL status as of 31 December 2019. This will not cover companies listed on the Stock Exchange of Thailand or the Market for Alternative Investment.

Commercial banks have continued to place greater emphasis on increasing the proportion of Current Account and Savings Account ratio while managing liquidity appropriate to handle a severe liquidity situation in compliance with BOT regulations for Liquidity Coverage Ratio (“**LCR**”). The Bank of Thailand has temporarily relaxed the LCR to lower than 100 per cent. until December 2021 in order to reduce commercial banks’ burdens for assisting customers during the COVID-19 outbreak. Moreover, the adoption of TFRS 9 since January 2020 has required financial institutions to calculate expected credit loss by considering economic conditions in the past, present, and future under various assumptions and circumstances. However, the COVID-19 outbreak has dramatically affected the Thai and global economies and may lead to economic recession. Meanwhile, managing loan quality and NPL will continue to be major challenges, especially during the economic downturn. However, with a relatively high level of capital and the regular setting aside of additional provisions, commercial banks can maintain an adequate cushion for NPLs in the banking system.

Acquisition of a Majority Shareholding in PT Bank Permata Tbk

On 20 May 2020, the Bank completed the acquisition of 89.12 per cent. of the total issued and outstanding shares in PT Bank Permata Tbk from PT Astra International Tbk and Standard Chartered Bank. The Bank’s acquisition of PT Bank Permata Tbk is a strategic move for growth.

TAXATION

Thai Taxation

*The following is a summary of the principal Thai tax consequences of the purchase, ownership and disposition of the Securities by individual and corporate investors who are not resident in Thailand for tax purposes (referred to as **non-resident individual holders** and **non-resident corporate holders**, respectively, and together as **non-resident holders**) based on Thai tax laws and their implementing regulations in force as of the date of this Offering Circular. The summary does not address any laws other than the tax laws of Thailand. It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Securities. Prospective investors in all jurisdictions are advised to consult their own tax advisors as to other tax consequences of the purchase, ownership and disposition of the Securities, including the consequences under Thai laws, the laws of the country of which they are resident and any double taxation agreement between Thailand and their country of residence for tax purposes.*

Income Tax

Non-resident Individual Holders

A non-resident individual holder is an individual owner of Securities that has not resided in Thailand at one or more times for a period or periods equal in the aggregate to 180 days or more in any calendar year, regardless of the nationality of the individual holders.

Distributions

Unless the terms and conditions of applicable double taxation agreement entered into between Thailand and the resident country of the non-resident individual holders provide otherwise, Distributions paid or deemed to be paid on the Securities from or within Thailand to a non-resident individual holder is subject to 15.0 per cent. withholding tax.

Capital Gains

Capital gains (being the amount received in excess of the cost of acquisition of the Securities) received by a non-resident individual holder from the sale or other disposition of Securities outside Thailand in connection with which payment is made neither from nor within Thailand are not subject to Thai withholding tax.

Unless the terms and conditions of applicable double taxation agreement entered into between Thailand and the resident country of the non-resident individual holders provide otherwise, capital gain received by a non-resident individual holder from a sale or other disposition of Securities in which payment is made or deemed to be made from or within Thailand (including premium paid upon a redemption of the Securities, if any) is subject to 15.0 per cent. withholding tax. The transferee or the payer of the gain has a duty to withhold tax at such rate and remit the withholding tax to the Thai Revenue Department.

Premium paid upon certain early redemption events

Unless the terms and conditions of applicable double taxation agreement entered into between Thailand and the resident country of the non-resident individual holders provide otherwise, any premium (being the amount received in excess of the accrued Distributions and the principal amount paid upon certain early redemption events as specified in the Conditions) paid or deemed to be paid on the Securities from or within Thailand to a non-resident individual holder is subject to 15.0 per cent. withholding tax.

Non-resident Corporate Holders

A non-resident corporate holder is an owner of Securities that is a company, a registered partnership or any entity established pursuant to a foreign law that is not doing business in Thailand or deemed to be doing business in Thailand or does not have a permanent establishment, employees, agents or representatives in Thailand but receiving from or within Thailand Distributions on the Securities or capital gains arising from the transfer of the Securities.

Distributions

Distributions paid or deemed to be paid on the Securities by the Issuer from or within Thailand to a non-resident corporate holder will be subject to a withholding tax at the rate of 15 per cent. of the gross amount of the Distributions payment, unless the terms and conditions of applicable double taxation agreement between Thailand and the resident country of such non-resident corporate holder provide otherwise.

Capital Gains

Capital gains (being the amount received in excess of the cost of acquisition of the Securities) received by a non-resident corporate holder from the sale or other disposition of Securities outside Thailand in connection with which payment is made neither from nor within Thailand are not subject to Thai withholding income tax.

Unless the terms and conditions of applicable double taxation agreement entered into between Thailand and the resident country of the non-resident corporate holder provide otherwise, a capital gain received by a non-resident corporate holder from a sale or other disposition of Securities in which payment is made or deemed to be paid from or within Thailand (including premium paid upon a redemption of the Securities, if any) is subject to a 15.0 per cent. withholding tax. The transferee or the payer of the gain has a duty to withhold tax at such rate and remit the withholding tax to the Thai Revenue Department.

Premium paid upon certain early redemption events

Unless the terms and conditions of applicable double taxation agreement entered into between Thailand and the resident country of the non-resident corporate holders provide otherwise, any premium (being the amount received in excess of the accrued Distributions and the principal amount paid upon certain early redemption events as specified in the Conditions) paid or deemed to be paid on the Securities from or within Thailand to a non-resident corporate holder is subject to 15.0 per cent. withholding tax.

Income Tax in connection with a Payment to the holders of the Securities made by the Guarantor

Thai taxation with respect to any payment made to the holders of the Securities by the Guarantor pursuant to its obligations under the Guarantee, if part of the guaranteed payment is considered by the Thai authorities as payment of distributions (interest) and/or premium (as described below) from or in Thailand, is as set out below.

Non-resident Individual Holders

Distributions

Distributions paid on the Securities to a non-resident individual holder will be subject to a withholding tax at the rate of 15.0 per cent. of the gross amount of the payment of Distributions, unless the terms and conditions of applicable double taxation agreement between Thailand and the resident country of such non-resident individual holder provide otherwise.

Premium

Any premium (being the amount received in excess of the Distributions and the principal amount paid in accordance with the terms of the Guarantee) paid to a non-resident individual holder will be subject to Thai withholding tax at the rate of 15.0 per cent. of the gross amount of the premium, unless the terms and conditions of applicable double taxation agreement between Thailand and the resident country of such non-resident individual holder provide otherwise.

Non-resident Corporate Holders

Distributions

Distributions paid on the Securities to a non-resident corporate holder will be subject to a withholding tax at the rate of 15.0 per cent. of the gross amount of the payment of Distributions, unless the terms and conditions of applicable double taxation agreement entered into between Thailand and the resident country of the non-resident corporate holder provide otherwise.

Premium

Any premium (being the amount received in excess of the Distributions and the principal amount paid in accordance with the terms of the Guarantee) paid to a non-resident corporate holder will be subject to Thai withholding tax at the rate of 15.0 per cent. of the gross amount of the premium, unless the terms and conditions of applicable double taxation agreement between Thailand and the resident country of such non-resident corporate holder provide otherwise.

Double Taxation Agreement

Presently, Thailand concluded double taxation agreements with more than 60 countries. The rate of withholding tax applicable to individual and corporate holders of the Securities, who are regarded as tax residents of the countries which are parties to the double taxation agreements and receive Distributions payments in respect of the Securities that are subject to withholding tax, may be reduced or exempted depending on the terms and conditions of the particular tax agreement.

Corporate and individual holders of the Securities resident in such a country for tax purposes who are not regarded as tax residents in Thailand, may be entitled to an exemption or reduction from Thai capital gains tax for the capital gain received from or within Thailand depending on the terms and conditions of the particular tax treaty

Value Added Tax

Distributions on the Securities and capital gains derived from the transfer of the Securities are not subject to value added tax in Thailand.

Specific Business Tax

Distributions on the Securities and capital gains derived from the transfer of the Securities are not subject to specific business tax in Thailand. However, Thai specific business tax would apply at a rate which varies depending on the type of business and income if a person who receives the Distributions on the Securities and capital gains derived from the transfer of the Securities is a person carrying on a banking business or business similar to a commercial bank in Thailand.

Stamp Duty

Each Securities certificate will be subject to a stamp duty of THB5.0 in Thailand. Stamp duty will be triggered when Securities certificate is issued in Thailand, or is brought into Thailand if issued outside Thailand. An instrument of transfer of the Securities or the Securities certificate that is executed or issued outside Thailand and not brought into Thailand is not subject to any stamp duty in Thailand.

Hong Kong

The following is a general description of certain tax considerations relating to the Securities. It is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Securities. Prospective holders of the Securities who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers.

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Securities or in respect of any capital gains arising from the sale of the Securities.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Securities may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Securities is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Securities is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Securities is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Securities is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Securities will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Securities will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Securities will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Securities are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Security.

CLEARANCE AND SETTLEMENT OF THE SECURITIES

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any one of the Joint Lead Managers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Custodial and depository links have been established with Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Securities and transfers of the Securities associated with secondary market trading.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry of changes in the accounts of their participants. Euroclear and Clearstream, Luxembourg provide their respective participants with, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg’s participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg’s participants in accordance with the relevant rules and procedures of the institution.

Registration and Form

Book-entry interests in the Securities held through Euroclear and Clearstream, Luxembourg will be evidenced by the Global Certificate, registered in the name of the nominee of the common depository of Euroclear and Clearstream, Luxembourg. The Global Certificate will be held by a common depository for Euroclear and Clearstream, Luxembourg. Beneficial ownership in the Securities will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Securities in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Securities, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Securities. The Registrar will be responsible for maintaining a record of the aggregate holdings of Securities registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg and/or, if individual Global Certificates are issued in the limited circumstances described under “The Global Certificate – Registration of Title”, holders of Securities represented by those individual Global Certificates. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Company for holders of interests in the Securities holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Company will not impose any fees in respect to the Securities; however, holders of book-entry interests in the Securities may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Clearance and Settlement Procedures

Initial Settlement

Upon their original issue, the Securities will be in global form represented by the Global Certificate. Interests in the Securities will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Securities through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Securities will be credited to Euroclear and Clearstream, Luxembourg's participants' securities clearance accounts on the business day following the Closing Date against payment (for value of the Closing Date).

Secondary Market Trading

Secondary market sales of book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Securities through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional participants.

General

Although the foregoing sets out the procedures of Euroclear and Clearstream, Luxembourg in order to facilitate the transfers of interests in the Securities among participants of Euroclear and Clearstream, Luxembourg, none of Euroclear and Clearstream, Luxembourg is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

Neither the Company nor any of its agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations.

SUBSCRIPTION AND SALE

The Joint Lead Managers have entered into a subscription agreement dated 22 June 2020 with the Issuer (the “**Subscription Agreement**”). Upon the terms and subject to the conditions contained therein, the Joint Lead Managers have agreed to subscribe or procure subscribers either directly or through any of their respective affiliates for the aggregate principal amount of the Securities at the Issue Price. The obligations of the Joint Lead Managers are several, as to their respective subscription amounts set out in the Subscription Agreement.

The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Securities. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Securities.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Joint Lead Managers and their respective affiliates have, from time to time, performed, and may in the future perform, various Banking Services or Transactions for the Issuer and/or the Guarantor, for which they received or may in the future receive customary fees, expenses and commissions. In connection with such Banking Services or Transactions, Standard Chartered Bank acts as coordinating arranger for the Issuer’s debt restructuring exercise of its syndicated loan facilities.

The Joint Lead Managers and their respective affiliates may purchase the Securities and allocate the Securities for asset management and/or proprietary purposes but not with a view to distribution. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and they may offer or sell the Securities or other securities otherwise than in connection with the offering of the Securities. Accordingly, references herein to the Securities being “offered” should be read as including any offering of the Securities to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. The Issuer, the Guarantor and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Securities amongst individual investors.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Securities. Each of the Joint Lead Managers may have engaged in, and may in the future engage in, investment banking and other commercial dealings with, and may perform services for, in the ordinary course of business with the Issuer and/or the Guarantor or any of their subsidiaries, jointly controlled entities or associated companies from time to time for which it has or will receive fees and expenses. The Joint Lead Managers or their respective affiliates that have a lending relationship with the Issuer and/or the Guarantor routinely hedge their credit exposure to the Issuer and/or the Guarantor consistent with their customary risk management policies. Typically, the Joint Lead Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer’s and/or the Guarantor’s securities, including potentially the Securities offered hereby. Any such short positions could adversely affect future trading prices of the Securities offered hereby. The Joint Lead Managers and their respective affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Securities or other financial instruments of the Issuer or the Guarantor and may recommend to their clients that they acquire long and/or short positions in the Securities or other financial instruments.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer in such jurisdiction.

Offering and Selling Restrictions

United States

The Securities and the Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. Accordingly, the Securities are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S. Each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Securities constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Each Joint Lead Manager has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities. Terms used above have the meaning given to them by Regulation S.

United Kingdom

Each Joint Lead Manager has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

European Economic Area

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Circular in relation thereto any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(a) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Hong Kong

Each Joint Lead Manager has represented, warranted and agreed that:

1. it has not offered or sold and will not offer or sell in Hong Kong or elsewhere, by means of any document or otherwise, any Securities other than: (a) to “Professional Investors” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**CWUMPO**”) and which do not constitute an offer to the public within the meaning of the CWUMPO; and

2. has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong or otherwise is or contains an invitation to the public (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to “Professional Investors” as defined in the SFO and any rules made under the SFO.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “FIEA”) and each Joint Lead Manager has represented and agreed that it has not, directly or indirectly offered or sold and will not offer or sell any Securities, in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Managers has represented, warranted and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the “SFA”)) pursuant to Section 274 of the SFA; (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- (c) securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:
 - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The People’s Republic of China

Each Joint Lead Manager has represented and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (the “PRC”) (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the PRC.

Thailand

Each Joint Lead Manager has represented, warranted and agreed that: (a) it has not offered or sold and will not offer or sell, whether directly or indirectly, any Securities in Thailand; (b) it has not made and will not make, whether directly or indirectly, any advertisement, invitation or document in Thailand to subscribe for the Securities; and (c) it has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of such Securities in Thailand, except where in compliance with the applicable laws and regulations of Thailand.

No invitation will be made to any person in Thailand to subscribe for any Securities. The Securities may not be resold, pledged, transferred or otherwise, whether directly or indirectly, in Thailand.

General

Each Joint Lead Manager has undertaken that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Securities or has in its possession or distributes this Offering Circular (in preliminary, proof or final form) or any other offering material related to the Securities.

No action has been taken or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering of the Securities, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Securities, in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Offering Circular nor such other material may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN TFRS AND IFRS

The following is a general summary of certain principal differences between TFRS and IFRS as applicable to the Group.

The financial statements comprise the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company.

For the purposes of this Offering Circular, a summary of certain significant differences between TFRS and IFRS which are relevant to the Group's financial statements is provided below. The differences identified below are limited to those significant differences that are appropriate to the Group's financial statements for the years ended 31 December 2019 and 2018 and for the three months ended 31 March 2020. However, they should not be construed as being exhaustive. The International Accounting Standard Board ("IASB") and the Federation of Accounting Professions ("TFAC") in Thailand have issued new pronouncements that may impact subsequent periods and have significant on-going projects that could affect the differences between TFRS and IFRS described below and the impact of these differences relative to the Group's financial statements in the future. Accordingly, no attempt has been made to identify future differences between TFRS and IFRS as a result of prescribed changes in accounting standards or to identify all future differences that may affect the Group's financial statements as a result of transactions or events that may occur in the future.

TFRS and accounting interpretations are 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.

In making an investment decision, investors must rely on their own examination of the Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between TFRS and IFRS and how these differences might affect the financial information in this Offering Circular.

For the years ended 31 December 2019 and 2018, the significant differences between financial reporting standards adopted by the Group and IFRS are financial reporting standards related to financial instruments (TAS 101 – Doubtful Accounts and Bad Debts, TAS – 105 Accounting for Investment in Debt and Equity Securities, TAS 107 – Financial Instruments: Presentation and Disclosure) and Lease (TAS 17 – Lease Accounting).

The Group's accounting policies related to financial instruments and lease accounting are stated below.

Other investments

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

1. Trading investments are investments 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.
2. Available-for-sale investments are 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.
3. General investments are investments in non-marketable equity securities are classified as general investments.

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

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that such investment might be impaired.

If the carrying value of the investment is higher than its recoverable amount, an impairment loss is charged to the income statement.

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

Perpetual debentures

Perpetual debentures are recognised as equity when the Group has the sole right and discretion to early redemption as stipulated in terms and conditions of debentures, and the interest and cumulative interest payment are unconditionally deferred without time and number limitation and payable at the Group's discretion. Accordingly, any interest payments are recognised similar as dividends and directly in equity when payment obligation arises. Interest payments are presented in the statement of cash flows at the same way as dividends paid to ordinary shareholders.

Cross currency interest rate swap contracts

Cross currency interest rate swap contracts are recognised at the inception date.

In cross currency interest rate 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

Foreign exchange forward contracts are recognised at the inception date.

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

Interest rate swap contracts

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

Leases

Leases – where the Group is the lessee

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

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

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

Leases – where the Group is the lessor

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

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

Under TFRS, for the three-month ended 31 March 2020, the Group has adopted TAS 32 – Financial instrument: Presentation, TFRS 7 – Financial Instruments: Disclosures, TFRS 9 – Financial Instruments and TFRS 16 – Lease Accounting, which became effective from 1 January 2020 and was based on IAS 32, IFRS 7, IFRS 9 and IFRS 16, respectively, with no differences.

In addition, for the three-month ended 31 March 2020, the Group has chosen to apply temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

The Group's accounting policies related to the new adoption and temporary measures to relieve the impact from COVID-19 are stated below.

Classification and measurement of investments in equity instruments (previously called general investments)

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss.

Classification of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

In accordance with TAS 32, Financial Instruments: Presentation, the perpetual bonds must be presented as financial liabilities. However, the Federation of Accounting Professions (TFAC) issued an announcement no. 95/2562 to provide a relief on classification of perpetual bonds that was issued before 31 December 2019. The relief enables the Group to classify its existing perpetual bonds as equity, instead of liability. The relief is granted until 31 December 2022.

Classification and measurement of derivatives assets and derivatives liabilities

The derivative instruments such as interest rate swap, cross currency interest swap and foreign exchange rate are measured at fair value through profit or loss. The related assets and liabilities are presented in "Derivatives assets" and "Derivatives liabilities".

Leases

Leases – where the Group is the lessee

On adoption of TFRS 16, The Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was around 3.00% – 12.76%.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019.

Impairment

The Group assesses expected credit loss on a forward-looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade and other receivables which the Group applies the simplified approach in determining its expected credit loss.

Temporary exemption guidance to relieve the impact from COVID – 19 applied by the Group

- (a) The Group will not include information related to COVID-19 as an impairment indicator and as assumptions in the financial projections to consider for impairment testing for goodwill and intangible assets under TAS 36 and recoverability of deferred tax assets.
- (b) The Group will not include forward-looking information in valuing expected credit loss of receivables under simplified model.
- (c) For exemption and discount received on rental fee as a result of COVID-19 situation, reducing lease liabilities on the exempted portion throughout the period that the Group has received the exemption and discount of rental fee. The Group also reversed depreciation charges on the right-of-use assets and interest expense on the lease liabilities. The differences between the reduction of the lease liabilities and the reversal of the depreciation expenses are recognised in other (gains) losses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.
- (d) The unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020.

GENERAL INFORMATION

Authorisation

The Company has obtained all necessary consents, approvals and authorisation in connection with the issue and performance of the Securities. The issue of the Securities was authorised by the resolutions of the shareholders' meeting of the Company on 9 August 2018 and the resolutions of the Board of Directors on 18 May 2020. The Guarantor has obtained or will obtain on or prior to the Issue Date all necessary consents, approvals and authorisations in connection with the giving and performance of the Guarantee.

Listing

Approval-in-principle has been received from the SGX-ST for the listing of and quotation for the Securities on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Securities to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Issuer's or the Guarantor's subsidiaries, associated companies, jointly-controlled entities or the Securities. The Securities will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where the Securities may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for definitive Securities. In addition, in the event that a Global Certificate is exchanged for definitive Securities, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Securities, including details of the Paying Agent in Singapore.

Clearing Systems

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg under Common Code 219137176 and ISIN XS2191371769.

Legal Entity Identifier

The legal entity identifier of the Issuer is 254900T4WB2UF9XPX041.

No Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change, or any development likely to involve an adverse change, in the financial or trading position or to the condition (financial or otherwise), prospects, results of operation, capitalisation, profitability, business, general affairs or management of the Company or the Group since 31 March 2020.

Litigation

Save for as disclosed in this Offering Circular, the Company nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings that the Company or any member of the Group believes are material in the context of the Securities nor is the Company or any member of the Group aware that any such proceeding is pending or threatened.

Independent Auditors

The Group's audited consolidated and separate financial statements as at and for the years ended 31 December 2019 and 31 December 2018 included in this Offering Circular have been audited by, and the Group's unaudited interim consolidated and separate financial information as at and for the three months ended 31 March 2020 included in this Offering Circular have been reviewed by PricewaterhouseCoopers ABAS Ltd, the Group's independent auditors, each as stated in their respective reports appearing herein.

Documents Available

So long as any of the Securities are outstanding, copies of the following documents will be available to the Securityholders upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent, from the Issue Date at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.), at the principal office of the Trustee (being at the Issue Date at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Principal Paying Agent:

- the audited consolidated and separate financial statements as at and for the years ended 31 December 2019 and 31 December 2018 of the Company and the unaudited interim consolidated and separate financial information as at and for the three months ended 31 March 2020 of the Company;
- this Offering Circular;
- the Trust Deed; and
- the Agency Agreement.

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MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)

31 MARCH 2020

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of Minor International Public Company Limited and its subsidiaries, and the interim separate financial information of Minor International Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2020, and the related consolidated and separate income statement, statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter

I draw attention to note 4 of the interim financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My conclusion is not modified in respect to this matter.

PricewaterhouseCoopers ABAS Ltd.

Anothai Leekitwattana

Certified Public Accountant (Thailand) No. 3442

Bangkok

15 May 2020

Minor International Public Company Limited
Statement of Financial Position
As at 31 March 2020

| | Notes | Consolidated | | Separate | |
|--|-------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | | financial information | | financial information | |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 20,711,671 | 13,330,821 | 127,877 | 302,184 |
| Trade and other receivables | 10 | 13,801,177 | 15,554,017 | 2,644,766 | 1,626,296 |
| Inventories | | 4,168,125 | 4,139,131 | 3,003 | 4,456 |
| Land and real estates project for sales | | 1,392,895 | 1,427,790 | - | - |
| Derivatives assets | 7 | 448,999 | - | 448,999 | - |
| Other current assets | | 3,736,153 | 2,665,313 | 31,712 | 42,107 |
| Non-current assets classified as held-for-sale | | 1,505,415 | 1,481,718 | - | - |
| Total current assets | | 45,764,435 | 38,598,790 | 3,256,357 | 1,975,043 |
| Non-current assets | | | | | |
| Trade and other receivables | 10 | 3,565,589 | 3,087,693 | 273,286 | - |
| Derivatives assets | 7 | 2,422,039 | - | 2,422,039 | - |
| Available-for-sale investments | | - | 25,632 | - | 23,662 |
| Investments in subsidiaries | 11 | - | - | 8,071,409 | 8,071,409 |
| Investments in associates | 11 | 6,246,279 | 6,359,570 | 2,787,459 | 2,783,766 |
| Interests in joint ventures | 11 | 2,631,222 | 2,614,326 | - | - |
| Other long-term investments | | - | 166,326 | - | - |
| Long-term loans to related parties | 9 | 5,720,877 | 5,677,840 | 121,807,914 | 113,868,225 |
| Investment properties | | 1,244,053 | 1,252,329 | - | - |
| Property, plant and equipment | 12 | 128,176,359 | 123,129,061 | 157,231 | 164,877 |
| Intangible assets | 13 | 63,233,660 | 59,706,816 | 25,042 | 26,152 |
| Prepaid rents | | - | 2,174,695 | - | 9,240 |
| Right-of-use assets | 5 | 90,947,948 | - | 369,404 | - |
| Deferred tax assets | | 6,881,533 | 5,503,260 | - | - |
| Other non-current assets | | 3,679,924 | 5,887,430 | 31,017 | 2,167,485 |
| Total non-current assets | | 314,749,483 | 215,584,978 | 135,944,801 | 127,114,816 |
| Total assets | | 360,513,918 | 254,183,768 | 139,201,158 | 129,089,859 |

Director _____

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Statement of Financial Position
As at 31 March 2020

| | Notes | Consolidated financial information | | Separate financial information | |
|--|-------|---|--|---|--|
| | | (Unaudited) 31 March 2020 Baht'000 | (Audited) 31 December 2019 Baht'000 | (Unaudited) 31 March 2020 Baht'000 | (Audited) 31 December 2019 Baht'000 |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term borrowings | | | | | |
| from financial institutions | 15 | 4,066,083 | 300,000 | 3,913,335 | 300,000 |
| Trade and other payables | 14 | 17,746,856 | 20,036,179 | 335,142 | 713,649 |
| Short-term borrowings from related parties | 15 | - | - | 4,553,395 | 4,338,917 |
| Current portion of lease liabilities | | 12,142,160 | 11,500 | 161,242 | - |
| Current portion of long-term borrowings | | | | | |
| from financial institutions | 15 | 6,285,533 | 5,659,718 | 2,868,871 | 2,935,438 |
| Current portion of debentures | 15 | 8,292,545 | 4,000,000 | 8,292,545 | 4,000,000 |
| Current portion of deferred income | | 358,986 | 251,943 | 118 | 121 |
| Income tax payable | | 1,156,427 | 1,859,596 | 95,006 | - |
| Other current liabilities | | 5,049,802 | 3,472,708 | 26,559 | 28,824 |
| Total current liabilities | | 55,098,392 | 35,591,644 | 20,246,213 | 12,316,949 |
| Non-current liabilities | | | | | |
| Lease liabilities | | 83,089,129 | 15,841 | 548,662 | - |
| Derivatives liabilities | 7 | 2,098,515 | - | 1,980,062 | - |
| Long-term borrowings | 15 | 50,742,297 | 39,010,773 | 17,684,391 | 16,268,953 |
| Debentures | 15 | 60,125,921 | 63,375,520 | 47,086,601 | 51,064,613 |
| Employee benefit obligations | | 1,369,485 | 1,322,469 | 16,578 | 17,614 |
| Deferred tax liabilities | | 25,116,663 | 24,144,264 | 203,694 | 200,138 |
| Other non-current liabilities | | 2,638,878 | 4,855,411 | 5,397 | 5,148 |
| Total non-current liabilities | | 225,180,888 | 132,724,278 | 67,525,385 | 67,556,466 |
| Total liabilities | | 280,279,280 | 168,315,922 | 87,771,598 | 79,873,415 |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Statement of Financial Position
As at 31 March 2020

| | Notes | Consolidated | | Separate | |
|---|-------|-----------------------|---------------------|-----------------------|---------------------|
| | | financial information | | financial information | |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | 31 March 2020 | 31 December 2019 | 31 March 2020 | 31 December 2019 |
| | | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Liabilities and equity (Cont'd) | | | | | |
| Equity | | | | | |
| Share capital | 16 | | | | |
| Authorised share capital | | | | | |
| 4,849,860,006 ordinary shares | | | | | |
| of Baht 1 each (2019: 4,849,860,006 | | | | | |
| ordinary shares of Baht 1 each) | | 4,849,860 | 4,849,860 | 4,849,860 | 4,849,860 |
| Issued and paid-up share capital | | | | | |
| 4,619,004,860 ordinary shares | | | | | |
| of Baht 1 each (2019: 4,619,004,550 | | | | | |
| ordinary shares of Baht 1 each) | 16 | 4,619,005 | 4,619,005 | 4,619,005 | 4,619,005 |
| Share premium ordinary shares | 16 | 15,018,414 | 15,018,401 | 14,992,761 | 14,992,748 |
| Expired warrants in a subsidiary | | 104,789 | 104,789 | - | - |
| Retained earnings | | | | | |
| Appropriated - legal reserve | | 484,986 | 484,986 | 484,986 | 484,986 |
| Unappropriated | | 35,635,420 | 40,916,450 | 8,136,374 | 5,916,610 |
| Other components of equity | | (9,676,113) | (9,470,039) | (591,224) | (584,563) |
| Total | | 46,186,501 | 51,673,592 | 27,641,902 | 25,428,786 |
| Perpetual debentures | 22 | 23,787,658 | 23,787,658 | 23,787,658 | 23,787,658 |
| Equity attributable to owners of the parent | | 69,974,159 | 75,461,250 | 51,429,560 | 49,216,444 |
| Non-controlling interests | | 10,260,479 | 10,406,596 | - | - |
| Total equity | | 80,234,638 | 85,867,846 | 51,429,560 | 49,216,444 |
| Total liabilities and equity | | 360,513,918 | 254,183,768 | 139,201,158 | 129,089,859 |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Income Statement (Unaudited)
For the three-month period ended 31 March 2020

| | Notes | Consolidated financial information | | Separate financial information | |
|--|-------|---------------------------------------|-------------------|-----------------------------------|------------------|
| | | 2020 Baht'000 | 2019 Baht'000 | 2020 Baht'000 | 2019 Baht'000 |
| Revenues | | | | | |
| Revenues from hotel and related services operations | | 14,721,787 | 19,457,720 | 113,291 | 174,766 |
| Revenues from mixed use operations | | 719,031 | 1,173,076 | - | - |
| Sales of food and beverage | | 5,412,150 | 5,927,343 | - | - |
| Sales from distribution and manufacturing | | 989,076 | 1,236,429 | - | - |
| Dividend income | | 702 | - | 702 | - |
| Interest income | | 164,429 | 128,058 | 952,832 | 1,149,970 |
| Other income | 18 | 569,145 | 905,363 | 15,316 | 8,493 |
| Total revenues | | 22,576,320 | 28,827,989 | 1,082,141 | 1,333,229 |
| Expenses | | | | | |
| Direct cost of hotel and related services operations | | 12,083,146 | 12,808,403 | 62,660 | 60,410 |
| Direct cost of mixed use operations | | 165,457 | 335,657 | - | - |
| Cost of sales of food and beverage | | 1,689,182 | 1,740,095 | - | - |
| Cost of sales from distribution and manufacturing | | 605,691 | 721,387 | - | - |
| Selling expenses | | 5,374,890 | 5,784,869 | 25,411 | 27,983 |
| Administrative expenses | | 4,379,177 | 5,459,555 | 105,279 | 177,949 |
| Other (gains) losses, net | 19 | (1,279,162) | 184,896 | (1,374,208) | 211,537 |
| Finance costs | | 1,808,047 | 1,031,599 | 451,567 | 555,165 |
| Total expenses | | 24,826,428 | 28,066,461 | (729,291) | 1,033,044 |
| Operating profit (loss) | | (2,250,108) | 761,528 | 1,811,432 | 300,185 |
| Share of profit (loss) of investments in associates and joint ventures | 11 | (43,175) | 201,873 | - | - |
| Profit (loss) before income tax | | (2,293,283) | 963,401 | 1,811,432 | 300,185 |
| Income tax | 20 | 337,271 | (317,667) | (11,731) | (16,348) |
| Profit (loss) for the period | | (1,956,012) | 645,734 | 1,799,701 | 283,837 |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | | (1,773,522) | 583,135 | 1,799,701 | 283,837 |
| Non-controlling interests | | (182,490) | 62,599 | - | - |
| | | (1,956,012) | 645,734 | 1,799,701 | 283,837 |
| Earnings (loss) per share | | | | | |
| Basic earnings (loss) per share | 21 | (0.4549) | 0.0558 | 0.3187 | (0.0090) |
| Diluted earnings (loss) per share | | (0.4549) | 0.0558 | 0.3187 | (0.0090) |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2020

| | Consolidated | | Separate | |
|--|-----------------------|------------------|-----------------------|----------------|
| | financial information | | financial information | |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Profit (loss) for the period | (1,956,012) | 645,734 | 1,799,701 | 283,837 |
| Other comprehensive income (expense): | | | | |
| Items that will be reclassified subsequently to income statement | | | | |
| Loss on remeasurement of equity investments at fair value through other comprehensive income | (6,903) | (291) | (6,661) | (366) |
| Cash flow hedges | (16,003) | - | - | - |
| Exchange differences on translation | 152,892 | (1,056,274) | - | - |
| Other comprehensive income (expense) for the period, net of tax | 129,986 | (1,056,565) | (6,661) | (366) |
| Total comprehensive income (expense) for the period | <u>(1,826,026)</u> | <u>(410,831)</u> | <u>1,793,040</u> | <u>283,471</u> |
| Total comprehensive income (expense) attributable to: | | | | |
| Owners of the parent | (1,937,921) | (153,768) | 1,793,040 | 283,471 |
| Non-controlling interests | 111,895 | (257,063) | - | - |
| | <u>(1,826,026)</u> | <u>(410,831)</u> | <u>1,793,040</u> | <u>283,471</u> |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2020

| | Consolidated financial information (Baht'000) | | | | | | | | | | | | | |
|--|---|------------------|--|------------------|--|---|-----------------------------|---|---------------------------|---|---|----------------------------------|-----------------|-------------------------|
| | Attributable to owners of the parent | | | | | | | | | | Total owners of the parent controlling interests | Non- controlling interests | Total equity | |
| | Other components of equity | | | | | | | | | | | | | |
| | Issued and paid-up share capital | Share premium | Expired warrants in a subsidiary | Legal reserve | Unappropriated retained earnings | Discount on business combination under common control | Investment in subsidiary | Remeasuring of available- for-sale investments | Translation adjustment | Total other components of equity | | | | Perpetual debentures |
| Opening balance as at 1 January 2019 (as previously reported) | 4,618,914 | 15,014,610 | 104,789 | 464,179 | 34,624,842 | (755,413) | (1,841,755) | 4,497 | (4,088,818) | (6,681,489) | 23,777,900 | 71,923,745 | 11,150,378 | 83,074,123 |
| Retrospective adjustments from changes in accounting policy | - | - | - | - | (262,696) | - | - | - | - | - | - | (262,696) | (26,030) | (288,726) |
| Opening balance after adjustment | 4,618,914 | 15,014,610 | 104,789 | 464,179 | 34,362,146 | (755,413) | (1,841,755) | 4,497 | (4,088,818) | (6,681,489) | 23,777,900 | 71,661,049 | 11,124,348 | 82,785,397 |
| Changes in equity for the period | - | - | - | - | - | - | - | - | - | - | - | - | (2,882) | (2,882) |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,758 |
| Transaction cost of perpetual debentures | - | - | - | - | - | - | - | - | - | - | 9,758 | 9,758 | - | 9,758 |
| Interest paid on perpetual debentures | - | - | - | - | (435,144) | - | - | - | - | - | - | (435,144) | - | (435,144) |
| Total comprehensive income (expense) for the period | - | - | - | - | 583,135 | - | - | (291) | (736,612) | (736,903) | - | (153,768) | (257,063) | (410,831) |
| Closing balance as at 31 March 2019 | 4,618,914 | 15,014,610 | 104,789 | 464,179 | 34,510,137 | (755,413) | (1,841,755) | 4,206 | (4,825,430) | (7,418,392) | 23,787,658 | 71,081,895 | 10,864,403 | 81,946,298 |

The accompanying notes are an integral part of these interim financial information.

Consolidated financial information (Baht'000)

| | Attributable to owners of the parent | | | | | | | | | | | Total equity | | | | | |
|---|--------------------------------------|---------------|----------------------------------|---------------|----------------------------------|--|---|-----------------------|------------------|------------------------|----------------------------|--------------|----------------------------------|----------------------|---------------------------|-----------|--|
| | Other components of equity | | | | | | | | | | Total owners of the parent | | | | | | |
| | Issued and paid-up share capital | Share premium | Expired warrants in a subsidiary | Legal reserve | Unappropriated retained earnings | Discount on business combination control | Discount on additional investment in subsidiary | Application of TAS 29 | Cash flow hedges | Translation adjustment | | | Total other components of equity | Perpetual debentures | Non-controlling interests | | |
| Notes | | | | | | | | | | | | | | | | | |
| Opening balance as at 1 January 2020 (as previously reported) | 4,619,005 | 15,018,401 | 104,789 | 484,986 | 40,916,450 | (755,413) | (1,841,755) | 267,927 | 4,067 | - | (7,144,865) | 23,787,658 | 75,461,250 | 10,406,536 | 85,867,846 | | |
| Retrospective adjustment from changes in accounting policy | - | - | - | - | (3,069,960) | - | - | - | - | (41,675) | - | - | (3,111,635) | (216,130) | (3,327,765) | | |
| Opening balance after adjustment | 4,619,005 | 15,018,401 | 104,789 | 484,986 | 37,846,490 | (755,413) | (1,841,755) | 267,927 | 4,067 | (41,675) | (7,144,865) | 23,787,658 | 72,349,615 | 10,190,466 | 82,540,081 | | |
| Changes in equity for the period | | | | | | | | | | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (3,685) | (3,685) | |
| Business combination | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (38,197) | (38,197) | |
| Exercise warrants | - | 13 | - | - | - | - | - | - | - | - | - | - | 13 | - | - | 13 | |
| Interest paid on perpetual debentures | - | - | - | - | (437,548) | - | - | - | - | - | - | - | (437,548) | - | - | (437,548) | |
| Total comprehensive income (expense) for the period | - | - | - | - | (1,773,522) | - | - | - | (6,903) | (16,003) | (141,493) | - | (1,937,921) | 111,895 | (1,826,026) | | |
| Closing balance as at 31 March 2020 | 4,619,005 | 15,018,414 | 104,789 | 484,986 | 35,635,420 | (755,413) | (1,841,755) | 267,927 | (2,836) | (57,678) | (7,286,358) | 23,787,658 | 69,974,159 | 10,260,479 | 80,234,638 | | |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2020

| | | Separate financial information (Baht'000) | | | | | | | | | |
|--|-----------------------------|---|------------------|--|--|---|---|---|---|---|-------|
| | | Other components of equity | | | | | | | | | |
| | | Other comprehensive | | | | | | | | | |
| | | income (expense) | | | | | | | | | |
| | | Remeasuring of | | | | | | | | | |
| | | equity investments | | | | | | | | | |
| | | at fair value through | | | | | | | | | |
| | | other comprehensive | | | | | | | | | |
| | | income (expense) | | | | | | | | | |
| | | of equity | | | | | | | | | |
| | | Total | | | | | | | | | |
| | | other | | | | | | | | | |
| | | components | | | | | | | | | |
| | | of equity | | | | | | | | | |
| | | Perpetual | | | | | | | | | |
| | | debentures | | | | | | | | | |
| | | Total | | | | | | | | | |
| | | equity | | | | | | | | | |
| Notes | Issued and share capital | Share premium | Legal reserve | Unappropriated retained earnings | Discount on business combination under common control | Other comprehensive income (expense) | Total |
| | 4,619,005 | 14,992,748 | 484,986 | 5,916,610 | (587,398) | 2,835 | 2,835 | (584,563) | 23,787,658 | 49,216,444 | |
| Opening balance as at 1 January 2020 (as previously reported) | | | | | | | | | | | |
| Retrospective adjustment from changes in accounting policy | 5 | - | - | 857,611 | - | - | - | - | - | 857,611 | |
| Opening balance after adjustment | 4,619,005 | 14,992,748 | 484,986 | 6,774,221 | (587,398) | 2,835 | 2,835 | (584,563) | 23,787,658 | 50,074,055 | |
| Changes in equity for the period | | | | | | | | | | | |
| Exercise warrants | 17 | - | 13 | - | - | - | - | - | - | 13 | |
| Interest paid on perpetual debentures | 22 | - | - | (437,548) | - | - | - | - | - | (437,548) | |
| Total comprehensive income (expense) for the period | | - | - | 1,799,701 | - | (6,661) | (6,661) | (6,661) | - | 1,793,040 | |
| Closing balance as at 31 March 2020 | 4,619,005 | 14,992,761 | 484,986 | 8,136,374 | (587,398) | (3,826) | (3,826) | (591,224) | 23,787,658 | 51,429,560 | |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2020

| | Notes | Consolidated | | Separate | |
|--|-------|-----------------------|------------------|-----------------------|--------------------|
| | | financial information | | financial information | |
| | | 2020 | 2019 | 2020 | 2019 |
| | | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Cash flows from operating activities | | | | | |
| Profit (loss) before income tax | | (2,293,283) | 963,401 | 1,811,432 | 300,185 |
| Adjustments for: | | | | | |
| Depreciation and amortisation | | 4,886,920 | 2,267,496 | 29,785 | 8,172 |
| Amortisation of borrowing cost | 15 | 60,568 | 70,351 | 22,064 | 66,107 |
| Allowance for impairment loss of receivables (reversal) | | 94,294 | 15,829 | (14) | 22 |
| Inventory obsolescence (reversal) | | 39,749 | (3,146) | - | - |
| Share of (profit) loss of investments in associates and joint ventures | 11 | 43,175 | (201,873) | - | - |
| Finance costs | | 1,808,047 | 1,031,599 | 451,567 | 555,165 |
| Interest income | | (164,429) | (128,058) | (952,832) | (1,149,970) |
| Dividend income | | (702) | - | (702) | - |
| Translation adjustment | | (4,925,389) | 3,643,550 | - | - |
| Unrealised (gain) loss on exchange rate | | 1,514,930 | (2,551,515) | (3,293,290) | 253,980 |
| (Gain) loss on disposals, write-off and impairment of property, plant and equipment, intangible assets and right-of-use assets | | 72,734 | 99,707 | - | (6,205) |
| Unrealised (gain) loss from fair value adjustment to derivatives | | 2,234,267 | - | 2,234,267 | - |
| Changes in operating assets and liabilities | | | | | |
| Trade and other receivables | | 2,040,863 | (719,575) | (899,696) | (442,028) |
| Inventories | | (65,163) | (91,461) | 1,453 | 3,427 |
| Land and real estates project for sales | | 30,786 | 159,166 | - | - |
| Other current assets | | (139,101) | (448,097) | (667) | (1,900) |
| Non-current assets classified as held-for-sale | | (23,697) | 609,946 | - | - |
| Other non-current assets | | 239,825 | (892,439) | (4,275) | (1,611) |
| Trade and other payables | | (2,006,452) | 814,940 | (63,965) | 1,511 |
| Other current liabilities | | 322,338 | (165,348) | 4,793 | (1,029) |
| Employee benefit obligations | | 47,016 | (21,431) | (1,036) | 712 |
| Other non-current liabilities | | (607,379) | (146,707) | 252 | 357 |
| Cash generated from (used in) operations | | 3,209,917 | 4,306,335 | (660,864) | (413,105) |
| Interest paid | | (1,259,281) | (1,056,572) | (761,478) | (591,776) |
| Income tax paid | | (52,912) | (101,990) | (6,548) | (5,382) |
| Net cash generated from (used in) operating activities | | 1,897,724 | 3,147,773 | (1,428,890) | (1,010,263) |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2020

| | Notes | Consolidated financial information | | Separate financial information | |
|--|-------|---------------------------------------|--------------------|-----------------------------------|------------------|
| | | 2020 Baht'000 | 2019 Baht'000 | 2020 Baht'000 | 2019 Baht'000 |
| Cash flows from investing activities | | | | | |
| Cash paid for long-term loans to related parties | 9 | (81,520) | (118,271) | (4,832,091) | (1,662,181) |
| Cash received from long-term loans to related parties | 9 | 84,849 | 56,153 | 1,924,820 | 791,126 |
| Decrease (increase) in loan to other company | | (10,982) | 104,232 | - | - |
| Acquisition of subsidiary, net cash acquired | 24 | (2,500,366) | - | - | - |
| Cash invested in investment in subsidiaries | | - | - | - | (22,000) |
| Cash invested in investment in associates | 11 | (3,693) | - | (3,693) | - |
| Cash invested in interests in joint ventures | 11 | (2,500) | (19,575) | - | - |
| Proceeds from sale of investment | | - | 75,476 | - | - |
| Interest received | | 164,429 | 128,058 | 952,832 | 1,149,970 |
| Dividends received | | 41,501 | 55,390 | 702 | - |
| Purchase of investment properties | | (3,631) | (10,910) | - | - |
| Purchases of property, plant and equipment | | (2,636,326) | (3,557,677) | (162) | (2,122) |
| Purchases of intangible assets | 13 | (256,851) | (220,773) | (24) | (12,940) |
| Proceeds from disposals of property, plant and equipment, intangible assets and right-of-use assets | | 178,035 | 82,713 | - | 22,426 |
| Net cash receipt from (used in) investing activities | | (5,027,055) | (3,425,184) | (1,957,616) | 264,279 |
| Cash flows from financing activities | | | | | |
| Increase (decrease) in short-term borrowings from related parties | | - | - | (2,937) | 431,935 |
| Receipts of short-term borrowings from financial institutions | | 13,981,076 | - | 13,906,949 | - |
| Repayments of short-term borrowings from financial institutions | | (10,295,000) | (2,738,176) | (10,295,000) | (2,738,176) |
| Receipts from long-term borrowings from financial institutions | 15 | 10,134,318 | 670,300 | 178,296 | - |
| Repayments of long-term borrowings from financial institutions | 15 | (351,878) | (24,237,287) | (57,283) | (24,110,335) |
| Repayments of lease liabilities | | (3,250,856) | (22,474) | (80,291) | - |
| Receipts from issuance of debentures | | - | 32,894,070 | - | 32,894,070 |
| Repayments of debentures | | - | (4,500,000) | - | (4,500,000) |
| Receipts from issuance of ordinary shares by exercise warrant | 17 | 13 | - | 13 | - |
| Interest paid on perpetual debentures | 22 | (437,548) | (435,144) | (437,548) | (435,144) |
| Dividends paid to non-controlling interests | | (3,685) | (2,882) | - | - |
| Net cash receipt from (used in) financing activities | | 9,776,440 | 1,628,407 | 3,212,199 | 1,542,350 |
| Net increase (decrease) in cash and cash equivalents | | 6,647,109 | 1,350,996 | (174,307) | 796,366 |
| Cash and cash equivalents, opening balance | | 13,330,821 | 12,712,988 | 302,184 | 111,546 |
| Gain (loss) on exchange rate | | 652,910 | (430,671) | - | - |
| Cash and cash equivalents, closing balance | | 20,630,840 | 13,633,313 | 127,877 | 907,912 |

The accompanying notes are an integral part of these interim financial information.

Minor International Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the three-month period ended 31 March 2020

| | Consolidated | | Separate | |
|---|-----------------------|-------------------|-----------------------|----------------|
| | financial information | | financial information | |
| | 2020 | 2019 | 2020 | 2019 |
| Note | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Cash and cash equivalents as at 31 March | | | | |
| Cash and deposits with banks | 20,711,671 | 13,723,703 | 127,877 | 907,912 |
| Bank overdrafts | 15 (80,831) | (90,390) | - | - |
| | <u>20,630,840</u> | <u>13,633,313</u> | <u>127,877</u> | <u>907,912</u> |

Supplementary information for cash flows

Non-cash transaction

Significant non-cash transactions for the periods ended 31 March 2020 and 2019 are as follows:

| | Consolidated | | Separate | |
|---|-----------------------|----------|-----------------------|----------|
| | financial information | | financial information | |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Acquisition of property, plant and equipment by payable | 162,555 | 276,089 | 210 | - |

The accompanying notes are an integral part of these interim financial information.

1 General information

Minor International Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand in October 1988 and is incorporated and domiciled in Thailand. The addresses of the Company’s registered offices are as follows:

Bangkok: 16th Floor, Berli Jucker House, 99 Soi Rubia, Sukhumvit 42, Prakanong, Klongtoey, Bangkok 10110.

Pattaya: 218/2-4, Moo 10, Beach Road, Nongprue, Banglamung, Chonburi 20260.

For the reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

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

The interim consolidated and separate financial information are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

The interim consolidated and separate financial information were authorised for issue by the Audit Committee on 15 May 2020.

2 Significant events during the current period

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has effects on the overall markets.

Hotel business

The impact on hotel business at the end of March 2020 are extensive closures of hotels until present. While some hotels in Australia and Indian ocean were still operating at the end of March 2020.

Food business

At the end of March 2020, the Group has closed full dine-in restaurants in Thailand, while the delivery and takeaway units in Bangkok and its surrounding areas, remain operational.

In People’s Republic of China, after temporarily closing of most of the outlets in February due to the severity of virus transmission, the Group has re-opened most outlets in the beginning of March.

2 Significant events during the current period (Cont'd)

Retail business

Minor Lifestyle is shifting focus to on-line channels and capitalizing on increased demand for hand sanitizer and other cleaning solutions at manufacturing units.

For all business segments, the Group is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategising effective solutions.

3 Basis of preparation

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) No. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

Certain figures in the comparative information have been reclassified in order to be comparable to the presentation of the current period and to comply with the nature of transaction. The transaction is shown as follows:

| | Consolidated financial information | | |
|--|------------------------------------|-------------------|-----------------|
| | As previously | Reclassifications | As reclassified |
| | reported | | |
| | Baht'000 | Baht'000 | Baht'000 |
| Income statement for the period ended | | | |
| 31 March 2019 | | | |
| Administrative expenses | 184,896 | (184,896) | - |
| Other (gains) losses, net | - | 184,896 | 184,896 |

3 Basis of preparation (Cont'd)

| | Separate financial information | | |
|--|--------------------------------|-------------------|-----------------|
| | As previously | Reclassifications | As reclassified |
| | reported | | |
| | Baht'000 | Baht'000 | Baht'000 |
| Income statement for the period ended | | | |
| 31 March 2019 | | | |
| Administrative expenses | 211,537 | (211,537) | - |
| Other (gains) losses, net | - | 211,537 | 211,537 |

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the following:

- 1) the adoption of the new financial reporting standards
- 2) the application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020

The Group has chosen to apply temporary measures to relieve the impact from COVID-19 as follows:

- (a) not to include information related to COVID-19 as an impairment indicator and as assumptions in the financial projections to consider for impairment testing for goodwill and intangible assets under TAS 36 and recoverability of deferred tax assets.
- (b) not to include forward-looking information in valuing expected credit loss of receivables under simplified model.
- (c) for exemption and discount received on rental fee as a result of COVID-19 situation, reducing lease liabilities on the exempted portion throughout the period that the Group has received the exemption and discount of rental fee. The Group also reversed depreciation charges on the right-of-use assets and interest expense on the lease liabilities. The differences between the reduction of the lease liabilities and the reversal of the depreciation expenses are recognised in other (gains) losses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.
- (d) The unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020.

5 Adoption of new financial reporting standards and changes in accounting policies

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) by applying modified retrospective approach. The Group does not restate comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

| | Consolidated financial information | | | |
|-----------------------------------|--|--|--|--|
| | As at 31 December 2019 Baht'000 | TAS 32 and | | As at 1 January 2020 Baht'000 |
| | | TFRS 9 | TFRS 16 | |
| | | Reclassifications and adjustments Baht'000 | Reclassifications and adjustments Baht'000 | |
| Assets | | | | |
| Current assets | | | | |
| Trade and other receivables | 15,554,017 | (468,334) | 594,293 | 15,679,976 |
| Derivatives assets | - | 485,899 | - | 485,899 |
| Total current assets | 15,554,017 | 17,565 | 594,293 | 16,165,875 |
| Non-current assets | | | | |
| Trade and other receivables | 3,087,693 | (727,120) | 1,273,546 | 3,634,119 |
| Derivatives assets | - | 3,436,233 | - | 3,436,233 |
| Available-for-sale investments | 25,632 | (25,632) | - | - |
| Other investments | 166,326 | (166,326) | - | - |
| Long-term loan to related parties | 5,677,840 | (308,146) | - | 5,369,694 |
| Property, plant and equipment | 123,129,061 | - | (123,008) | 123,006,053 |
| Intangible assets | 59,706,816 | - | (1,038,171) | 58,668,645 |
| Prepaid rents | 2,174,695 | - | (2,174,695) | - |
| Right-of-use assets | - | - | 85,921,126 | 85,921,126 |
| Deferred tax assets | 5,503,260 | 17,860 | 1,574,686 | 7,095,806 |
| Other non-current assets | 5,887,430 | (1,964,120) | - | 3,923,310 |
| Total non-current assets | 205,358,753 | 262,749 | 85,433,484 | 291,054,986 |
| Total assets | 220,912,770 | 280,314 | 86,027,777 | 307,220,861 |

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

| | Consolidated financial information | | | |
|---|------------------------------------|-------------------|--------------------|--|
| | TAS 32 and | | | As at 1 January 2020 Baht'000 |
| | As at | TFRS 9 | TFRS 16 | |
| | 31 December | Reclassifications | Reclassifications | |
| 2019 | and adjustments | and adjustments | | |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Liabilities and equity | | | | |
| Current liabilities | | | | |
| Trade and other payables | 20,036,179 | 2,112 | (249,232) | 19,789,059 |
| Current portion of lease liabilities | 11,500 | - | 12,612,890 | 12,624,390 |
| Other current liabilities | 3,472,708 | 1,630 | - | 3,474,338 |
| Total current liabilities | 23,520,387 | 3,742 | 12,363,658 | 35,887,787 |
| Non-current liabilities | | | | |
| Lease liabilities | 15,841 | - | 75,654,221 | 75,670,062 |
| Derivatives liabilities | - | 883,345 | - | 883,345 |
| Deferred tax liabilities | 24,144,264 | 107,999 | 698,531 | 24,950,794 |
| Other non-current liabilities | 4,855,411 | (35,613) | (40,027) | 4,779,771 |
| Total non-current liabilities | 29,015,516 | 955,731 | 76,312,725 | 106,283,972 |
| Total liabilities | 52,535,903 | 959,473 | 88,676,383 | 142,171,759 |
| Equity | | | | |
| Retained earnings | 40,916,450 | (637,483) | (2,432,477) | 37,846,490 |
| Other components of equity | (9,470,039) | (41,675) | - | (9,511,714) |
| Total equity attribute to owners of the parent | 31,446,411 | (679,158) | (2,432,477) | 28,334,776 |
| Non-controlling interests | 10,406,596 | (1) | (216,129) | 10,190,466 |
| Total equity | 41,853,007 | (679,159) | (2,648,606) | 38,525,242 |
| Total liabilities and equity | 94,388,910 | 280,314 | 86,027,777 | 180,697,001 |

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

| | Separate financial information | | | |
|---------------------------------|--------------------------------|-------------------|-------------------|------------------|
| | As at | TAS 32 and | | As at |
| | 31 December | TFRS 9 | TFRS 16 | 1 January |
| | 2019 | Reclassifications | Reclassifications | 2020 |
| Baht'000 | and adjustments | and adjustments | Baht'000 | |
| Baht'000 | Baht'000 | Baht'000 | Baht'000 | |
| Assets | | | | |
| Current assets | | | | |
| Trade and other receivables | 1,626,296 | (4,936) | 390,359 | 2,011,719 |
| Derivatives assets | - | 485,899 | - | 485,899 |
| Total current assets | 1,626,296 | 480,963 | 390,359 | 2,497,618 |
| Non-current assets | | | | |
| Derivatives assets | - | 3,436,233 | - | 3,436,233 |
| Available-for-sale investments | 23,662 | (23,662) | - | - |
| Prepaid rents | 9,240 | - | (9,240) | - |
| Right-of-use assets | - | - | 393,733 | 393,733 |
| Deferred tax assets | - | - | 1,892 | 1,892 |
| Other non-current assets | 2,167,485 | (2,132,416) | - | 35,069 |
| Total non-current assets | 2,200,387 | 1,280,155 | 386,385 | 3,866,927 |
| Total assets | 3,826,683 | 1,761,118 | 776,744 | 6,364,545 |

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

| | Separate financial information | | | As at 1 January 2020 Baht'000 |
|--------------------------------------|--|--|---|--|
| | As at 31 December 2019 Baht'000 | TAS 32 and TFRS 9 Reclassifications and adjustments Baht'000 | TFRS 16 Reclassifications and adjustments Baht'000 | |
| Liabilities and equity | | | | |
| Current liabilities | | | | |
| Trade and other payables | 713,649 | 2,112 | (4,000) | 711,761 |
| Current portion of lease liabilities | - | - | 158,513 | 158,513 |
| Other current liabilities | 28,824 | 1,630 | - | 30,454 |
| Total current liabilities | 742,473 | 3,742 | 154,513 | 900,728 |
| Non-current liabilities | | | | |
| Lease liabilities | - | - | 625,800 | 625,800 |
| Derivatives liabilities | - | 788,197 | - | 788,197 |
| Deferred tax liabilities | 200,138 | 107,999 | - | 308,137 |
| Total non-current liabilities | 200,138 | 896,196 | 625,800 | 1,722,134 |
| Total liabilities | 942,611 | 899,938 | 780,313 | 2,622,862 |
| Equity | | | | |
| Retained earnings | 5,916,610 | 861,180 | (3,569) | 6,774,221 |
| Total equity | 5,916,610 | 861,180 | (3,569) | 6,774,221 |
| Total liabilities and equity | 6,859,221 | 1,761,118 | 776,744 | 9,397,083 |

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

The adoption of the new financial reporting standards on financial instruments mainly affects the Group's accounting treatment as follows:

Classification of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

The Group has perpetual bonds of Baht 23,788 million in equity. In accordance with TAS 32, Financial Instruments: Presentation, the perpetual bonds must be presented as financial liabilities. However, the Federation of Accounting Professions (TFAC) issued an announcement no. 95/2562 to provide a relief from reclassification of the perpetual bonds that was issued and paid-up before 31 December 2019. The relief is granted until 31 December 2022.

Classification and measurement of investments in equity instruments (previously called general investments)

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss.

Currently, the Group has equity instruments measured at cost of Baht 192 million. These instruments will be remeasured to fair value through profit or loss and other comprehensive income.

Classification and measurement of derivatives assets and derivatives liabilities

The derivative instruments such as interest rate swap, cross currency interest swap and foreign exchange rate are measured at fair value through profit or loss. The related assets and liabilities are presented in "Derivatives assets" and "Derivatives liabilities".

As at 1 January 2020, derivative balance of Baht 3,922 million and Baht 883 million of the Group were reclassified from "Other assets" and "Other liabilities" to "Derivatives assets" and "Derivatives liabilities" respectively.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. As of 1 January 2020, there will be an increase in impairment losses of Baht 1,195 million and Baht 308 million due to application of the expected credit loss model for trade and other receivables and loans to related parties of the Group, respectively. The transition adjustment has been recognised as an adjustment to the opening balance of retained earnings.

The adoption of the new financial reporting standards on leases standard mainly affects the Group's accounting treatment as follows:

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was around 3.00% - 12.76%.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

| | Consolidated financial information Baht Million | Separate financial information Baht Million |
|---|---|---|
| | <u>Baht Million</u> | <u>Baht Million</u> |
| Operating lease commitments disclosed as at 31 December 2019 | 96,435 | 848 |
| Less: Discounted using the lessee's incremental borrowing rate of at the date of initial application | (6,537) | (64) |
| Add: Finance lease liabilities recognised as at 31 December 2019 | 27 | - |
| Less: Short-term leases recognised on a straight-line basis as expense | (926) | - |
| Less: Low-value leases recognised on a straight-line basis as expense | (11) | - |
| Less: Service portion included in leases | (694) | - |
| | <u>88,294</u> | <u>784</u> |
| Lease liability recognised as at 1 January 2020 | <u>88,294</u> | <u>784</u> |
| Current lease liabilities | <u>12,624</u> | <u>162</u> |
| Non-current lease liabilities | <u>75,670</u> | <u>622</u> |

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

| | Consolidated | | Separate | |
|----------------------------------|-----------------------|---------------|-----------------------|--------------|
| | financial information | | financial information | |
| | 31 March | 1 January | 31 March | 1 January |
| | 2020 | 2020 | 2020 | 2020 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Land and properties | 90,786 | 85,891 | 366 | 391 |
| Equipment | 128 | 2 | 3 | 3 |
| Motor vehicles | 34 | 28 | - | - |
| Total right-of-use assets | 90,948 | 85,921 | 369 | 394 |

Practical expedients applied

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments are as follows:

Investments and other financial assets

Classification and measurements

From 1 January 2020, the Group classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

The Group initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

All equity instruments held are irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss. The classification of equity instruments is considered on investment-by-investment basis. Dividends from such investment continue to be recognised in profit or loss as other income.

Impairment

From 1 January 2020, the Group assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade and other receivables which the Group applies the simplified approach in determining its expected credit loss.

The Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC, the impacts described in Note 4.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

Financial guarantee

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of a) the amount of expected credit loss determined; and b) the amount initially recognised less the cumulative amount of income recognised.

Derivatives

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Other derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised to other (gains) losses and related assets (liabilities) balance are reclassified to present as "Derivatives assets" and "Derivatives liabilities".

Changes in accounting policies from adoption of the financial reporting standards related to leases are as follows:

The Group leases various land, buildings, equipment and vehicles. Rental contracts are typically made for fixed periods of 3 to 60 years but may have extension options.

Before 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small office equipment.

6 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

7 Fair value measurements

The following tables present the assets and liabilities that are measured and recognised at fair value as at 31 March 2020:

| | Consolidated financial information (Baht Million) | | | |
|---|---|--------------|------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| At 31 March 2020 | | | | |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss (including in other non-current assets) | - | - | 75 | 75 |
| Financial assets at fair value through other comprehensive income (including in other non-current assets) | 17 | - | 106 | 123 |
| Derivatives assets | - | 2,871 | - | 2,871 |
| Total financial assets | 17 | 2,871 | 181 | 3,069 |
| Financial liabilities | | | | |
| Derivatives liabilities | - | 2,099 | - | 2,099 |
| Total financial liabilities | - | 2,099 | - | 2,099 |
| Separate financial information (Baht Million) | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| At 31 March 2020 | | | | |
| Financial assets | | | | |
| Financial assets at fair value through other comprehensive income (including in other non-current assets) | 15 | - | - | 15 |
| Derivatives assets | - | 2,871 | - | 2,871 |
| Total financial assets | 15 | 2,871 | - | 2,886 |
| Financial liabilities | | | | |
| Derivatives liabilities | - | 1,980 | - | 1,980 |
| Total financial liabilities | - | 1,980 | - | 1,980 |

The fair value of financial instruments in level one is based on the closing price by reference to active markets.

7 Fair value measurements (Cont'd)

Valuation techniques used to measure fair value level 2

Fair value of foreign exchange contracts is determined using forward exchange rates that are quoted in an active market. Fair value of interest rate swaps is determined using forward interests extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Fair value of debt investments is determined from contractual cash flows, discounted at the rate derived from observable market price of other quoted debt instruments of the counterparties.

Valuation techniques used to measure fair value level 3

Finance and accounting department engages professional independent valuers, who hold a recognised relevant professional qualification and have experience in the locations and segments of the business, to perform the valuations of assets acquired from business combination, including Level 3 fair values. This team reports directly to Chief Financial Officer ("CFO"). Discussions of valuation processes and results are held between the finance department and the CFO at least once every quarter, in line with the Group's quarterly report dates.

Significant unobservable input of fair value hierarchy level 3 is the discount rate. The rate is estimated based on capital structure and financial factors in overall economy that are, in the opinion of the management, appropriate including the risk premium and reflects current market assessments of the time value of money and risk adjusted.

7 Fair value measurements (Cont'd)

The following table shows fair values and carrying amounts of financial assets and financial liabilities by category, excluding those with the carrying amount approximates fair value.

| | Consolidated financial information | | | | |
|--|--|--|-------------------|-----------------------------|--------------|
| | Fair value through profit or loss (FVPL) | Fair value | | Total carrying amount | Fair value |
| | | through other comprehensive income (FVOCI) | Amortised cost | | |
| | Baht Million | Baht Million | Baht Million | Baht Million | Baht Million |
| | As at 31 March 2020 | | | | |
| Financial assets measured at fair value | | | | | |
| Financial assets at FVPL | 75 | - | - | 75 | 75 |
| Financial assets at FVOCI | - | 123 | - | 123 | 123 |
| Derivatives assets | 2,871 | - | - | 2,871 | 2,871 |
| | <u>2,946</u> | <u>123</u> | <u>-</u> | <u>3,069</u> | <u>3,069</u> |
| Financial assets not measured at fair value | | | | | |
| Cash and cash equivalents | - | - | 20,712 | 20,712 | - |
| Trade and other receivables | - | - | 17,367 | 17,367 | - |
| | <u>-</u> | <u>-</u> | <u>38,079</u> | <u>38,079</u> | <u>-</u> |
| Financial liabilities measured at fair value | | | | | |
| Derivatives liabilities | 2,099 | - | - | 2,099 | 2,099 |
| | <u>2,099</u> | <u>-</u> | <u>-</u> | <u>2,099</u> | <u>2,099</u> |
| Financial liabilities not measured at fair value | | | | | |
| Borrowings | - | - | 129,512 | 129,512 | - |
| Lease liabilities | - | - | 95,231 | 95,231 | - |
| | <u>-</u> | <u>-</u> | <u>224,743</u> | <u>224,743</u> | <u>-</u> |

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7 Fair value measurements (Cont'd)

| | Separate financial information | | | | Fair value Baht Million |
|--|--|--|-----------------------------------|---|----------------------------|
| | Fair value through profit or loss (FVPL) Baht Million | Fair value through other comprehensive income (FVOCI) Baht Million | Amortised cost Baht Million | Total carrying amount Baht Million | |
| As at 31 March 2020 | | | | | |
| Financial assets measured at fair value | | | | | |
| Financial assets at FVOCI | - | 15 | - | 15 | 15 |
| Derivatives assets | 2,871 | - | - | 2,871 | 2,871 |
| | <u>2,871</u> | <u>15</u> | <u>-</u> | <u>2,886</u> | <u>2,886</u> |
| Financial assets not measured at fair value | | | | | |
| Cash and cash equivalents | - | - | 128 | 128 | - |
| Trade and other receivables | - | - | 2,918 | 2,918 | - |
| | <u>-</u> | <u>-</u> | <u>3,046</u> | <u>3,046</u> | <u>-</u> |
| Financial liabilities measured at fair value | | | | | |
| Derivatives liabilities | 1,980 | - | - | 1,980 | 1,980 |
| | <u>1,980</u> | <u>-</u> | <u>-</u> | <u>1,980</u> | <u>1,980</u> |
| Financial liabilities not measured at fair value | | | | | |
| Borrowings | - | - | 84,399 | 84,399 | - |
| Lease liabilities | - | - | 710 | 710 | - |
| | <u>-</u> | <u>-</u> | <u>85,109</u> | <u>85,109</u> | <u>-</u> |

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8 Segment information

The Group discloses four operating segments which include Hotel & Spa, Mixed use, Restaurant and Retail. The four segments are determined pursuant to business activities and operating results that are regularly reviewed by Chief Operating Decision Makers and aggregation criteria as disclosed in the consolidated financial information as follows:

8.1 Financial information by operating segments

| | For the three-month periods ended 31 March (Baht Million) | | | | | | | | | | | |
|---|---|----------|-----------|-------|------------|---------|--------|-------|-------------|-------|----------|----------|
| | Hotel & Spa | | Mixed use | | Restaurant | | Retail | | Elimination | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | | | | | | | | |
| Total revenues | 14,957 | 19,788 | 1,015 | 1,517 | 5,731 | 6,434 | 988 | 1,244 | (115) | (155) | 22,576 | 28,828 |
| Costs | | | | | | | | | | | | |
| Total costs | (8,224) | (11,005) | (171) | (369) | (1,679) | (1,728) | (593) | (716) | - | - | (10,667) | (13,818) |
| Gross profit and other income | 6,733 | 8,783 | 844 | 1,148 | 4,052 | 4,706 | 395 | 528 | (115) | (155) | 11,909 | 15,010 |
| Selling and administrative expenses | (3,517) | (6,266) | (590) | (754) | (3,070) | (3,640) | (402) | (443) | 115 | 155 | (7,464) | (10,950) |
| EBITDA | 3,216 | 2,515 | 254 | 394 | 982 | 1,066 | (7) | 85 | - | - | 4,445 | 4,060 |
| Depreciation and amortisation | (3,954) | (1,800) | (70) | (43) | (777) | (377) | (86) | (48) | - | - | (4,887) | (2,268) |
| Financial costs | (1,573) | (859) | (87) | (61) | (139) | (104) | (9) | (7) | - | - | (1,808) | (1,031) |
| Share of profit (loss) from associates and joint ventures | 24 | 132 | (15) | (17) | (52) | 87 | - | - | - | - | (43) | 202 |
| Result before tax | (2,287) | (12) | 82 | 273 | 14 | 672 | (102) | 30 | - | - | (2,293) | 963 |
| Tax | 554 | (162) | (139) | (35) | (88) | (118) | 10 | (2) | - | - | 337 | (317) |
| Net profit (loss) | (1,733) | (174) | (57) | 238 | (74) | 554 | (92) | 28 | - | - | (1,956) | 646 |
| Timing of revenue recognition | | | | | | | | | | | | |
| At a point in time | 39 | 109 | 649 | 1,070 | 5,087 | 5,571 | 988 | 1,236 | - | - | 6,763 | 7,986 |
| Over time | 14,918 | 19,679 | 366 | 447 | 644 | 863 | - | 8 | (115) | (155) | 15,813 | 20,842 |
| Total revenues | 14,957 | 19,788 | 1,015 | 1,517 | 5,731 | 6,434 | 988 | 1,244 | (115) | (155) | 22,576 | 28,828 |

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8 Segment information (Cont'd)

8.2 Financial information by geographical segments

| | For the three-month periods ended 31 March (Baht Million) | | | | | | | | | | | |
|--------------------------------|---|---------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|----------------|---------------|
| | Hotel & Spa | | Mixed use | | Restaurant | | Retail | | Elimination | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | | | | | | | | |
| Thailand | 2,018 | 2,938 | 217 | 662 | 4,278 | 4,207 | 988 | 1,244 | (115) | (155) | 7,386 | 8,896 |
| Europe | 9,441 | 12,753 | - | - | 56 | 101 | - | - | - | - | 9,497 | 12,854 |
| Australia and New Zealand | 1,336 | 1,262 | - | - | 516 | 667 | - | - | - | - | 1,852 | 1,929 |
| Maldives and Middle East | 545 | 700 | - | - | 112 | 112 | - | - | - | - | 657 | 812 |
| The People's Republic of China | - | 9 | 4 | - | 345 | 889 | - | - | - | - | 349 | 898 |
| Latin Americas | 1,136 | 1,522 | - | - | - | - | - | - | - | - | 1,136 | 1,522 |
| Others | 481 | 604 | 794 | 855 | 424 | 458 | - | - | - | - | 1,699 | 1,917 |
| Total | 14,957 | 19,788 | 1,015 | 1,517 | 5,731 | 6,434 | 988 | 1,244 | (115) | (155) | 22,576 | 28,828 |
| Net profit (loss) | | | | | | | | | | | | |
| Thailand | 305 | 254 | 32 | 219 | 214 | 418 | (92) | 28 | - | - | 459 | 919 |
| Europe | (1,984) | (1,017) | - | - | (17) | (2) | - | - | - | - | (2,001) | (1,019) |
| Australia and New Zealand | (62) | 25 | - | - | 42 | 67 | - | - | - | - | (20) | 92 |
| Maldives and Middle East | 214 | 456 | - | - | 3 | 11 | - | - | - | - | 217 | 467 |
| The People's Republic of China | 8 | 10 | 12 | 4 | (234) | 48 | - | - | - | - | (214) | 62 |
| Latin Americas | 20 | 111 | - | - | - | - | - | - | - | - | 20 | 111 |
| Others | (234) | (13) | (101) | 15 | (82) | 12 | - | - | - | - | (417) | 14 |
| Total | (1,733) | (174) | (57) | 238 | (74) | 554 | (92) | 28 | - | - | (1,956) | 646 |

9 Related party transactions

The Company is the ultimate parent company. The significant investments in subsidiaries, associates and joint ventures are set out in Note 11.

The following material transactions were carried out with related parties:

| | For the three-month periods ended 31 March | | | |
|-----------------------------|--|----------|-----------------------|-----------|
| | Consolidated | | Separate | |
| | financial information | | financial information | |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Subsidiaries | | | | |
| Sales of goods and services | - | - | 10,534 | 15,870 |
| Interest income | - | - | 940,108 | 1,139,829 |
| Other income | - | - | 16,047 | 360 |
| Purchases | - | - | (212) | (210) |
| Services expenses | - | - | (18,242) | (24,438) |
| Interest expenses | - | - | (15,480) | (14,222) |
| Associates | | | | |
| Sales of goods and services | 51,189 | 158,780 | - | - |
| Interest income | 14,469 | 13,979 | - | - |
| Purchases | (25,835) | (29,111) | - | - |
| Joint ventures | | | | |
| Sales of goods and services | 36,791 | 42,740 | 3,777 | 5,000 |
| Interest income | 35,948 | 26,103 | 11,708 | 8,854 |
| Purchases | (20,568) | (20,163) | - | - |
| Related parties | | | | |
| Sales of goods and services | 980 | 940 | - | - |
| Purchases | (30,131) | (11,704) | - | - |
| Services expenses | (5,341) | (8,817) | - | - |
| Other expenses | (9,051) | (4,796) | (6,770) | (3,419) |

9 Related party transactions (Cont'd)

Management remuneration

Management benefit expenses of the Group and the Company for the three-month period ended 31 March 2020 were Baht 128 million and Baht 31 million, respectively (31 March 2019: Baht 80 million and Baht 29 million, respectively). Management remuneration comprised of short-term benefits such as salaries, bonus and other allowances.

Outstanding balances arising from sales/purchases of goods/services

| | Consolidated | | Separate | |
|--|-----------------------|-------------|-----------------------|-------------|
| | financial information | | financial information | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| a) Receivables from related parties: | | | | |
| Subsidiaries | - | - | 2,820,188 | 1,506,826 |
| Associates | 508,332 | 464,795 | 3,993 | 3,973 |
| Joint ventures | 541,632 | 521,594 | 75,907 | 62,534 |
| Related parties | 5,165 | 2,474 | 961 | 966 |
| Total receivables from related parties (Note 10) | 1,055,129 | 988,863 | 2,901,049 | 1,574,299 |
| b) Payables to related parties: | | | | |
| Subsidiaries | - | - | 19,883 | 21,581 |
| Associates | 11,499 | 16,632 | 3 | 3 |
| Joint ventures | 9,695 | 15,676 | - | 161 |
| Related parties | 27,294 | 32,475 | 2 | 13,455 |
| Total payables to related parties (Note 14) | 48,488 | 64,783 | 19,888 | 35,200 |

9 Related party transactions (Cont'd)

| | Consolidated financial information | | Separate financial information | |
|---|---------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 |
| c) Long-term loans to related parties: | | | | |
| Subsidiaries | - | - | 120,851,428 | 113,003,327 |
| Associates | 1,209,256 | 1,268,639 | - | - |
| Joint ventures | 4,511,621 | 4,409,201 | 956,486 | 864,898 |
| Total long-term loans to related parties | 5,720,877 | 5,677,840 | 121,807,914 | 113,868,225 |

The movements of long-term loans to related parties are shown below:

| | Consolidated financial information | | Separate financial information | |
|--|---------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 |
| Subsidiaries | | | | |
| Beginning balance | - | - | 113,003,327 | 140,904,047 |
| Additions | - | - | 4,750,571 | 6,984,169 |
| Settlements | - | - | (1,924,820) | (26,997,453) |
| Unrealised gain (loss) on exchange rate | - | - | 5,022,350 | (7,887,436) |
| Ending balance | - | - | 120,851,428 | 113,003,327 |

9 Related party transactions (Cont'd)

| | Consolidated | | Separate | |
|------------------------------------|-----------------------|-------------|-----------------------|-------------|
| | financial information | | financial information | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Associates | | | | |
| Beginning balance | | | | |
| (as previously reported) | 1,268,639 | 1,172,643 | - | - |
| Retrospective adjustment from | | | | |
| changes in accounting policy | | | | |
| (Note 5) | (124,800) | - | - | - |
| Beginning balance after adjustment | 1,143,839 | 1,172,643 | - | - |
| Additions | - | 193,117 | - | - |
| Settlements | (16,453) | (7,960) | - | - |
| Translation adjustment | 81,870 | (89,161) | - | - |
| Ending balance | 1,209,256 | 1,268,639 | - | - |
| Joint ventures | | | | |
| Beginning balance | | | | |
| (as previously reported) | 4,409,201 | 4,587,185 | 864,898 | 617,081 |
| Retrospective adjustment from | | | | |
| changes in accounting policy | | | | |
| (Note 5) | (183,346) | - | - | - |
| Beginning balance after adjustment | 4,225,855 | 4,587,185 | 864,898 | 617,081 |
| Additions | 81,520 | 291,907 | 81,520 | 257,000 |
| Settlements | (68,396) | (216,615) | - | - |
| Unrealised gain (loss) | | | | |
| on exchange rate | 10,069 | (9,183) | 10,068 | (9,183) |
| Translation adjustment | 262,573 | (244,093) | - | - |
| Ending balance | 4,511,621 | 4,409,201 | 956,486 | 864,898 |

Long-term loans to related parties are unsecured and denominated in Thai Baht and foreign currencies. The loans carry interest rate at the market rates with reference to the interest rate quoted by commercial banks. The loans are due for repayment at call but the Group will not call the loans for settlement within the next 12 months. Loans to associates and joint ventures are granted pursuant to the shareholders' agreements based on the percentage of shares holding.

9 Related party transactions (Cont'd)

| | Consolidated | | Separate | |
|--|-----------------------|-------------|-----------------------|-------------|
| | financial information | | financial information | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| d) Short-term borrowings from related parties: | | | | |
| Subsidiaries | - | - | 4,553,395 | 4,338,917 |
| Total short-term borrowings from related parties (Note 15) | - | - | 4,553,395 | 4,338,917 |

The movement in borrowings from related parties can be analysed as below:

| | Consolidated | | Separate | |
|---|-----------------------|-------------|-----------------------|-------------|
| | financial information | | financial information | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Subsidiaries | | | | |
| Beginning balance | - | - | 4,338,917 | 2,089,180 |
| Additions | - | - | 498,670 | 2,427,394 |
| Settlements | - | - | (501,607) | (150,959) |
| Unrealised (gain) loss on exchange rate | - | - | 217,415 | (26,698) |
| Ending balance | - | - | 4,553,395 | 4,338,917 |

Short-term borrowings from subsidiaries are unsecured and denominated in Thai Baht and foreign currencies. They are due at call and carry a market rate of interest as referenced by the interest rates quoted by commercial banks.

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10 Trade and other receivables

| | Consolidated | | Separate | |
|---|-----------------------|-------------|-----------------------|-------------|
| | financial information | | financial information | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Current | | | | |
| Trade receivables - third parties, gross | 5,564,700 | 7,077,632 | 7,142 | 14,512 |
| <u>Less</u> Provision for impairment of trade receivables | (954,989) | (420,001) | (5,015) | (92) |
| Trade receivables - third parties, net | 4,609,711 | 6,657,631 | 2,127 | 14,420 |
| Current portion of trade receivables | | | | |
| long-term contracts, net | 3,692,931 | 3,301,521 | - | - |
| Current portion of lease receivables | 572,888 | - | - | - |
| Prepayments | 1,161,187 | 1,104,858 | 8,605 | 9,472 |
| Receivables from others | 2,709,331 | 3,501,144 | 6,271 | 28,105 |
| Receivables from related parties (Note 9) | 1,055,129 | 988,863 | 2,627,763 | 1,574,299 |
| Total trade and other receivables | 13,801,177 | 15,554,017 | 2,644,766 | 1,626,296 |
| Non-current | | | | |
| Trade receivables long-term contracts | 3,606,445 | 3,467,516 | - | - |
| <u>Less</u> Unearned interest income | (261,577) | (256,337) | - | - |
| <u>Less</u> Provision for impairment of trade receivables | (877,024) | (123,486) | - | - |
| Trade receivables long-term contracts, net | 2,467,844 | 3,087,693 | - | - |
| Lease receivables | 1,097,745 | - | - | - |
| Receivables from related parties (Note 9) | - | - | 273,286 | - |
| Total trade and other receivables | 3,565,589 | 3,087,693 | 273,286 | - |

11 Investments in subsidiaries, associates and interests in joint ventures

| | Consolidated | | Separate | |
|--|-----------------------|-------------|-----------------------|-------------|
| | financial information | | financial information | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Subsidiaries | - | - | 8,071,409 | 8,071,409 |
| Associates | 6,246,279 | 6,359,570 | 2,787,459 | 2,783,766 |
| Interests in joint ventures | 2,631,222 | 2,614,326 | - | - |
| Total investments in subsidiaries, associates and interests in joint ventures | 8,877,501 | 8,973,896 | 10,858,868 | 10,855,175 |

a) Investments in subsidiaries

| | Separate |
|--|-----------------------|
| | financial information |
| | Baht'000 |
| For the three-month period ended 31 March 2020 | |
| Opening net book amount | 8,071,409 |
| Closing net book amount | 8,071,409 |

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

Subsidiaries which are directly held by the Company are as follows:

| Company | Nature of business | Country of incorporation | Separate financial information | |
|---|------------------------------------|--------------------------|--------------------------------|---------------------|
| | | | Investment portion (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| Chao Phaya Resort Limited | Hotel operation and shopping mall | Thailand | 81.2 | 81.2 |
| Hua Hin Resort Limited | Sales of property | Thailand | 100 | 100 |
| Maerim Terrace Resort Limited ("MTR") | Hotel operation | Thailand | 45.3 ⁽¹⁾ | 45.3 ⁽¹⁾ |
| Samui Resort and Spa Limited | Hotel operation | Thailand | 100 | 100 |
| Rajadamri Hotel Public Company Limited | Hotel operation | Thailand | 99.2 | 99.2 |
| MI Squared Limited | Hotel operation | Thailand | 100 | 100 |
| Hua Hin Village Limited | Hotel operation | Thailand | 100 | 100 |
| Baan Boran Chiangrai Limited | Hotel operation | Thailand | 100 | 100 |
| Samui Village Limited | Under liquidation process | Thailand | 100 | 100 |
| Coco Palm Hotel & Resort Limited | Hotel operation | Thailand | 100 | 100 |
| Coco Recreation Limited | Hotel operation | Thailand | 100 | 100 |
| Samui Beach Club Owner Limited | Hotel operation & rent of property | Thailand | 100 | 100 |
| The Minor Food Group Public Company Limited | Sales of food and beverage | Thailand | 99.7 | 99.7 |
| Royal Garden Plaza Limited | Shopping mall | Thailand | 100 | 100 |
| M Spa International Limited | Spa services | Thailand | 100 | 100 |
| Samui Beach Residence Limited | Sales of property | Thailand | 100 | 100 |
| Coco Residence Limited | Sales of property | Thailand | 100 | 100 |

⁽¹⁾ Investment portion of 45.3% represents direct holding in MTR. Another 25.7% indirect holding is invested through a subsidiary.

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

| Company | Separate financial information | | | |
|--|-------------------------------------|--------------------------|------------------------|---------------------|
| | Nature of business | Country of incorporation | Investment portion (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| Minor Hotel Group Limited ("MHG") | Hotel management | Thailand | 27.8 ⁽²⁾ | 27.8 ⁽²⁾ |
| Minor Supply Chain Solutions Limited | Supply chain management | Thailand | 100 | 100 |
| Minor Global Solutions Limited | Under liquidation process | Thailand | 100 | 100 |
| Chao Phaya Resort and Residence Limited | Hotel operation & sales of property | Thailand | 100 | 100 |
| Minor Corporation Public Company Limited ("MINOR") | Distribution | Thailand | 91.4 ⁽³⁾ | 91.4 ⁽³⁾ |
| RGR International Limited | Management | British Virgin Islands | 100 | 100 |
| R.G.E. (HKG) Limited | Management | Hong Kong | 100 | 100 |
| M&H Management Limited | Management | Republic of Mauritius | 100 | 100 |
| Lodging Investment (Labuan) Limited | Holding investment | Malaysia | 100 | 100 |
| Minor International (Labuan) Limited | Hotel operation | Malaysia | 100 | 100 |
| AVC Club Developer Limited | Vacation club point sales | Republic of Mauritius | 100 | 100 |
| AVC Vacation Club Limited | Vacation club point sales | Republic of Mauritius | 100 | 100 |
| Phuket Beach Club Owner Limited | Management | Thailand | 100 | 100 |
| MHG Phuket Limited ("MHGP") | Hotel operation | Thailand | 96.9 ⁽⁴⁾ | 96.9 ⁽⁴⁾ |
| Minor Sky Rider Limited | Entertainment operation | Thailand | 100 | 100 |
| Minor Continental Holding (Mauritius) | Holding investment | Republic of Mauritius | 100 | 100 |

⁽²⁾ Investment portion of 27.8% represent direct holding in MHG. Another 72.2% indirect holding is invested through a subsidiary.

⁽³⁾ Investment portion of 91.4% represents direct holding in MINOR. Another 8.6% indirect holding is invested through a subsidiary.

⁽⁴⁾ Investment portion of 96.9% represents direct holding in MHGP. Another 3.1% indirect holding is invested through a subsidiary.

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

b) Investments in associates

| | Consolidated financial information Baht'000 | Separate financial information Baht'000 |
|---|---|---|
| For the three-month period ended 31 March 2020 | | |
| Opening net book amount | 6,359,570 | 2,783,766 |
| Additions | 3,693 | 3,693 |
| Share of profit (loss) of investments in associates | (55,820) | - |
| Dividends received | (40,799) | - |
| Translation adjustment | (20,365) | - |
| Closing net book amount | <u>6,246,279</u> | <u>2,787,459</u> |

Investments in associates are as follows:

| Company | Nature of business | Consolidated financial information | | |
|--|--------------------|------------------------------------|-------------------------------------|---------------------|
| | | Country of incorporation | Interests portion as a Group (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| Arabian Spa (Dubai) (LLC) | Spa services | United Arab Emirates | 49 | 49 |
| Eutopia Private Holding Limited | Hotel operation | Republic of Maldives | 50 | 50 |
| Tanzania Tourism and Hospitality Investment Limited | Holding investment | British Virgin Islands | 50 | 50 |
| Zanzibar Tourism and Hospitality Investment Limited | Holding investment | British Virgin Islands | 50 | 50 |
| Sizzler China Pte. Ltd. | Franchise owner | Singapore | 50 | 50 |

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

| Company | Nature of business | Country of incorporation | Consolidated financial information | |
|---|----------------------------|--------------------------|------------------------------------|---------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| Select Service Partner Limited | Sales of food and beverage | Thailand | 51 ⁽¹⁾ | 51 ⁽¹⁾ |
| Harbour View Corporation Limited | Hotel operation | Vietnam | 30.4 | 30.4 |
| Zuma Bangkok Limited | Sales of food and beverage | Thailand | 51 ⁽²⁾ | 51 ⁽²⁾ |
| S&P Syndicate Public Company Limited | Sales of food and beverage | Thailand | 35.9 | 35.9 |
| Rani Minor Holding Limited | Hotel operation | United Arab Emirates | 25 | 25 |
| Serendib Hotels PLC | Hotel operation | Sri Lanka | 25 | 25 |
| MHG Lesotho (Proprietary) Limited | Hotel operation | Lesotho | 46.9 | 46.9 |
| NYE and RGP Development Co., Ltd. | Sales of property | Thailand | 40 | 40 |
| Breadtalk Group Limited | Sales of food and beverage | Singapore | 14.2 ⁽³⁾ | 14.2 ⁽³⁾ |
| Cardamom Tented Camp Co., Ltd. | Hotel operation | The Kingdom of Cambodia | 35 | 35 |
| Borakay Beach, S.L. | Hotel operation | Spain | 50 | 50 |
| Consorcio Grupo Hotelero T2, S. A. de C. V. | Hotel operation | Mexico | 10 | 10 |

⁽¹⁾ The Group does not have control over Select Service Partner Limited although the Group holds equity interest of 51%. This investment is classified as investment in associate and applies equity method of accounting in the consolidated financial statements.

⁽²⁾ Investment portion in Zuma Bangkok Limited is 51% but the Group has voting right only at 35%.

⁽³⁾ Investment portion in Breadtalk Group Limited is 14.2% but the Group has significant influence over this associate.

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

| Consolidated financial information | | | | |
|---------------------------------------|--------------------|--------------------------|----------------------------------|------------------|
| Company | Nature of business | Country of incorporation | Interests portion as a Group (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| Hotelera del Mar, S.A. | Hotel operation | Argentina | 20 | 20 |
| Inmobiliaria 3 Poniente, S.A. De C.V. | Hotel operation | Mexico | 27 | 27 |
| Losan Investment, Ltd. | Hotel operation | United Kingdom | 30 | 30 |
| Mil Novecientos Doce, S.A. de C.V. | Hotel operation | Mexico | 25 | 25 |
| Sotocaribe SI | Hotel operation | Spain | 36 | 36 |

| Separate financial information | | | | |
|--------------------------------------|----------------------------|--------------------------|------------------------|------------------|
| Company | Nature of business | Country of incorporation | Investment portion (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| S&P Syndicate Public Company Limited | Sales of food and beverage | Thailand | 35.9 | 35.9 |

c) Interests in joint ventures

| | Consolidated financial information Baht'000 |
|---|---|
| For the three-month period ended 31 March 2020 | |
| Opening net book amount | 2,614,326 |
| Additions | 2,500 |
| Share of profit (loss) of interests in joint ventures | 12,645 |
| Translation adjustment | 1,751 |
| Closing net book amount | 2,631,222 |

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

The jointly controlled entities are:

| Company | Nature of business | Country of incorporation | Consolidated financial information | |
|--|--------------------------------|------------------------------|------------------------------------|------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| PH Resorts (Private) Ltd. | Hotel operation | Sri Lanka | 49.9 | 49.9 |
| MHG Deep Blue Financing | Management | Republic of Mauritius | 50 | 50 |
| O Plus E Holdings Private Limited | Holding company | The Republic of the Maldives | 50 | 50 |
| Pecan Deluxe (Thailand) Co. Ltd. | Manufacturing food ingredients | Thailand | 49.9 | 49.9 |
| Liwa Minor Food & Beverage LLC | Sales of food and beverage | The United Arab Emirates | 49 | 49 |
| Rani Minor Holding II Limited | Holding company | The United Arab Emirates | 49 | 49 |
| MSC Thai Cuisine Co., Ltd. | Food academy | Thailand | 43.8 | 43.8 |
| MHG Npark Development Company Limited | Sales of property | Thailand | 50 | 50 |
| MHG Signity Assets Holding (Mauritius) Limited | Holding company | Republic of Mauritius | 50 | 50 |
| Patara Fine Thai Cuisine Limited | Sales of food and beverage | The United Kingdom | 50 | 50 |
| PT Wika Realty Minor Development | Hotel operation | Republic of Indonesia | 50 | 50 |
| MHG GP Pte. Ltd. | Holding company | Singapore | 50 | 50 |

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

| Company | Nature of business | Country of incorporation | Consolidated financial information | |
|------------------------------------|--------------------------------|--------------------------|------------------------------------|-------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 March 2020 | 31 December 2019 |
| Avadina Hills Limited | Sales of property | Thailand | 50 | 50 |
| Layan Hill Residence Limited | Sales of property | Thailand | 50 | 50 |
| Layan Bang Tao Development Limited | Sales of property | Thailand | 50 | 50 |
| Plexus Maldives Private Limited | Hotel operation | The Republic of Maldives | 50 | 50 |
| H&A Park Limited | Hotel operation | Thailand | 50 | 50 |
| Art of Baking Co., Ltd. | Manufacturing food ingredients | Thailand | 51 ⁽¹⁾ | 51 ⁽¹⁾ |
| Ya Hua International Pte. Ltd. | Sales of food and beverage | Singapore | 50 | 50 |
| Barbarons Beach Hotel MHG Limited | Airport lounge | Seychelles | 40 | 40 |
| TCC Holding Joint Stock Company | Sales of food and beverage | Vietnam | 50 | 50 |
| Dining Collective Pte. Ltd. | Sales of food and beverage | Singapore | 50 | 50 |
| Verita MHG Company Limited | Health care business | Thailand | 50 | - |

⁽¹⁾ Although the Group holds an equity interest of 51%, the Group has the jointly control as agreed in the shareholder agreement; therefore, this investment is still classified as interests in joint venture.

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12 Property, plant and equipment

| | Consolidated financial information Baht'000 | Separate financial information Baht'000 |
|--|---|---|
| For the three-month period ended 31 March 2020 | | |
| Opening net book amount (as previously reported) | 123,129,061 | 164,877 |
| Retrospective adjustment from changes in accounting policy (Note 5) | (123,007) | - |
| Opening net book amount after adjustment | 123,006,054 | 164,877 |
| Additions | 2,689,535 | 372 |
| Acquisition from investment in subsidiaries (Note 24) | 42,931 | - |
| Disposals, net | (104,841) | - |
| Write-offs, net | (91,113) | - |
| Transfer from (to) other accounts | (64,963) | - |
| Depreciation charge | (1,867,540) | (8,018) |
| Reversal of impairment charge | 59,957 | - |
| Translation adjustment | 4,506,339 | - |
| Closing net book amount | 128,176,359 | 157,231 |

Subsidiaries of the Group have mortgaged land and building amounting to AUD 95 million and EUR 249 million or equivalent to Baht 10,855 million (31 December 2019: AUD 95 million and EUR 200 million or equivalent to Baht 8,747 million) to secure loans with foreign banks (Note 15).

| | Consolidated financial information | |
|---|------------------------------------|-------------|
| | Baht Million | EUR Million |
| Commitments in respect of construction contracts and purchases of assets as at 31 March 2020 | 478 | 12 |
| Commitments in respect of construction contracts and purchases of assets as at 31 December 2019 | 634 | 38 |

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13 Intangible assets

| | Consolidated financial information Baht'000 | Separate financial information Baht'000 |
|--|---|---|
| For the three-month period ended 31 March 2020 | | |
| Opening net book amount (as previously reported) | 59,706,816 | 26,152 |
| Retrospective adjustment from changes in accounting policy (Note 5) | (1,038,171) | - |
| Opening net book amount (as restated) | 58,668,645 | 26,152 |
| Additions | 256,851 | 24 |
| Acquisition from investment in subsidiaries (Note 24) | 2,593,027 | - |
| Disposals, net | (439) | - |
| Write-offs, net | (428) | - |
| Transfer from (to) other accounts | 9,283 | - |
| Amortisation charge | (290,963) | (1,134) |
| Reversal of impairment charge | 213 | - |
| Translation adjustment | 1,997,471 | - |
| Closing net book amount | 63,233,660 | 25,042 |

A subsidiary of the Group has pledged asset management rights amounting to AUD 161 million or equivalent to Baht 3,248 million (31 December 2019: AUD 162 million or equivalent to Baht 3,417 million) to secure loans with foreign banks.

14 Trade and other payables

| | Consolidated financial information | | Separate financial information | |
|---|---------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 | 31 March 2020 Baht'000 | 31 December 2019 Baht'000 |
| Trade payables - third parties | 10,089,123 | 11,242,774 | 2,708 | 8,188 |
| Trade payables - related parties (Note 9) | 39,720 | 45,686 | 10,192 | 24,818 |
| Amounts due to related parties (Note 9) | 8,768 | 19,097 | 9,696 | 10,382 |
| Accrued expenses | 5,614,995 | 6,831,587 | 286,507 | 657,213 |
| Account payable - contractors | 285,427 | 286,783 | 39 | 39 |
| Other payables | 1,708,823 | 1,610,252 | 26,000 | 13,009 |
| Total trade and other payables | 17,746,856 | 20,036,179 | 335,142 | 713,649 |

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15 Borrowings

| | Consolidated | | Separate | |
|--|-----------------------|--------------------|-----------------------|-------------------|
| | financial information | | financial information | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Current | | | | |
| Bank overdrafts | 80,831 | - | - | - |
| Short-term borrowings from financial institutions | 3,985,252 | 300,000 | 3,913,335 | 300,000 |
| Sub-total | 4,066,083 | 300,000 | 3,913,335 | 300,000 |
| Borrowings from related parties (Note 9) | - | - | 4,553,395 | 4,338,917 |
| Current portion of long-term borrowings from financial institutions | 6,285,533 | 5,659,718 | 2,868,871 | 2,935,438 |
| Current portion of debentures | 8,292,545 | 4,000,000 | 8,292,545 | 4,000,000 |
| Total current borrowings | 18,644,161 | 9,959,718 | 19,628,146 | 11,574,355 |
| Non-current | | | | |
| Borrowings from financial institutions | 50,742,297 | 39,010,773 | 17,684,391 | 16,268,953 |
| Debentures | 60,125,921 | 63,375,520 | 47,086,601 | 51,064,613 |
| Total non-current borrowings | 110,868,218 | 102,386,293 | 64,770,992 | 67,333,566 |
| Total borrowings | 129,512,379 | 112,346,011 | 84,399,138 | 78,907,921 |

15 Borrowings (Cont'd)

The movements in long-term borrowings from financial institutions can be analysed as below:

| | Consolidated financial information Baht'000 | Separate financial information Baht'000 |
|---|---|---|
| | <u>Baht'000</u> | <u>Baht'000</u> |
| For the three-month period ended 31 March 2020 | | |
| Opening amount | 44,670,491 | 19,204,391 |
| Additions | 10,134,318 | 178,296 |
| Repayments | (351,878) | (57,283) |
| Amortisation of underwriting fees | 32,133 | 11,582 |
| Unrealised (gain) loss on exchange rate | 1,219,561 | 1,216,276 |
| Translation adjustment | 1,323,205 | - |
| | <u>57,027,830</u> | <u>20,553,262</u> |

Borrowings from financial institutions

Significant additional borrowings from financial institutions by the Group and the Company for the period ended 31 March 2020 comprise:

- a) The Company draw down unsecured long-term loan facility of EUR 5 million. The loan carries a variable interest rate of EURIBOR plus a margin and is due for repayment in 2026. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- b) A subsidiary has secured loans from banks of EUR 250 million. The loans carry variable interest rates which due for repayment in 2021. The loans are subject to certain conditions which the subsidiary has to comply with throughout the loan period and use the hotel properties as collateral (Note 12).
- c) A subsidiary has unsecured loans totalling EUR 27.2 million. The loans carry a variable interest rate which due for repayment during 2020 and 2037. The loans are subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- d) A subsidiary draw down secured long-term loan facility of THB 133.5 million. The loan carries a variable interest rate of MLR plus a margin and is due for repayment during 2022 - 2031. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- e) A subsidiary has a secured loan totalling GBP 6 million. The loans carry a variable interest rate of LIBOR plus a margin and is due for repayment during 2021 - 2025. The loans are subject to certain conditions which the subsidiary has to comply with throughout the loan period.

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15 Borrowings (Cont'd)

Debentures

Debentures comprise:

| Issued date | Due date | Period (Years) | Consolidated financial information | | Separate financial information | | Interest rate | Condition |
|-------------|----------|----------------|------------------------------------|------------------|--------------------------------|------------------|---------------|---|
| | | | 31 March 2020 | 31 December 2019 | 31 March 2020 | 31 December 2019 | | |
| | | | Baht Million | Baht Million | Baht Million | Baht Million | | |
| Oct 2011 | Oct 2021 | 10 | 300 | 300 | 300 | 300 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Aug 2012 | Aug 2022 | 10 | 2,700 | 2,700 | 2,700 | 2,700 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2020 | 5 | 4,000 | 4,000 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2025 | 10 | 4,000 | 4,000 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2021 | 5 | 2,800 | 2,800 | 2,800 | 2,800 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2031 | 15 | 1,200 | 1,200 | 1,200 | 1,200 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Apr 2017 | Oct 2023 | 6 | 13,039 | 12,311 | - | - | Fixed | Secured, senior and with a debenture holders' representative |
| Jul 2017 | Jul 2027 | 10 | 1,634 | 1,508 | 1,634 | 1,508 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2024 | 7 | 1,000 | 1,000 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2032 | 15 | 1,000 | 1,000 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2018 | Mar 2028 | 10 | 1,000 | 1,000 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Oct 2018 | Oct 2033 | 15 | 2,877 | 2,698 | 2,877 | 2,698 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2021 | 2 | 1,500 | 1,500 | 1,500 | 1,500 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2022 | 3 | 7,700 | 7,700 | 7,700 | 7,700 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2024 | 5 | 6,800 | 6,800 | 6,800 | 6,800 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2029 | 10 | 7,500 | 7,500 | 7,500 | 7,500 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2031 | 12 | 4,000 | 4,000 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2034 | 15 | 5,500 | 5,500 | 5,500 | 5,500 | Fixed | Unsecured, senior and without a debenture holders' representative |

The movements in debentures can be analysed as below:

| | Consolidated financial information Baht'000 | Separate financial information Baht'000 |
|--|--|--|
| For the three-month period ended 31 March 2020 | | |
| Opening amount | 67,375,520 | 55,064,613 |
| Amortisation of underwriting fees | 28,435 | 10,482 |
| Unrealised (gain) loss on exchange rate | 304,051 | 304,051 |
| Translation adjustment | 710,460 | - |
| Closing amount | 68,418,466 | 55,379,146 |

16 Share capital and share premium

| | Consolidated financial information | | | |
|----------------------------------|------------------------------------|-----------|---------------|------------|
| | Number of | Ordinary | Share premium | Total |
| | ordinary | shares | | |
| | shares | Baht'000 | Baht'000 | Baht'000 |
| | Shares'000 | | | |
| For the three-month period ended | | | | |
| 31 March 2020 | | | | |
| Opening balance | 4,619,005 | 4,619,005 | 15,018,401 | 19,637,406 |
| Exercise warrants | - | - | 13 | 13 |
| Closing balance | 4,619,005 | 4,619,005 | 15,018,414 | 19,637,419 |

| | Separate financial information | | | |
|----------------------------------|--------------------------------|-----------|---------------|------------|
| | Number of | Ordinary | Share premium | Total |
| | ordinary | shares | | |
| | shares | Baht'000 | Baht'000 | Baht'000 |
| | Shares'000 | | | |
| For the three-month period ended | | | | |
| 31 March 2020 | | | | |
| Opening balance | 4,619,005 | 4,619,005 | 14,992,748 | 19,611,753 |
| Exercise warrants | - | - | 13 | 13 |
| Closing balance | 4,619,005 | 4,619,005 | 14,992,761 | 19,611,766 |

As at 31 March 2020, the authorised shares comprise 4,850 million ordinary shares (31 December 2019: 4,850 million ordinary shares) at par value of Baht 1 each. The issued and fully paid-up shares comprise 4,619 million ordinary shares (31 December 2019: 4,619 million ordinary shares) at par value of Baht 1 each.

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17 Warrants

The Group has outstanding warrants to subscribe for ordinary shares to existing shareholders of the Company, 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 this interim financial information.

| Issued by | Allotted to | Approval date | Determined exercising date | | As at 31 December 2019 | Increase during the period | Decrease during the period | | | As at 31 March 2020 | | |
|-------------------------------|--------------------------------|---------------|----------------------------|-------------------|------------------------|----------------------------|--|--|---------------------|---------------------|-------------|----------------------------------|
| | | | First exercise | Last exercise | | | Exercise ratio for ordinary shares per 1 warrant | Issue of ordinary shares during the period | Exercise price Baht | | Amount Baht | Outstanding warrant Million unit |
| The Company | Existing-shareholder (MINT-W6) | 4 June 2019 | 15 August 2019 | 30 September 2021 | 231 | - | 0.0003 | 1 | 310 | 43 | 13,330 | 231 |
| Total issuance by the Company | | | | | 231 | - | 0.0003 | | 310 | | 13,330 | 231 |

At the Annual General Meeting of the Shareholders of the Company held on 22 April 2019, the shareholders passed a resolution to approve the issuance of the Company's warrants on ordinary shares (MINT-W6), not exceeding 230,945,715 units for offering to existing shareholders, having a term of not exceeding 2 years from the initial issuance date, and having an exercise ratio of 1 unit of warrant per 1 ordinary share at an exercise price of Baht 43 per share.

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18 Other income

| | For the three-month periods ended 31 March | | | |
|--------------------------------------|--|----------|-----------------------|----------|
| | Consolidated | | Separate | |
| | financial information | | financial information | |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Delivery income | 62,033 | 58,859 | - | - |
| Premium sales income | 39,554 | 38,740 | - | - |
| Advisory income | 42,999 | 40,151 | - | - |
| Rental income | 40,985 | 79,020 | - | - |
| Maintenance fee income | 16,745 | 15,168 | - | - |
| Trademark fee income | 26,189 | 25,524 | - | - |
| Subsidy income | 40,014 | 43,068 | - | - |
| Sales of raw material to franchisees | 17,752 | 8,963 | - | - |
| Others | 282,874 | 595,870 | 15,316 | 8,493 |
| Total other income | 569,145 | 905,363 | 15,316 | 8,493 |

19 Other (gains) losses, net

| | For the three-month periods ended 31 March | | | |
|---|--|----------|-----------------------|----------|
| | Consolidated | | Separate | |
| | financial information | | financial information | |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| (Gain) loss on exchange rate, net | (3,394,831) | 184,896 | (3,489,877) | 211,537 |
| (Gain) loss on measurement of financial instruments, net | 2,115,669 | - | 2,115,669 | - |
| Total other (gains) losses, net | (1,279,162) | 184,896 | (1,374,208) | 211,537 |

20 Income tax

| | For the three-month periods ended 31 March | | | |
|---------------------|--|----------|-----------------------|----------|
| | Consolidated | | Separate | |
| | financial information | | financial information | |
| | 2020 | 2019 | 2020 | 2019 |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Current income tax | 220,962 | 337,758 | 112,616 | 16,398 |
| Deferred income tax | (558,233) | (20,091) | (100,885) | (50) |
| Total income tax | (337,271) | 317,667 | 11,731 | 16,348 |

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The effective income tax rate for the Company is approximately 3%.

21 Earnings per share for profit attributable to the shareholders of the parent

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the parent for the period by the weighted average number of paid-up ordinary shares in issue during the period.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the period) 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.

| | Consolidated and Separate | |
|---|---------------------------|------------|
| | financial information | |
| | For the three-month | |
| | 2020 | 2019 |
| | Shares'000 | Shares'000 |
| Weighted average number of ordinary shares for earnings per share | 4,619,005 | 4,618,914 |
| Dilutive potential ordinary shares | - | - |
| Weighted average number of ordinary shares for diluted earnings | 4,619,005 | 4,618,914 |

21 Earnings per share for profit attributable to the shareholders of the parent (Cont'd)

| | Consolidated | |
|--|--|-----------|
| | financial information | |
| | For the three-month periods ended 31 March | |
| | 2020 | 2019 |
| Profit (loss) for the period attributable to ordinary shareholders (Baht'000) | (1,773,522) | 583,135 |
| <u>Less</u> Cumulative interest expense for the period on perpetual debentures (net of tax) (Baht'000) | (327,842) | (325,361) |
| Profit (loss) for the period used to determine basic earnings per share (Baht'000) | (2,101,364) | 257,774 |
| Basic earnings (loss) per share (Baht) | (0.4549) | 0.0558 |
| Diluted earnings (loss) per share (Baht) | (0.4549) | 0.0558 |
| | | |
| | Separate | |
| | financial information | |
| | For the three-month periods ended 31 March | |
| | 2020 | 2019 |
| Profit for the period attributable to ordinary shareholders (Baht'000) | 1,799,701 | 283,837 |
| <u>Less</u> Cumulative interest expense for the period on perpetual debentures (net of tax) (Baht'000) | (327,842) | (325,361) |
| Profit (loss) for the period used to determine basic earnings per share (Baht'000) | 1,471,859 | (41,524) |
| Basic earnings (loss) per share (Baht) | 0.3187 | (0.0090) |
| Diluted earnings (loss) per share (Baht) | 0.3187 | (0.0090) |

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22 Perpetual debentures

As at 31 March 2020, the Company has perpetual debentures of Baht 24,822 million, net of issuance cost of Baht 1,034 million, which were presented as a part of equity in the interim consolidated and separate financial information.

During the three-month period ended 31 March 2020, the Company paid interest to the debentures holders of Baht 438 million (2019: Baht 435 million).

23 Guarantees

The Group and the Company have given the following guarantees in the normal courses of business.

| | 31 March 2020 | | | | | | | | | | | | | | | | | | |
|--|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Consolidated financial information | | | | | | | | | | Separate financial information | | | | | | | | |
| | Baht Million | USD Million | GBP Million | AUD Million | EUR Million | CNY Million | AED Million | SGD Million | BRL Million | MYR Million | Baht Million | USD Million | GBP Million | AUD Million | EUR Million | AED Million | SGD Million | BRL Million | MYR Million |
| Letters of guarantees issued by banks on behalf of the Group | 1,382.4 | 2.8 | - | 15.6 | 39.6 | 70.0 | 56.0 | - | - | 0.6 | 879.1 | - | - | - | 0.7 | 26.0 | - | - | 0.6 |
| Guarantee given by the Group to financial institution to guarantee for credit facilities | 3,781.1 | 122.2 | 6.0 | 141.2 | 204.2 | 125.0 | - | 55.0 | 5.0 | 100.2 | 1,955.5 | 122.2 | 6.0 | 138.7 | - | - | 55.0 | 5.0 | 100.2 |

| | 31 December 2019 | | | | | | | | | | | | | | | | | |
|--|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Consolidated financial information | | | | | | | | | | Separate financial information | | | | | | | |
| | Baht Million | USD Million | GBP Million | AUD Million | EUR Million | CNY Million | AED Million | SGD Million | BRL Million | MYR Million | Baht Million | USD Million | GBP Million | AUD Million | EUR Million | AED Million | SGD Million | BRL Million |
| Letters of guarantees issued by banks on behalf of the Group | | | 1,174.4 | 4.0 | 13.7 | 31.7 | - | 26.0 | - | 0.6 | 797.0 | - | - | - | 26.0 | - | - | 0.6 |
| Guarantee given by the Group to financial institution to guarantee for credit facilities | | 5,336.1 | 124.6 | 138.9 | 604.2 | 125.0 | - | 5.0 | 100.2 | 3,499.5 | 124.6 | 138.7 | 400.0 | - | 5.0 | 100.2 | | |

24 Business acquisitions

Spoonful Pte. Ltd. and Spoonful (Thailand) Limited

During the first quarter of 2020, subsidiaries of the Group acquired 70% of issued shares in Spoonful Pte. Ltd. and Spoonful (Thailand) Limited for initial purchase price of Baht 2,575 million. Initial purchase price is determined by estimated completion statements and will be subsequently adjusted when final completion statements is available. This acquisition is considered as business combination.

Details of the acquisition were as follows:

| | Baht Million |
|--|--------------|
| Purchase price considerations | 2,575 |
| Provisional fair value of net assets under interest acquired | 38 |
| Goodwill | 2,537 |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | Spoonful Baht Million | Spoonful (Thailand) Baht Million | Total Baht Million |
|--|--------------------------|--|-----------------------|
| Cash | 39 | 36 | 75 |
| Receivables | 9 | - | 9 |
| Other current assets | 8 | 2 | 10 |
| Property, plant and equipment | - | 8 | 8 |
| Payables | (5) | (37) | (42) |
| Other current liabilities | (1) | (5) | (6) |
| Total | 50 | 4 | 54 |
| Non-controlling interests | | | (16) |
| Provisional fair value of net assets under interest acquired | | | 38 |

As at 31 March 2020, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

24 Business acquisitions (Cont'd)

Scomadi Group and Marin Engineering Co., Ltd.

During the first quarter of 2020, a subsidiary of the Group acquired Scomadi (Thailand) Co., Ltd., Scomadi Asia-Pacific Co., Ltd. and Scomadi Worldwide Holding Limited, referred to as "Scomadi Group" for 55% of issued shares and Marin Engineering Co., Ltd. for 49.5% issued shares without purchase price consideration which is considered as business combination.

Details of the acquisition were as follows:

| | Baht Million |
|--|--------------|
| Purchase price considerations | - |
| Provisional fair value of net assets under interest acquired | (56) |
| Goodwill | 56 |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | Scomadi Group | Marin Engineering | Total |
|--|---------------|----------------------|--------------|
| | Baht Million | Baht Million | Baht Million |
| Cash | 5 | 24 | 29 |
| Receivables | 8 | 37 | 45 |
| Other current assets | 1 | 19 | 20 |
| Property, plant and equipment | 7 | 28 | 35 |
| Other non-current assets | 1 | 35 | 36 |
| Bank overdraft | - | (29) | (29) |
| Payables | (27) | (118) | (145) |
| Borrowings | - | (82) | (82) |
| Other liabilities | (16) | (4) | (20) |
| Total | (21) | (90) | (111) |
| Non-controlling interests | 10 | 45 | 55 |
| Provisional fair value of net assets under interest acquired | | | (56) |

As at 31 March 2020, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

25 Post statement of financial position events

During April 2020, BTG Holding Company Pte. Ltd., an associate of the Group, has completed a voluntary conditional cash offer to acquire shares of BreadTalk Group Limited, a listed company on the Singapore Exchange, with the offer acceptance of 98.03% of the total number of shares.

MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

Independent Auditor's Report

To the shareholders of Minor International Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Minor International Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Key audit matter | How my audit addressed the key audit matter |
|--|--|
| <p>Recoverable amount of brand</p> <p>Refer to Note 5 to the consolidated financial statements for critical accounting estimates and judgements related to brand.</p> <p>The Group has brand of Baht 38,421 million as at 31 December 2019, which mainly relates to 2 business segments which are Hotel & Spa and Restaurant. The Group is required to, at least annually, test brand for impairment.</p> <p>For the year ended 31 December 2019, the management have performed an impairment assessment over the brand balance by:</p> <ol style="list-style-type: none">1. Calculating the value in use for each Cash Generating Unit ("CGU") using a discounted cash flow model. These models used cash flows (revenues and expenses) for each CGU for 5 years, with constant terminal growth rate applied after the 5th year. These cash flows were then discounted to net present value using the weighted average cost of capital (WACC); and2. Comparing the resulting value in use of each CGU to their respective book values. <p>Based on the annual brand impairment test, the management concluded there is no brand impairment as at 31 December 2019. The key assumptions are disclosed in Note 19 to the financial statements.</p> | <p>The audit procedures included the followings;</p> <ul style="list-style-type: none">• Obtained, understood and evaluated the composition of management's cash flow forecasts and the process by which they were developed, including tests the mathematical accuracy of the management.• Compared current year actual results with the figures included in the prior year forecast to consider whether any forecasts included assumptions that, with hindsight, had been optimistic.• Assessed management's key assumptions by comparing them to historical results and economic and industry outlook. Those assumptions include growth rate of the business, estimated cost and estimated expenses in the future.• Reviewed parameters used to determine the discount rate applied and re-performed the calculations.• Assessed management on the adequacy of their sensitivity calculations over all their CGUs. The valuation of brand is sensitive to changes in key assumptions, in case they are not achieved, could reasonably be expected to give rise to impairment charge in the future.• Evaluated the adequacy of the disclosures made in notes of the financial statements, including those regarding the key assumptions and sensitivity of those assumptions. |

| Key audit matter | How my audit addressed the key audit matter |
|---|---|
| <p>I focused on this area due to the size of brand balance of around 15% of total assets and the annual assessment process involves significant management judgement, which is based on assumptions that are affected by expected future market and economic conditions.</p> | <p>Based on the above procedures, I considered management's key assumptions used in assessing the brand impairment are reasonable based on available evidences.</p> |
| <p><i>Sale and leaseback arrangement</i></p> <p>Refer to Note 31 to the financial statements related to other income.</p> <p>During the year ended 31 December 2019, the Group entered into sale and leaseback arrangement, where total common shares of overseas subsidiaries, together with all of their assets were sold. Gross selling price of the assets are Baht 10,679 million, with related transaction cost of Baht 955 million. Net book value of assets sold at the transaction date are Baht 4,981 million. As a result, the transaction has resulted in gain on sale of Baht 4,743 million.</p> <p>Following completion of sale transactions, the Group then entered into lease agreements, to lease back all of the properties for an initial term of 20 years, with options to extend lease term for a combined period of up to 60 years. Under the lease agreement, the Group pays annual variable rent for the leased premises based on revenue generated from hotel operations, which is not less than base rent level set forth in the agreements, until it reaches capped basket level.</p> | <p>The audit procedures included the followings;</p> <ul style="list-style-type: none"> ● Obtained understanding of the transactions by inquiries with management and review of significant terms in the sales agreements and the lease agreements, in order to identify accounting impact from such terms and decide appropriate audit procedures. ● Reviewed management's assessment on transfer of controls over the assets sold in accordance with relating Thai Financial Reporting Standard, by referencing to relevant facts and terms under the sales and the lease agreements. ● Reviewed management's assessment of sales price, whether it approximates fair value of the assets sold. Assessed the competence and objectivity of the external valuation expert engaged by management. ● Assessed key assumptions applied in determining fair value of the assets sold, by comparing management's assumptions to data from other independent sources to assess appropriateness of key assumptions applied in the valuation. In performing such work, I also involved my auditor's expert to support my assessment of the reasonableness of the assumptions. ● Tested the calculation of the gain on sale, being the difference between the net selling price and net book value of the assets sold. |

| Key audit matter | How my audit addressed the key audit matter |
|--|--|
| <p>An important element of auditing this sale and leaseback transaction related to the consideration whether controls over the assets were transferred to the buyer at point of sales, such that sales of the assets and gain on sales were recognised accordingly. This also involved review of management's assessment whether sales price of the assets approximated fair value. Management engaged external valuation expert to perform the fair value assessment based on several key assumptions.</p> <p>I focused on this transaction as it was material in amount to the consolidated financial statements. It also related to significant judgement that management exercised on the fair valuation of the assets sold.</p> | <ul style="list-style-type: none"> • Tested consideration received and related accounting records with supporting evidences. • Reviewed management's assessment of lease terms and lease classification, in accordance to framework in accordance with relating Thai Financial Reporting Standard. <p>Based on the above procedures, I considered that management's assessment of transfer of control of Asset at point of sales and key assumptions applied in determining fair value of the assets sold are reasonable based on available evidences.</p> |

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Anothai Leekitwattana

Certified Public Accountant (Thailand) No. 3442

Bangkok

27 February 2020

Minor International Public Company Limited
 Statements of Financial Position
 As at 31 December 2019

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|------------------------|----------------------------------|------------------------|
| | | (Restated) | | 2019 Baht | 2018 Baht |
| | | 2019 Baht | 2018 Baht | | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 13,330,821,335 | 12,759,883,522 | 302,184,102 | 111,546,471 |
| Trade and other receivables | 9 | 15,554,016,990 | 14,941,370,577 | 1,626,296,403 | 1,545,542,689 |
| Inventories | 10 | 4,139,131,141 | 3,704,741,879 | 4,455,702 | 6,989,405 |
| Land and real estates project for sales | 11 | 1,427,789,963 | 1,895,809,186 | - | - |
| Other current assets | 12 | 2,665,312,921 | 2,616,040,458 | 42,107,098 | 60,104,226 |
| Non-current assets classified as held-for-sale | 13 | 1,481,717,622 | 2,057,069,723 | - | - |
| Total current assets | | 38,598,789,972 | 37,974,915,345 | 1,975,043,305 | 1,724,182,791 |
| Non-current assets | | | | | |
| Trade receivables long-term contracts | 9 | 3,087,693,029 | 3,383,355,977 | - | - |
| Available-for-sale investments | 14 | 25,631,724 | 26,166,370 | 23,661,565 | 24,754,790 |
| Investments in subsidiaries | 15 | - | - | 8,071,408,665 | 6,171,579,290 |
| Investments in associates | 15 | 6,359,569,618 | 7,159,591,855 | 2,783,765,824 | 2,779,663,176 |
| Interests in joint ventures | 15 | 2,614,326,059 | 2,801,463,271 | - | - |
| Other long-term investments | 14 | 166,326,237 | 531,658,469 | - | - |
| Long-term loans to related parties | 16 | 5,677,839,953 | 5,759,827,806 | 113,868,224,914 | 141,521,128,254 |
| Investment properties | 17 | 1,252,329,153 | 1,186,244,914 | - | - |
| Property, plant and equipment | 18 | 123,129,060,909 | 133,047,150,168 | 164,876,724 | 196,789,346 |
| Intangible assets | 19 | 59,706,815,690 | 63,227,680,018 | 26,151,575 | 22,780,361 |
| Prepaid rents | 20 | 2,174,694,504 | 2,393,678,961 | 9,240,000 | - |
| Deferred tax assets | 33 | 5,503,259,677 | 6,276,639,636 | - | - |
| Other non-current assets | 21 | 5,887,430,494 | 4,312,742,216 | 2,167,485,131 | 418,659,374 |
| Total non-current assets | | 215,584,977,047 | 230,106,199,661 | 127,114,814,398 | 151,135,354,591 |
| Total assets | | 254,183,767,019 | 268,081,115,006 | 129,089,857,703 | 152,859,537,382 |

Director _____

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
 Statements of Financial Position
 As at 31 December 2019

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|------------------------|----------------------------------|------------------------|
| | | (Restated) | | 2019 Baht | 2018 Baht |
| | | 2019 Baht | 2018 Baht | | |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term borrowings | | | | | |
| from financial institutions | 22 | 300,000,000 | 3,480,538,468 | 300,000,000 | 3,427,833,826 |
| Trade and other payables | 23 | 20,036,179,357 | 19,782,213,957 | 713,649,472 | 538,303,747 |
| Short-term borrowings from related parties | 22 | - | - | 4,338,917,425 | 2,089,180,139 |
| Current portion of finance lease liabilities | 22 | 11,500,436 | 13,998,602 | - | - |
| Current portion of long-term borrowings | | | | | |
| from financial institutions | 22 | 5,659,718,000 | 9,635,759,029 | 2,935,438,202 | 9,303,839,271 |
| Current portion of debentures | 22 | 4,000,000,000 | 4,502,710,140 | 4,000,000,000 | 4,500,000,000 |
| Current portion of deferred income | | 251,942,817 | 189,907,543 | 120,538 | 1,377,745 |
| Income tax payable | | 1,859,595,861 | 2,698,723,295 | - | 21,110,020 |
| Other current liabilities | 24 | 3,472,707,737 | 3,349,044,103 | 28,824,148 | 38,015,572 |
| Total current liabilities | | 35,591,644,208 | 43,652,895,137 | 12,316,949,785 | 19,919,660,320 |
| Non-current liabilities | | | | | |
| Finance lease liabilities | 22 | 15,841,420 | 21,823,896 | - | - |
| Long-term borrowings | 22 | 39,010,772,801 | 73,231,947,709 | 16,268,952,920 | 61,687,828,310 |
| Debentures | 22 | 63,375,519,560 | 36,007,094,338 | 51,064,612,531 | 22,575,011,352 |
| Employee benefits obligations | 25 | 1,322,469,480 | 1,367,807,578 | 17,613,950 | 16,317,710 |
| Deferred tax liabilities | 33 | 24,144,264,318 | 26,628,680,026 | 200,138,201 | 139,145,422 |
| Other non-current liabilities | 26 | 4,855,410,499 | 4,869,872,879 | 5,146,756 | 4,283,061 |
| Total non-current liabilities | | 132,724,278,078 | 142,127,226,426 | 67,556,464,358 | 84,422,585,855 |
| Total liabilities | | 168,315,922,286 | 185,780,121,563 | 79,873,414,143 | 104,342,246,175 |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
 Statements of Financial Position
 As at 31 December 2019

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|------------------------|----------------------------------|------------------------|
| | | (Restated) | | 2019 Baht | 2018 Baht |
| | | 2019 Baht | 2018 Baht | | |
| Liabilities and equity (Cont'd) | | | | | |
| Equity | | | | | |
| Share capital | 27 | | | | |
| Authorised share capital | | | | | |
| 4,849,860,006 ordinary shares | | | | | |
| of Baht 1 each (2018: 4,618,914,291 | | | | | |
| ordinary shares of Baht 1 each) | | 4,849,860,006 | 4,618,914,291 | 4,849,860,006 | 4,618,914,291 |
| Issued and paid-up share capital | | | | | |
| 4,619,004,550 ordinary shares | | | | | |
| of Baht 1 each (2018: 4,618,914,291 | | | | | |
| ordinary shares of Baht 1 each) | 27 | 4,619,004,550 | 4,618,914,291 | 4,619,004,550 | 4,618,914,291 |
| Share premium ordinary shares | 27 | 15,018,400,595 | 15,014,609,717 | 14,992,748,219 | 14,988,957,341 |
| Expired warrants in a subsidiary | | 104,788,723 | 104,788,723 | - | - |
| Retained earnings | | | | | |
| Appropriated - legal reserve | 29 | 484,986,001 | 464,178,907 | 484,986,001 | 464,178,907 |
| Unappropriated | | 40,916,449,877 | 33,687,738,943 | 5,916,609,913 | 5,250,947,891 |
| Other components of equity | 30 | (9,470,039,126) | (6,452,385,207) | (584,563,325) | (583,606,825) |
| Total | | 51,673,590,620 | 47,437,845,374 | 25,428,785,358 | 24,739,391,605 |
| Perpetual debentures | 36 | 23,787,658,202 | 23,777,899,602 | 23,787,658,202 | 23,777,899,602 |
| Equity attributable to owners of the parent | | 75,461,248,822 | 71,215,744,976 | 49,216,443,560 | 48,517,291,207 |
| Non-controlling interests | | 10,406,595,911 | 11,085,248,467 | - | - |
| Total equity | | 85,867,844,733 | 82,300,993,443 | 49,216,443,560 | 48,517,291,207 |
| Total liabilities and equity | | 254,183,767,019 | 268,081,115,006 | 129,089,857,703 | 152,859,537,382 |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
Income Statement
For the year ended 31 December 2019

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|-----------------------|----------------------------------|----------------------|
| | | (Restated) | | 2019 Baht | 2018 Baht |
| | | 2019 Baht | 2018 Baht | | |
| Revenues | 7 | | | | |
| Revenues from hotel and related services operations | | 85,550,647,727 | 44,245,956,139 | 608,293,580 | 588,112,376 |
| Revenues from mixed use operations | | 5,889,120,670 | 4,230,119,476 | - | 92,555,926 |
| Sales of food and beverage | | 22,665,775,128 | 22,080,498,673 | - | - |
| Sales from distribution and manufacturing | | 4,917,109,983 | 4,380,956,478 | - | - |
| Dividends income | | 2,016,240 | 456,386,734 | 2,458,006,000 | 1,227,496,853 |
| Interest income | | 721,974,306 | 605,175,207 | 4,035,684,539 | 3,050,277,921 |
| Other income | 31 | 9,314,957,011 | 2,132,966,464 | 564,590,457 | 154,323,924 |
| Total revenues | | 129,061,601,065 | 78,132,059,171 | 7,666,574,576 | 5,112,767,000 |
| Expenses | 32 | | | | |
| Direct cost of hotel and related services operations | | 53,573,740,969 | 22,749,174,678 | 220,131,606 | 234,674,060 |
| Direct cost of mixed use operations | | 2,267,462,854 | 1,054,522,199 | - | 67,141,336 |
| Cost of sales of food and beverage | | 6,581,115,203 | 6,488,540,286 | - | - |
| Cost of sales from distribution and manufacturing | | 2,771,653,077 | 2,474,610,493 | - | - |
| Selling expenses | | 23,802,014,964 | 18,513,730,373 | 100,878,850 | 145,272,932 |
| Administrative expenses | | 23,524,581,640 | 18,431,011,968 | 1,412,348,218 | 599,558,547 |
| Financial costs | | 4,081,485,853 | 2,868,581,300 | 1,998,208,723 | 1,900,566,429 |
| Total expenses | | 116,602,054,560 | 72,580,171,297 | 3,731,567,397 | 2,947,213,304 |
| Operating profit | | 12,459,546,505 | 5,551,887,874 | 3,935,007,179 | 2,165,553,696 |
| Share of profit of investments in associates and joint ventures | 15 | 827,509,233 | 487,939,496 | - | - |
| Profit before income tax | | 13,287,055,738 | 6,039,827,370 | 3,935,007,179 | 2,165,553,696 |
| Income tax | 33 | (2,292,951,302) | (1,288,549,673) | (88,850,806) | (42,117,088) |
| Profit for the year | | 10,994,104,436 | 4,751,277,697 | 3,846,156,373 | 2,123,436,608 |
| Profit attributable to: | | | | | |
| Owners of the parent | | 10,697,926,668 | 4,507,667,947 | 3,846,156,373 | 2,123,436,608 |
| Non-controlling interests | | 296,177,768 | 243,609,750 | - | - |
| | | 10,994,104,436 | 4,751,277,697 | 3,846,156,373 | 2,123,436,608 |
| Earnings per share | 34 | | | | |
| Basic earnings per share | | 2.0371 | 0.9303 | 0.5537 | 0.4141 |
| Diluted earnings per share | | 2.0371 | 0.9303 | 0.5537 | 0.4141 |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2019

| | Consolidated | | Separate | |
|--|------------------------|------------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Profit for the year | 10,994,104,436 | 4,751,277,697 | 3,846,156,373 | 2,123,436,608 |
| Other comprehensive (expense) income: | | | | |
| Item that will not be reclassified subsequently to income statement | | | | |
| Remeasurements of post-employment benefit obligations, net of tax | - | (34,875,888) | - | 2,767,083 |
| Total item that will not be reclassified subsequently to income statement | - | (34,875,888) | - | 2,767,083 |
| Items that will be reclassified subsequently to income statement | | | | |
| Gain (loss) on remeasuring of available-for-sale investments, net of tax | (430,485) | 106,751,208 | (956,500) | (3,037,255) |
| Exchange differences on translating financial statements, net of tax | (3,809,349,170) | (2,083,895,857) | - | - |
| Total items that will be reclassified subsequently to income statement | (3,809,779,655) | (1,977,144,649) | (956,500) | (3,037,255) |
| Other comprehensive (expense) income for the year, net of tax | (3,809,779,655) | (2,012,020,537) | (956,500) | (270,172) |
| Total comprehensive income for the year | 7,184,324,781 | 2,739,257,160 | 3,845,199,873 | 2,123,166,436 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 7,641,448,253 | 2,679,191,856 | 3,845,199,873 | 2,123,166,436 |
| Non-controlling interests | (457,123,472) | 60,065,304 | - | - |
| | <u>7,184,324,781</u> | <u>2,739,257,160</u> | <u>3,845,199,873</u> | <u>2,123,166,436</u> |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

| Consolidated financial statements (Baht) | | | | | | | | | | | | | | | |
|--|--------------------------------------|----------------|----------------------------------|---------------|----------------------------------|---|---|-----------------------|---|------------------------|----------------------------------|----------------------|----------------------------|---------------------------|-----------------|
| Attributable to owners of the parent | | | | | | | | | | | | | | | |
| | Other components of equity | | | | | | | | | | | | | | |
| | Other comprehensive income (expense) | | | | | | | | | | | | | | |
| | Issued and paid-up share capital | Share premium | Expired warrants in a subsidiary | Legal reserve | Unappropriated retained earnings | Discount on business combination under common control | Discount on additional investment in subsidiary | Application of TAS 29 | Remeasuring of available-for-sale investments | Translation adjustment | Total other components of equity | Perpetual debentures | Total owners of the parent | Non-controlling interests | Total equity |
| Opening balance as at 1 January 2018 (as previously reported) | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 31,062,493,233 | (755,412,590) | (890,258,695) | - | (102,254,118) | (2,188,465,896) | (3,936,391,289) | - | 47,328,593,582 | 2,692,334,840 | 50,020,928,422 |
| Retrospective adjustment from completion of fair value measurement | - | - | - | - | - | - | - | - | - | - | - | - | - | 483,196,621 | 483,196,621 |
| Opening balance after adjustment (restated) | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 31,062,493,233 | (755,412,590) | (890,258,695) | - | (102,254,118) | (2,188,465,896) | (3,936,391,289) | - | 47,328,593,582 | 3,175,531,461 | 50,504,125,043 |
| Changes in equity for the year | | | | | | | | | | | | | | | |
| Additional ordinary shares | - | - | - | - | - | - | - | - | - | - | - | - | - | 75,285,515 | 75,285,515 |
| Restatement of results from hyperinflation | - | - | - | - | - | - | - | 229,102,812 | - | - | 229,102,812 | - | 229,102,812 | 28,221,900 | 257,324,712 |
| Business combination | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,981,966,364 | 7,981,966,364 |
| Additional investment in subsidiary | - | - | - | - | - | - | (951,496,527) | - | - | - | (951,496,527) | - | (951,496,527) | (12,425,224) | (963,921,751) |
| Dividend paid | - | - | - | - | (1,847,546,349) | - | - | - | - | - | - | - | (1,847,546,349) | (223,396,853) | (2,070,943,202) |
| Issuance of perpetual debentures | - | - | - | - | - | - | - | - | - | - | - | 23,777,899,602 | 23,777,899,602 | - | 23,777,899,602 |
| Total comprehensive income (expense) for the year (restated) | - | - | - | - | 4,472,792,059 | - | - | - | 106,751,208 | (1,900,351,411) | (1,793,600,203) | - | 2,679,191,856 | 60,065,304 | 2,739,257,160 |
| Closing balance as at 31 December 2018 (restated) | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 33,687,738,943 | (755,412,590) | (1,841,755,212) | 229,102,812 | 4,497,090 | (4,088,817,307) | (6,452,385,207) | 23,777,899,602 | 71,215,744,976 | 11,085,248,467 | 82,300,993,443 |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

| Consolidated financial statements (Bant) | | | | | | | | | | | | | | | |
|--|----------------------------------|----------------|----------------------------------|---------------|----------------------------------|---|---|-----------------------|---|------------------------|----------------------------------|----------------------|-----------------|----------------------------|---------------------------|
| Attributable to owners of the parent | | | | | | | | | | | | | | | |
| Notes | Issued and paid-up share capital | Share premium | Expired warrants in a subsidiary | Legal reserve | Unappropriated retained earnings | Discount on business combination under common control | Discount on additional investment in subsidiary | Application of TAS 29 | Other components of equity | | | | Total equity | | |
| | | | | | | | | | Remeasuring of available-for-sale investments | Translation adjustment | Total other components of equity | Perpetual debentures | | Total owners of the parent | Non-controlling interests |
| | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 34,624,841,755 | (755,412,590) | (1,841,755,212) | - | 4,497,090 | (4,088,817,307) | (6,661,488,019) | 23,777,899,602 | 71,923,744,976 | 11,150,377,544 | 83,074,122,520 |
| Retrospective adjustment from completion of fair value measurement | | | | | | | | | | | | | | | |
| 37 | - | - | - | - | (708,000,000) | - | - | - | - | - | - | - | (708,000,000) | (65,129,077) | (773,129,077) |
| 3 | - | - | - | - | (229,102,812) | - | - | 229,102,812 | - | - | 229,102,812 | - | - | - | - |
| | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 33,687,736,943 | (755,412,590) | (1,841,755,212) | 229,102,812 | 4,497,090 | (4,088,817,307) | (6,452,385,207) | 23,777,899,602 | 71,215,744,976 | 11,085,248,467 | 82,300,993,443 |
| Retrospective adjustments from changes in accounting policy | | | | | | | | | | | | | | | |
| 2 | - | - | - | - | (288,721,383) | - | - | - | - | - | - | - | (288,721,383) | (26,029,795) | (314,751,178) |
| | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 33,399,017,560 | (755,412,590) | (1,841,755,212) | 229,102,812 | 4,497,090 | (4,088,817,307) | (6,452,385,207) | 23,777,899,602 | 70,927,023,593 | 11,059,218,672 | 81,986,242,265 |
| Changes in equity for the year | | | | | | | | | | | | | | | |
| 28 | 90,259 | 3,790,878 | - | - | - | - | - | - | - | - | - | - | 3,881,137 | - | 3,881,137 |
| 29 | - | - | - | 20,807,094 | (20,807,094) | - | - | - | - | - | - | - | - | 4,439,003 | 4,439,003 |
| Disposal of investment in a subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | - | 48,915,760 | 48,915,760 |
| Results from hyperinflation | - | - | - | - | - | - | - | 38,824,496 | - | - | 38,824,496 | - | 38,824,496 | 26,209,064 | 65,033,560 |
| 35 | - | - | - | - | (1,847,544,926) | - | - | - | - | - | - | - | (1,847,544,926) | (275,063,116) | (2,122,608,042) |
| 36 | - | - | - | - | (1,312,142,331) | - | - | - | - | - | - | - | (1,312,142,331) | - | (1,312,142,331) |
| Discount on transaction of perpetual debentures | - | - | - | - | - | - | - | - | - | - | - | 9,758,600 | 9,758,600 | - | 9,758,600 |
| Total comprehensive income (expense) for the year | - | - | - | - | 10,697,926,668 | - | - | - | (430,485) | (3,056,047,930) | (3,056,478,415) | - | 7,641,448,253 | (457,123,472) | 7,184,324,781 |
| | 4,619,004,550 | 15,018,400,595 | 104,788,723 | 484,986,001 | 40,916,449,877 | (755,412,590) | (1,841,755,212) | 267,927,308 | 4,066,605 | (7,144,865,237) | (9,470,039,126) | 23,787,858,202 | 75,461,248,822 | 10,406,595,911 | 85,867,844,733 |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

| | Separate financial statements (Baht) | | | | | | | | |
|---|--------------------------------------|----------------------------------|-----------------------|--------------------|----------------------------------|---|---|----------------------------------|-----------------------|
| | Notes | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated retained earnings | Discount on business combination under common control | Other components of equity | | Total equity |
| | | | | | | | Remeasuring of available-for-sale investments | Total other components of equity | |
| Opening balance as at 1 January 2018 | | 4,618,914,291 | 14,988,957,341 | 464,178,907 | 4,972,290,549 | (587,397,515) | 6,827,945 | (580,569,570) | 24,463,771,518 |
| Changes in equity for the year | | | | | | | | | |
| Dividend paid | 35 | - | - | - | (1,847,546,349) | - | - | - | (1,847,546,349) |
| Issuance of perpetual debentures | | - | - | - | - | - | - | - | 23,777,899,602 |
| Total comprehensive income (expense) for the year | | - | - | - | 2,126,203,691 | - | (3,037,255) | (3,037,255) | 2,123,166,436 |
| Closing balance as at 31 December 2018 | | <u>4,618,914,291</u> | <u>14,988,957,341</u> | <u>464,178,907</u> | <u>5,250,947,891</u> | <u>(587,397,515)</u> | <u>3,790,690</u> | <u>(583,606,825)</u> | <u>48,517,291,207</u> |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

| | Separate financial statements (Baht) | | | | | | | | | | |
|---|--------------------------------------|----------------------------------|----------------|---------------|----------------------------------|---|--------------------------------------|----------------------------------|----------------|----------------|-----------------|
| | Notes | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated retained earnings | Discount on business combination under common control | Other components of equity | | | | |
| | | | | | | | Other comprehensive income (expense) | Total other components of equity | | | |
| Opening balance as at 1 January 2019 | | 4,618,914,291 | 14,988,957,341 | 464,178,907 | 5,250,947,891 | (587,397,515) | 3,790,690 | (583,606,825) | 23,777,899,602 | 48,517,291,207 | |
| Changes in equity for the year | | | | | | | | | | | |
| Exercise warrants | 28 | 90,259 | 3,790,878 | - | - | - | - | - | - | - | 3,881,137 |
| Legal reserve | 29 | - | - | 20,807,094 | (20,807,094) | - | - | - | - | - | - |
| Dividend paid | 35 | - | - | - | (1,847,544,926) | - | - | - | - | - | (1,847,544,926) |
| Interest paid on perpetual debentures | 36 | - | - | - | (1,312,142,331) | - | - | - | - | - | (1,312,142,331) |
| Discount on transaction of perpetual debentures | | - | - | - | - | - | - | - | - | - | 9,758,600 |
| Total comprehensive income (expense) for the year | | - | - | - | 3,846,156,373 | - | (956,500) | (956,500) | - | - | 3,845,199,873 |
| Closing balance as at 31 December 2019 | | 4,619,004,550 | 14,992,748,219 | 484,986,001 | 5,916,609,913 | (587,397,515) | 2,834,190 | (584,563,325) | 23,787,658,202 | 49,216,443,560 | |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|---------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | | (Restated) | | 2019 Baht | 2018 Baht |
| | | 2019 Baht | 2018 Baht | | |
| Cash flows from operating activities | | | | | |
| Profit before income tax | | 13,287,055,738 | 6,039,827,370 | 3,935,007,179 | 2,165,553,696 |
| Adjustments for: | | | | | |
| Depreciation and amortisation | 17 - 20 | 8,914,429,018 | 5,725,168,750 | 36,039,395 | 59,572,585 |
| Amortisation of borrowing cost | 22 | 267,046,117 | 130,007,576 | 165,625,989 | 90,698,522 |
| Gain from fair value of short-term investment | 14 | - | (25,664,856) | - | - |
| Gain from bargain purchases | | - | (120,802,405) | - | - |
| Doubtful accounts (Reversal) | | 16,726,464 | 193,524,111 | (12,023) | (190,123) |
| Inventory obsolescence (Reversal) | 10 | 13,989,207 | (8,165,652) | - | - |
| Share of profit of investments in associates and joint ventures | 15 | (827,509,233) | (487,939,496) | - | - |
| Financial costs | | 4,081,485,853 | 2,868,581,300 | 1,998,208,723 | 1,900,566,429 |
| Interest income | | (721,974,306) | (605,175,207) | (4,035,684,539) | (3,050,277,921) |
| Dividends income | | (2,016,240) | (456,386,734) | (2,458,006,000) | (1,227,496,853) |
| Translation adjustment | | 6,777,556,918 | 230,842,599 | - | - |
| Unrealised (gain) loss on exchange rate | | (4,258,934,038) | (1,803,128,847) | 1,860,594,628 | 287,267,421 |
| Reversal of impairment of general investments | 14 | (29,750,152) | - | - | - |
| Impairment of investment in associates | 15 | 352,714,715 | 280,000,000 | - | - |
| Gain on sales and leaseback | 31 | (4,743,436,894) | - | - | - |
| Gain on disposal of investment in subsidiary and interests in joint venture | | (1,350,340,011) | - | - | - |
| Loss (gain) on disposals, impairment charge and write-off of property, plant and equipment and investment properties | | 673,093,189 | 264,450,915 | (5,437,511) | 199,181 |
| Loss (gain) on disposals, impairment charge and write-off of intangible assets and prepaid rents | | 148,841,524 | 94,206,826 | - | (7,000) |
| Employee benefit obligations | 25 | 142,071,180 | 44,833,062 | 5,894,030 | 3,496,666 |
| Changes in operating assets and liabilities | | | | | |
| Trade and other receivables | | (729,735,400) | (97,742,191) | (80,741,691) | (424,216,975) |
| Inventories | | (426,114,490) | (267,770,613) | 2,533,703 | (179,057) |
| Land and real estates project for sales | | 457,578,048 | 14,407,426 | - | - |
| Other current assets | | (42,975,592) | (549,759,923) | 29,119,275 | 18,466,921 |
| Non-current assets classified as held-for-sale | | 575,352,101 | - | - | - |
| Other non-current assets | | (1,116,408,942) | 933,918,968 | (151,872) | (749,347,214) |
| Trade and other payables | | (2,282,488,616) | 1,875,802,142 | (72,260,564) | (215,032,321) |
| Other current liabilities | | 350,800,658 | (3,592,472,726) | (10,452,691) | (17,792,245) |
| Employee benefits paid | 25 | (74,885,257) | (50,609,157) | (4,597,790) | (543,520) |
| Other non-current liabilities | | (229,730,849) | 421,440,944 | 863,694 | (158,305,028) |
| Cash generated from (used in) operations | | 19,222,440,710 | 11,051,394,182 | 1,366,541,935 | (1,317,566,836) |
| Interest paid | | (3,456,676,228) | (2,519,098,390) | (1,750,602,435) | (1,876,847,675) |
| Income tax paid | | (1,000,007,321) | (1,171,987,690) | (59,791,072) | (44,479,824) |
| Net cash generated from (used in) operating activities | | 14,765,757,161 | 7,360,308,102 | (443,851,572) | (3,238,894,335) |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | | (Restated) | | 2019 Baht | 2018 Baht |
| | | 2019 Baht | 2018 Baht | | |
| Cash flows from investing activities | | | | | |
| Cash paid for loans to related parties | 16 | (485,023,522) | (344,569,180) | (7,241,168,337) | (94,672,566,718) |
| Cash received from loans to related parties | 16 | 224,574,276 | 677,092,208 | 26,997,452,615 | 6,846,348,368 |
| Decrease (Increase) in loans to other companies | | 95,537,145 | (1,418,256,237) | (60,000) | (10,000) |
| Acquisition of subsidiaries, net cash acquired | | (2,500,459,422) | (77,607,780,651) | - | - |
| Proceed from disposal of assets under sale and leaseback arrangement, net cash received | | 9,544,612,082 | - | - | - |
| Repayment of loans related to acquisition of subsidiary | | (182,490,206) | - | - | - |
| Cash invested in general investment | 14 | - | (105,656,426) | - | - |
| Cash invested in available-for-sale investments | 14 | (207,600) | - | (102,400) | - |
| Cash invested in investments in subsidiaries | 15 | - | - | (1,899,829,375) | (98,086,992) |
| Cash invested in investments in associate | 15 | (4,867,780) | (26,403,478) | (4,102,648) | (12,596,278) |
| Cash invested in interests in joint ventures | 15 | (29,336,893) | (187,993,764) | - | - |
| Cash received from disposal of investments | | 1,350,323,530 | - | - | - |
| Cash received from disposal of interests in joint venture | 15 | 85,212,890 | - | - | - |
| Proceeds from sale of general investments | 14 | 331,847,806 | 1,669,054,659 | - | 10,000 |
| Redemption of interests in joint ventures | 15 | - | 1,049,433,834 | - | 5,484,460 |
| Interest received | | 721,974,306 | 605,175,207 | 4,035,684,539 | 3,050,277,921 |
| Dividends received | | 1,459,061,876 | 833,402,133 | 2,458,006,000 | 1,227,496,853 |
| Purchases for investment properties | | (251,724,173) | (129,964,361) | - | - |
| Purchases of property, plant and equipment | | (13,611,198,155) | (8,809,345,739) | (16,219,494) | (22,049,781) |
| Purchases of intangible assets and prepaid rents | | (841,950,701) | (784,983,566) | (17,182,642) | (19,943,218) |
| Proceeds from disposals of property, plant and equipment and investment properties | | 266,316,440 | 299,331,176 | 22,101,660 | 9,346 |
| Proceeds from disposals of intangible assets | | 46,969,302 | 1,136,161,381 | - | 7,000 |
| Net cash generated from (used in) investing activities | | (3,780,828,799) | (83,145,302,804) | 24,334,579,918 | (83,695,619,039) |
| Cash flows from financing activities | | | | | |
| Increase in short-term borrowings from related parties | 16 | - | - | 2,276,435,570 | 527,091,503 |
| Receipts from short-term borrowings from financial institutions | | 52,397,768,414 | 64,867,969,500 | 52,397,768,414 | 64,742,203,170 |
| Repayments of short-term borrowings from financial institutions | | (55,439,250,625) | (62,538,247,058) | (55,433,441,875) | (62,051,944,909) |
| Receipts from long-term borrowings from financial institutions | 22 | 19,883,384,288 | 85,537,786,106 | 4,588,452,254 | 84,110,365,470 |
| Repayments of long-term borrowings from financial institutions | 22 | (53,134,380,336) | (27,014,972,713) | (52,767,568,958) | (26,340,990,799) |
| Repayments of financial lease liabilities | | (28,178,916) | (1,615,151) | - | - |
| Receipts from issuance of debentures | 22 | 32,894,070,000 | 4,006,242,548 | 32,894,070,000 | 4,006,242,548 |
| Repayments of debentures | 22 | (4,500,000,000) | (3,682,811,066) | (4,500,000,000) | (2,000,000,000) |
| Interest paid on perpetual debentures | 36 | (1,312,142,331) | - | (1,312,142,331) | - |
| Receipts from issuance of ordinary shares by exercise of warrants | 28 | 3,881,137 | - | 3,881,137 | - |
| Cash received from non-controlling interest for disposal of investments in subsidiary | | - | 75,285,515 | - | - |
| Cash paid to non-controlling interest for capital increase in subsidiaries | 15 | - | (1,029,604,075) | - | - |
| Dividends paid to shareholders | 35 | (1,847,544,926) | (1,847,546,349) | (1,847,544,926) | (1,847,546,349) |
| Dividends paid to non-controlling interests | 35 | (275,063,116) | (223,396,853) | - | - |
| Cash received from issuance of perpetual debentures | 36 | - | 24,821,505,000 | - | 24,821,505,000 |
| Net cash receipted from (used in) financing activities | | (11,357,456,411) | 82,970,595,404 | (23,700,090,715) | 85,966,925,634 |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

| | Consolidated | | Separate | |
|--|-----------------------|-----------------------|----------------------|--------------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| Notes | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Net increase (decrease) in cash and cash equivalents | (372,528,049) | 7,185,600,702 | 190,637,631 | (967,587,740) |
| Cash and cash equivalents at the beginning | 12,712,987,630 | 5,291,559,556 | 111,546,471 | 1,079,134,211 |
| Gain on exchange rate | 990,361,754 | 235,827,372 | - | - |
| Cash and cash equivalents, closing balance | <u>13,330,821,335</u> | <u>12,712,987,630</u> | <u>302,184,102</u> | <u>111,546,471</u> |

Cash and cash equivalents as at 31 December

| | Consolidated | | Separate | | |
|------------------------------|----------------------|-----------------------|-----------------------|--------------------|--------------------|
| | financial statements | | financial statements | | |
| | (Restated) | | | | |
| Notes | 2019 | 2018 | 2019 | 2018 | |
| | Baht | Baht | Baht | Baht | |
| Cash and deposits with banks | 8 | 13,330,821,335 | 12,759,883,522 | 302,184,102 | 111,546,471 |
| Bank overdrafts | 22 | - | (46,895,892) | - | - |
| | | <u>13,330,821,335</u> | <u>12,712,987,630</u> | <u>302,184,102</u> | <u>111,546,471</u> |

Supplementary information for cash flows

Non-cash transactions

Significant non-cash activities for the years ended 31 December 2019 and 2018 are as follows:

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|---------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Acquisition of property, plant and equipment by payable | 111,249,023 | 504,343,869 | 1,356,315 | 384,280 |

The notes to the consolidated and separate financial statements on pages 19 to 147 form an integral part of the financial statements.

1 General information

Minor International Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand since October 1988 and is incorporated and domiciled in Thailand. The addresses of the Company’s 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 20260 Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group are summarised as follows:

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

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 27 February 2020.

2 Accounting policies

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

2.1 Basis for preparation

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

The consolidated and separate 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 the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 5.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2019.

a) Thai Financial Reporting Standard No.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, *Construction contracts*, TAS 18, *Revenue* and related interpretations.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 (initial application date) by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of TFRS 15.

| | Consolidated financial statements | | |
|--|--|-----------------------------|---|
| | As at 31 December 2018 As reported, Baht Million | Adjustments Baht Million | As at 1 January 2019 As adjusted under TFRS15 Baht Million |
| Statement of financial position | | | |
| Trade and other receivables | 14,941 | (138) | 14,803 |
| Deferred tax assets | 6,277 | 37 | 6,314 |
| Current portion of deferred income | 190 | 64 | 254 |
| Other non-current liabilities | 4,870 | 150 | 5,020 |
| Retained earnings - unappropriated | 33,688 | (289) | 33,399 |
| Non-controlling interests | 11,085 | (26) | 11,059 |

2 Accounting policies (Cont'd)

The following tables show the amounts of affected line items in the current year from the adoption of TFRS 15 compared to the previous revenue recognition standards.

| | Consolidated financial statements | | |
|--|-----------------------------------|--------------|-------------------|
| | Amounts | Impacts from | Amounts under the |
| | as reported | TFRS 15 | previous revenue |
| | Baht Million | Baht Million | standards |
| | | | Baht Million |
| Statement of financial position as at | | | |
| 31 December 2019 | | | |
| Deferred tax assets | 5,503 | 34 | 5,537 |
| Current portion of deferred income | 252 | 65 | 317 |
| Other non-current liabilities | 4,855 | 112 | 4,967 |
| Retained earnings - unappropriated | 40,916 | (121) | 40,795 |
| Non-controlling interests | 10,407 | (25) | 10,382 |
| Statement of comprehensive income | | | |
| for the year ended 31 December 2019 | | | |
| Sales of food and beverage | 22,666 | 6 | 22,672 |
| Other income | 9,315 | (1) | 9,314 |
| Income tax | (2,293) | (2) | (2,295) |

The adoption of TFRS 15 mainly affects the Group's accounting treatment as follows:

Accounting for customer loyalty programme

In previous reporting periods, the consideration received from the sale of goods was allocated to points and the goods sold using the reverse residual method. Under this method, the fair value of the points was allocated to the points and the residual part of the consideration was allocated to the goods sold.

Under TFRS 15, the total consideration must be allocated to the points and goods based on the relative stand-alone selling prices. Using this new method, the amounts allocated to the goods sold are, on average, higher than the amounts allocated under the reverse residual value method.

2 Accounting policies (Cont'd)

b) Thai Financial Reporting Standard No.2 (TFRS 2) (revised 2018), Share-based payment

TFRS 2 clarify:

- the measurement basis for cash-settled share-based payments; and
- the accounting for modifications that change an award from cash-settled to equity-settled.

They also introduce an exception to the classification principles in TFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole amount will be treated as if it is equity-settled. Previously the tax portion was accounted for as cash-settled.

c) Thai Accounting Standard No.28 (revised 2018), Investments in associates and joint ventures

TAS 28 clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

d) Thai Accounting Standard No.40 (revised 2018), Investment property

TAS 40 clarifies that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

e) Thai Financial Reporting Interpretation No.22 (TFRIC 22), Foreign currency transactions and advance consideration

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

2 Accounting policies (Cont'd)

f) Thai Financial Reporting Standard No.1 (TFRS 1), First-time adoption of Thai Financial Reporting Standards

TFRS 1 addresses the treatment when the Group adopts, for the first time, Thai Financial Reporting Standards (TFRSs) as a basis for preparing its financial statements. TFRS 1 grants specific optional exemptions and mandatory exceptions from TFRSs' general requirements. It also requires certain disclosures explaining how the transition from previous GAAP to TFRSs affects the Group's financial position, financial performance and cash flows.

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective.

The Group has assessed impact of new and revised financial standards which have not been effective for the period ended 31 December 2019 as follow:

a) Financial instruments

The new financial standards relate to financial instruments are:

| | |
|----------|---|
| TAS 32 | Financial instruments: Presentation |
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

2 Accounting policies (Cont'd)

On 1 January 2020, the Group will apply the new financial reporting standards. The management expects that the adoption of these standards will affect on these following areas.

Classification of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

The Group has perpetual bonds of Baht 23,788 million in equity. In accordance with TAS 32, Financial Instruments: Presentation, the perpetual bonds must be presented as financial liabilities. However, the Federation of Accounting Professions (TFAC) issued an announcement no. 95/2562 to provide a relief from reclassification of the perpetual bonds that was issued and paid-up before 31 December 2019. The relief is granted until 31 December 2022.

Classification and measurement of investments in equity instruments (previously called general investments)

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without recycling to profit or loss.

Impairment

The management is currently assessing the impact of initial adoption of these financial reporting standards.

2 Accounting policies (Cont'd)

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group will apply TFRS 16, Leases and adjust cumulative impact to opening retained earnings (modified retrospective approach). From the preliminary impact assessment, the management expect that the Group will be affected by significant lease liabilities on rental contracts, previously classified as operating leases under TAS 17, Leases. The following items will be recognised upon adoption of TFRS 16.

- Liabilities under lease agreements are recognised in accordance with the obligations and discounting to present values with incremental borrowing rates of the lessees as of 1 January 2020.
- Right-of-use assets are recognised equal to the present value of liabilities under the lease agreements as of 1 January 2020 adjusted by prepaid rent, leasehold rights and accrued lease expenses which previously recognised.

In certain cases, the entity choose, on a lease-by-lease basis, to recognise right-of-use asset at the initial application date at its carrying amount as if TFRS 16 has been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the initial application date.

The management is currently assessing the impact of initial adoption of this financial reporting standard.

2 Accounting policies (Cont'd)

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

| | |
|----------|--|
| TAS 12 | Income taxes |
| TAS 19 | Employee benefits |
| TAS 23 | Borrowing costs |
| TAS 28 | Investments in associates and joint ventures |
| TFRS 3 | Business combinations |
| TFRS 9 | Financial instruments |
| TFRS 11 | Joint arrangements |
| TFRIC 23 | Uncertainty over income tax treatments |

Amendment to TAS 12, Income taxes - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, *Financial instruments* before applying the loss allocation and impairment requirements in TAS 28, *Investments in associates and joint ventures*.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

2 Accounting policies (Cont'd)

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgments and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgments.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries, associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group.

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised loss is also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Company's principal subsidiaries is set out in Note 15.

2 Accounting policies (Cont'd)

(2) Transactions with non-controlling interests

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

(3) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements.

A list of the Group's principal associates is set out in Note 15.

2 Accounting policies (Cont'd)

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method in the consolidated financial statements.

A list of the Group's principal joint ventures is set out in Note 15.

(6) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in an associates and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Accounting policies (Cont'd)

(7) Separate financial statement

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss.

Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale investments in equity securities are included in the revaluation reserve in equity.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2 Accounting policies (Cont'd)

2.5 Segment reporting

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's CEO and Board of Directors that makes strategic decisions.

2.6 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.7 Trade accounts receivable

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

Trade receivables long-term contracts are receivables from sales of hotel time-sharing points, which will be paid in installments which covers over one year. The amount is carried at the original invoice amount and deducted by installment payment. The amount is subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivables and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the profit or loss within administrative expenses.

2 Accounting policies (Cont'd)

2.8 Inventories

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

2.9 Land and real estates project for sales

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

2.10 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

2.11 Other investments

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

1. Trading investments are investments 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.
2. Available-for-sale investments are 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.
3. General investments are investments in non-marketable equity securities are classified as general investments.

2 Accounting policies (Cont'd)

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

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

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

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

2.12 Investment properties

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

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

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

2 Accounting policies (Cont'd)

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

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

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

2.13 Property, plant and equipment

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

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

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

| | |
|---|-------------------------------|
| Leasehold improvement | lease period and 5 - 30 years |
| Building and building improvement | lease period and 5 - 60 years |
| Machines, furniture and other equipment | 3 - 15 years |
| Vehicles | 4 - 5 years |

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

2 Accounting policies (Cont'd)

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

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

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

When existing outlets are re-modernised, the related expenditures will be capitalised as buildings improvements or leasehold improvements and will be depreciated using the straight-line method over the shorter of the remaining lease term or the estimated useful life of 5 years.

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

2.14 Intangible assets

Asset management rights

Asset management rights are recognised at cost less any accumulated amortisation and any accumulated impairment losses. The cost of the right is amortised on a straight line basis over the contract period or the useful life of the buildings, which has been assessed to be not in excess of 40 years.

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

Intellectual property

Intellectual property is measured at purchased cost and represents ownership rights of the systems used by the Group to efficiently manage and operate its asset management rights portfolio and in-house developed recipes and equipments that give the Group a relative advantage over its competitors. Intellectual properties are amortised over 20 years and 40 years.

2 Accounting policies (Cont'd)

Franchise development cost

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

Initial franchise fees

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

Goodwill

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

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

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

Brand

Trademarks, trade names, service marks or collective marks that have achieved consumer awareness and recognition through continuous use in commerce are not subject to amortisation; however, its carrying amount is annually tested for impairment.

2 Accounting policies (Cont'd)

Computer software

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

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

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

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

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

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

2.15 Impairment of assets

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

2 Accounting policies (Cont'd)

2.16 Leases

Leases - where the Group is the lessee

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

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

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

Leases - where the Group is the lessor

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

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

2.17 Borrowings

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

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

2 Accounting policies (Cont'd)

2.18 Provisions

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

2.19 Employee benefits

The Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

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

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

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

2 Accounting policies (Cont'd)

2.20 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the subsidiaries and associates of the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (Cont'd)

2.21 Share capital

Ordinary shares are classified as equity.

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

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

2.22 Perpetual debentures

Perpetual debentures are recognised as equity when the Group has the sole right and discretion to early redemption as stipulated in terms and conditions of debentures, and the interest and cumulative interest payment are unconditionally deferred without time and number limitation and payable at the Group's discretion. Accordingly, any interest payments are recognised similar as dividends and directly in equity when payment obligation arises. Interest payments are presented in the statement of cash flows at the same way as dividends paid to ordinary shareholders.

2.23 Revenue recognition

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

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

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

2 Accounting policies (Cont'd)

Rental income from shopping plaza and property is recognized at the rate specified in rental contract. Rental received in advance is recognised as revenue evenly over the period of the lease.

Revenue from sales of real estate and sales of furniture and fixtures are recognised when transferring of real estate, furniture and fixtures to the buyer.

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

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

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

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

- Royalty and franchise fee - With a continuous service provision on straight line basis over the contract term
- Interest and commission income - As it accrues unless collectibility is in doubt.
- Dividend income - When the shareholder's right to receive payment is established.

2.24 Hyperinflationary economies

The Group recognised all cumulative effects of hyperinflationary on non-monetary items as part of acquisition transaction. Any results from exposure to hyperinflation after the acquisition were recorded to income statement and other components of equity.

In 2018, a subsidiary of the Group located in Argentina was declared a hyperinflationary economy due to, among other causes, the fact that the accumulated inflation rate of its economy exceeded 100% over a continuous period of three years. As a result, the Group has applied TAS 29 - Financial Reporting in Hyperinflationary economies to the financial statements of Argentine companies.

2 Accounting policies (Cont'd)

2.25 Dividend distribution

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

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

3 Accounting correction

Restatement of hyperinflation transaction

During the year 2019, a situation was detected in the consolidated financial statements as at 31 December 2018 in relation to the accounting for hyperinflation in the Argentine subsidiaries of in accordance with TAS 29.

This situation corresponded to the recording of a higher consolidated profit in 2018, amounting to Baht 229 million to owners of the parent and Baht 28 million to non-controlling interests. Such amount should have been recorded directly in other component of equity ('Application of TAS 29' component). This is therefore a restatement of presentation between the income statement and changes in equity, while ending balance of consolidated total equity is not impacted.

Based on the foregoing, the consolidated financial statements of 2018 has been restated, which has resulted in higher consolidated other component of equity of Baht 229 million and a lower consolidated profit by the same amount. On the other hand, the effect of the restatement on non-controlling interests is Baht 28 million decrease in sharing of consolidated profit and zero effect on non-controlling interests component of equity. In addition, the correction results in decrease of basic and diluted earnings per share by Baht 0.0556 per share.

4 Financial risk management

4.1 Financial risk factors

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

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

4 Financial risk management (Cont'd)

4.1.1 Cross currency interest rate swap contracts

Cross currency interest rate swap contracts are recognised at the inception date.

In cross currency interest rate 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.

4.1.2 Forward foreign exchange contracts

Foreign exchange forward contracts are recognised at the inception date.

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

4.1.3 Interest rate swap contracts

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

4.1.4 Credit risk

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

4 Financial risk management (Cont'd)

4.2 Capital risk management

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

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

5 Critical accounting estimates and judgments

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

The Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5.1 Fair value estimation on business combination

The Group estimates fair value of net assets acquired under business combination by engaging professional valuer, applying appropriate valuation method based on financial assumptions to derive fair value of net assets acquired. These calculations require the use of management judgment.

5.2 Estimated impairment of goodwill and brand

The Group tests annually whether goodwill and brand have suffered any impairment, in accordance with the accounting policy stated in Note 2.15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 19).

6 Fair value measurements

Assets measured at fair value are classified by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is unobservable inputs).

The following tables present the Group's and Company's assets that are measured at fair value at 31 December 2019.

| | Consolidated financial statements | | | |
|--------------------------------|-----------------------------------|--------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| At 31 December 2019 | | | | |
| Available-for-sale investments | 26 | - | - | 26 |

| | Separate financial statements | | | |
|--------------------------------|-------------------------------|--------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| At 31 December 2019 | | | | |
| Available-for-sale investments | 24 | - | - | 24 |

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available. Instruments included in Level 1 comprise primarily equity securities classified as available-for-sale.

7 Segment information

The Group discloses four operating segments which include Hotel & Spa, Mixed use, Restaurant and Retail. The four segments are determined pursuant to business activities and operating results that are regularly reviewed by the chief operating decision makers ("CODM") which is CEO and Board of Directors and aggregation criteria as disclosed in Note 2.5. Set out below is the information which CODM use for evaluating the segment's performance.

| | For the year ended 31 December (Baht Million) | | | | | | | | | | | |
|---|---|----------|-----------|---------|------------|----------|---------|---------|-------------|-------|----------|----------|
| | Hotel & Spa | | Mixed use | | Restaurant | | Retail | | Elimination | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | | | | | | | |
| Total revenues | 92,939 | 45,491 | 7,305 | 5,236 | 24,082 | 23,450 | 4,932 | 4,426 | (196) | (471) | 129,062 | 78,132 |
| Costs | | | | | | | | | | | | |
| Total costs | (46,679) | (18,872) | (2,413) | (1,060) | (6,533) | (6,440) | (2,733) | (2,456) | - | - | (58,358) | (28,828) |
| Gross profit and other income | 46,260 | 26,619 | 4,892 | 4,176 | 17,549 | 17,010 | 2,199 | 1,970 | (196) | (471) | 70,704 | 49,304 |
| Selling and administrative expenses | (25,881) | (17,368) | (3,179) | (2,954) | (14,442) | (13,643) | (1,901) | (1,664) | 196 | 471 | (45,207) | (35,158) |
| EBITDA | 20,379 | 9,251 | 1,713 | 1,222 | 3,107 | 3,367 | 298 | 306 | - | - | 25,497 | 14,146 |
| Depreciation and amortisation | (7,005) | (3,956) | (170) | (166) | (1,587) | (1,430) | (195) | (174) | - | - | (8,957) | (5,726) |
| Financial costs | (3,406) | (2,188) | (247) | (215) | (391) | (440) | (37) | (25) | - | - | (4,081) | (2,868) |
| Sharing profit from associates and joint ventures | 621 | 116 | (36) | 96 | 243 | 276 | - | - | - | - | 828 | 488 |
| Result before tax | 10,589 | 3,223 | 1,260 | 937 | 1,372 | 1,773 | 66 | 107 | - | - | 13,287 | 6,040 |
| Tax | (1,851) | (934) | (144) | (130) | (292) | (248) | (6) | 23 | - | - | (2,293) | (1,289) |
| Net profit | 8,738 | 2,289 | 1,116 | 807 | 1,080 | 1,525 | 60 | 130 | - | - | 10,994 | 4,751 |
| Timing of revenue recognition | | | | | | | | | | | | |
| At a point of time | 4,884 | 33 | 5,584 | 3,895 | 21,274 | 20,627 | 4,917 | 4,381 | - | - | 36,659 | 28,936 |
| Over time | 88,055 | 45,458 | 1,721 | 1,341 | 2,808 | 2,823 | 15 | 45 | (196) | (471) | 92,403 | 49,196 |
| Total revenue | 92,939 | 45,491 | 7,305 | 5,236 | 24,082 | 23,450 | 4,932 | 4,426 | (196) | (471) | 129,062 | 78,132 |

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7 Segment information (Cont'd)

7.2 Financial information by geographical segments

| | For the year ended 31 December (Bant Million) | | | | | | | | | | | |
|--------------------------------|---|---------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|----------------|----------------|
| | Hotel & Spa | | Mixed use | | Restaurant | | Retail | | Elimination | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | | | | | | | |
| Thailand | 9,791 | 9,702 | 3,050 | 1,501 | 15,485 | 15,316 | 4,932 | 4,426 | (196) | (471) | 33,062 | 30,474 |
| Europe | 65,863 | 21,203 | - | - | 334 | 279 | - | - | - | - | 66,197 | 21,482 |
| Australia and New Zealand | 5,596 | 6,129 | - | - | 2,563 | 2,443 | - | - | - | - | 8,159 | 8,572 |
| Maldives and Middle East | 1,945 | 1,912 | - | - | 438 | 490 | - | - | - | - | 2,383 | 2,402 |
| The People's Republic of China | 23 | 202 | 17 | - | 3,392 | 3,147 | - | - | - | - | 3,432 | 3,349 |
| Latin America | 5,884 | 3,279 | - | - | - | - | - | - | - | - | 5,884 | 3,279 |
| Others | 3,837 | 3,064 | 4,238 | 3,735 | 1,870 | 1,775 | - | - | - | - | 9,945 | 8,574 |
| Total | 92,939 | 45,491 | 7,305 | 5,236 | 24,082 | 23,450 | 4,932 | 4,426 | (196) | (471) | 129,062 | 78,132 |
| Net profit | | | | | | | | | | | | |
| Thailand | 157 | 481 | 897 | 564 | 1,031 | 1,542 | 60 | 130 | - | - | 2,145 | 2,717 |
| Europe | 6,510 | 553 | - | - | (57) | (206) | - | - | - | - | 6,453 | 347 |
| Australia and New Zealand | 45 | 139 | - | - | 117 | 170 | - | - | - | - | 162 | 309 |
| Maldives and Middle East | 836 | 563 | - | - | 26 | 26 | - | - | - | - | 862 | 589 |
| The People's Republic of China | 28 | 143 | 9 | (12) | 138 | 138 | - | - | - | - | 175 | 269 |
| Latin America | 116 | 617 | - | - | - | - | - | - | - | - | 116 | 617 |
| Others | 1,046 | (207) | 210 | 255 | (175) | (145) | - | - | - | - | 1,081 | (97) |
| Total | 8,738 | 2,289 | 1,116 | 807 | 1,080 | 1,525 | 60 | 130 | - | - | 10,994 | 4,751 |
| Total assets | | | | | | | | | | | 254,184 | 268,081 |
| Total liabilities | | | | | | | | | | | 168,316 | 185,780 |

7 Segment information (Cont'd)

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

Thailand is the home country of the parent company and also its main operations. The areas of operation include hotels, entertainment venues, food and beverage outlets, real estates for sales, distribution, manufacturing, property rental business, spa services and management operations.

Countries in Europe - The Group operates hotel and restaurant businesses.

Australia and New Zealand - The Group operates hotels and food and beverage outlets.

Republic of Maldives and Middle East - The Group operates hotels, spa and food and beverage outlets.

The People's Republic of China - The Group operates food and beverage outlets, spa services and real estates for sales.

Latin America - The Group operates hotel business.

Others - The main activities are hotel operations, spa, and food and beverage outlets. Other countries in which the Group operates are Sri Lanka, Vietnam, Indonesia and countries in South Africa, etc.

8 Cash and cash equivalents

| | Consolidated | | Separate | |
|---------------------------------|----------------------|----------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Cash on hand | 449,424,590 | 783,785,912 | 189,042 | 3,776,994 |
| Cash at banks | 12,288,550,950 | 11,849,424,132 | 301,995,060 | 107,769,477 |
| Time deposits | | | | |
| (maturity less than 3 months) | 592,845,795 | 126,673,478 | - | - |
| Total cash and cash equivalents | 13,330,821,335 | 12,759,883,522 | 302,184,102 | 111,546,471 |

As at 31 December 2019, the average effective interest rate of time deposits was 3.8% per annum and had a maturity less than 3 months (2018: 0.05% - 3.85% per annum).

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9 Trade and other receivables and trade receivables long-term contracts

| | Consolidated | | Separate | |
|--|----------------------|----------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Current | | | | |
| Trade receivables - third parties, gross | 7,077,631,596 | 7,565,963,039 | 14,512,279 | 19,446,125 |
| <u>Less</u> Provision for impairment of trade receivables | (420,000,909) | (427,478,402) | (92,352) | (104,375) |
| Trade receivables - third parties, net | 6,657,630,687 | 7,138,484,637 | 14,419,927 | 19,341,750 |
| Current portion of trade receivables long-term contracts, net | 3,301,521,326 | 3,087,415,868 | - | - |
| Prepayments | 1,104,857,750 | 1,150,453,772 | 9,472,333 | 24,417,741 |
| Receivables from others | 3,501,144,443 | 2,714,193,825 | 28,105,125 | 36,984,414 |
| Receivables from related parties (Note 16) | 988,862,784 | 850,822,475 | 1,574,299,018 | 1,464,798,784 |
| Total trade and other receivables | 15,554,016,990 | 14,941,370,577 | 1,626,296,403 | 1,545,542,689 |

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

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Not yet due | 4,805,122,447 | 4,401,717,263 | 13,964,164 | 18,807,635 |
| Overdue | | | | |
| Under 90 days | 1,681,115,545 | 2,317,089,814 | 46,223 | 342,667 |
| 91 days to 180 days | 256,897,807 | 433,088,151 | 196,802 | 38,903 |
| 181 days to 365 days | 149,897,257 | 249,381,024 | 3,879 | 34,300 |
| Over 365 days | 184,598,540 | 164,686,787 | 301,211 | 222,620 |
| Trade receivables - third parties | 7,077,631,596 | 7,565,963,039 | 14,512,279 | 19,446,125 |
| <u>Less</u> Provision for impairment of trade receivables | (420,000,909) | (427,478,402) | (92,352) | (104,375) |
| Trade receivables - third parties, net | 6,657,630,687 | 7,138,484,637 | 14,419,927 | 19,341,750 |

9 Trade and other receivables and trade receivables long-term contracts (Cont'd)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Non-current | | | | |
| Trade receivables long-term contracts | 3,467,516,612 | 3,903,280,477 | - | - |
| <u>Less</u> Unearned interest income | (256,337,188) | (394,332,938) | - | - |
| <u>Less</u> Provision for impairment of trade receivables | (123,486,395) | (125,591,562) | - | - |
| Trade receivables long-term contracts, net | <u>3,087,693,029</u> | <u>3,383,355,977</u> | <u>-</u> | <u>-</u> |

10 Inventories

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|----------------------|----------------------|------------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Food and beverage | 564,876,219 | 590,316,367 | 2,954,139 | 3,091,545 |
| Finished goods (net with allowance) | 1,878,143,114 | 1,466,925,416 | 89,602 | 125,127 |
| Raw materials (net with allowance) | 1,001,325,894 | 860,618,097 | - | - |
| Work in process | 13,852,529 | 39,713,972 | - | - |
| Goods in transit | 221,244,116 | 215,628,368 | - | - |
| Supplies and others | 459,689,269 | 531,539,659 | 1,411,961 | 3,772,733 |
| Total inventories | <u>4,139,131,141</u> | <u>3,704,741,879</u> | <u>4,455,702</u> | <u>6,989,405</u> |

The cost of inventories recognised as expense and included in cost of sales amounted to Baht 15,299 million (2018: Baht 15,418 million).

During 2019, Baht 14 million was recorded to the income statement for allowance for obsolete and damaged inventories (2018: Reversal of Baht 8 million).

11 Land and real estates project for sales

| | Consolidated | |
|---|----------------------|---------------|
| | financial statements | |
| | 2019 | 2018 |
| | Baht | Baht |
| Residential units | 1,293,988,105 | 1,656,794,039 |
| Time sharing resort | 133,801,858 | 239,015,147 |
| Total land and real estates project for sales | 1,427,789,963 | 1,895,809,186 |

The cost of land and real estates project sold recognised during the year amounting to Baht 2,032 million (2018: Baht 796 million).

12 Other current assets

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | (Restated) | | 2019 | 2018 |
| | 2019 | 2018 | Baht | Baht |
| | Baht | Baht | Baht | Baht |
| Tax receivables | 2,325,393,686 | 1,716,595,536 | 40,924,017 | 57,369,983 |
| Deposits | 49,403,237 | 42,295,956 | - | - |
| Advance payments | 7,262,074 | 45,901,582 | - | - |
| Current portion of loans to other companies | 86,153,450 | 455,949,148 | - | - |
| Others | 197,100,474 | 355,298,236 | 1,183,081 | 2,734,243 |
| Total other current assets | 2,665,312,921 | 2,616,040,458 | 42,107,098 | 60,104,226 |

13 Non-current assets classified as held-for-sale

Details of assets and liabilities of disposal group classified as held-for-sale were as follows:

| | Consolidated financial statements | |
|-------------------------------|--------------------------------------|---------------|
| | (Restated) | |
| | 2019 | 2018 |
| | Baht | Baht |
| Property, plant and equipment | 354,007,894 | 838,806,769 |
| Investments | 1,125,989,442 | 1,216,109,692 |
| Others | 1,720,286 | 2,153,262 |
| Total assets | 1,481,717,622 | 2,057,069,723 |
| Trade and other payables | 87,161,162 | 91,179,491 |
| Total liabilities | 87,161,162 | 91,179,491 |

Loss related to discontinued operations was Baht 1.7 million (2018: Profit of Baht 9.7 million).

14 General investments

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|--------------------------------------|-------------|----------------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Long-term investments | | | | |
| Available-for-sale investments | 25,631,724 | 26,166,370 | 23,661,565 | 24,754,790 |
| General investments, net | 166,326,237 | 531,658,469 | - | - |
| Total long-term investments | 191,957,961 | 557,824,839 | 23,661,565 | 24,754,790 |

14 General investments (Cont'd)

a) Trading investment

| | Consolidated | |
|--|----------------------|-----------------|
| | financial statements | |
| | 2019 | 2018 |
| | Baht | Baht |
| Opening net book amount | - | 1,695,238,408 |
| Disposals | - | (1,669,044,659) |
| Change in fair value of trading investment | - | 25,664,856 |
| Translation adjustment | - | (51,858,605) |
| Closing net book amount | - | - |

b) Available-for-sale investments

| | Consolidated | | Separate | |
|--------------------------------------|----------------------|------------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Opening net book amount | 26,166,370 | 29,940,218 | 24,754,790 | 28,554,770 |
| Additions | 207,600 | 44,253,544,931 | 102,400 | - |
| Disposals | - | (10,000) | - | (10,000) |
| Change status of investments | - | (43,561,728,356) | - | - |
| Changes in fair value of investments | (615,146) | (3,754,711) | (1,195,625) | (3,789,980) |
| Translation adjustment | (127,100) | (691,825,712) | - | - |
| Closing net book amount | 25,631,724 | 26,166,370 | 23,661,565 | 24,754,790 |

Available-for-sale investments as at 31 December comprise:

| | Consolidated | | Separate | |
|--------------------------------------|----------------------|------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Available-for-sale investments, cost | 20,917,224 | 20,709,624 | 20,118,828 | 20,016,428 |
| Changes in fair value of investments | 4,714,500 | 5,456,746 | 3,542,737 | 4,738,362 |
| Available-for-sale investments | 25,631,724 | 26,166,370 | 23,661,565 | 24,754,790 |

14 General investments (Cont'd)

c) General investments

| | Consolidated | |
|---|----------------------|-------------|
| | financial statements | |
| | 2019 | 2018 |
| | Baht | Baht |
| Opening net book amount | 531,658,469 | 67,325 |
| Acquisition from investment in subsidiaries | - | 430,916,451 |
| Addition | - | 105,656,426 |
| Disposal | (331,847,806) | - |
| Transfer to other accounts | (26,445,993) | - |
| Impairment reversal | 29,750,152 | - |
| Translation adjustment | (36,788,585) | (4,981,733) |
| Closing net book amount | 166,326,237 | 531,658,469 |

General investments as at 31 December comprise:

| | Consolidated | |
|--------------------------------------|----------------------|---------------|
| | financial statements | |
| | 2019 | 2018 |
| | Baht | Baht |
| General investments, cost | 242,837,880 | 647,382,379 |
| <u>Less</u> Provision for impairment | (76,511,643) | (115,723,910) |
| General investments, net | 166,326,237 | 531,658,469 |

15 Investments in subsidiaries, associates and interests in joint ventures

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Subsidiaries | - | - | 8,071,408,665 | 6,171,579,290 |
| Associates | 6,359,569,618 | 7,159,591,855 | 2,783,765,824 | 2,779,663,176 |
| Interests in joint ventures | 2,614,326,059 | 2,801,463,271 | - | - |
| Total investments in subsidiaries, associates and interests in joint ventures | 8,973,895,677 | 9,961,055,126 | 10,855,174,489 | 8,951,242,466 |

a) Investments in subsidiaries

| | Separate financial statements | |
|----------------|-------------------------------|---------------|
| | 2019 | 2018 |
| | Baht | Baht |
| At 1 January | 6,171,579,290 | 6,073,492,298 |
| Additions | 1,899,829,375 | 98,086,992 |
| At 31 December | 8,071,408,665 | 6,171,579,290 |

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

Subsidiaries which are directly held by the Company are as follows:

| Company | Nature of business | Country of incorporation | Separate financial statements | |
|---|------------------------------------|--------------------------|--|---------------------|
| | | | Investment portion held by the Company (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| Chao Phaya Resort Limited | Hotel operation and shopping mall | Thailand | 81.2 | 81.2 |
| Hua Hin Resort Limited | Sales of property | Thailand | 100 | 100 |
| Maerim Terrace Resort Limited | Hotel operation | Thailand | 45.3 ⁽¹⁾ | 45.3 ⁽¹⁾ |
| Samui Resort and Spa Limited | Hotel operation | Thailand | 100 | 100 |
| Rajadamri Hotel Public Company Limited | Hotel operation | Thailand | 99.2 | 99.2 |
| MI Squared Limited | Hotel operation | Thailand | 100 | 100 |
| Hua Hin Village Limited | Hotel operation | Thailand | 100 | 100 |
| Baan Boran Chiangrai Limited | Hotel operation | Thailand | 100 | 100 |
| Samui Village Limited | Under liquidation process | Thailand | 100 | 100 |
| Coco Palm Hotel & Resort Limited | Hotel operation | Thailand | 100 | 100 |
| Coco Recreation Limited | Hotel operation | Thailand | 100 | 100 |
| Samui Beach Club Owner Limited | Hotel operation & rent of property | Thailand | 100 | 100 |
| The Minor Food Group Public Company Limited | Sales of food and beverage | Thailand | 99.7 | 99.7 |
| Royal Garden Plaza Limited | Shopping mall | Thailand | 100 | 100 |
| M Spa International Limited | Spa services | Thailand | 100 | 100 |
| Samui Beach Residence Limited | Sales of property | Thailand | 100 | 100 |
| Coco Residence Limited | Sales of property | Thailand | 100 | 100 |

⁽¹⁾ Investment portion of 45.3% represents direct holding in Maerim Terrace Resort Limited another 25.7% indirect holding is invested through a subsidiary.

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

| Company | Nature of business | Country of incorporation | Separate financial statements | |
|--|-------------------------------------|--------------------------|--|---------------------|
| | | | Investment portion held by the Company (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| Minor Hotel Group Limited ("MHG") | Hotel management | Thailand | 27.8 ⁽²⁾ | 27.8 ⁽²⁾ |
| Minor Supply Chain Solutions Limited | Supply chain management | Thailand | 100 | 100 |
| Minor Global Solutions Limited | Under liquidation process | Thailand | 100 | 100 |
| Chao Phaya Resort and Residence Limited | Hotel operation & sales of property | Thailand | 100 | 100 |
| Minor Corporation Public Company Limited ("MINOR") | Distribution | Thailand | 91.4 ⁽³⁾ | 91.4 ⁽³⁾ |
| RGR International Limited | Management | British Virgin Islands | 100 | 100 |
| R.G.E. (HKG) Limited | Management | Hong Kong | 100 | 100 |
| M&H Management Limited | Management | Republic of Mauritius | 100 | 100 |
| Lodging Investment (Labuan) Limited | Holding investment | Malaysia | 100 | 100 |
| Minor International (Labuan) Limited | Hotel operation | Malaysia | 100 | 100 |
| AVC Club Developer Limited | Vacation club point sales | Republic of Mauritius | 100 | 100 |
| AVC Vacation Club Limited | Vacation club point sales | Republic of Mauritius | 100 | 100 |
| Phuket Beach Club Owner Limited | Management | Thailand | 100 | 100 |
| MHG Phuket Limited ("MHGP") | Hotel operation | Thailand | 96.9 ⁽⁴⁾ | 77.8 ⁽⁴⁾ |
| Minor Sky Rider Limited | Entertainment operation | Thailand | 100 | 100 |
| Minor Continental Holding (Mauritius) | Holding investment | Republic of Mauritius | 100 | 100 |

⁽²⁾ Investment portion of 27.8% represent direct holding in MHG. Another 72.2% indirect holding is invested through a subsidiary.

⁽³⁾ Investment portion of 91.4% represents direct holding in MINOR. Another 8.6% indirect holding is invested through a subsidiary.

⁽⁴⁾ Investment portion of 96.9% represents direct holding in MHGP. Another 3.1% indirect holding is invested through a subsidiary.

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

Significant subsidiaries not directly held by the company included in the preparation of the consolidated financial statements are:

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|---|--------------------------------------|---------------------------------------|--|------------------|
| | | | Investment portion held by the Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| MHG Continental Holding (Singapore) Pte. Ltd. | Holding investment | Singapore | 100 | 100 |
| Lodging Management (Mauritius) Limited | Hotel management | Republic of Mauritius | 100 | 100 |
| Minor Hotel Group MEA DMCC | Hotel management | The United Arab Emirates | 100 | 100 |
| NH Hotel Group S.A. and its subsidiaries ⁽¹⁾ | Hotel operation | Countries in Europe and Latin America | 94.1 | 94.1 |
| Minor Hotels Portugal, S.A. and its subsidiaries | Hotel operation | Portuguese Republic | 100 | - |
| Rajadamri Lodging Limited | Hotel operation | Thailand | 100 | 100 |
| 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 |
| Burger (Thailand) Limited | Sales of food and beverage | Thailand | 97 | 97 |
| SLRT Limited | Sales of food and beverage | Thailand | 100 | 100 |
| Over Success Enterprise Pte. Ltd. and its subsidiaries | Sales of food and beverage | People's Republic of China | 100 | 100 |
| Minor Food Group (Singapore) Pte. Ltd. and its subsidiaries | Sale of food and beverage | Singapore | 92 | 92 |
| Oaks Hotels & Resorts Limited ("OAKS") and its subsidiaries | Providing services for accommodation | Australia and New Zealand | 100 | 100 |
| Minor DKL Food Group Pty. Ltd. | Holding investment | Australia | 70 | 70 |

⁽¹⁾ NH Hotel Group S.A. has disclosed its financial information in the public.

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

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|--|---------------------------|--------------------------|--|------------------|
| | | | Investment portion held by the Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| <u>Minor DKL Food Group Pty. Ltd.'s subsidiaries</u> | | | | |
| Espresso Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club Investment Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club Franchising Company Pty. Ltd. | Franchise business | Australia | 100 | 100 |
| The Coffee Club (Technology) Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| First Avenue Company Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |
| Ribs and Rumps Holding Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Minor DKL Construction Pty. Ltd. | Management services | Australia | 100 | 100 |
| Minor DKL Management Pty. Ltd. | Management services | Australia | 100 | 100 |
| Minor DKL Stores Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |
| Nomad Coffee Group Pty. Ltd. | Holding investment | Australia | 70 | 70 |
| <u>Espresso Pty. Ltd.'s subsidiaries</u> | | | | |
| The Coffee Club (Vic) Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club (Properties) Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club Properties (NSW) Pty. Ltd. | Property investment | Australia | 100 | 100 |

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

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|--|----------------------------|--------------------------|--|------------------|
| | | | Investment portion held by the Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| <u>Ribs and Rumps Holding Pty. Ltd.'s subsidiaries</u> | | | | |
| Ribs and Rumps Operating Company Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Ribs and Rumps Properties Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Ribs and Rumps International Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Ribs and Rumps System Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| <u>Minor DKL Stores Pty. Ltd. 's subsidiaries</u> | | | | |
| TCC Operations Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |
| TGT Operations Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |
| <u>The Coffee Club Investment Pty. Ltd.'s subsidiaries</u> | | | | |
| The Coffee Club Pty. Ltd. (as trustee for The Coffee Club Unit Trust) | Franchise owner | Australia | 100 | 100 |
| <u>The Coffee Club Pty. Ltd. (as trustee for The Coffee Club Unit Trust) 's subsidiaries</u> | | | | |
| The Coffee Club (International) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| <u>The Coffee Club (International) Pty. Ltd. 's subsidiaries</u> | | | | |
| The Coffee Club (Korea) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club (Mena) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club (NZ) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |

Minor International Public Company Limited
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15 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

| Company | Consolidated financial statements | | | |
|--|-----------------------------------|--------------------------|--|------------------|
| | Nature of business | Country of incorporation | Investment portion held by the Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| <u>Nomad Coffee Group Pty. Ltd.'s subsidiaries</u> | | | | |
| Veneziano Coffee Roasters Holdings Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Coffee Hit Holdings Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Nomad Coffee management Pty. Ltd. | Management service | Australia | 100 | 100 |
| Inigo Montoya Limited | Holding investment | New Zealand | 70 | 70 |
| <u>Inigo Montoya Limited's subsidiaries</u> | | | | |
| Flight Coffee Limited | Sales of food and beverage | New Zealand | 100 | 100 |
| The Hanger Limited | Sales of food and beverage | New Zealand | 100 | 100 |
| Good Time Gang Limited | Sales of food and beverage | New Zealand | 100 | 100 |
| <u>Veneziano Coffee Roasters Holdings Pty. Ltd.'s subsidiaries</u> | | | | |
| Veneziano (SA) Pty. Ltd. | Sales of food and beverage | Australia | 57.5 | 57.5 |
| Veneziano Coffee Roasters Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Veneziano Coffee Assets Pty. Ltd. | Assets investment | Australia | 100 | 100 |
| Black Bag Roasters Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Nitro Coffee Pty. Ltd. | Holding investment | Australia | 70 | 70 |
| <u>Coffee Hit Holdings Pty. Ltd. 's subsidiaries</u> | | | | |
| Coffee Hit System Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| Coffee Hit Properties Pty. Ltd. | Property investment | Australia | 100 | 100 |

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

Significant changes in investments in subsidiaries for the year ended 31 December 2019 comprise:

- The Company acquired the newly-issued share capital of Minor Sky Rider Limited of 0.22 million shares with a par value of Baht 100, totalling Baht 22 million. The investment portion has still been 100% interest.
- The Company acquired the newly-issued share capital of MHG Phuket Limited of 15 million shares with a par value of Baht 100, totalling Baht 1,500 million. The investment portion has changed from 77.8% to 96.9%.
- The Company acquired the newly-issued share capital of Minor International (Labuan) Limited of 12.5 million shares with a par value of USD 1, totalling USD 12.5 million or equivalent to Baht 378 million. The investment portion has still been 100% interest.
- A subsidiary of the Group invested in Minor Food Holding Co., Ltd., a new established company, of 2 million shares with a par value of Baht 100, totalling Baht 200 million, representing 100% interest.
- A subsidiary of the Group acquired Chicken Time Co., Ltd. Details of the acquisition are described in Note 37.
- The Group sold 100% ownership in a subsidiary, S&S Holding Co., Ltd. for consideration of USD 11.3 million or equivalent to Baht 342.1 million. The disposal of this investment is a part of investment structuring to support disposal of hotel properties owned by an associate.

Summarised financial information for subsidiaries

Set out below is summarised financial information for each subsidiary that has non-controlling interests ("NCI") that are material to the Group. The amounts disclosed for each subsidiary are before intercompany eliminations.

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

Summarised statement of financial position

| | As at 31 December 2019 | | |
|-------------------------------------|--|--|-----------------------|
| | NH Hotel Group S.A. Baht Million | Minor DKL Food Group Pty. Ltd. Baht Million | Total Baht Million |
| Current | | | |
| Assets | 17,571 | 579 | 18,150 |
| Liabilities | (12,221) | (604) | (12,825) |
| Total current net assets | 5,350 | (25) | 5,325 |
| Non-current | | | |
| Assets | 71,543 | 1,839 | 73,382 |
| Liabilities | (24,956) | (1,284) | (26,240) |
| Total non-current net assets | 46,587 | 555 | 47,142 |
| Net assets | 51,937 | 530 | 52,467 |
| Accumulated NCI | 7,715 | 957 | 8,672 |

Summarised statement of comprehensive income

| | For the year ended 31 December 2019 | | |
|--|--|--|-----------------------|
| | NH Hotel Group S.A. Baht Million | Minor DKL Food Group Pty. Ltd. Baht Million | Total Baht Million |
| Revenue | 59,662 | 2,627 | 62,289 |
| Post-tax profit from continuing operations | 4,161 | 161 | 4,322 |
| Total comprehensive income | 4,161 | 161 | 4,322 |
| Total comprehensive income allocated to non-controlling interests | (238) | (31) | (269) |

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

Summarised statement of cash flows

| | For the year ended 31 December 2019 | | |
|---------------------------------------|-------------------------------------|---------------------------|--------------|
| | NH Hotel | Minor DKL | Total |
| | Group S.A. | Food Group | |
| | Baht Million | Pty. Ltd. Baht Million | Baht Million |
| Net cash generated from | | | |
| operating activities | 7,071 | 254 | 7,325 |
| Net cash used in investing activities | (3,944) | (73) | (4,017) |
| Net cash used in financing activities | (1,302) | (120) | (1,422) |
| Net increase in | | | |
| cash and cash equivalents | 1,825 | 61 | 1,886 |

b) Investments in associates

| | Consolidated | | Separate | |
|--------------------------------|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| At 1 January | 7,159,591,855 | 7,087,166,244 | 2,779,663,176 | 2,767,066,898 |
| Acquisition from investment | | | | |
| in subsidiaries | - | 271,942,090 | - | - |
| Additions | 4,867,780 | 26,403,478 | 4,102,648 | 12,596,278 |
| Change status to | | | | |
| investment in subsidiaries | - | (3,821,580) | - | - |
| Share of profit of investments | | | | |
| in associates | 984,928,899 | 440,046,562 | - | - |
| Dividends received | (1,432,045,636) | (376,477,848) | - | - |
| Impairment charge | (352,714,715) | (280,000,000) | - | - |
| Translation adjustment | (5,058,565) | (5,667,091) | - | - |
| At 31 December | 6,359,569,618 | 7,159,591,855 | 2,783,765,824 | 2,779,663,176 |

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

Investments in associates are as follows:

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|---|----------------------------|--------------------------|-----------------------------------|-------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| Arabian Spa (Dubai) (LLC) | Spa services | United Arab Emirates | 49 | 49 |
| Eutopia Private Holding Limited | Hotel operation | Republic of Maldives | 50 | 50 |
| Tanzania Tourism and Hospitality Investment Limited | Holding investment | British Virgin Islands | 50 | 50 |
| Zanzibar Tourism and Hospitality Investment Limited | Holding investment | British Virgin Islands | 50 | 50 |
| Sizzler China Pte. Ltd. | Franchise owner | Singapore | 50 | 50 |
| Select Service Partner Limited | Sales of food and beverage | Thailand | 51 ⁽¹⁾ | 51 ⁽¹⁾ |
| Harbour View Corporation Limited | Hotel operation | Vietnam | 30.4 | 30.4 |
| Zuma Bangkok Limited | Sales of food and beverage | Thailand | 51 ⁽²⁾ | 51 ⁽²⁾ |

⁽¹⁾ The Group does not have control over Select Service Partner Limited although the Group holds equity interest of 51%. This investment is classified as investment in associate and applies equity method of accounting in the consolidated financial statements.

⁽²⁾ Investment portion in Zuma Bangkok Limited is 51% but the Group has voting right only at 35%.

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

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|---|----------------------------|--------------------------|-----------------------------------|---------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| S&P Syndicate Public Company Limited | Sales of food and beverage | Thailand | 35.9 | 35.8 |
| Rani Minor Holding Limited | Hotel operation | United Arab Emirates | 25 | 25 |
| Serendib Hotels PLC | Hotel operation | Sri Lanka | 25 | 25 |
| MHG Lesotho (Proprietary) Limited | Hotel operation | Lesotho | 46.9 | 46.9 |
| NYE and RGP Development Co., Ltd. | Sale of property | Thailand | 40 | 40 |
| Breadtalk Group Limited | Sales of food and beverage | Singapore | 14.2 ⁽³⁾ | 14.2 ⁽³⁾ |
| Cardamom Tented Camp Co., Ltd. | Hotel operation | The Kingdom of Cambodia | 35 | 35 |
| Borakay Beach, S.L. | Hotel operation | Spain | 50 | 50 |
| Consortio Grupo Hotelero T2, S. A. de C. V. | Hotel operation | Mexico | 10 | 10 |
| Hotelera del Mar, S.A. | Hotel operation | Argentina | 20 | 20 |
| Inmobiliaria 3 Poniente, S.A. De C.V. | Hotel operation | Mexico | 27 | 27 |
| Losan Investment, Ltd. | Hotel operation | United Kingdom | 30 | 30 |
| Mil Novecientos Doce, S.A. de C.V. | Hotel operation | Mexico | 25 | 25 |
| Sotocaribe SI | Hotel operation | Spain | 36 | 36 |

⁽³⁾ Investment portion in Breadtalk Group Limited is 14.2% but the Group has significant influence over this associate.

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

| Company | Nature of business | Separate financial statements | | |
|--------------------------------------|----------------------------|-------------------------------|------------------------|------------------|
| | | Country of incorporation | Investment portion (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| S&P Syndicate Public Company Limited | Sales of food and beverage | Thailand | 35.9 | 35.8 |

Significant changes in investments in associates for the year ended 31 December 2019 comprise:

The Group acquired additional shares of S&P Syndicate Public Company Limited of 254,300 shares, totalling Baht 4 million. The investment portion has increased from 35.8% to 35.9%.

Summarised financial information for associates

Set out below is the summarised financial information of the associates that are material to the Group. They have been amended to reflect adjustments made by the Group when using equity method, including modifications for differences in accounting policies.

The Group use the most recent publicly available financial information of S&P Syndicate Public Company Limited and Breadtalk Group Limited which is the information for the year ended 31 December 2019.

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

Summarised statement of financial position

| | As at 31 December 2019 | | |
|---|--|--|-----------------------|
| | S&P Syndicate Public Company Limited Baht Million | Breadtalk Group Limited Baht Million | Total Baht Million |
| Current assets | | | |
| Cash and cash equivalents | 674 | 3,518 | 4,192 |
| Other current assets | 978 | 3,221 | 4,199 |
| Total current assets | 1,652 | 6,739 | 8,391 |
| Non-current assets | 2,239 | 21,328 | 23,567 |
| Total assets | 3,891 | 28,067 | 31,958 |
| Current liabilities | | | |
| Financial liabilities (excluding trade payables) | 34 | 7,749 | 7,783 |
| Other current liabilities (including trade payables) | 912 | 8,395 | 9,307 |
| Total current liabilities | 946 | 16,144 | 17,090 |
| Non-current liabilities | | | |
| Financial liabilities | 125 | 2 | 127 |
| Other non-current liabilities | 284 | 7,836 | 8,120 |
| Total non-current liabilities | 409 | 7,838 | 8,247 |
| Total liabilities | 1,355 | 23,982 | 25,337 |
| Net assets | 2,536 | 4,085 | 6,621 |

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

As at 31 December 2019, the fair value of S&P Syndicate Public Company Limited shares held by the Group which is computed by using closing price announced by SET is Baht 2,762 million (2018: Baht 3,426 million) and the carrying amount of the Group's interest was Baht 3,035 million (2018: Baht 3,028 million).

As at 31 December 2019, the fair value of Breadtalk Group Limited (in Singapore) shares held by the Group which is computed by using closing price announced by SGX is Baht 1,151 million (2018: Baht 1,533 million) and the carrying amount of the Group's interest was Baht 1,305 million (2018: Baht 1,305 million).

Other companies are private companies and there are no quoted market prices available for their shares.

Summarised statement of comprehensive income

| | For the year ended 31 December 2019 | | |
|------------------------------------|-------------------------------------|-----------------|--------------|
| | S&P Syndicate | | Total |
| | Public Company | Breadtalk Group | |
| | Limited | Limited | Baht Million |
| | Baht Million | Baht Million | Baht Million |
| Revenue | 7,312 | 15,138 | 22,450 |
| Post-tax profit (loss) from | | | |
| continuing operations | 304 | (88) | 216 |
| Other comprehensive income | 6 | 974 | 980 |
| Total comprehensive income | 310 | 886 | 1,196 |
| Dividends received from associates | 126 | 28 | 154 |

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

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:

| | For the year ended 31 December 2019 | | |
|---|-------------------------------------|-----------------|--------------|
| | S&P Syndicate | | Total |
| | Public Company | Breadtalk Group | |
| | Limited | Limited | Baht Million |
| | Baht Million | Baht Million | Baht Million |
| Summarised financial information | | | |
| Opening net assets 1 January | 2,589 | 3,856 | 6,445 |
| Profit (loss) for the year | 304 | (88) | 216 |
| Other component of equity | 6 | 599 | 605 |
| Foreign exchange differences | - | (30) | (30) |
| Dividend paid | (363) | (252) | (615) |
| Closing net assets | 2,536 | 4,085 | 6,621 |
| Interest portion as a Group | 35.87% | 14.19% | |
| Interest in associates | 910 | 580 | 1,490 |
| Goodwill | 2,126 | 725 | 2,851 |
| Carrying amount | 3,036 | 1,305 | 4,341 |

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

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

| | 2019 |
|---|--------------|
| | Baht Million |
| Aggregate carrying amount of individually immaterial associates | 2,019 |
| Aggregate amounts of the reporting entity's share of: | |
| Post-tax profit from continuing operations | 827 |
| Total comprehensive income | 827 |

c) Interests in joint ventures

| | Consolidated | | Separate | |
|--|----------------------|-----------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Opening net book amount | 2,801,463,271 | 3,542,424,779 | - | 5,484,460 |
| Acquisition from investment in subsidiaries | - | 83,810,842 | - | - |
| Additions | 29,336,893 | 187,993,764 | - | - |
| Disposal | (85,212,890) | - | - | - |
| Redemption of interests in joint ventures | - | (1,049,433,834) | - | (5,484,460) |
| Change status to investment in subsidiaries | - | (11,126,427) | - | - |
| Share of profit of interests in joint ventures | (157,419,666) | 47,892,934 | - | - |
| Adjustment of fair value (Note 37) | 55,487,531 | - | - | - |
| Dividends received | (25,000,000) | (537,551) | - | - |
| Share of other comprehensive loss of interest in joint venture | - | 109,757,940 | - | - |
| Reclassification | - | (110,023,778) | - | - |
| Translation adjustment | (4,329,080) | 704,602 | - | - |
| At 31 December | 2,614,326,059 | 2,801,463,271 | - | - |

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

The jointly controlled entities are:

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|--|--------------------------------|------------------------------|-----------------------------------|------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| PH Resorts (Private) Ltd. | Hotel operation | Sri Lanka | 49.9 | 49.9 |
| MHG Deep Blue Financing | Management | Republic of Mauritius | 50 | 50 |
| O Plus E Holdings Private Limited | Holding company | The Republic of the Maldives | 50 | 50 |
| Pecan Deluxe (Thailand) Co. Ltd. | Manufacturing food ingredients | Thailand | 49.9 | 49.9 |
| Liwa Minor Food & Beverage LLC | Sales of food and beverage | The United Arab Emirates | 49 | 49 |
| Rani Minor Holding II Limited | Holding company | The United Arab Emirates | 49 | 49 |
| MSC Thai Cuisine Co., Ltd. | Food academy | Thailand | 43.8 | 43.8 |
| BTM (Thailand) Ltd. | Sales of food and beverage | Thailand | - | 50 |
| MHG Npark Development Company Limited | Sales of property | Thailand | 50 | 50 |
| MHG Signity Assets Holding (Mauritius) Limited | Holding company | Republic of Mauritius | 50 | 50 |
| Patara Fine Thai Cuisine Limited | Sales of food and beverage | The United Kingdom | 50 | 50 |
| PT Wika Realty Minor Development | Hotel operation | Republic of Indonesia | 50 | 50 |
| MHG GP Pte. Ltd. | Holding company | Singapore | 50 | 50 |

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

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|---|--------------------------------|--------------------------|-----------------------------------|-------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 December 2019 | 31 December 2018 |
| Avadina Hills Limited | Sales of property | Thailand | 50 | 50 |
| Layan Hill Residence Limited | Sales of property | Thailand | 50 | 50 |
| Layan Bang Tao Development Limited | Sales of property | Thailand | 50 | 50 |
| Plexus Maldives Private Limited | Hotel operation | The Republic of Maldives | 50 | 50 |
| H&A Park Limited | Hotel operation | Thailand | 50 | 50 |
| Art of Baking Co., Ltd. | Manufacturing food ingredients | Thailand | 51 ⁽¹⁾ | 99 ⁽¹⁾ |
| Ya Hua International Pte. Ltd. | Sales of food and beverage | Singapore | 50 | 50 |
| Beijing NH Grand China Hotel Management Co., Ltd. | Hotel operation | China | - | 49 |
| Barbarons Beach Hotel MHG Limited | Airport lounge | Seychelles | 40 | - |
| TCC Holding Joint Stock Company | Sales of food and beverage | Vietnam | 50 | - |
| Dining Collective Pte. Ltd. | Sales of food and beverage | Singapore | 50 | - |

⁽¹⁾ Although the Group holds equity interest of 51%, the Group has the jointly control as agreed in the agreement; therefore, this investment is still classified as interests in joint venture.

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

Significant changes in interests in joint ventures for the year ended 31 December 2019 comprise:

- A subsidiary of the Group disposed the investment in Beijing NH Grand China Hotel Management Co., Ltd., a joint venture, in an amount of Euro 1.9 million or equivalent to Baht 63.8 million.
- Art of Baking Co., Ltd. received additional share capital injection from the other shareholder for the newly issued share of 900,000 shares with a par value of Baht 100, totalling Baht 90 million. The additional share capital resulted in decrease in the Group investment portion from 99% to 51%.
- The Group has sold 50% interest in a joint venture, Lagoon Holding Co., Ltd. for consideration of USD 34.1 million or equivalent to Baht 1,031.1 million. The disposal of this investment is a part of investment structuring to support disposal of hotel properties owned by an associate.

Commitments and contingent liabilities in respect of joint ventures

The Group has no commitments and contingent liabilities relating to its joint ventures.

Summarised financial information for joint ventures

Set out below are the summarised financial information of joint ventures as at 31 December 2019, which in the opinion of the management, are material to the Group. They have amended the reflect adjustments made by the Group when using equity method, including modifications for difference in accounting policy.

All joint ventures are private companies and there is no quoted market price available for their shares.

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

Summarised statement of financial position

| | As at 31 December 2019 | | |
|---|------------------------------|---------------------------|--------------|
| | PH Resorts (Private) Ltd. | Avadina Hills Co., Ltd | Total |
| | Baht Million | Baht Million | Baht Million |
| Current assets | | | |
| Cash and cash equivalents | 99 | 13 | 112 |
| Other current assets (excluding cash) | 45 | 448 | 493 |
| Total current assets | 144 | 461 | 605 |
| Non-current assets | 966 | 698 | 1,664 |
| Total assets | 1,110 | 1,159 | 2,269 |
| Current liabilities | | | |
| Other current liabilities (including trade payables) | 133 | 87 | 220 |
| Total current liabilities | 133 | 87 | 220 |
| Non-current liabilities | | | |
| Financial liabilities (excluding trade payables) | 641 | 705 | 1,346 |
| Other liabilities | 14 | 31 | 45 |
| Total non-current liabilities | 655 | 736 | 1,391 |
| Total liabilities | 788 | 823 | 1,611 |
| Net assets | 322 | 336 | 658 |

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

Summarised statement of comprehensive income

| | For the year ended 31 December 2019 | | |
|----------------------------|-------------------------------------|---------------|--------------|
| | PH Resorts | Avadina Hills | Total |
| | (Private) Ltd. | Co., Ltd | |
| | Baht Million | Baht Million | Baht Million |
| Revenue | 308 | 2 | 298 |
| Interest expense | (38) | (19) | (56) |
| Profit or loss from | | | |
| continuing operations | (3) | (29) | (32) |
| Income tax expense | (6) | - | (6) |
| Post-tax profit or loss | | | |
| from continuing operations | (9) | (29) | (38) |
| Other comprehensive income | (1) | - | (1) |
| Total comprehensive income | (10) | (29) | (39) |

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint ventures.

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

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interests in joint ventures

| | For the year ended 31 December 2019 | | |
|------------------------------|-------------------------------------|---------------------------|--------------|
| | PH Resorts (Private) Ltd. | Avadina Hills Co., Ltd | Total |
| | Baht Million | Baht Million | Baht Million |
| Opening net assets 1 January | 389 | 700 | 1,089 |
| Loss for the year | (9) | (29) | (38) |
| Other component of equity | (1) | - | (1) |
| Closing net assets | 379 | 671 | 1,050 |
| Interests in joint venture | 50% | 50% | |
| Carrying amount | 190 | 336 | 526 |
| Goodwill | 132 | - | 133 |
| Carrying amount, net | 322 | 336 | 659 |

Individually immaterial joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

| | 2019 Baht Million |
|---|----------------------|
| Aggregate carrying amount of individually immaterial associates | 1,956 |
| Aggregate amounts of the reporting entity's share of: | |
| Post-tax profit from continuing operations | (138) |
| Total comprehensive income | (138) |

16 Related party transactions

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

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

The Company is the ultimate parent company.

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

Minor International Public Company Limited
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16 Related party transactions (Cont'd)

16.1 Sales and purchase of goods and services

| | Consolidated | | Separate | |
|---------------------------------------|----------------------|--------------|---------------------|---------------|
| | financial statements | | financial statement | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| For the year ended 31 December | | | | |
| Subsidiaries | | | | |
| Sales of goods and services | - | - | 66,160,359 | 75,945,839 |
| Dividend income | - | - | 2,329,518,091 | 980,000,632 |
| Interest income | - | - | 3,993,092,315 | 3,014,932,287 |
| Other income | - | - | 1,440,000 | 3,735,900 |
| Purchases | - | - | (1,048,136) | (1,217,741) |
| Services expenses | - | - | (87,062,704) | (124,324,037) |
| Interest expenses | - | - | (58,484,419) | (43,551,816) |
| Other expenses | - | - | (1,300) | (2,231,598) |
| Associates | | | | |
| Sales of goods and services | 440,723,473 | 424,881,343 | - | - |
| Dividend income | - | - | 126,486,374 | 149,094,832 |
| Interest income | 58,390,788 | 51,873,355 | - | - |
| Other income | 2,268,275 | 1,637,561 | - | - |
| Purchases | (87,912,340) | (95,943,535) | - | - |
| Joint ventures | | | | |
| Sales of goods and services | 119,851,277 | 139,483,512 | 23,651,028 | 20,000,000 |
| Interest income | 107,635,988 | 99,751,595 | 39,138,834 | 30,254,060 |
| Other income | 1,437,246 | 1,031,286 | - | - |
| Purchases | (89,052,459) | (90,225,109) | - | - |
| Related parties | | | | |
| Sales of goods and services | 3,708,834 | 321,871,919 | - | - |
| Other income | 234,262 | - | - | - |
| Purchases | (78,835,888) | (74,897,616) | - | - |
| Services expenses | (25,196,356) | (28,825,542) | - | - |
| Other expenses | (37,157,720) | (55,266,167) | (21,751,917) | (27,986,539) |

16 Related party transactions (Cont'd)

Management remuneration

Management benefit expenses of the Group and the Company for the year ended 31 December 2019 Baht 349 million and Baht 143 million, respectively (2018: Baht 310 million and Baht 117 million, respectively). Management remuneration comprised short-term benefits such as salaries, bonus and other allowances.

16.2 Outstanding balance arising from sales/purchases of goods/service

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| As at 31 December | | | | |
| a) Receivables from: | | | | |
| Subsidiaries | - | - | 1,506,826,226 | 1,438,114,870 |
| Associates | 464,794,814 | 414,513,532 | 3,972,574 | 4,039,417 |
| Joint ventures | 521,594,226 | 434,563,919 | 62,534,456 | 22,619,144 |
| Related parties | 2,473,744 | 1,745,024 | 965,762 | 25,353 |
| Total receivables from related parties (Note 9) | 988,862,784 | 850,822,475 | 1,574,299,018 | 1,464,798,784 |
| b) Payables to: | | | | |
| Subsidiaries | - | - | 21,580,860 | 30,311,746 |
| Associates | 16,630,692 | 9,755,408 | 3,162 | - |
| Joint ventures | 15,676,408 | 11,867,513 | 161,465 | 31 |
| Related parties | 32,475,418 | 6,230,201 | 13,454,855 | - |
| Total payables to related parties (Note 23) | 64,782,518 | 27,853,122 | 35,200,342 | 30,311,777 |

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16 Related party transactions (Cont'd)

16.3 Long-term loans to related parties

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|-----------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| As at 31 December | | | | |
| Long-term loans to related parties: | | | | |
| Subsidiaries | - | - | 113,003,327,166 | 140,904,047,306 |
| Associates | 1,268,639,086 | 1,172,642,707 | - | - |
| Joint ventures | 4,409,200,867 | 4,587,185,099 | 864,897,748 | 617,080,948 |
| Total long-term loans to related parties | 5,677,839,953 | 5,759,827,806 | 113,868,224,914 | 141,521,128,254 |

The movement in loans to related parties can be analysed as below:

| | Consolidated | | Separate | |
|----------------------------------|----------------------|---------------|----------------------|-----------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Subsidiaries | | | | |
| At 1 January | - | - | 140,904,047,306 | 55,516,550,059 |
| Additions | - | - | 6,984,168,337 | 94,454,855,238 |
| Settlement | - | - | (26,997,452,615) | (6,831,348,368) |
| Unrealised loss on exchange rate | - | - | (7,887,435,862) | (2,236,009,623) |
| At 31 December | - | - | 113,003,327,166 | 140,904,047,306 |
| Associates | | | | |
| At 1 January | 1,172,642,707 | 1,163,188,910 | - | - |
| Additions | 193,116,951 | 56,191,650 | - | - |
| Settlement | (7,959,737) | (50,581,331) | - | - |
| Translation adjustment | (89,160,835) | 3,843,478 | - | - |
| At 31 December | 1,268,639,086 | 1,172,642,707 | - | - |

16 Related party transactions (Cont'd)

| | Consolidated | | Separate | |
|----------------------------------|----------------------|---------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Joint ventures | | | | |
| At 1 January | 4,587,185,099 | 5,011,194,406 | 617,080,948 | 414,932,988 |
| Additions | 291,906,571 | 288,377,530 | 257,000,000 | 217,711,480 |
| Reclassification | - | (46,556,717) | - | - |
| Settlement | (216,614,539) | (626,510,877) | - | (15,000,000) |
| Unrealised loss on exchange rate | (9,183,200) | (3,230,000) | (9,183,200) | (563,520) |
| Translation adjustment | (244,093,064) | (36,089,243) | - | - |
| At 31 December | 4,409,200,867 | 4,587,185,099 | 864,897,748 | 617,080,948 |

Long-term loans to related parties are unsecured and denominated in Thai Baht and foreign currency. The loans carry interest rate at the market interest with reference to the interest rate quoted by commercial banks. The loans are due for repayment at call but the Group will not call the loans for settlement within the next 12 months. Loans to associates and joint ventures are granted pursuant to the shareholders' agreements based on the percentage of shares holding.

Treasury Center

The Company, as a Treasury Center in accordance with the Notification of the Ministry of Finance, provides an array of financial management services to the Group, including the provision of loan facilities to promote the Group liquidity, and acting as a financial facilitator on behalf of the Group, in Thailand and overseas. In 2019, the provision of loan facilities of the Treasury Center to the oversea entities in the Group is Baht 358 million or equivalent to USD 11.9 million. The accumulated loan facilities from 2016 to 2019 is Baht 1,648 million or equivalent to USD 49 million.

The Company has no use of any financial derivative or financial instruments on such loans.

16 Related party transactions (Cont'd)

16.4 Borrowings from related parties

| | Consolidated | | Separate | |
|--|----------------------|------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| As at 31 December | | | | |
| Short-term borrowings from related parties | | | | |
| Subsidiaries | - | - | 4,338,917,425 | 2,089,180,139 |
| Total short-term borrowings | | | | |
| from related parties (Note 22) | - | - | 4,338,917,425 | 2,089,180,139 |

The movement in borrowings from related parties can be analysed as below:

| | Consolidated | | Separate | |
|----------------------------------|----------------------|------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Subsidiaries | | | | |
| At 1 January | - | - | 2,089,180,139 | 1,707,306,993 |
| Additions | - | - | 2,427,394,263 | 1,014,949,381 |
| Settlements | - | - | (150,958,693) | (487,857,878) |
| Unrealised gain on exchange rate | - | - | (26,698,284) | (145,218,357) |
| At 31 December | - | - | 4,338,917,425 | 2,089,180,139 |

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

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17 Investment properties

| | Consolidated financial statements | | |
|--|-----------------------------------|----------------------|----------------------|
| | Land and land | Buildings | Total |
| | improvement | and building | |
| Baht | improvement | Baht | Baht |
| At 1 January 2018 | | | |
| Cost | 57,227,186 | 2,392,365,978 | 2,449,593,164 |
| <u>Less</u> Accumulated depreciation | (1,251,852) | (1,258,628,284) | (1,259,880,136) |
| Net book amount | <u>55,975,334</u> | <u>1,133,737,694</u> | <u>1,189,713,028</u> |
| Fair value | | | <u>1,453,063,409</u> |
| For the year ended 31 December 2018 | | | |
| Opening net book amount | 55,975,334 | 1,133,737,694 | 1,189,713,028 |
| Additions | - | 129,964,362 | 129,964,362 |
| Disposals, net | (32,866,671) | (39,459,959) | (72,326,630) |
| Depreciation charge | (9,724) | (61,096,122) | (61,105,846) |
| Closing net book amount | <u>23,098,939</u> | <u>1,163,145,975</u> | <u>1,186,244,914</u> |
| As at 31 December 2018 | | | |
| Cost | 24,360,515 | 2,470,589,789 | 2,494,950,304 |
| <u>Less</u> Accumulated depreciation | (1,261,576) | (1,307,443,814) | (1,308,705,390) |
| Net book amount | <u>23,098,939</u> | <u>1,163,145,975</u> | <u>1,186,244,914</u> |
| Fair value | | | <u>1,372,195,000</u> |
| For the year ended 31 December 2019 | | | |
| Opening net book amount | 23,098,939 | 1,163,145,975 | 1,186,244,914 |
| Additions | 43,617,316 | 208,106,857 | 251,724,173 |
| Written off, net | - | (337,326) | (337,326) |
| Disposals, net | - | (90,845) | (90,845) |
| Depreciation charge | (9,712) | (69,574,313) | (69,584,025) |
| Impairment charge | - | (109,288,764) | (109,288,764) |
| Translation adjustment | (1,284,786) | (5,054,188) | (6,338,974) |
| Closing net book amount | <u>65,421,757</u> | <u>1,186,907,396</u> | <u>1,252,329,153</u> |
| As at 31 December 2019 | | | |
| Cost | 66,693,045 | 2,671,118,758 | 2,737,811,803 |
| <u>Less</u> Accumulated depreciation | (1,271,288) | (1,374,922,598) | (1,376,193,886) |
| Provision for impairment | - | (109,288,764) | (109,288,764) |
| Net book amount | <u>65,421,757</u> | <u>1,186,907,396</u> | <u>1,252,329,153</u> |
| Fair value | | | <u>1,347,339,320</u> |

17 Investment properties (Cont'd)

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

The Group applies the Income Approach and the Market Approach in calculating fair values of investment properties. The fair value is within Level 3 of the fair value hierarchy.

Fair value measurements using significant unobservable inputs (Level 3)

The Group disclosed the balance of investment property which is reclassified as Level 3. The Group engaged external valuer for revaluation periodically according to the Group's policy.

There were no other changes in valuation techniques during the year.

Group's valuation processes

Finance and accounting department engages an independent valuer to perform the valuations of assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to Chief Financial Officer. Discussions of valuation processes and results are held between the finance department and the CFO at least once every year, in line with the Group's annually reporting dates.

The main Level 3 input used by the Group pertains to the discount rate for investment property is estimated based on discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate is estimated based on a yield rate, considering capital structure and cost of fund of the company that are, in the opinion of the management, considered appropriate, including the appropriate risk premium and reflects current market assessments of the time value of money and risk adjusted which mainly are at the rates of 12% per annum.

Amount recognised in the income statement which relates to investment property is as follows:

| | 2019 | 2018 |
|--|-------------|-------------|
| | Baht | Baht |
| | <hr/> | <hr/> |
| Rental income | 304,978,543 | 335,045,679 |
| Direct operating expense arised from investment property that generated rental income | 69,584,025 | 53,968,613 |

Minor International Public Company Limited

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| 18 Property, plant and equipment | Consolidated financial statements - Baht | | | | | Total |
|--|--|-----------------------------------|---|---------------|--------------------------|------------------|
| | Land and land improvement | Building and building improvement | Machines, furniture and other equipment | Vehicles | Construction in progress | |
| At 1 January 2018 | | | | | | |
| Cost | 11,366,123,778 | 45,446,088,208 | 21,210,983,737 | 395,343,726 | 2,886,988,878 | 81,305,528,327 |
| Less Accumulated depreciation | (357,851,034) | (16,050,969,083) | (13,147,424,379) | (273,442,935) | - | (29,829,687,431) |
| Less Provision for impairment | - | (94,337,941) | (5,194,546) | - | - | (99,532,487) |
| Net book amount | 11,008,272,744 | 29,300,781,184 | 8,058,364,812 | 121,900,791 | 2,886,988,878 | 51,376,308,409 |
| For the year ended 31 December 2018 | | | | | | |
| Opening net book amount | 11,008,272,744 | 29,300,781,184 | 8,058,364,812 | 121,900,791 | 2,886,988,878 | 51,376,308,409 |
| Additions | 283,142,393 | 2,410,239,071 | 1,741,351,915 | 29,662,115 | 4,480,269,435 | 8,944,664,929 |
| Acquisition from investment in subsidiaries, net | 40,985,953,264 | 36,249,806,773 | 2,810,146,693 | 1,606,334 | 1,659,678,365 | 81,707,191,429 |
| Retrospective adjustment of fair value (Note 37) | - | - | (77,749,048) | - | - | (77,749,048) |
| Disposals, net | (52,255) | (76,153,404) | (138,186,829) | (4,698,994) | (18,795,805) | (237,887,287) |
| Write-offs, net | - | (240,373,292) | (101,367,899) | (52,405) | (4,913,299) | (346,706,895) |
| Reclassification | (2,444,718) | 944,852,452 | 1,399,951,537 | 17,072,965 | (2,359,432,236) | - |
| Transfer to non-current assets classified as held-for-sale | (106,556,721) | - | - | - | (372,684,515) | (479,241,236) |
| Transfer from (to) other accounts | (204,776,750) | (91,062,743) | 32,091,334 | - | (37,007,050) | (300,755,209) |
| Depreciation charge | (24,912,976) | (2,809,999,492) | (2,074,345,627) | (40,917,625) | - | (4,950,175,720) |
| Impairment reversal (charge) | - | 193,237,064 | (100,098,343) | - | - | 93,138,721 |
| Translation adjustment | (708,628,423) | (1,529,086,899) | (256,565,882) | (1,964,161) | (185,392,560) | (2,681,637,925) |
| Closing net book amount | 51,229,996,558 | 64,352,240,714 | 11,293,592,663 | 122,609,020 | 6,048,711,213 | 133,047,150,168 |
| At 31 December 2018 (restated) | | | | | | |
| Cost | 51,600,777,239 | 116,009,193,036 | 37,951,009,338 | 458,947,569 | 6,048,711,213 | 212,068,638,395 |
| Less Accumulated depreciation | (370,780,681) | (51,203,983,372) | (26,553,247,034) | (336,338,549) | - | (78,464,349,636) |
| Less Provision for impairment | - | (452,968,950) | (104,169,641) | - | - | (557,138,591) |
| Net book amount | 51,229,996,558 | 64,352,240,714 | 11,293,592,663 | 122,609,020 | 6,048,711,213 | 133,047,150,168 |

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| 18 Property, plant and equipment (Cont'd) | Consolidated financial statements - Baht | | | | | Total |
|---|--|-----------------------------------|---|---------------|--------------------------|------------------|
| | Land and land improvement | Building and building improvement | Machines, furniture and other equipment | Vehicles | Construction in progress | |
| For the year ended 31 December 2019 | | | | | | |
| Opening net book amount (as previously reported) | 51,229,996,558 | 64,352,240,714 | 11,371,341,711 | 122,609,020 | 6,048,711,213 | 133,124,899,216 |
| Retrospective adjustment of fair value (Note 37) | - | - | (77,749,048) | - | - | (77,749,048) |
| Opening net book amount (as restated) | 51,229,996,558 | 64,352,240,714 | 11,293,592,663 | 122,609,020 | 6,048,711,213 | 133,047,150,168 |
| Additions | 39,825,698 | 5,384,175,091 | 2,961,600,023 | 45,867,765 | 5,827,188,644 | 14,258,657,221 |
| Acquisition from investment in subsidiaries, net (Note 37) | - | 315,770,752 | 87,244,746 | 2,320,700 | 8,033,441 | 413,369,639 |
| Disposals of assets under sale and leaseback | (1,511,649,075) | (3,719,415,667) | (348,626,817) | - | - | (5,579,691,559) |
| Disposals, net | (1,763,280) | (940,752,561) | (163,459,407) | (1,216,135) | (3,128,818) | (1,110,320,201) |
| Write-offs, net | - | (281,425,893) | (123,349,239) | (927,217) | (1,109,057) | (406,811,406) |
| Reclassification | 787,735,348 | 3,520,600,005 | 1,304,872,853 | 11,696,381 | (5,624,904,587) | - |
| Transfer from (to) other accounts | (879,773) | 99,609,878 | (102,306,175) | - | (37,083,447) | (40,659,517) |
| Depreciation charge | (18,437,564) | (4,568,313,712) | (2,702,862,166) | (41,799,485) | - | (7,331,412,927) |
| Impairment reversal (charge) | (160,655,260) | 75,871,766 | (139,552,536) | - | - | (224,336,030) |
| Translation adjustment | (4,360,260,989) | (4,594,984,175) | (593,520,255) | (2,264,133) | (345,854,927) | (9,896,884,479) |
| Closing net book amount | 46,003,911,663 | 59,643,376,198 | 11,473,633,690 | 136,286,896 | 5,871,852,462 | 123,129,060,909 |
| At 31 December 2019 | | | | | | |
| Cost | 46,538,088,441 | 108,330,846,707 | 36,469,890,499 | 482,166,906 | 5,871,852,462 | 197,692,845,015 |
| Less Accumulated depreciation | (378,253,756) | (48,342,364,612) | (24,764,510,635) | (345,880,010) | - | (73,831,009,013) |
| Less Provision for impairment | (155,923,022) | (345,105,897) | (231,746,174) | - | - | (732,775,093) |
| Net book amount | 46,003,911,663 | 59,643,376,198 | 11,473,633,690 | 136,286,896 | 5,871,852,462 | 123,129,060,909 |
| Depreciation expense of Baht 5,733 million (2018: Baht 3,431 million) has been charged in cost of sales and services, Baht 1,343 million (2018: Baht 1,273 million) in selling expenses and Baht 255 million (2018: Baht 246 million) in administrative expenses. | | | | | | |

Minor International Public Company Limited
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For the year ended 31 December 2019

18 Property, plant and equipment (Cont'd)

| | Separate financial statements - Baht | | | | | Total |
|--|--------------------------------------|-----------------------------------|---|--------------|--------------------------|-----------------|
| | Land and land improvement | Building and building improvement | Machines, furniture and other equipment | Vehicles | Construction in progress | |
| At 1 January 2018 | | | | | | |
| Cost | 10,011,983 | 755,673,470 | 651,881,622 | 20,579,369 | 9,013,369 | 1,447,159,813 |
| Less Accumulated depreciation | (483,380) | (696,449,454) | (505,801,452) | (11,412,365) | - | (1,214,146,651) |
| Net book amount | 9,528,603 | 59,224,016 | 146,080,170 | 9,167,004 | 9,013,369 | 233,013,162 |
| For the year ended 31 December 2018 | | | | | | |
| Opening net book amount | 9,528,603 | 59,224,016 | 146,080,170 | 9,167,004 | 9,013,369 | 233,013,162 |
| Additions | 23,000 | 3,326,063 | 17,829,752 | 601,028 | 153,213 | 21,933,056 |
| Write-offs, net | - | (83,145) | (72,977) | (52,405) | - | (208,527) |
| Reclassification | - | 695,813 | 2,839,100 | - | (3,534,913) | - |
| Depreciation charge | (2,797) | (10,790,679) | (44,040,208) | (3,114,661) | - | (57,948,345) |
| Closing net book amount | 9,548,806 | 52,372,068 | 122,635,837 | 6,600,966 | 5,631,669 | 196,789,346 |
| At 31 December 2018 | | | | | | |
| Cost | 10,034,983 | 757,509,178 | 667,593,139 | 19,747,739 | 5,631,669 | 1,460,516,708 |
| Less Accumulated depreciation | (486,177) | (705,137,110) | (544,957,302) | (13,146,773) | - | (1,263,727,362) |
| Net book amount | 9,548,806 | 52,372,068 | 122,635,837 | 6,600,966 | 5,631,669 | 196,789,346 |

Minor International Public Company Limited
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For the year ended 31 December 2019

18 Property, plant and equipment (Cont'd)

| | Separate financial statements - Baht | | | | | Total |
|--|--------------------------------------|-----------------------------------|---|--------------|--------------------------|-----------------|
| | Land and land improvement | Building and building improvement | Machines, furniture and other equipment | Vehicles | Construction in progress | |
| For the year ended 31 December 2019 | | | | | | |
| Opening net book amount | 9,548,806 | 52,372,068 | 122,635,837 | 6,600,966 | 5,631,669 | 196,789,346 |
| Additions | 99,899 | 5,458,646 | 10,660,949 | - | - | 16,219,494 |
| Write-offs, net | - | (10,040) | (135,136) | - | - | (145,176) |
| Disposals, net | - | (4,463,390) | (11,437,875) | - | (352,999) | (16,254,264) |
| Reclassification | - | 285,000 | 1,796,020 | - | (2,081,020) | - |
| Depreciation charge | (13,701) | (8,918,312) | (19,491,942) | (3,044,012) | - | (31,467,967) |
| Impairment charge | - | - | (264,709) | - | - | (264,709) |
| Closing net book amount | 9,635,004 | 44,723,972 | 103,763,144 | 3,556,954 | 3,197,650 | 164,876,724 |
| At 31 December 2019 | | | | | | |
| Cost | 10,134,883 | 695,067,750 | 523,505,064 | 19,747,739 | 3,197,650 | 1,251,653,086 |
| Less Accumulated depreciation | (499,879) | (650,343,778) | (419,477,211) | (16,190,785) | - | (1,086,511,653) |
| Less Provision for impairment | - | - | (264,709) | - | - | (264,709) |
| Net book amount | 9,635,004 | 44,723,972 | 103,763,144 | 3,556,954 | 3,197,650 | 164,876,724 |

18 Property, plant and equipment (Cont'd)

Borrowing cost amounting to Baht 453 million from loan for construction of building was recorded as part of cost of the asset and included in addition of assets. The Group applied capitalised interest rate of 4% per annum in calculation of borrowing cost to be included in cost of the assets.

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise other equipment:

| | Consolidated | | Separate | |
|--------------------------------------|----------------------|--------------|----------------------|------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Cost - capitalised finance leases | 35,821,301 | 38,004,097 | - | - |
| <u>Less</u> Accumulated depreciation | (16,175,042) | (11,325,227) | - | - |
| Net book amount | 19,646,259 | 26,678,870 | - | - |

Subsidiaries of the Group have mortgaged land and building amounting to AUD 95 million and EUR 200 million or equivalent to Baht 8,747 million (2018: AUD 92 million and EUR 237 million or equivalent to Baht 10,888 million) to secure loans with foreign banks (Note 22).

Capital commitments

| | Consolidated financial statements | | |
|--|-----------------------------------|-------------|-------------|
| | Baht Million | AUD Million | EUR Million |
| Commitments in respect of building renovation and construction contracts and purchases of assets as at 31 December 2019 | 634 | - | 38 |
| Commitments in respect of building renovation and construction contracts and purchases of assets and purchases of equipment as at 31 December 2018 | 1,860 | 1 | 67 |

Minor International Public Company Limited
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For the year ended 31 December 2019

| | Consolidated financial statements (Baht) | | | | | | | | | |
|--|--|-----------------------------|--------------------------------|------------------------|---------------|----------------|-------------------|--------------------------------------|-----------------|--|
| | Asset management rights | Intellectual property right | Franchise development expenses | Initial franchise fees | Goodwill | Brand | Computer software | Computer software under installation | Total | |
| At 1 January 2018 | | | | | | | | | | |
| Cost | 4,700,183,655 | 601,051,866 | 166,931,768 | 222,284,601 | 8,001,398,985 | 6,960,083,257 | 1,668,201,627 | 229,608,944 | 22,549,744,703 | |
| Less: Accumulated amortisation | (789,189,537) | (97,545,586) | (164,038,577) | (144,196,623) | (391,808,039) | - | (1,080,924,718) | - | (2,667,703,080) | |
| Less: Provision for impairment | (3,312,035) | (1,086,727) | - | (1,855,372) | - | (801) | (43,676) | - | (6,298,611) | |
| Net book amount | 3,907,682,083 | 502,419,553 | 2,893,191 | 76,232,606 | 7,609,590,946 | 6,960,082,456 | 587,233,233 | 229,608,944 | 19,875,743,012 | |
| For the year ended 31 December 2018 | | | | | | | | | | |
| Opening net book amount | 3,907,682,083 | 502,419,553 | 2,893,191 | 76,232,606 | 7,609,590,946 | 6,960,082,456 | 587,233,233 | 229,608,944 | 19,875,743,012 | |
| Additions | 206,264,189 | 1,952,882 | - | 19,014,742 | - | 175,793 | 278,468,973 | 226,905,231 | 732,781,810 | |
| Acquisition from investment in subsidiaries | 4,455,982,832 | - | - | - | 261,970,194 | 39,788,267,833 | 849,314,858 | - | 45,355,535,717 | |
| Retrospective adjustment of fair value (Note 37) | (248,497,919) | - | - | - | 742,587,331 | 412,294,231 | - | - | 906,383,643 | |
| Disposals, net | (1,128,299,799) | - | - | - | - | - | (264,071) | (1,713,733) | (1,130,277,603) | |
| Write-offs, net | (3,689,240) | (518,130) | - | (1,148,759) | - | - | (2,707,009) | (108,500) | (8,171,638) | |
| Reclassification | - | - | - | - | - | - | 139,473,882 | (139,473,882) | - | |
| Transfer (to) from other account | (251,252) | - | - | (1,356,572) | - | - | 12,365,728 | 5,883,453 | 16,641,357 | |
| Amortisation charge | (216,170,333) | (2,015,912) | (81,837) | (10,626,004) | - | - | (315,442,110) | - | (544,336,196) | |
| Impairment charge | - | (2,137,397) | - | (790,962) | - | (35,438,330) | (28,317,954) | - | (66,684,643) | |
| Translation adjustment | (518,776,954) | (30,860,563) | (7,744) | (1,328,764) | (488,166,299) | (847,342,206) | (23,452,911) | - | (1,909,935,441) | |
| Closing net book amount | 6,454,243,607 | 468,840,433 | 2,803,610 | 79,996,287 | 8,125,982,172 | 46,278,039,777 | 1,496,672,619 | 321,101,513 | 63,227,680,018 | |
| At 31 December 2018 (restated) | | | | | | | | | | |
| Cost | 9,721,927,070 | 586,361,615 | 166,931,768 | 240,903,297 | 8,522,475,650 | 46,313,478,908 | 4,663,905,482 | 321,101,513 | 70,537,085,303 | |
| Less: Accumulated amortisation | (3,264,714,120) | (114,297,058) | (164,128,158) | (158,260,676) | (396,493,478) | - | (2,771,093,180) | - | (6,868,986,670) | |
| Less: Provision for impairment | (2,969,343) | (3,224,124) | - | (2,646,334) | - | (35,439,131) | (396,139,683) | - | (440,418,615) | |
| Net book amount | 6,454,243,607 | 468,840,433 | 2,803,610 | 79,996,287 | 8,125,982,172 | 46,278,039,777 | 1,496,672,619 | 321,101,513 | 63,227,680,018 | |

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Notes to the Consolidated and Separate Financial Statements
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| 19 Intangible assets (Cont'd) | Consolidated financial statements (Baht) | | | | | | | | |
|---|--|-----------------------------|--------------------------------|------------------------|---------------|-----------------|-------------------|--------------------------------------|-----------------|
| | Asset management rights | Intellectual property right | Franchise development expenses | Initial franchise fees | Goodwill | Brand | Computer software | Computer software under installation | Total |
| For the year ended 31 December 2019 | | | | | | | | | |
| Opening net book amount (as previously reported) | 6,702,741,526 | 468,840,433 | 2,803,610 | 79,996,287 | 7,383,394,841 | 45,865,745,546 | 1,496,672,619 | 321,101,513 | 62,321,296,375 |
| Retrospective adjustment of fair value (Note 37) | (248,497,919) | - | - | - | 742,587,331 | 412,294,231 | - | - | 906,383,643 |
| Opening net book amount (as restated) | 6,454,243,607 | 468,840,433 | 2,803,610 | 79,996,287 | 8,125,982,172 | 46,278,039,777 | 1,496,672,619 | 321,101,513 | 63,227,680,018 |
| Additions | 47,414,844 | 5,060,899 | 4,688,654 | 10,119,901 | - | - | 575,808,544 | 147,556,614 | 790,649,456 |
| Acquisition from investment in subsidiaries (Note 37) | 412,540,958 | - | - | 6,926,120 | 1,840,479,311 | - | 6,069,454 | - | 2,266,015,843 |
| Adjust fair value as at acquisition date (Note 37) | - | - | - | - | (58,149,129) | 13,931,760 | - | - | (44,217,369) |
| Disposals, net | (39,709,157) | (2,073,545) | - | - | - | - | (4,982,475) | (204,125) | (46,969,302) |
| Write-offs, net | - | - | (276,829) | (4,945,596) | - | - | (3,465,041) | (40,624) | (8,728,090) |
| Reclassification | (394,726,492) | - | - | - | - | - | 553,933,504 | (159,207,012) | - |
| Transfer (to) from other account | 41,304,371 | - | - | - | - | - | 5,288,616 | (6,150,791) | 40,442,196 |
| Amortisation charge | (575,900,253) | (1,865,155) | (286,135) | (11,669,649) | - | - | (731,596,792) | - | (1,321,317,984) |
| Impairment charge | - | 2,137,397 | - | 818,279 | - | (142,502,223) | 810,505 | - | (138,736,042) |
| Translation adjustment | 3,046,892,571 | (40,472,462) | 1,204,710 | 1,432,196 | (350,363,577) | (7,728,592,768) | 13,973,742 | (2,077,448) | (5,058,003,036) |
| Closing net book amount | 8,992,060,449 | 431,627,567 | 8,134,010 | 82,677,538 | 9,557,948,777 | 38,420,876,546 | 1,912,512,676 | 300,978,127 | 59,706,815,690 |
| At 31 December 2019 (restated) | | | | | | | | | |
| Cost | 11,889,567,859 | 540,432,920 | 171,343,593 | 253,003,721 | 9,954,442,255 | 38,565,820,907 | 5,088,875,673 | 300,978,127 | 66,764,465,055 |
| Less: Accumulated amortisation | (2,894,771,014) | (107,793,707) | (163,209,583) | (168,498,128) | (396,493,478) | - | (3,175,760,311) | - | (6,906,526,221) |
| Less: Provision for impairment | (2,736,396) | (1,011,646) | - | (1,828,055) | - | (144,944,361) | (602,686) | - | (151,123,144) |
| Net book amount | 8,992,060,449 | 431,627,567 | 8,134,010 | 82,677,538 | 9,557,948,777 | 38,420,876,546 | 1,912,512,676 | 300,978,127 | 59,706,815,690 |
| Amortisation of Baht 854 million (2018: Baht 368 million) has been charged in the cost of sales and services, Baht 49 million (2018: Baht 47 million) in selling expenses and Baht 418 million (2018: Baht 129 million) in administrative expenses. | | | | | | | | | |

19 Intangible assets (Cont'd)

| | Separate financial statements (Baht) | | |
|--|--------------------------------------|--------------------------------------|-------------------|
| | Computer software | Computer software under installation | Total |
| At 1 January 2018 | | | |
| Cost | 43,404,029 | 784,113 | 44,188,142 |
| <u>Less</u> Accumulated amortisation | (40,349,608) | - | (40,349,608) |
| Net book amount | <u>3,054,421</u> | <u>784,113</u> | <u>3,838,534</u> |
| For the year ended 31 December 2018 | | | |
| Opening net book amount | 3,054,421 | 784,113 | 3,838,534 |
| Additions | 220,248 | 19,722,970 | 19,943,218 |
| Reclassification | 864,438 | (864,438) | - |
| Amortisation charge | (1,001,391) | - | (1,001,391) |
| Closing net book amount | <u>3,137,716</u> | <u>19,642,645</u> | <u>22,780,361</u> |
| At 31 December 2018 | | | |
| Cost | 44,478,716 | 19,642,645 | 64,121,361 |
| <u>Less</u> Accumulated amortisation | (41,341,000) | - | (41,341,000) |
| Net book amount | <u>3,137,716</u> | <u>19,642,645</u> | <u>22,780,361</u> |
| For the year ended 31 December 2019 | | | |
| Opening net book amount | 3,137,716 | 19,642,645 | 22,780,361 |
| Additions | 3,748,622 | 2,346,020 | 6,094,642 |
| Reclassification | 21,988,665 | (21,988,665) | - |
| Amortisation charge | (2,723,428) | - | (2,723,428) |
| Closing net book amount | <u>26,151,575</u> | <u>-</u> | <u>26,151,575</u> |
| At 31 December 2019 | | | |
| Cost | 72,120,745 | - | 72,120,745 |
| <u>Less</u> Accumulated amortisation | (45,969,170) | - | (45,969,170) |
| Net book amount | <u>26,151,575</u> | <u>-</u> | <u>26,151,575</u> |

A subsidiary of the Group has mortgaged asset management rights amounting to AUD 162 million or equivalent to Baht 3,417 million (2018: AUD 163 million or equivalent to Baht 3,723 million) to secure loans with foreign banks (Note 22).

19 Intangible assets (Cont'd)

Goodwill and brand

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

Goodwill and brand are allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment-level summary of the goodwill and brand allocation are presented below:

| | Consolidated financial statements | | | | | |
|----------|-----------------------------------|----------------------------|-----------------------|-----------------------------|----------------------------|-----------------------|
| | 31 December 2019 | | | 31 December 2018 | | |
| | Hotel & Spa Baht Million | Restaurant Baht Million | Total Baht Million | Hotel & Spa Baht Million | Restaurant Baht Million | Total Baht Million |
| Goodwill | 3,043 | 6,514 | 9,557 | 4,271 | 3,854 | 8,125 |
| Brand | 32,245 | 6,176 | 38,421 | 39,510 | 6,768 | 46,278 |

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

| | Hotel and Spa | Restaurant |
|----------------------------|---------------|------------|
| Gross margin ¹ | 39% - 67% | 27% - 76% |
| Growth rate ² | 2% - 19% | 2% - 24% |
| Discount rate ³ | 5% - 12% | 5% - 9% |

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Pre-tax discount rate applied to the cash flow projections.

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

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

The key assumption that will affect the value in use is discount rate. The management has considered the sensitivity of the change in the discount rate to some cash generating units (CGUs) under the hotel business and spa which have value in use higher than the carrying value of approximately Baht 399 million. In this case, if the pre-tax discount had been 1% per annum higher than management's estimate, the Group would have recognised impairment loss of approximately Baht 486 million. However, other cash generating units still have their value in use higher than the carrying value.

Minor International Public Company Limited
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20 Prepaid rents

| | Consolidated financial statements Baht | Separate financial statements Baht |
|--|--|--|
| At 1 January 2018 | | |
| Cost | 4,851,710,778 | 18,690,531 |
| <u>Less</u> Accumulated amortisation | <u>(2,393,229,629)</u> | <u>(18,067,682)</u> |
| Net book amount | <u>2,458,481,149</u> | <u>622,849</u> |
| For the year ended 31 December 2018 | | |
| Opening net book amount | 2,458,481,149 | 622,849 |
| Additions | 52,201,756 | - |
| Disposals, net | (5,883,778) | - |
| Write-offs, net | (11,029,826) | - |
| Transfer from other account | 139,101,501 | - |
| Amortisation charge | (169,550,988) | (622,849) |
| Translation adjustment | <u>(69,640,853)</u> | <u>-</u> |
| Closing net book amount | <u>2,393,678,961</u> | <u>-</u> |
| At 31 December 2018 | | |
| Cost | 4,995,236,349 | 18,690,531 |
| <u>Less</u> Accumulated amortisation | <u>(2,601,557,388)</u> | <u>(18,690,531)</u> |
| Net book amount | <u>2,393,678,961</u> | <u>-</u> |
| For the year ended 31 December 2019 | | |
| Opening net book amount | 2,393,678,961 | - |
| Additions | 51,301,245 | 11,088,000 |
| Write-offs, net | (1,377,392) | - |
| Transfer to other account | (25,092,935) | - |
| Amortisation charge | (192,114,082) | (1,848,000) |
| Translation adjustment | <u>(51,701,293)</u> | <u>-</u> |
| Closing net book amount | <u>2,174,694,504</u> | <u>9,240,000</u> |
| At 31 December 2019 | | |
| Cost | 4,838,075,326 | 29,778,531 |
| <u>Less</u> Accumulated amortisation | <u>(2,663,380,822)</u> | <u>(20,538,531)</u> |
| Net book amount | <u>2,174,694,504</u> | <u>9,240,000</u> |

Amortisation of 103 million (2018: Baht 101million) has been charged in the cost of sales and services, Baht 75 million (2018: Baht 49 million) in selling expenses and Baht 14 million (2018: Baht 18 million) in administrative expenses.

Minor International Public Company Limited
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21 Other non-current assets

| | Consolidated | | Separate | |
|--------------------------------|----------------------|---------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Loans to other companies | 1,240,863,823 | 1,170,018,798 | - | - |
| Deposits | 1,788,990,285 | 1,746,885,224 | 10,868,546 | 10,966,209 |
| Deferred charges | 108,256,422 | 124,758,053 | 538,641 | 285,038 |
| Others | 2,749,319,964 | 1,271,080,141 | 2,156,077,944 | 407,408,127 |
| Total other non-current assets | 5,887,430,494 | 4,312,742,216 | 2,167,485,131 | 418,659,374 |

22 Borrowings

| | Consolidated | | Separate | |
|---|------------------------|------------------------|-----------------------|------------------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Current | | | | |
| Bank overdrafts | - | 46,895,892 | - | - |
| Short-term borrowings | | | | |
| from financial institutions | 300,000,000 | 3,433,642,576 | 300,000,000 | 3,427,833,826 |
| Sub-total | 300,000,000 | 3,480,538,468 | 300,000,000 | 3,427,833,826 |
| Borrowings from related parties (Note 16) | - | - | 4,338,917,425 | 2,089,180,139 |
| Current portion of long-term borrowings | | | | |
| Finance lease liabilities | 11,500,436 | 13,998,602 | - | - |
| Borrowings from financial institutions | 5,659,718,000 | 9,635,759,029 | 2,935,438,202 | 9,303,839,271 |
| Sub-total | 5,671,218,436 | 9,649,757,631 | 2,935,438,202 | 9,303,839,271 |
| Current portion of debentures | 4,000,000,000 | 4,502,710,140 | 4,000,000,000 | 4,500,000,000 |
| Total current borrowings | 9,971,218,436 | 17,633,006,239 | 11,574,355,627 | 19,320,853,236 |
| Non-current | | | | |
| Finance lease liabilities | 15,841,420 | 21,823,896 | - | - |
| Borrowings from financial institutions | 39,010,772,801 | 73,231,947,709 | 16,268,952,920 | 61,687,828,310 |
| Debentures | 63,375,519,560 | 36,007,094,338 | 51,064,612,531 | 22,575,011,352 |
| Total non-current borrowings | 102,402,133,781 | 109,260,865,943 | 67,333,565,451 | 84,262,839,662 |
| Total borrowings | 112,373,352,217 | 126,893,872,182 | 78,907,921,078 | 103,583,692,898 |

22 Borrowings (Cont'd)

Borrowings from financial institutions

As at 31 December 2019, significant long-term borrowings from financial institutions by the Group and the Company comprise:

| Due date | Currency | Consolidated | Separate | Condition | Interest rate |
|------------------|----------|----------------------|----------------------|---|--------------------------------------|
| | | financial statements | financial statements | | |
| | | 31 December | 31 December | | |
| | | 2019 | 2019 | | |
| | | Million | Million | | |
| In 2020 | THB | 2,000 | 2,000 | Unsecured | Fixed |
| During 2018-2020 | AUD | 21 | 21 | Unsecured | Variable, BBSY plus a margin |
| In 2023 | USD | 238 | 238 | Unsecured | Variable, LIBOR plus a margin |
| During 2018-2020 | GBP | 12.5 | 12.5 | Unsecured | Variable, LIBOR plus a margin |
| In 2026 | EUR | 78.5 | 78.5 | Unsecured | Variable, EURIBOR plus a margin |
| In 2023 | EUR | 168.9 | 168.9 | Unsecured | Variable, EURIBOR plus a margin |
| In 2022 | USD | 30 | 30 | Unsecured | Variable, LIBOR plus a margin |
| In 2020 | AUD | 104.5 | - | Secured | Variable, BBSY plus a margin |
| During 2018-2022 | AUD | 33.3 | - | Secured | Variable, BBSY plus a margin |
| In 2021 | AUD | 18.6 | - | Secured, use a subsidiary's properties as collateral (Note 18) | Variable, BBSY plus a margin |
| During 2017-2020 | USD | 19.5 | - | Secured | Variable, LIBOR plus a margin |
| During 2020-2021 | AUD | 12.1 | - | Secured | Variable, BBSY plus a margin |
| During 2018-2022 | EUR | 12.1 | - | Secured | Variable, EURIBOR plus a margin |
| During 2018-2020 | AUD | 176.3 | - | Secured, use a subsidiary's properties as collateral (Note 18 and 19) | Variable, BBSY plus a margin |
| During 2019-2025 | USD | 4.5 | - | Secured | Variable, cost of fund plus a margin |
| During 2021-2026 | MYR | 116.8 | - | Secured | Variable, KLIBOR plus a margin |
| During 2020-2023 | MYR | 47.2 | - | Secured | Variable, KLIBOR plus a margin |
| During 2020-2036 | EUR | 109.3 | - | Secured, use a subsidiary's properties as collateral (Note 18) | Variable and Fixed |
| In 2024 | EUR | 350 | - | Secured | Variable, EURIBOR plus a margin |
| During 2022-2031 | THB | 672.4 | - | Secured | Variable, MLR plus a margin |

The carrying amounts of long-term bank borrowings as of 31 December 2019 approximate to their fair values.

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22 Borrowings (Cont'd)

Debentures

Debentures comprise:

| Issued date | Due date | Period (Years) | Consolidated financial statements | | Separate financial statements | | Interest rate | Condition |
|-------------|----------|----------------|-----------------------------------|------------------|-------------------------------|------------------|---------------|---|
| | | | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 | | |
| | | | Baht Million | Baht Million | Baht Million | Baht Million | | |
| Oct 2011 | Oct 2021 | 10 | 300 | 300 | 300 | 300 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Aug 2012 | Aug 2022 | 10 | 2,700 | 2,700 | 2,700 | 2,700 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2014 | Mar 2019 | 5 | - | 4,500 | - | 4,500 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2020 | 5 | 4,000 | 4,000 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2025 | 10 | 4,000 | 4,000 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2021 | 5 | 2,800 | 2,800 | 2,800 | 2,800 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2031 | 15 | 1,200 | 1,200 | 1,200 | 1,200 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Apr 2017 | Oct 2023 | 6 | 12,311 | 12,718 | - | - | Fixed | Secured, senior and with a debenture holders' representative |
| Jul 2017 | Jul 2027 | 10 | 1,508 | 1,622 | 1,508 | 1,622 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2024 | 7 | 1,000 | 1,000 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2032 | 15 | 1,000 | 1,000 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2018 | Mar 2028 | 10 | 1,000 | 1,000 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Oct 2018 | Oct 2033 | 15 | 2,698 | 2,970 | 2,698 | 2,970 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2021 | 2 | 1,500 | - | 1,500 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2022 | 3 | 7,700 | - | 7,700 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2024 | 5 | 6,800 | - | 6,800 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2029 | 10 | 7,500 | - | 7,500 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2031 | 12 | 4,000 | - | 4,000 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2019 | Mar 2034 | 15 | 5,500 | - | 5,500 | - | Fixed | Unsecured, senior and without a debenture holders' representative |

The movements in debentures can be analysed as below:

| | Consolidated financial statements | Separate financial statements |
|-------------------------------------|-----------------------------------|-------------------------------|
| | Baht | Baht |
| For the year ended 31 December 2019 | | |
| Opening amount | 40,509,804,478 | 27,075,011,352 |
| Additions | 32,894,070,000 | 32,894,070,000 |
| Repayments | (4,500,000,000) | (4,500,000,000) |
| Amortisation of underwriting fees | 26,341,352 | 26,341,352 |
| Unrealised gain on exchange rate | (430,810,173) | (430,810,173) |
| Translation adjustment | (1,123,886,097) | - |
| Closing amount | 67,375,519,560 | 55,064,612,531 |

22 Borrowings (Cont'd)

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

At the Annual General Meeting of the shareholders of the Company held on 4 April 2017, the shareholders passed a resolution to approve the total outstanding principal amount of debentures (at par value) issued by the Company at any time of not exceeding Baht 45,000 million (Revolving Principal Basis).

At the Extraordinary General Meeting of the Shareholders of the Company held on 9 August 2018, the shareholders passed a resolution to approve additional principal amount of debenture (at par value) of not exceeding Baht 50,000 million, total aggregated amount of all outstanding debentures issued by the Company at any time of not exceeding Baht 95,000 million (Revolving Principal Basis).

As at 31 December 2019, a total amount of Baht 15,748 million debentures remains available for issuance under this shareholders' resolutions.

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

| | Consolidated financial statements | | | |
|------------|-----------------------------------|--------------|--------------|--------------|
| | Carrying amounts | | Fair value | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Debentures | 67,376 | 40,510 | 71,390 | 40,876 |

| | Separate financial statements | | | |
|------------|-------------------------------|--------------|--------------|--------------|
| | Carrying amounts | | Fair value | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Debentures | 55,065 | 27,075 | 59,039 | 27,442 |

The fair values are based on the discounted cash flows using discount rates based upon market yield rates which are quoted by the Thai Bond Market Association at date of statement of financial position. The fair values are within Level 2 of the fair value hierarchy.

22 Borrowings (Cont'd)

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

| | Consolidated | | Separate | |
|---------------------|----------------------|--------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Borrowings: | | | | |
| - at fixed rates | 54,837 | 45,800 | 45,922 | 29,443 |
| - at floating rates | 57,536 | 81,094 | 32,986 | 74,141 |
| Total borrowings | 112,373 | 126,894 | 78,908 | 103,584 |

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

| | Consolidated | | Separate | |
|--|----------------------|------|----------------------|------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | % | % | % | % |
| Borrowings from financial institutions | 2.36 | 2.33 | 2.99 | 2.16 |
| Debentures | 3.17 - 3.76 | 3.47 | 3.76 | 3.32 |

The fair values of long-term borrowings are based on the discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statement of financial position date. The fair values are within Level 2 of the fair value hierarchy. The carrying amounts of short-term borrowings and lease obligations approximate their fair values.

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

| | Consolidated | | Separate | |
|----------------------------|----------------------|--------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Next year | 5,660 | 9,636 | 2,935 | 9,304 |
| Between 2 and 5 years | 32,567 | 71,948 | 13,626 | 61,688 |
| Over 5 years | 6,443 | 1,284 | 2,643 | - |
| Total long-term borrowings | 44,670 | 82,868 | 19,204 | 70,992 |

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22 Borrowings (Cont'd)

Borrowing facilities

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

| | 31 December 2019 | | | | | | | | |
|------------------------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-------------------------------|-----------------|
| | Consolidated financial statements | | | | | | | Separate financial statements | |
| | USD Million | EUR Million | CNY Million | BRL Million | INR Million | MYR Million | Baht Million | USD Million | Baht Million |
| Floating interest rate | | | | | | | | | |
| Short-term | 339 | 15 | 125 | 5 | 65 | - | 8,200 | 339 | 8,200 |
| Long-term | - | 121 | - | - | - | 3 | 1,028 | - | 4,097 |
| | 339 | 136 | 125 | 5 | 65 | 3 | 9,228 | 339 | 12,297 |
| | 31 December 2018 | | | | | | | | |
| | Consolidated financial statements | | | | | | | Separate financial statements | |
| | USD Million | EUR Million | CNY Million | BRL Million | INR Million | MYR Million | Baht Million | USD Million | Baht Million |
| Floating interest rate | | | | | | | | | |
| Short-term | 311 | 77 | 125 | 5 | 53 | - | 7,660 | 311 | 7,660 |
| Long-term | 37 | 294 | - | - | - | 107 | 3,478 | - | - |
| | 348 | 371 | 125 | 5 | 53 | 107 | 11,138 | 311 | 7,660 |

23 Trade and other payables

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|-----------------------|----------------------------------|--------------------|
| | (Restated) | | | |
| | 2019 Baht | 2018 Baht | 2019 Baht | 2018 Baht |
| Trade payables - third parties | 11,242,774,344 | 11,968,448,191 | 8,187,742 | 8,825,672 |
| Trade payables - related parties (Note 16) | 45,685,687 | 18,590,565 | 24,817,993 | 24,750,765 |
| Amounts due to related parties (Note 16) | 19,096,831 | 9,262,557 | 10,382,349 | 5,561,012 |
| Accrued expenses | 6,831,586,650 | 5,589,066,391 | 657,212,788 | 416,831,522 |
| Account payable - contractors | 286,783,023 | 231,410,541 | 38,884 | 107,447 |
| Other payables | 1,610,252,822 | 1,965,435,712 | 13,009,716 | 82,227,329 |
| Total trade and other payables | 20,036,179,357 | 19,782,213,957 | 713,649,472 | 538,303,747 |

24 Other current liabilities

| | Consolidated | | Separate | |
|---------------------------------|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Booking deposits | 774,675,094 | 652,685,574 | 16,466,170 | 13,583,269 |
| Other tax payable | 351,766,510 | 396,494,745 | 1,520,987 | 1,290,061 |
| Others | 2,346,266,133 | 2,299,863,784 | 10,836,991 | 23,142,242 |
| Total other current liabilities | 3,472,707,737 | 3,349,044,103 | 28,824,148 | 38,015,572 |

25 Employee benefits obligations

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

| | Consolidated | | Separate | |
|---------------------|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Retirement benefits | 1,322,469,480 | 1,367,807,578 | 17,613,950 | 16,317,710 |

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

| | Consolidated | | Separate | |
|--------------------------------------|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Present value of unfunded obligation | 1,322,469,480 | 1,367,807,578 | 17,613,950 | 16,317,710 |

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25 Employee benefits obligations (Cont'd)

The movement in the defined obligations during the year is as follows:

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|-------------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| At 1 January | 1,367,807,578 | 222,234,045 | 16,317,710 | 16,823,424 |
| Retrospective adjustment of fair value | | | | |
| (Note 37) | - | 456,000,000 | - | - |
| Actuarial loss (gain) | - | 97,350,183 | - | (3,458,860) |
| Acquisition from investment in subsidiaries | | | | |
| (Note 37) | - | 606,555,523 | - | - |
| Past service cost | 47,802,962 | - | 3,554,720 | - |
| Current service cost | 85,982,529 | 37,526,630 | 1,854,258 | 3,134,911 |
| Interest expense | 8,285,689 | 7,306,432 | 485,052 | 361,755 |
| Payment from plans benefit payment | (74,885,257) | (50,609,157) | (4,597,790) | (543,520) |
| Translation adjustment | (112,524,021) | (8,556,078) | - | - |
| At 31 December | <u>1,322,469,480</u> | <u>1,367,807,578</u> | <u>17,613,950</u> | <u>16,317,710</u> |

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

The amount recognised in the income statements is as follows:

| | Consolidated | | Separate | |
|---------------------------------|----------------------|-------------------|----------------------|------------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Past service cost | 47,802,962 | - | 3,554,720 | - |
| Current service cost | 85,982,529 | 37,526,630 | 1,854,258 | 3,134,911 |
| Interest cost | 8,285,689 | 7,306,432 | 485,052 | 361,755 |
| Total (included in staff costs) | <u>142,071,180</u> | <u>44,833,062</u> | <u>5,894,030</u> | <u>3,496,666</u> |

Of the total charge, Baht 142 million (2018: Baht 45 million) were included in administrative expenses.

Minor International Public Company Limited
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25 Employee benefits obligations (Cont'd)

The defined benefit obligation are composed by country as follows:

| | Consolidated financial statements (Baht Million) | | | | | | | | | | | |
|-----------------------------|--|--------------|-----------|-----------|--------|-------|-----------------|--------------|-----------|-----------|--------|-------|
| | 2019 | | | | | | 2018 (Restated) | | | | | |
| | Thailand | South Africa | Australia | Sri Lanka | Europe | Total | Thailand | South Africa | Australia | Sri Lanka | Europe | Total |
| Present value of obligation | | | | | | | | | | | | |
| Total | 324 | 9 | 8 | 3 | 978 | 1,322 | 262 | 19 | 7 | 3 | 1,077 | 1,368 |

The principal actuarial assumptions used were as follows:

| | Consolidated and Separate financial statements | |
|--------------------|--|---------------|
| | 2019 | 2018 |
| Discount rate | 1.2% - 4.00% | 1.43% - 4.00% |
| Inflation rate | 2.5% | 2.5% |
| Salary growth rate | 0.5% - 7% | 1.4% - 7% |

Sensitivity analysis

| | Consolidated and Separate financial statements | | | | | |
|--------------------|--|------|--------------------------------------|--------------------|------------------------|--------------------|
| | Change in assumption | | Impact on defined benefit obligation | | | |
| | | | Increase in assumption | | Decrease in assumption | |
| 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | |
| Discount rate | 1% | 1% | Decrease by 31.19% | Decrease by 16.5% | Increase by 27.17% | Increase by 5% |
| Salary growth rate | 1% | 1% | Increase by 7.30% | Increase by 6.56% | Decrease by 5.32% | Decrease by 1.63% |
| Withdrawn rate | 5% | 5% | Decrease by 15.95% | Decrease by 15.95% | Increase by 21.36% | Increase by 21.36% |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

| | Hotel & Spa | Restaurant | Retail |
|---|-------------|------------|------------|
| The weighted average duration of the defined benefit obligation | 13.7 years | 14.3 years | 13.7 years |

25 Employee benefits obligations (Cont'd)

Expected maturity analysis of undiscounted retirement plans:

| | Consolidated financial statements | | | | |
|---------------------|-----------------------------------|----------------------|----------------------|-----------------|--------------|
| | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
| | Baht Million | Baht Million | Baht Million | Baht Million | Baht Million |
| At 31 December 2019 | | | | | |
| Defined obligation | 27 | 99 | 324 | 1,457 | 1,907 |
| Total | 27 | 99 | 324 | 1,457 | 1,907 |
| At 31 December 2018 | | | | | |
| Defined obligation | 13 | 35 | 224 | 1,294 | 1,566 |
| Total | 13 | 35 | 224 | 1,294 | 1,566 |
| | Separate financial statements | | | | |
| | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
| | Baht Million | Baht Million | Baht Million | Baht Million | Baht Million |
| At 31 December 2019 | | | | | |
| Defined obligation | 0.1 | 3 | 1 | 46 | 50 |
| Total | 0.1 | 3 | 1 | 46 | 50 |
| At 31 December 2018 | | | | | |
| Defined obligation | 0.4 | 2 | 0.8 | 47 | 50 |
| Total | 0.4 | 2 | 0.8 | 47 | 50 |

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26 Other non-current liabilities

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|---------------|----------------------|-----------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Deferred income | 351,432,632 | 184,448,959 | 38,680 | 794,341 |
| Rental deposits | 114,813,023 | 119,557,428 | 2,233,305 | 613,950 |
| Accrued land rental | 453,432,729 | 323,431,947 | - | - |
| Accrued decommissioning | 359,560,054 | 334,305,872 | - | - |
| Others | 3,576,172,061 | 3,908,128,673 | 2,874,771 | 2,874,770 |
| Total other non-current liabilities | 4,855,410,499 | 4,869,872,879 | 5,146,756 | 4,283,061 |

27 Share capital and premium on share capital

| | Consolidated financial statements | | | |
|---------------------|-----------------------------------|----------------------|--------------------|----------------|
| | Number of ordinary shares | Ordinary shares Baht | Share premium Baht | Total Baht |
| At 1 January 2018 | 4,618,914,291 | 4,618,914,291 | 15,014,609,717 | 19,633,524,008 |
| Issuance of shares | - | - | - | - |
| At 31 December 2018 | 4,618,914,291 | 4,618,914,291 | 15,014,609,717 | 19,633,524,008 |
| Issuance of shares | 90,259 | 90,259 | 3,790,878 | 3,881,137 |
| At 31 December 2019 | 4,619,004,550 | 4,619,004,550 | 15,018,400,595 | 19,637,405,145 |
| | Separate financial statements | | | |
| | Number of ordinary shares | Ordinary shares Baht | Share premium Baht | Total Baht |
| At 1 January 2018 | 4,618,914,291 | 4,618,914,291 | 14,988,957,341 | 19,607,871,632 |
| Issuance of shares | - | - | - | - |
| At 31 December 2018 | 4,618,914,291 | 4,618,914,291 | 14,988,957,341 | 19,607,871,632 |
| Issuance of shares | 90,259 | 90,259 | 3,790,878 | 3,881,137 |
| At 31 December 2019 | 4,619,004,550 | 4,619,004,550 | 14,992,748,219 | 19,611,752,769 |

As at 31 December 2019, the registered shares comprise 4,849,860,006 ordinary shares (2018: 4,618,914,291 ordinary shares) at a par value of Baht 1 each. The issued and fully paid-up shares comprise 4,619,004,550 ordinary shares (2018: 4,618,914,291 ordinary shares).

Minor International Public Company Limited
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28 Warrants

The Group has outstanding warrants to subscribe for ordinary shares to existing shareholders of the Company, 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 this financial statements.

| Issued by | Allocated to | Approval date | Determined exercising date | | Outstanding warrant Million unit | Warrant Million unit | Exercise ratio for ordinary shares per 1 warrant | Decrease during the year | | As at 31 December 2019 |
|-------------|--------------------------------|---------------|----------------------------|-------------------|----------------------------------|----------------------|--|--|-------------------------|------------------------|
| | | | First exercise | Last exercise | | | | Exercise ratio for ordinary shares during the period | Issue of ordinary Share | |
| The Company | Existing-shareholder (MINT-W6) | 4 June 2019 | 15 August 2019 | 30 September 2021 | - | 231 | 1:1 | 0.1 | 0.1 | 231 |
| | Total issuance by the Company | | | | - | 231 | | 0.1 | 0.1 | 231 |
| | | | | | | | | Exercise price Baht | Exercise price Baht | Amount Baht Million |
| | | | | | | | | 43 | 43 | 3.9 |
| | | | | | | | | | | 231 |

At the Annual General Meeting of the Shareholders of the Company held on 22 April 2019, the shareholders passed a resolution to approve the issuance of the Company's warrants on ordinary shares (MINT-W6), not exceeding 230,945,715 units for offering to existing shareholders, having a term of not exceeding 2 years from the initial issuance date, and having an exercise ratio of 1 unit of warrant per 1 ordinary share at an exercise price of Baht 43 per share.

29 Legal reserve

| | Consolidated and Separate financial statements | |
|-------------------------------|---|-------------|
| | 2019 | 2018 |
| | Baht | Baht |
| At 1 January | 464,178,907 | 464,178,907 |
| Appropriation during the year | 20,807,094 | - |
| At 31 December | 484,986,001 | 464,178,907 |

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.

Minor International Public Company Limited
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For the year ended 31 December 2019

30 Other components of equity

| | Consolidated financial statements | | | | | | | | | | | |
|-------------------------------------|---|-----------------|---|-------------|-----------------------|-----------------|---|------|------------------------|------|-------|-----------------|
| | Discount on business combination under common control | | Discount on additional investment in subsidiary | | Application of TAS 29 | | Remeasuring available-for-sale investment | | Translation adjustment | | Total | |
| | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
| At 1 January 2018 | (755,412,590) | (890,258,685) | - | - | (102,254,118) | (2,188,465,896) | (3,936,391,289) | | | | | |
| Additional investment in subsidiary | - | (951,496,527) | - | - | - | - | (951,496,527) | | | | | |
| Revaluation | - | - | - | - | 106,751,208 | - | 106,751,208 | | | | | 106,751,208 |
| Impact from hyperinflation | - | - | - | 229,102,812 | - | - | - | | | | | 229,102,812 |
| Currency translation difference | - | - | - | - | - | (1,900,351,411) | (1,900,351,411) | | | | | (1,900,351,411) |
| At 31 December 2018 | (755,412,590) | (1,841,755,212) | 229,102,812 | 229,102,812 | 4,497,090 | (4,088,817,307) | (6,452,385,207) | | | | | |
| At 1 January 2019 | (755,412,590) | (1,841,755,212) | 229,102,812 | 229,102,812 | 4,497,090 | (4,088,817,307) | (6,452,385,207) | | | | | |
| Revaluation | - | - | - | - | (430,485) | - | (430,485) | | | | | (430,485) |
| Impact from hyperinflation | - | - | - | 38,824,496 | - | - | 38,824,496 | | | | | 38,824,496 |
| Currency translation difference | - | - | - | - | - | (3,056,047,930) | (3,056,047,930) | | | | | (3,056,047,930) |
| At 31 December 2019 | (755,412,590) | (1,841,755,212) | 267,927,308 | 267,927,308 | 4,066,605 | (7,144,865,237) | (9,470,039,126) | | | | | |

30 Other components of equity (Cont'd)

| | Separate financial statements | | |
|---------------------|---|--|---------------|
| | Discount on business combination under common control Baht | Remeasuring of available-for-sale investment Baht | Total Baht |
| At 1 January 2018 | (587,397,515) | 6,827,945 | (580,569,570) |
| Revaluation | - | (3,037,255) | (3,037,255) |
| At 31 December 2018 | (587,397,515) | 3,790,690 | (583,606,825) |
| At 1 January 2019 | (587,397,515) | 3,790,690 | (583,606,825) |
| Revaluation | - | (956,500) | (956,500) |
| At 31 December 2019 | (587,397,515) | 2,834,190 | (584,563,325) |

31 Other income

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|-----------------------------------|---------------|-------------------------------|--------------|
| | 2019 Baht | 2018 Baht | 2019 Baht | 2018 Baht |
| Rental income | 255,571,676 | 213,495,150 | - | 35,671,726 |
| Premium sales income | 163,540,321 | 157,366,394 | - | - |
| Freight charges | 200,418,875 | 180,574,918 | - | - |
| Subsidy income | 177,507,930 | 192,651,383 | - | - |
| Advisory income | 133,144,205 | 161,817,849 | - | - |
| Sales of raw material to franchisees | 27,248,025 | 39,353,720 | - | - |
| Maintenance fee income | 61,316,967 | 54,337,739 | - | - |
| Property tax | 13,787,586 | 16,303,797 | - | - |
| Trademark fee income | 109,992,303 | 113,995,395 | - | - |
| Gain from bargain purchases | - | 120,802,405 | - | - |
| Gain on sale and leaseback | 4,743,436,894 | - | - | - |
| Gain on disposals of investments | 1,350,340,011 | - | - | - |
| Others | 2,078,652,218 | 882,267,714 | 564,590,457 | 118,652,198 |
| Total other income | 9,314,957,011 | 2,132,966,464 | 564,590,457 | 154,323,924 |

31 Other income (Cont'd)

During the year 2019, the Group has completed sale and leaseback arrangement, which involved the following transactions;

- The Group entered into share purchase and sale agreements to sell 100% of common shares of 2 overseas subsidiaries who owned 3 hotel properties for an aggregate gross selling price of EUR 313 million (equivalent to Baht 10.7 billion), with related cost to complete the transaction of EUR 28 million (equivalent to Baht 955 million). From management's record, net asset value of these subsidiaries at closing date specified in the agreements are estimated at EUR 146 million (equivalent to Baht 4,981 million), resulted in gain on sale of EUR 139 million (equivalent to Baht 4,743 million).
- Following completion of the sale transactions, the Group entered into lease agreements of the properties which enable the Group to operate the hotels for an initial term of 20 years, with options to extend for a total combined term of up to 60 years. The Group will pay an annual variable rent for the leased premises based on revenue generated from hotels operation, which must not be less than base rent level set forth in the agreements, amounting to EUR 12 million per annum. Such lease structure includes capped guarantee basket.

32 Expenses by nature

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

| | Consolidated | | Separate | |
|---|----------------------|----------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Depreciation on investment properties (Note 17) | 69,584,025 | 61,105,846 | - | - |
| Depreciation on property, plant and equipment (Note 18) | 7,331,412,927 | 4,950,175,720 | 31,467,967 | 57,948,345 |
| Impairment charge (reversal) of property, plant and equipment (Note 18) | 224,336,030 | (93,138,721) | - | - |
| Write-off of property, plant and equipment (Note 18) | 406,811,406 | 346,706,895 | 145,176 | 208,527 |
| Amortisation of intangible assets (Note 19) | 1,321,317,984 | 544,336,196 | 2,723,428 | 1,001,391 |
| Impairment of intangible assets (Note 19) | 138,736,042 | 66,684,643 | - | - |
| Amortisation of prepaid rents (Note 20) | 192,114,082 | 169,550,988 | 1,848,000 | 622,849 |
| Impairment of investment in associates (Note 15) | 352,714,715 | 280,000,000 | - | - |
| Doubtful account (Reversal) | 16,726,464 | 193,524,111 | (12,023) | (190,123) |
| Staff costs | 32,053,420,438 | 20,217,899,338 | 407,545,194 | 336,939,229 |

33 Deferred income taxes and income taxes

Deferred income taxes

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

| | Consolidated | | Separate | |
|---------------------------------|----------------------|--------------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2019 | (Restated) 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Deferred income tax assets | 5,503,259,677 | 6,276,639,636 | - | - |
| Deferred income tax liabilities | (24,144,264,318) | (26,628,680,026) | (200,138,201) | (139,145,422) |
| Deferred income taxes, net | (18,641,004,641) | (20,352,040,390) | (200,138,201) | (139,145,422) |

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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33 Deferred income taxes and income taxes (Cont'd)

The gross movements in deferred tax assets and liabilities during the years are as follows:

| | Consolidated financial statements | | | | | (Restated) 31 December 2018 Baht |
|--|-----------------------------------|--|---|----------------------------------|---------------------|---|
| | 1 January 2018 Baht | Charged/ (credited) to profit or loss Baht | Charged/ (credited) to other comprehensive income Baht | Business acquisitions Baht | Adjustments Baht | |
| | | | | | | |
| | | | | | | |
| Deferred tax assets | | | | | | |
| Consignment sales | 68,920,993 | 19,784,667 | - | - | - | 88,705,660 |
| Provision for impairment of assets (reversal) | 13,869,372 | 144,810,229 | - | - | - | 158,679,601 |
| Employee benefit obligations | 186,610,295 | (18,568,299) | 8,718,972 | 110,525,002 | - | 287,285,970 |
| Depreciation | 96,186,878 | (29,554,650) | - | - | - | 66,632,228 |
| Unearned income | 16,785,797 | (151,582) | - | - | - | 16,634,215 |
| Tax loss carried forward | 435,988,525 | (27,239,244) | - | 3,329,530,920 | - | 3,738,280,201 |
| Translation adjustment | 236,507,451 | - | - | - | 93,483,903 | 329,991,354 |
| Others | (67,600) | - | - | - | - | (67,600) |
| | <u>1,054,801,711</u> | <u>89,081,121</u> | <u>8,718,972</u> | <u>3,440,055,922</u> | <u>93,483,903</u> | <u>4,686,141,629</u> |
| Deferred tax liabilities | | | | | | |
| Accounts receivable | (4,828,678) | (163,981,685) | - | - | - | (168,810,363) |
| Asset management right | (1,138,598,108) | 36,040,302 | - | - | - | (1,102,557,806) |
| Financial lease revenue | (634,691,929) | 12,039,696 | - | - | - | (622,652,233) |
| Unrealised gain on available-for-sale securities | (229,996,663) | 18,234,719 | 600,397 | - | - | (211,161,547) |
| Unrealised gain on sale of assets in the group | (34,662,057) | 7,819,466 | - | - | - | (26,842,591) |
| Fair value adjustment of net assets at acquisition date | (3,956,887,966) | (252,279,840) | - | (20,003,378,883) | - | (24,212,546,689) |
| Translation adjustment | 227,875,509 | - | - | - | 842,856,050 | 1,070,731,559 |
| Others | (170,744,399) | (31,804,268) | - | 438,206,318 | - | 235,657,651 |
| | <u>(5,942,534,291)</u> | <u>(373,931,610)</u> | <u>600,397</u> | <u>(19,565,172,565)</u> | <u>842,856,050</u> | <u>(25,038,182,019)</u> |
| Deferred tax liabilities, net | <u>(4,887,732,580)</u> | <u>(284,850,489)</u> | <u>9,319,369</u> | <u>(16,125,116,643)</u> | <u>936,339,953</u> | <u>(20,352,040,390)</u> |

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

33 Deferred income taxes and income taxes (Cont'd)

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|------------------------|------------------------------------|--------------------|----------------------|-------------------------|
| | 1 January | Charged/ (credited) | Charged/ (credited) to other | Business | Adjustments | 31 December |
| | 2019 | to profit | comprehensive | acquisitions | | 2019 |
| | Baht | or loss | income | Baht | Baht | Baht |
| Deferred tax assets | | | | | | |
| Consignment sales | 88,705,660 | 14,551,793 | - | - | - | 103,257,453 |
| Provision for impairment of assets (reversal) | 158,679,601 | 53,567,257 | - | - | - | 212,246,858 |
| Employee benefit obligations | 287,285,970 | 64,133,146 | - | - | - | 351,419,116 |
| Depreciation | 66,632,228 | 7,710,013 | - | - | - | 74,342,241 |
| Unearned income | 16,634,215 | 3,500,565 | - | - | - | 20,134,780 |
| Tax loss carried forward | 3,738,280,201 | (537,528,535) | - | - | - | 3,200,751,666 |
| Translation adjustment | 329,991,354 | - | - | - | 117,585,456 | 447,576,809 |
| Others | (67,600) | - | - | - | - | (67,600) |
| | <u>4,686,141,629</u> | <u>(394,065,761)</u> | <u>-</u> | <u>-</u> | <u>117,585,456</u> | <u>4,409,661,324</u> |
| Deferred tax liabilities | | | | | | |
| Accounts receivable | (168,810,363) | 168,754,696 | - | - | - | (55,667) |
| Asset management right | (1,102,557,806) | 52,386,834 | - | - | - | (1,050,170,972) |
| Financial lease revenue | (622,652,233) | 21,870,735 | - | - | - | (600,781,498) |
| Unrealised gain on available-for-sale securities | (211,161,547) | - | 184,661 | - | - | (210,976,886) |
| Unrealised gain on sale of assets in the group | (26,842,591) | (1,576,709) | - | - | - | (28,419,300) |
| Fair value adjustment of net assets at acquisition date | (24,212,546,690) | 347,593,593 | - | 102,511,825 | - | (23,762,441,272) |
| Translation adjustment | 1,070,731,559 | - | - | - | 1,590,321,290 | 2,661,052,849 |
| Others | 235,657,652 | (294,530,871) | - | - | - | (58,873,219) |
| | <u>(25,038,182,019)</u> | <u>294,498,278</u> | <u>184,661</u> | <u>102,511,825</u> | <u>1,590,321,290</u> | <u>(23,050,665,965)</u> |
| Deferred tax liabilities, net | <u>(20,352,040,390)</u> | <u>(99,567,483)</u> | <u>184,661</u> | <u>102,511,825</u> | <u>1,707,906,746</u> | <u>(18,641,004,641)</u> |

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

33 Deferred income taxes and income taxes (Cont'd)

| | Separate financial statements | | | |
|--|-------------------------------|---------------------------|-----------------------|----------------------|
| | 1 January | Charged/ (credited) to | Charged/(credited) to | 31 December |
| | 2018 | profit or loss | other comprehensive | 2018 |
| | Baht | Baht | income | Baht |
| Deferred income tax assets | | | | |
| Provision for impairment | | | | |
| of assets (reversal) | 5,159,960 | (3,760,000) | - | 1,399,960 |
| Provisions | 3,492,704 | 462,609 | (691,771) | 3,263,542 |
| Tax loss carried forward | 46,994,100 | 18,486,509 | - | 65,480,609 |
| Effective interest rate | 3,417,935 | (947,695) | - | 2,470,240 |
| | <u>59,064,699</u> | <u>14,241,423</u> | <u>(691,771)</u> | <u>72,614,351</u> |
| Deferred income tax liabilities | | | | |
| Unrealised gain on | | | | |
| available-for-sales securities | (212,519,087) | - | 759,314 | (211,759,773) |
| Deferred income tax liabilities, net | <u>(153,454,388)</u> | <u>14,241,423</u> | <u>67,543</u> | <u>(139,145,422)</u> |

| | Separate financial statements | | | |
|--|-------------------------------|---------------------------|-----------------------|----------------------|
| | 1 January | Charged/ (credited) to | Charged/(credited) to | 31 December |
| | 2019 | profit or loss | other comprehensive | 2019 |
| | Baht | Baht | income | Baht |
| Deferred income tax assets | | | | |
| Provision for impairment of assets | | | | |
| (reversal) | 1,399,960 | 18,470 | - | 1,418,430 |
| Provisions | 3,263,542 | 2,382,780 | - | 5,646,322 |
| Tax loss carried forward | 65,480,609 | (61,162,914) | - | 4,317,695 |
| Effective interest rate | 2,470,240 | (2,470,240) | - | - |
| | <u>72,614,351</u> | <u>(61,231,904)</u> | <u>-</u> | <u>11,382,447</u> |
| Deferred income tax liabilities | | | | |
| Unrealised gain on | | | | |
| available-for-sales securities | (211,759,773) | - | 239,125 | (211,520,648) |
| Deferred income tax liabilities, net | <u>(139,145,422)</u> | <u>(61,231,904)</u> | <u>239,125</u> | <u>(200,138,201)</u> |

33 Deferred income taxes and income taxes (Cont'd)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 215 million (2018: Baht 182 million), to carry forward against future taxable income; which no deferred taxes asset have been recognised as follows:

| | Consolidated | |
|------|----------------------|--------------------|
| | financial statements | |
| | 2019 | 2018 |
| | Baht | Baht |
| 2019 | - | 1,250,959 |
| 2020 | 23,016,015 | 26,597,340 |
| 2021 | 36,673,748 | 46,188,947 |
| 2022 | 31,075,353 | 52,757,297 |
| 2023 | 22,910,547 | 55,576,064 |
| 2024 | 101,460,730 | - |
| | <u>215,136,393</u> | <u>182,370,607</u> |

Income taxes

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | (Restated) | | 2019 | 2018 |
| | 2019 | 2018 | Baht | Baht |
| | Baht | Baht | Baht | Baht |
| Current tax: | | | | |
| Current tax on profits for the year | 2,230,497,003 | 1,100,130,635 | 24,315,722 | 57,234,862 |
| Adjustments in respect of prior year | (37,113,185) | (96,431,451) | 3,303,180 | (876,351) |
| Total current tax | <u>2,193,383,818</u> | <u>1,003,699,184</u> | <u>27,618,902</u> | <u>56,358,511</u> |
| Deferred tax: | | | | |
| Origination and reversal of temporary differences | (159,350,492) | 364,181,636 | 61,231,904 | (19,091,056) |
| Change in unrecognised deductible temporary differences | 165,515,729 | 4,429,885 | - | 4,849,633 |
| Recognised of previously unrecognised tax losses | 93,402,247 | (83,761,032) | - | - |
| Total deferred tax | <u>99,567,484</u> | <u>284,850,489</u> | <u>61,231,904</u> | <u>(14,241,423)</u> |
| Total income tax | <u>2,292,951,302</u> | <u>1,288,549,673</u> | <u>88,850,806</u> | <u>42,117,088</u> |

33 Deferred income taxes and income taxes (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

| | Consolidated | | Separate | |
|--|----------------------|-----------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | (Restated) | | | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht | Baht | Baht | Baht |
| Profit before tax | 13,287,055,738 | 6,039,827,370 | 3,935,007,179 | 2,165,553,696 |
| Tax calculated at a tax rate of 20% | 2,657,411,148 | 1,207,965,474 | 787,001,436 | 433,110,739 |
| Tax effect of: | | | | |
| Associates' results reported net of tax | (736,255,423) | (364,561,004) | - | - |
| Effect of different tax rate in other countries | (2,162,509,517) | 220,622,968 | 54,312,076 | (99,295,009) |
| Additional tax deductible | (273,645,019) | (52,003,444) | (273,645,019) | (52,003,444) |
| Expenses not deductible for tax purpose | 4,634,322,632 | 1,217,908,818 | 1,517,351 | 1,816,947 |
| Income not subject to tax | (1,878,971,049) | (1,382,964,318) | (491,601,200) | (245,499,371) |
| Adjustments in respect of prior year | (62,991,423) | 198,615,090 | 3,303,181 | 3,973,282 |
| Tax incentive expenses | (41,771,830) | (42,306,405) | (1,770,822) | (1,819,986) |
| Change in unrecognised deductible temporary differences | (32,956,079) | 185,333,487 | - | 1,833,930 |
| Utilisation of previously unrecognised tax losses | (5,727,316) | (21,845,468) | - | - |
| Tax losses for which no deferred income tax asset was recognised | 196,045,178 | 121,784,475 | 9,733,803 | - |
| Tax charge | 2,292,951,302 | 1,288,549,673 | 88,850,806 | 42,117,088 |

33 Deferred income taxes and income taxes (Cont'd)

The tax charge relating to component of other comprehensive income is as follows:

| | Consolidated financial statements | | | | | |
|---|-----------------------------------|--------------------|------------------------|------------------------|--------------------|------------------------|
| | 2019 | | | 2018 | | |
| | Before tax Baht | Tax charge Baht | After tax Baht | Before tax Baht | Tax charge Baht | After tax Baht |
| Remeasurement of post-employment benefit obligations | - | - | - | (43,594,860) | 8,718,972 | (34,875,888) |
| Unrealised gain (loss) on available-for-sale securities | (615,146) | 184,661 | (430,485) | 106,150,811 | 600,397 | 106,751,208 |
| Translation adjustment | (3,809,349,170) | - | (3,809,349,170) | (2,083,895,857) | - | (2,083,895,857) |
| Other comprehensive income (loss) | (3,809,964,316) | 184,661 | (3,809,779,655) | (2,021,339,906) | 9,319,369 | (2,012,020,537) |
| | Separate financial statements | | | | | |
| | 2019 | | | 2018 | | |
| | Before tax Baht | Tax charge Baht | After tax Baht | Before tax Baht | Tax charge Baht | After tax Baht |
| Remeasurement of post-employment benefit obligations | - | - | - | 3,458,854 | (691,771) | 2,767,083 |
| Unrealised gain (loss) on available-for-sale securities | (1,195,625) | 239,125 | (956,500) | (3,796,569) | 759,314 | (3,037,255) |
| Other comprehensive income (loss) | (1,195,625) | 239,125 | (956,500) | (337,715) | 67,543 | (270,172) |

34 Earnings per share

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

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the period) 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.

| | Consolidated and Separate financial statements | |
|--|---|---------------|
| | For the year ended 31 December | |
| | 2019 | 2018 |
| | Shares | Shares |
| Weighted average number of ordinary shares in issue, net | 4,618,941,721 | 4,618,914,291 |
| Dilutive potential ordinary shares | - | - |
| Weighted average number of ordinary shares for diluted earnings | 4,618,941,721 | 4,618,914,291 |
| | | |
| | Consolidated financial statements | |
| | For the year ended 31 December | |
| | 2019 | 2018 |
| | Baht | Baht |
| Profit for the year attributable to ordinary shareholders | 10,697,926,668 | 4,507,667,947 |
| Cumulative interest expenses on perpetual debentures (net of tax) | (1,288,685,030) | (210,800,219) |
| Profit for the year used to determine diluted earnings per share | 9,409,241,638 | 4,296,867,728 |
| Basic earnings per share | 2.0371 | 0.9303 |
| Diluted earnings per share | 2.0371 | 0.9303 |

34 Earnings per share (Cont'd)

| | Separate financial statements | |
|---|--------------------------------|---------------|
| | For the year ended 31 December | |
| | 2019 Baht | 2018 Baht |
| Profit for the year attributable to ordinary shareholders | 3,846,156,373 | 2,123,436,608 |
| Cumulative interest expenses on perpetual debentures (net of tax) | (1,288,685,030) | (210,800,219) |
| Profit for the year used to determine diluted earnings per share | 2,557,471,343 | 1,912,636,389 |
| Basic earnings per share | 0.5537 | 0.4141 |
| Diluted earnings per share | 0.5537 | 0.4141 |

35 Dividend

At the Annual General Meeting of Shareholders of the Company held on 22 April 2019, the shareholders passed a resolution to approve the cash dividend in the amount of Baht 0.4 per share for existing shareholders of no more than 4,619 million ordinary shares, total dividends to be paid were in the amount of not exceeding Baht 1,848 million and dividends were paid to shareholders in May 2019.

At the Annual General Meeting of Shareholders of the Company held on 3 April 2018, the shareholders passed a resolution to approve the cash dividend in the amount of Baht 0.4 per share for existing shareholders of no more than 4,619 million ordinary shares, total dividends to be paid were in the amount of not exceeding Baht 1,848 million and dividends were paid to shareholders in April 2018.

36 Perpetual debentures

As at 31 December 2019, the Company has perpetual debentures of Baht 24,822 million, net of issuance cost of Baht 1,034 million, which were presented as a part of equity in the consolidated and separate financial statements.

In 2019, the Company paid interest to the debentures holders of Baht 1,312 million (2018: Nil).

37 Business acquisitions

37.1 New acquisitions

Elysia Retreat

During the third quarter of 2019, a subsidiary of the Group acquired the operating assets located in Australia in the amount of AUD 5 million or equivalent to Baht 106 million which is considered as business combination.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 106 |
| Provisional fair value of net assets under interest acquired | <u>96</u> |
| Goodwill | <u>10</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Inventory | 6 |
| Buildings | 68 |
| Asset management rights | 32 |
| Deferred tax liabilities | <u>(10)</u> |
| Provisional fair value of net assets under interest acquired | <u>96</u> |

As at 31 December 2019, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

37 Business acquisitions (Cont'd)

Chicken Time Co., Ltd.

During the fourth quarter of 2019, a subsidiary of the Group acquired 100% of issued shares in Chicken Time Co., Ltd. for consideration of Baht 1,931 million which is considered as business combination.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 1,931 |
| Provisional fair value of net assets under interest acquired | <u>120</u> |
| Goodwill | <u>1,811</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follow:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 78 |
| Current assets | 26 |
| Property, plant and equipment | 196 |
| Intangible assets | 13 |
| Other assets | 78 |
| Current liabilities | (66) |
| Non-current liabilities | <u>(205)</u> |
| Provisional fair value of net assets under interest acquired | <u>120</u> |

As at 31 December 2019, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

37 Business acquisitions (Cont'd)

Crowne Plaza

During the fourth quarter of 2019, a subsidiary of the Group acquired the operating assets located in Australia in the amount of AUD 4 million or equivalent to Baht 82 million which is considered as business combination.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 82 |
| Provisional fair value of net assets under interest acquired | <u>62</u> |
| Goodwill | <u>20</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Land | 15 |
| Asset management rights | 66 |
| Deferred tax liabilities | <u>(19)</u> |
| Provisional fair value of net assets under interest acquired | <u>62</u> |

As at 31 December 2019, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

37 Business acquisitions (Cont'd)

GCS Hotel Limited

During the fourth quarter of 2019, a subsidiary of the Group acquired 100% of issued shares in GCS Hotel Limited for consideration of EUR 14 million or equivalent to Baht 455 million which is considered as business combination.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 455 |
| Provisional fair value of net assets under interest acquired | <u>455</u> |
| Goodwill | <u>-</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Current assets | 75 |
| Property, plant and equipment | 134 |
| Asset management rights | 314 |
| Other current liabilities | <u>(68)</u> |
| Provisional fair value of net assets under interest acquired | <u><u>455</u></u> |

As at 31 December 2019, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

37 Business acquisitions (Cont'd)

37.2 Prior year acquisition

Harbour Residences Oaks Limited

For the acquisition of Harbour Residences Oaks Limited during the first quarter of 2018, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed in the current year which details of the acquisition were the same as previously reported. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities assumed and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 128 |
| Fair value of net assets under interest acquired | <u>98</u> |
| Goodwill | 30 |
| Goodwill - as previously reported | <u>30</u> |
| Adjustment of fair value | <u>-</u> |

The fair value of identified assets acquired from this acquisition was as follow:

| | <u>Baht Million</u> |
|-------------------------------|---------------------|
| Cash and cash equivalents | 2 |
| Trade and other receivables | 10 |
| Property, plant and equipment | 18 |
| Asset management rights | 106 |
| Deferred tax liabilities | (30) |
| Liabilities | <u>(8)</u> |
| Fair value of net assets | <u>98</u> |

37 Business acquisitions (Cont'd)

Benihana Holding Pte. Ltd.

For the acquisition of Benihana Holding Pte. Ltd. during the second quarter of 2018, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed in the current year which details of the acquisition were the same as previously reported. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities assumed and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|---|---------------------|
| Purchase price considerations | 334 |
| Fair value of net assets under interest acquired | <u>455</u> |
| Gain from bargain purchase | (121) |
| Gain from bargain purchase - as previously reported | <u>(121)</u> |
| Adjustment of fair value | <u>-</u> |

The fair value at 75% interest of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 27 |
| Receivables and prepayments | 38 |
| Inventories | 2 |
| Property, plant and equipment | 9 |
| Intangible assets | 661 |
| Liabilities | <u>(131)</u> |
| Fair value of net assets | 606 |
| Non-controlling interests | <u>(151)</u> |
| Fair value of net assets under interest acquired | <u>455</u> |

37 Business acquisitions (Cont'd)

The Food Theory Group Pte. Ltd.

For the acquisition of The Food Theory Group Pte. Ltd. during the second quarter of 2018, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed in the current year. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities assumed and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Additional purchase price considerations | 65 |
| Fair value of previously held interest | <u>79</u> |
| Total purchase price considerations | 144 |
| Fair value of net assets under interest acquired | <u>44</u> |
| Goodwill | 100 |
| Goodwill - as previously reported | <u>155</u> |
| Adjustment of fair value | <u><u>55</u></u> |

Details of adjustment of fair value are as follows:

| | |
|---------------------------------------|------|
| Increase in interest in joint venture | 55 |
| Decrease in goodwill | (55) |

Fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--------------------------------------|---------------------|
| Cash and cash equivalents | 22 |
| Receivables and other current assets | 9 |
| Interest in joint venture | 65 |
| Property, plant and equipment | 10 |
| Other assets | 13 |
| Liabilities | <u>(75)</u> |
| Fair value of net assets | <u><u>44</u></u> |

37 Business acquisitions (Cont'd)

Ocean Hervey Bay

For the acquisition of Ocean Harvey Bay during the third quarter of 2018, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed in the current year which details of the acquisition were the same as previously reported. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities assumed and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 176 |
| Fair value of net assets under interest acquired | <u>144</u> |
| Goodwill | 32 |
| Goodwill - as previously reported | <u>32</u> |
| Adjustment of fair value | <u>-</u> |

Fair value of identified assets acquired and liabilities assumed from this acquisition was as follow:

| | <u>Baht Million</u> |
|--|---------------------|
| Current assets | 11 |
| Property, plant and equipment | 30 |
| Asset management rights | 135 |
| Liabilities | <u>(32)</u> |
| Fair value of net assets under interest acquired | <u>144</u> |

37 Business acquisitions (Cont'd)

NH Hotel Group S.A.

The Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of NH Hotel Group S.A. within the time period defined in TFRS 3 – Business Combination in 2019. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|---|---------------------|
| Purchase price considerations | 86,867 |
| Fair value of net assets under interest acquired | <u>86,125</u> |
| Goodwill | 742 |
| Gain from bargain purchase – as previously reported | <u>(708)</u> |
| Adjustment of fair value | <u>(1,450)</u> |

Details of adjustment were as follows;

| | <u>Baht Million</u> |
|--|---------------------|
| Decrease in assets held for sale | (131) |
| Increase in intangible asset | 164 |
| Decrease in property, plant, and equipment | (78) |
| Decrease in other non-current assets | (336) |
| Increase in deferred tax assets | 19 |
| Increase in deferred tax liabilities | (41) |
| Decrease in other payables | 2,207 |
| Increase in income tax payable | (2,207) |
| Increase in other liabilities | (1,113) |
| Decrease in non-controlling interest | 66 |
| | <u>(1,450)</u> |

37 Business acquisitions (Cont'd)

The fair value at 94.1% interest of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 10,216 |
| Other current assets | 9,254 |
| Property, plant and equipment | 81,507 |
| Intangible assets | 44,285 |
| Deferred tax assets | 5,773 |
| Other non-current assets | 3,226 |
| Deferred tax liabilities | (21,848) |
| Liabilities | <u>(38,459)</u> |
| Fair value of net assets | 93,954 |
| Non-controlling interests | <u>(7,829)</u> |
| Fair value of net assets under interest acquired | <u>86,125</u> |

Santai Resort

For the acquisition of Santai Resort during the fourth quarter of 2018, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed in the current year which details of the acquisition were the same as previously reported. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities assumed and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 77 |
| Fair value of net assets under interest acquired | <u>57</u> |
| Goodwill | 20 |
| Goodwill - as previously reported | <u>20</u> |
| Adjustment of fair value | <u>-</u> |

37 Business acquisitions (Cont'd)

Fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Property, plant and equipment | 9 |
| Asset management rights | 68 |
| Deferred tax liabilities | (20) |
| | <hr/> |
| Fair value of net assets under interest acquired | 57 |
| | <hr/> |

QT Port Douglas

For the acquisition of QT Port Douglas during the fourth quarter of 2018, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed in the current year which details of the acquisition were the same as previously reported. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities assumed and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 331 |
| Fair value of net assets under interest acquired | 329 |
| | <hr/> |
| Goodwill | 2 |
| Goodwill - as previously reported | 2 |
| | <hr/> |
| Adjustment of fair value | - |
| | <hr/> |

Fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Property, plant and equipment | 30 |
| Inventory | 299 |
| Asset management rights | 2 |
| Deferred tax liabilities | (1) |
| Liabilities | (1) |
| | <hr/> |
| Fair value of net assets under interest acquired | 329 |
| | <hr/> |

37 Business acquisitions (Cont'd)

Inigo Montoya Group

For the acquisition of Inigo Montoya Group during the fourth quarter of 2018, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed in the current year. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities assumed and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Additional purchase price considerations | 4 |
| Purchase price considerations | <u>29</u> |
| Total purchase price consideration | 33 |
| Fair value of net assets under interest acquired | <u>12</u> |
| Goodwill | 21 |
| Goodwill - as previously reported | <u>24</u> |
| Adjustment of fair value | <u>3</u> |

Details of adjustment of fair value are as follows:

| | <u>Baht Million</u> |
|---------------------------------------|---------------------|
| Decrease in cash and cash equivalent | (1) |
| Increase in intangible asset | 14 |
| Increase in other assets | 6 |
| Increase in deferred tax liabilities | (4) |
| Increase in liabilities | (5) |
| Increase in non-controlling interests | <u>(3)</u> |
| | <u>7</u> |

The fair value at 70% interest of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 1 |
| Property, plant and equipment | 16 |
| Intangible assets | 14 |
| Other assets | 18 |
| Deferred tax liabilities | (4) |
| Liabilities | <u>(28)</u> |
| Fair value of net assets | 17 |
| Non-controlling interests | <u>(5)</u> |
| Fair value of net assets under interest acquired | <u>12</u> |

37 Business acquisitions (Cont'd)

37.3 Group's valuation processes

The Group has mainly applied the value-in-use model in calculating fair value of property plant and equipment and intangible assets, comprising of income approach and royalty relief method. The Group applied cost approach in calculating fair value of property, plant and equipment, and the market approach in calculating fair value of prepaid rent which are considered as Level 3 of fair value measurement.

Finance and accounting department engages professional independent valuers, who hold a recognised relevant professional qualification and have experience in the locations and segments of the business, to perform the valuations of assets acquired from business combination, including Level 3 fair values. This team reports directly to Chief Financial Officer ("CFO"). Discussions of valuation processes and results are held between the finance department and the CFO at least once every quarter, in line with the Group's quarterly reporting dates.

The main Level 3 input used by the Group pertains to the discount rate and growth rate for business valuation. It is estimated based on discounted cash flow projections of revenue in the future in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the operation.

The discount rate is estimated based on capital structure and financial factors in overall economy that are, in the opinion of the management, appropriate including the risk premium and reflects current market assessments of the time value of money and risk adjusted which are in the range of 4% - 22% per annum (an exceptional rate of 44% per annum in one location where hyperinflationary is identified).

The growth rate is estimated based on current and future market conditions that are, in the opinion of the management, appropriate. The growth rate is generally in the range of 1.5% - 4% per annum, unless there are specific indicators for growth over average rate.

38 Financial instruments

Financial risk management policies

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

38 Financial instruments (Cont'd)

Liquidity risk

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

Interest rate risk

The interest rate risks arise from the volatility of market interest rates, which may have a negative impact on the Group cash flow. The Group manage such risks in accordance with its policy to reduce the Group's exposure to adverse changes in interest rates and the prevailing financial market condition. As a result, the Group keeps balancing interest rate position to align with the financial market situation. Interest rate swap is one of the key financial derivatives that the Group uses to manage interest rates volatility and exposure to mitigate negative impact to its cash flow.

As at 31 December 2019, the Group has entered into the interest rate swap contracts as follows:

- a) Interest rate swap contract for loan in USD currency with principal amount of USD 238 million, which swap floating interest rate to fixed interest rate. The contract will expire in September 2023.
- b) Interest rate swap contract for debenture in THB currency with principal amount of THB 4,000 million, which swap fixed interest rate to floating interest rate. The contract will expire in May 2025.
- c) Interest rate swap contract for debenture in THB currency with principal amount of THB 2,000 million, which swap fixed interest rate to floating interest rate. The contract will expire in May 2020.
- d) Interest rate swap contract for debenture in THB currency with principal amount of THB 1,000 million, which swap fixed interest rate to floating interest rate. The contract will expire in March 2028.
- e) Interest rate swap contract for loan in EUR currency with principal amount of EUR 7.9 million, which swap fixed interest rate to floating interest rate. The contract will expire in June 2023.
- f) Interest rate swap contract for loan in AUD currency with principal amount of AUD 100 million, which swap floating interest rate to fixed interest rate. The contract will expire in December 2022.

38 Financial instruments (Cont'd)

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, associates and joint venture. In order to manage the risk arising from fluctuations in currency exchange rates, the Group uses the derivative, cross currency swap contracts and forward foreign exchange contracts, to manage the risk as follows:

Cross currency interest rate swap contracts

As at 31 December 2019, the Group has entered into the cross currency interest rate swap contracts as follows:

- a) Cross currency interest rate swap contract for perpetual debenture of Baht 15,000 million with fixed interest rate converting to an equivalent fixed amount of EUR 447.8 million with fixed interest rate. The contract will expire on September 2023.
- b) Cross currency interest rate swap contract for debenture of Baht 4,000 million with fixed interest rate converting to an equivalent fixed amount of EUR 106.1 million with variable interest rate. The contract will expire on May 2020.
- c) Cross currency interest rate swap contract for debenture of Baht 2,800 million with fixed interest rate converting to an equivalent fixed amount of EUR 72.7 million with variable interest rate. The contract will expire on March 2021.
- d) Cross currency interest rate swap contract for debenture of Baht 1,000 million with fixed interest rate converting to an equivalent fixed amount of GBP 22.9 million with variable interest rate. The contract will expire on March 2028.
- e) Cross currency interest rate swap contract for perpetual debenture of USD 300 million with fixed interest rate converting to an equivalent fixed amount of EUR 271.5 million with variable rate. The contract will expire on December 2021.
- f) Cross currency interest rate swap contract for debenture of Baht 2,400 million with fixed interest rate converting to an equivalent fixed amount of EUR 67.2 million with fixed interest rate. The contract will expire on March 2022.

38 Financial instruments (Cont'd)

- g) Cross currency interest rate swap contract for debenture of Baht 6,800 million with fixed interest rate converting to an equivalent fixed amount of EUR 191 million with fixed interest rate. The contract will expire on March 2024.
- h) Cross currency interest rate swap contract for debenture of Baht 2,500 million with fixed interest rate converting to an equivalent fixed amount of EUR 70.1 million with fixed interest rate. The contract will expire on March 2029.
- i) Cross currency interest rate swap contract for debenture of Baht 2,800 million with fixed interest rate converting to an equivalent fixed amount of EUR 78.8 million with fixed interest rate. The contract will expire on March 2029.
- j) Cross currency interest rate swap contract for debenture of Baht 4,000 million with fixed interest rate converting to an equivalent fixed amount of EUR 112.3 million with fixed interest rate. The contract will expire on March 2031.
- k) Cross currency interest rate swap contract for debenture of Baht 5,500 million with fixed interest rate converting to an equivalent fixed amount of EUR 154.5 million with fixed interest rate. The contract will expire on March 2034.

Foreign exchange forward contracts

Foreign exchange forward contracts are used for managing exposure to fluctuations in foreign currency exchange rates for the purchase of goods. As at 31 December 2019 and 2018, the Group has outstanding foreign exchange forward contracts, with maturity less than 6 months as follows:

| | Consolidated | | Separate | |
|---|----------------------|--------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| USD 35,800,000 (Baht 30.16-30.18/1 USD) (2018: USD 1,964,855 (Baht 32.62/1 USD)) | 1,080 | 64 | 1,080 | - |
| AUD 28,077,050 (Baht 20.72-20.87/1 AUD) (2018: Nil) | 583 | - | 583 | - |
| SGD 5,000,000 (Baht 22.28 SGD) (2018: Nil) | 111 | - | 111 | - |
| SGD 796,395 (Baht 22.35/1 SGD) (2018: Nil) | 18 | - | - | - |

38 Financial instruments (Cont'd)

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 interest rate swap contracts for loans as at 31 December 2019 is favourable amounting to Baht 3,514 million (2018: unfavourable amounting to Baht 109 million).

The fair value of the open foreign exchange forward contracts for the purchase of goods as at 31 December 2019 is unfavourable amounting to Baht 9 million (2018: unfavourable amounting to Baht 0.3 million).

Financial instrument in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the fair value of cross currency interest rate swap contracts and foreign exchange forward contracts of the Group are in Level 2 hierarchy.

39 Commitments

As at 31 December 2019, the Group has commitments as follows:

The Company

- The Company has extended land lease agreements for periods of 6 years, effective on 01 January 2019. The Company is committed to pay rental fees at a certain amount. As at 31 December 2019, the Company's future commitments according to the minimal rental fees stipulated in the agreement is approximately Baht 848 million.
- The Company has entered into a trademark agreement and a hotel management agreement with a subsidiary. The Company has an obligation to pay trademark fees and hotel management fees at certain percentages of revenue generated as indicated in the agreement. The agreement is valid for 10 years and will be terminated in 2026.
- The Company has entered into two agreements for technical assistance and the use of trademarks and trade names with an overseas company under the terms of the agreements, fees calculated at a percentage of gross sales as specified in the agreements. One of them was effective in February 1994 which will be continued until one of the parties terminates the contract, and the other will also be continued until one of the parties terminates the contract. According to the two agreements, a subsidiary must pay franchise fees based on a percentage of sales and must comply with certain terms and conditions.

Subsidiaries

Management and services agreements

- A subsidiary has entered into a license and royalty agreement with an overseas company. The subsidiary is committed to pay royalty fees and management hotel fees at the rate, terms and basis as specified in the agreement for a period of 20 years through 2021 and can be renewed at its expiry date for 10 years.
- A subsidiary has entered into service agreements with three companies with regards to hotel operations, whereby the subsidiary has been provided certain services and granted a license. The subsidiary is required to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective for the period from September 2006 to June 2024 with option to extend the period up to another 20 years.

39 Commitments (Cont'd)

- A subsidiary has entered into service agreements with three companies with regards to hotel operations, whereby the subsidiary has been provided services and granted a license. The subsidiary is required 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 has entered into service agreements with three companies with regards to hotel operations, whereby the subsidiary has been provided services and granted a license to operate. The subsidiary is required to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from February 2007 to January 2027 and are renewable after expiry date for another two periods of 20 years and 10 years, respectively.
- A subsidiary has entered into a consulting agreement regarding hotel operations with two companies, whereby the subsidiary has been provided hotel operating and marketing services, right of trademark use, technical knowledge, and other associated services. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from April 2011 to December 2031.
- A subsidiary has entered into a residential license marketing agreement regarding residential operation with a company, whereby the subsidiary has been provided residential operating and marketing services, right of trademark use, technical knowledge, and other associated services. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates as specified in the agreements. The agreement is effective from June 2007 to May 2037.
- A subsidiary has entered into the service agreements with a company with regards to consultation, installation, repair and maintenance of computer systems, computer software and information technology systems. The subsidiary is committed to pay the fees following the rates, terms and basis as specified in the agreements. The agreements are effective from January 2019 to December 2023.

Rental agreements

- Three subsidiaries have entered into separate land lease agreements for periods between 30 to 42 years, effective on 8 May 1987, 25 January 1989 and 2 July 1994, respectively. The subsidiaries are committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2019, the subsidiaries' future payment commitments in accordance with the minimal rental fees stipulated in the agreements are approximately Baht 393 million (2018: Baht 398 million).

39 Commitments (Cont'd)

- A subsidiary has extended its land lease agreements for a period of 30 years, effective from 25 January 2019. The subsidiary is committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2019, the subsidiary's future payment commitments in accordance with the minimal rental fees and special remuneration stipulated in the agreements are approximately Baht 1,102 million (2018: Baht 1,132 million).
- A subsidiary has entered into the sublease land agreement of Kihavah Huravalhi Island for 23 years from 23 October 2007 for the construction of a new hotel. As at 31 December 2019, a subsidiary has a commitment to pay rental fee as stipulated in the lease agreement of approximately USD 34 million (2018: USD 36 million).
- Subsidiaries have entered into lease agreements covering the land where their hotels are situated. Under the lease agreements, the subsidiaries have transferred the ownership of the hotel buildings and improvements to the landlord. The subsidiaries committed to pay rental fees at the rates specified in the lease agreements. The lease agreements are for a period of 30 years up to the years 2043 and 2047. As at 31 December 2019, the subsidiaries have commitments to pay minimal rental fees as stipulated in the agreement as follows:

| Year | Baht Million |
|-----------------------|--------------|
| Within 1 year | 49 |
| Between 2 and 5 years | 224 |
| After 5 years | 1,850 |
| | 2,123 |
| | 2,123 |

- On 3 July 2007, a subsidiary entered into an agreement with the Privy Purse Bureau to lease land and construct a building. Under this agreement, the Privy Purse Bureau agrees and permits the subsidiary to undertake building construction, and the subsidiary agreed to construct a residential and hotel building situated on land owned by the Privy Purse Bureau. The building construction permit was under the name of the Privy Purse Bureau and the ownership of the building and other constructions on this land are transferred to the landlord on completion. In addition, the subsidiary was required to pay all expenses with respect to the construction of the building. The construction period was 4 years from the date of receipt of the permit to construct the building from the Bangkok Metropolitan Authority. The Privy Purse agreed with the subsidiary to lease the land and building for the residential, hotel and related commerce for a period of 30 years commencing 1 March 2011. As at 31 December 2019, the subsidiary has a commitment to pay land and building rental fee to the Privy Purse Bureau at the rates stipulated in the agreement amounting to Baht 434 million by which the subsidiary has recorded a part of the rental fee as accrued project cost in the statement of financial position amounting to Baht 272 million.

39 Commitments (Cont'd)

- A subsidiary has entered into a land rental agreement of which the location is on timeshare residence. The subsidiary has a commitment to pay rental fees as stated in the agreement. The agreement are for a period of 30 years and will end in January 2039. As at 31 December 2019, the subsidiary has commitments to pay Baht 108 million as stipulated, by which Baht 47 million has been included as accrued project cost in the statement of financial position.
- As at 31 December 2019 and 2018, there were lease commitments for the lease and service agreements for restaurant outlets, office spaces, shops, motor vehicles, computer equipment, and office equipment committed by subsidiaries for periods ranging from 1 year to 30 years payable as follows:

| | 2019 | | 2018 | |
|-----------------------|--------------|-------------|--------------|-------------|
| | Baht Million | AUD Million | Baht Million | AUD Million |
| Within 1 year | 1,695 | 35 | 1,610 | 25 |
| Between 2 and 5 years | 1,322 | 76 | 1,793 | 61 |
| After 5 years | 4 | 20 | 9 | 8 |
| Total | 3,021 | 131 | 3,412 | 94 |

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

- A subsidiary has entered into lease agreements covering the land and building. A subsidiary committed to pay rental fees at the rates specified in the lease agreements. As at 31 December 2019, a subsidiary has a commitment to pay rental fee as stipulated in the lease agreement of approximately EUR 0.11 million.
- A subsidiary has entered into lease agreement for periods between 5 to 40 years. The subsidiary is committed to pay rental fee at a certain percentage of annual gross revenue or at a minimum rent stipulated in the agreement. As at 31 December 2019, a subsidiary has commitment to pay rental fee as stipulated in the lease agreement approximately of EUR 3,375 million.

39 Commitments (Cont'd)

Trademark, franchise and license agreements

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

40 Guarantees

Guarantees in the normal courses of business are as follows:

| | 31 December 2019 | | | | | | | | | | | | | | |
|--|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| | Consolidated financial statements | | | | | | | | Separate financial statements | | | | | | |
| | Baht Million | US\$ Million | AUD Million | EUR Million | CNY Million | AED Million | BRL Million | MYR Million | Baht Million | US\$ Million | AUD Million | EUR Million | AED Million | BRL Million | MYR Million |
| Letters of guarantees issued by banks on behalf of the Group | 1,174.4 | 4.0 | 13.7 | 31.7 | - | 26.0 | - | 0.6 | 797.0 | - | - | - | 26.0 | - | 0.6 |
| Guarantee given by the Group to financial institution to guarantee for credit facilities | 5,336.1 | 124.6 | 138.9 | 604.2 | 125.0 | - | 5.0 | 100.2 | 3,499.5 | 124.6 | 138.7 | 400.0 | - | 5.0 | 100.2 |

| | 31 December 2018 | | | | | | | | | | | | | | |
|--|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------------|-----------------|----------------|----------------|----------------|----------------|--|
| | Consolidated financial statements | | | | | | | | Separate financial statements | | | | | | |
| | Baht Million | US\$ Million | AUD Million | EUR Million | CNY Million | BRL Million | INR Million | MYR Million | Baht Million | US\$ Million | AUD Million | EUR Million | BRL Million | MYR Million | |
| Letters of guarantees issued by banks on behalf of the Group | 1,092.1 | 4.9 | 12.6 | 39.3 | 12.6 | - | - | - | 614.8 | 0.9 | - | - | - | - | |
| Guarantee given by the Group to financial institution to guarantee for credit facilities | 3,499.0 | 136.3 | 138.7 | 219.2 | 125.0 | 5.0 | 65.0 | 100.2 | 1,835.3 | 136.3 | 138.7 | 15.0 | 5.0 | 100.2 | |

41 Post statement of financial position event

A subsidiary of the Group, Minor BT Holding (Singapore) Pte. Ltd., has invested in 25.1% interest of a newly established company, BTG Holding Company Pte. Ltd., by purchasing 1,000 common shares at par value of SGD 1 per share, totaling SGD 1,000. As part of the Group's plan, BTG Holding will be the offeror to make a voluntary conditional cash offer to acquire all shares of BreadTalk Group Limited ('BTG'), a listed company in the Singapore Exchange, which currently the Group holds 14.2% interest in BTG.

MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

Independent Auditor's Report

To the shareholders of Minor International Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Minor International Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Key audit matter | How my audit addressed the key audit matter |
|---|---|
| <p><i>Business combination</i></p> <p>Refer to Note 35 to the financial statements related to acquisition of subsidiaries.</p> <p>During the year ended 31 December 2018, the Group has acquired NH Hotel Group S.A., which is a large hotel chain in Spain, for a total purchase consideration of Baht 86,867 million. The Group has acquired material amount of assets and liabilities under this acquisition. Management assessed that this acquisition is qualified as a business combination and significant management judgement were exercised on the valuation of tangible and intangible assets acquired. Following the transaction, management has determined gain on bargain purchase of Baht 708 million.</p> <p>An important element of auditing this business combination transaction relates to the valuation of net assets acquired and liabilities assumed under the Purchase Price Allocation (PPA), where management engaged external valuation expert to complete the exercise based on several key assumptions.</p> | <p>The audit procedures included the followings;</p> <p>I reviewed the purchase transactions and related agreements to obtain an understanding of the transactions and reviewed management's assessment to evaluate that the acquisition should be accounted for as business combination and also identify date of control of this business combination transaction.</p> <p>I assessed the competence, independence and objectivity of the external valuation expert engaged by management.</p> <p>I assessed management's procedures and assumptions in determining the fair value of the assets acquired and liabilities assumed by comparing management's assumptions to data from other independent sources to assess appropriateness of key financial assumptions applied in the Purchase Price Allocation (PPA). In performing such work, I also involved my auditor's expert to support my assessment of the reasonableness of the assumptions.</p> <p>I tested the calculation of the PPA and gain on bargain purchase arising from the acquisition, being the difference between the total net consideration paid and the fair value of the net assets acquired.</p> |

| Key audit matter | How my audit addressed the key audit matter |
|--|--|
| <p>I focused on this area as the transaction is material in amount to the consolidated financial statements, representing significant portion to the Group's assets and it also relates to significant judgement that management exercised on the valuation of net assets acquired, the PPA, and accordingly gain on bargain purchase.</p> | <p>I evaluated the adequacy of the disclosures made in notes of the financial statements.</p> <p>Based on the above procedures, I considered management's key assumptions used in assessing the fair value of the net assets acquired to be reasonable based on available evidences.</p> |

| Key audit matter | How my audit addressed the key audit matter |
|--|--|
| <p><i>Assessment of goodwill impairment</i></p> <p>Refer to Note 4 to the financial statements for critical accounting estimates and judgements related to goodwill.</p> <p>The Group has goodwill of Baht 7,383 million as at 31 December 2018, which mainly relates to 2 business segments which are Hotel & Spa and Restaurant. The Group is required to, at least annually, test goodwill for impairment.</p> <p>For the year ended 31 December 2018, the management have performed an impairment assessment over the goodwill balance by:</p> <ol style="list-style-type: none"> 1. Calculating the value in use for each Cash Generating Unit (“CGU”) using a discounted cash flow model. These models used cash flows (revenues and expenses) for each CGU for 5 years, with constant terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the weighted average cost of capital (WACC); and 2. Comparing the resulting value in use of each CGU to their respective book values. <p>Based on the annual goodwill impairment test, the management concluded there is no goodwill impairment as at 31 December 2018. The key assumptions are disclosed in Note 18 to the financial statements.</p> <p>I focused on this area due to the size of goodwill balance of around 3% of total assets and the annual assessment process involves significant management judgement, which is based on assumptions that are affected by expected future market and economic conditions.</p> | <p>The audit procedures included the followings;</p> <p>I obtained, understood and evaluated the composition of management’s cash flow forecasts and the process by which they were developed, including test the mathematical accuracy of the underlying calculations.</p> <p>I compared current year actual results with the figures included in the prior year forecast to consider whether any forecasts included assumptions that, with hindsight, had been optimistic.</p> <p>I assessed management’s key assumptions by comparing them to historical results and economic and industry outlook.</p> <p>I reviewed parameters used to determine the discount rate applied and re-performed the calculations.</p> <p>I assessed management on the adequacy of their sensitivity calculations over all their CGUs. The valuation of goodwill are sensitive to changes in key assumptions such as revenue growth and discount rate, in case they are not achieved, could reasonably be expected to give rise to impairment charge in the future.</p> <p>I evaluated the adequacy of the disclosures made in notes of the financial statements, including those regarding the key assumptions and sensitivity of those assumptions.</p> <p>Based on the above procedures, I considered management’s key assumptions used in assessing the goodwill impairment to be reasonable based on available evidences.</p> |

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Anothai Leekitwattana

Certified Public Accountant (Thailand) No. 3442

Bangkok

26 February 2019

MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

Minor International Public Company Limited
 Statements of Financial Position
 As at 31 December 2018

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|------------------------|----------------------------------|-----------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Restated | | | |
| | | Baht | Baht | Baht | Baht |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 12,759,883,522 | 5,336,158,898 | 111,546,471 | 1,079,134,211 |
| Short-term investment | 13 | - | 1,695,238,408 | - | - |
| Trade and other receivables | 8 | 14,941,370,577 | 8,261,569,127 | 1,545,542,689 | 1,121,135,591 |
| Inventories | 9 | 3,704,741,879 | 3,116,646,560 | 6,989,405 | 6,810,348 |
| Land and real estates project for sales | 10 | 1,895,809,186 | 1,886,563,777 | - | - |
| Other current assets | 11 | 2,616,109,537 | 1,233,641,355 | 60,104,226 | 84,404,578 |
| Non-current assets classified as held-for-sale | 12 | 2,188,069,723 | - | - | - |
| Total current assets | | 38,105,984,424 | 21,529,818,125 | 1,724,182,791 | 2,291,484,728 |
| Non-current assets | | | | | |
| Trade receivables long-term contracts | 8 | 3,383,355,977 | 3,237,938,264 | - | - |
| Available-for-sale investments | 13 | 26,166,370 | 29,940,218 | 24,754,790 | 28,554,770 |
| Investments in subsidiaries | 14 | - | - | 6,171,579,290 | 6,073,492,298 |
| Investments in associates | 14 | 7,159,591,855 | 7,087,166,244 | 2,779,663,176 | 2,767,066,898 |
| Interests in joint ventures | 14 | 2,801,463,271 | 3,542,424,779 | - | 5,484,460 |
| Other long-term investments | 13 | 531,658,469 | 67,325 | - | - |
| Long-term loans to related parties | 15 | 6,095,827,806 | 6,174,383,316 | 141,521,128,254 | 55,931,483,047 |
| Investment properties | 16 | 1,186,244,914 | 1,189,713,028 | - | - |
| Property, plant and equipment | 17 | 133,124,899,216 | 51,376,308,409 | 196,789,346 | 233,013,162 |
| Intangible assets | 18 | 62,321,296,375 | 19,875,743,012 | 22,780,361 | 3,838,534 |
| Prepaid rents | 19 | 2,393,678,961 | 2,458,481,149 | - | 622,849 |
| Deferred tax assets | 31 | 6,257,144,849 | 805,406,498 | - | - |
| Other non-current assets | 20 | 4,312,998,850 | 1,792,900,010 | 418,659,374 | 44,014,816 |
| Total non-current assets | | 229,594,326,913 | 97,570,472,252 | 151,135,354,591 | 65,087,570,834 |
| Total assets | | 267,700,311,337 | 119,100,290,377 | 152,859,537,382 | 67,379,055,562 |

Director _____

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
 Statements of Financial Position
 As at 31 December 2018

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|-----------------------|----------------------------------|-----------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Restated | | | |
| | | Baht | Baht | Baht | Baht |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term borrowings | | | | | |
| from financial institutions | 21 | 3,480,538,468 | 1,554,533,245 | 3,427,833,826 | 1,000,962,153 |
| Trade and other payables | 22 | 21,989,418,472 | 8,952,708,641 | 538,303,747 | 468,123,899 |
| Short-term borrowings from related parties | 21 | - | - | 2,089,180,139 | 1,707,306,993 |
| Current portion of finance lease liabilities | 21 | 13,998,602 | 7,474,588 | - | - |
| Current portion of long-term borrowings | | | | | |
| from financial institutions | 21 | 9,635,759,029 | 1,757,932,380 | 9,303,839,271 | 653,618,000 |
| Current portion of debentures | 21 | 4,502,710,140 | 2,000,000,000 | 4,500,000,000 | 2,000,000,000 |
| Current portion of deferred income | | 189,907,543 | 125,473,201 | 1,377,745 | 194,642 |
| Income tax payable | | 491,518,780 | 325,609,358 | 21,110,020 | 17,969,252 |
| Other current liabilities | 23 | 3,125,044,103 | 1,878,956,661 | 38,015,572 | 54,088,637 |
| Total current liabilities | | <u>43,428,895,137</u> | <u>16,602,688,074</u> | <u>19,919,660,320</u> | <u>5,902,263,576</u> |
| Non-current liabilities | | | | | |
| Finance lease liabilities | 21 | 21,823,896 | 10,264,789 | - | - |
| Long-term borrowings | 21 | 73,231,947,709 | 21,698,332,404 | 61,687,828,310 | 13,546,109,566 |
| Debentures | 21 | 36,007,094,338 | 23,134,045,000 | 22,575,011,352 | 23,134,045,000 |
| Employee benefits obligations | 24 | 911,807,578 | 222,234,045 | 16,317,710 | 16,823,424 |
| Deferred tax liabilities | 31 | 26,587,393,882 | 5,693,139,078 | 139,145,422 | 153,454,388 |
| Other non-current liabilities | 25 | 4,437,226,277 | 1,235,461,944 | 4,283,061 | 162,588,090 |
| Total non-current liabilities | | <u>141,197,293,680</u> | <u>51,993,477,260</u> | <u>84,422,585,855</u> | <u>37,013,020,468</u> |
| Total liabilities | | <u>184,626,188,817</u> | <u>68,596,165,334</u> | <u>104,342,246,175</u> | <u>42,915,284,044</u> |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
 Statements of Financial Position
 As at 31 December 2018

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|------------------|----------------------------------|----------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Restated Baht | Baht | Baht |
| Liabilities and equity (Cont'd) | | | | | |
| Equity | | | | | |
| Share capital | 26 | | | | |
| Authorised share capital | | | | | |
| 4,618,914,291 ordinary shares | | | | | |
| of Baht 1 each (2017: 4,621,828,347 | | | | | |
| ordinary shares of Baht 1 each) | | 4,618,914,291 | 4,621,828,347 | 4,618,914,291 | 4,621,828,347 |
| Issued and paid-up share capital | | | | | |
| 4,618,914,291 ordinary shares | | | | | |
| of Baht 1 each | 26 | 4,618,914,291 | 4,618,914,291 | 4,618,914,291 | 4,618,914,291 |
| Share premium ordinary shares | 26 | 15,014,609,717 | 15,014,609,717 | 14,988,957,341 | 14,988,957,341 |
| Expired warrants in a subsidiary | | 104,788,723 | 104,788,723 | - | - |
| Retained earnings | | | | | |
| Appropriated - legal reserve | 27 | 464,178,907 | 464,178,907 | 464,178,907 | 464,178,907 |
| Unappropriated | | 34,624,841,755 | 31,062,493,233 | 5,250,947,891 | 4,972,290,549 |
| Other components of equity | 28 | (6,681,488,019) | (3,936,391,289) | (583,606,825) | (580,569,570) |
| Total | | 48,145,845,374 | 47,328,593,582 | 24,739,391,605 | 24,463,771,518 |
| Perpetual debentures | 34 | 23,777,899,602 | - | 23,777,899,602 | - |
| Equity attributable to owners of the parent | | 71,923,744,976 | 47,328,593,582 | 48,517,291,207 | 24,463,771,518 |
| Non-controlling interests | | 11,150,377,544 | 3,175,531,461 | - | - |
| Total equity | | 83,074,122,520 | 50,504,125,043 | 48,517,291,207 | 24,463,771,518 |
| Total liabilities and equity | | 267,700,311,337 | 119,100,290,377 | 152,859,537,382 | 67,379,055,562 |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
Income Statement
For the year ended 31 December 2018

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|-----------------------|----------------------------------|----------------------|
| | | 2018 Baht | 2017 Baht | 2018 Baht | 2017 Baht |
| Revenues | 6 | | | | |
| Revenues from hotel and related services operations | | 44,245,956,139 | 24,558,688,636 | 588,112,376 | 541,679,600 |
| Revenues from mixed use operations | | 4,230,119,476 | 4,706,497,865 | 92,555,926 | 105,210,292 |
| Sales of food and beverage | | 22,080,498,673 | 21,680,963,164 | - | - |
| Sales from distribution and manufacturing | | 4,380,956,478 | 4,054,865,362 | - | - |
| Dividends income | | 456,386,734 | 38,849,153 | 1,227,496,853 | 1,564,210,709 |
| Interest income | | 605,175,207 | 501,660,627 | 3,050,277,921 | 1,894,414,520 |
| Other income | 29 | 2,840,966,464 | 2,027,900,447 | 154,323,924 | 46,104,452 |
| Total revenues | | 78,840,059,171 | 57,569,425,254 | 5,112,767,000 | 4,151,619,573 |
| Expenses | 30 | | | | |
| Direct cost of hotel and related services operations | | 22,749,174,678 | 12,500,810,129 | 234,674,060 | 261,720,656 |
| Direct cost of mixed use operations | | 1,054,522,199 | 1,386,549,699 | 67,141,336 | 74,138,607 |
| Cost of sales of food and beverage | | 6,488,540,286 | 6,395,633,930 | - | - |
| Cost of sales from distribution and manufacturing | | 2,474,610,493 | 2,363,440,317 | - | - |
| Selling expenses | | 18,513,730,373 | 16,140,465,730 | 145,272,932 | 97,055,038 |
| Administrative expenses | | 18,431,011,968 | 11,693,016,227 | 599,558,547 | 500,637,267 |
| Results from exposure to hyperinflation | | (342,760,006) | - | - | - |
| Financial costs | | 2,868,581,300 | 1,756,739,216 | 1,900,566,429 | 1,241,409,985 |
| Total expenses | | 72,237,411,291 | 52,236,655,248 | 2,947,213,304 | 2,174,961,553 |
| Operating profit | | 6,602,647,880 | 5,332,770,006 | 2,165,553,696 | 1,976,658,020 |
| Share of profit of investments in associates and joint ventures | 14 | 487,939,496 | 1,074,244,208 | - | - |
| Profit before income tax | | 7,090,587,376 | 6,407,014,214 | 2,165,553,696 | 1,976,658,020 |
| Income tax | 31 | (1,373,984,967) | (787,072,461) | (42,117,088) | (3,440,402) |
| Profit for the year | | 5,716,602,409 | 5,619,941,753 | 2,123,436,608 | 1,973,217,618 |
| Profit attributable to: | | | | | |
| Owners of the parent | | 5,444,770,759 | 5,415,397,011 | 2,123,436,608 | 1,973,217,618 |
| Non-controlling interests | | 271,831,650 | 204,544,742 | - | - |
| | | 5,716,602,409 | 5,619,941,753 | 2,123,436,608 | 1,973,217,618 |
| Earnings per share | 32 | | | | |
| Basic earnings per share | | 1.1788 | 1.2192 | 0.4597 | 0.4442 |
| Diluted earnings per share | | 1.1332 | 1.2192 | 0.4141 | 0.4442 |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2018

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2018 Baht | 2017 Baht | 2018 Baht | 2017 Baht |
| Profit for the year | 5,716,602,409 | 5,619,941,753 | 2,123,436,608 | 1,973,217,618 |
| Other comprehensive (expense) income: | | | | |
| Item that will not be reclassified subsequently to income statement | | | | |
| Remeasurements of post-employment benefit obligations, net of tax | (34,875,888) | - | 2,767,083 | - |
| Total item that will not be reclassified subsequently to income statement | (34,875,888) | - | 2,767,083 | - |
| Items that will be reclassified subsequently to income statement | | | | |
| Gain (loss) on remeasuring of available-for-sale investments, net of tax | 106,751,208 | (105,615,051) | (3,037,255) | 4,410,438 |
| Exchange differences on translating financial statements, net of tax | (2,083,895,857) | (982,605,819) | - | - |
| Total items that will be reclassified subsequently to income statement | (1,977,144,649) | (1,088,220,870) | (3,037,255) | 4,410,438 |
| Other comprehensive (expense) income for the year, net of tax | (2,012,020,537) | (1,088,220,870) | (270,172) | 4,410,438 |
| Total comprehensive income for the year | <u>3,704,581,872</u> | <u>4,531,720,883</u> | <u>2,123,166,436</u> | <u>1,977,628,056</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 3,616,294,668 | 4,376,909,271 | 2,123,166,436 | 1,977,628,056 |
| Non-controlling interests | 88,287,204 | 154,811,612 | - | - |
| | <u>3,704,581,872</u> | <u>4,531,720,883</u> | <u>2,123,166,436</u> | <u>1,977,628,056</u> |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

| Consolidated financial statements (Bairt) | | | | | | | | | | | | | |
|---|----------------------------------|----------------|----------------------------------|---------------|---------------------------------|---|---|---|------------------------|----------------------------------|----------------------------|---------------------------|-----------------|
| Attributable to owners of the parent | | | | | | | | | | | | | |
| | Other components of equity | | | | | | | | | | | | |
| | Issued and paid-up share capital | Share premium | Expired warrants in a subsidiary | Legal reserve | Unappropriate retained earnings | Discount on business combination under common control | Discount on additional investment in subsidiary | Remeasuring of available-for-sale investments | Translation adjustment | Total other components of equity | Total owners of the parent | Non-controlling interests | Total equity |
| Notes | | | | | | | | | | | | | |
| Opening balance as at | | | | | | | | | | | | | |
| 1 January 2017 | 4,410,368,436 | 7,639,594,103 | 104,788,723 | 464,178,907 | 27,190,682,429 | (755,412,590) | (400,242,159) | 3,360,933 | (1,255,593,207) | (2,407,887,023) | 37,401,725,575 | 3,395,100,685 | 40,796,826,260 |
| Changes in equity for the year | | | | | | | | | | | | | |
| Additional ordinary shares | 208,545,855 | 7,375,015,614 | - | - | - | - | - | - | - | - | 7,583,561,469 | 157,363,926 | 7,740,925,395 |
| Business combination | - | - | - | - | - | - | - | - | - | - | - | (203,973,721) | (203,973,721) |
| Additional investment in subsidiary | - | - | - | - | - | (490,016,526) | (490,016,526) | - | - | (490,016,526) | (490,016,526) | (695,582,008) | (1,185,598,534) |
| Dividend paid | - | - | - | - | (1,543,586,207) | - | - | - | - | - | (1,543,586,207) | (115,385,654) | (1,658,971,861) |
| Total comprehensive income for the year | - | - | - | - | 5,415,397,011 | - | - | (105,615,051) | (932,872,689) | (1,038,487,740) | 4,376,909,271 | 154,811,612 | 4,531,720,883 |
| Closing balance as at | | | | | | | | | | | | | |
| 31 December 2017 (as previously reported) | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 31,062,493,233 | (755,412,590) | (890,258,685) | (102,254,118) | (2,188,465,896) | (3,936,391,289) | 47,328,593,582 | 2,692,334,840 | 50,020,928,422 |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Consolidated financial statements (Baht)

| | Atributable to owners of the parent | | | | | | | | | | | Total owners of the parent | Non-controlling interests | Total equity |
|--|-------------------------------------|----------------------------------|---------------|----------------------------------|----------------------------------|---------------|---|---|---|------------------------|----------------------------------|----------------------------|---------------------------|-----------------|
| | Other components of equity | | | | | | | | | | | | | |
| | Notes | Issued and paid-up share capital | Share premium | Expired warrants in a subsidiary | Unappropriated retained earnings | Legal reserve | Discount on business combination under common control | Discount on additional investment in subsidiary | Remeasuring of available-for-sale investments | Translation adjustment | Total other components of equity | | | |
| Other comprehensive income | | | | | | | | | | | | | | |
| Beginning balance as at 1 January 2018 (as previously reported) | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 31,062,493,233 | (755,412,590) | (890,258,685) | (102,254,118) | (2,188,465,896) | (3,936,391,289) | - | - | 2,682,334,840 | 50,020,928,422 |
| Retrospective adjustment from completion of fair value measurement | - | - | - | - | - | - | - | - | - | - | - | - | 483,196,621 | 483,196,621 |
| Beginning balance after adjustment (restated) | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 31,062,493,233 | (755,412,590) | (890,258,685) | (102,254,118) | (2,188,465,896) | (3,936,391,289) | - | - | 3,175,531,461 | 50,504,125,043 |
| Changes in equity for the year | | | | | | | | | | | | | | |
| Additional ordinary shares | - | - | - | - | - | - | - | - | - | - | - | - | 75,285,515 | 75,285,515 |
| Business combination | - | - | - | - | - | - | - | - | - | - | - | - | 8,047,095,441 | 8,047,095,441 |
| Additional investment in subsidiary | - | - | - | - | - | - | (951,496,527) | - | - | (951,496,527) | - | (951,496,527) | (12,425,224) | (963,921,751) |
| Dividend paid | - | - | - | - | (1,847,546,349) | - | - | - | - | - | - | (1,847,546,349) | (223,396,853) | (2,070,943,202) |
| Issuance of perpetual debentures | - | - | - | - | - | - | - | - | - | - | - | 23,777,899,602 | - | 23,777,899,602 |
| Total comprehensive income for the year | - | - | - | 5,409,894,871 | - | - | - | 106,751,208 | (1,900,351,411) | (1,793,600,203) | - | - | 88,287,204 | 3,704,581,872 |
| Closing balance as at 31 December 2018 | 4,618,914,291 | 15,014,609,717 | 104,788,723 | 464,178,907 | 34,624,841,755 | (755,412,590) | (1,841,755,212) | 4,497,090 | (4,088,817,307) | (6,681,488,019) | 23,777,899,602 | 71,923,744,976 | 11,150,377,544 | 83,074,122,520 |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

| | | Separate financial statements (Baht) | | | | | | | Total equity | |
|-------|---|---|----------------|---------------|---------------------------------|---|---|----------------------------------|-----------------|--|
| | | Other components of equity | | | | | | | Total equity | |
| | | Other comprehensive income | | | | | | | Total equity | |
| | | Remeasuring of available-for-sale investments | | | | | | | Total equity | |
| | | Discount on business combination under common control | | | | | | | Total equity | |
| | | Unappropriate retained earnings | | | | | | | Total equity | |
| | | Legal reserve | | | | | | | Total equity | |
| | | Share premium | | | | | | | Total equity | |
| | | Issued and paid-up share capital | | | | | | | Total equity | |
| Notes | | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriate retained earnings | Discount on business combination under common control | Remeasuring of available-for-sale investments | Total other components of equity | Total equity | |
| | Opening balance as at 1 January 2017 | 4,410,368,436 | 7,613,941,727 | 464,178,907 | 4,542,659,138 | (587,397,515) | 2,417,507 | (584,980,008) | 16,446,168,200 | |
| | Changes in equity for the year | | | | | | | | | |
| 26 | Additional ordinary shares | 208,545,855 | 7,375,015,614 | - | - | - | - | - | 7,583,561,469 | |
| 33 | Dividend paid | - | - | - | (1,543,586,207) | - | - | - | (1,543,586,207) | |
| | Total comprehensive income for the year | - | - | - | 1,973,217,618 | - | 4,410,438 | 4,410,438 | 1,977,628,056 | |
| | Closing balance as at 31 December 2017 | 4,618,914,291 | 14,988,957,341 | 464,178,907 | 4,972,290,549 | (587,397,515) | 6,827,945 | (580,569,570) | 24,463,771,518 | |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

| | | Separate financial statements (Baht) | | | | | | | | |
|--|---|--|------------------|------------------|---------------------------------------|--|---|---|-----------------|-----------------|
| | | Other components of equity | | | | | | | | |
| | | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriate retained earnings | Discount on business combination under common control | Remeasuring of available- for-sale investments | Total other components of equity | Total equity | |
| | | | | | | | | | | Notes |
| | Opening balance as at 1 January 2018 | 4,618,914,291 | 14,988,957,341 | 464,178,907 | 4,972,290,549 | (587,397,515) | 6,827,945 | (580,569,570) | - | 24,463,771,518 |
| | Changes in equity for the year | | | | | | | | | |
| | Dividend paid | - | - | - | (1,847,546,349) | - | - | - | - | (1,847,546,349) |
| | Issuance of perpetual debentures | - | - | - | - | - | - | - | 23,777,899,602 | 23,777,899,602 |
| | Total comprehensive income for the year | - | - | - | 2,126,203,691 | - | (3,037,255) | (3,037,255) | - | 2,123,166,436 |
| | Closing balance as at 31 December 2018 | 4,618,914,291 | 14,988,957,341 | 464,178,907 | 5,250,947,891 | (587,397,515) | 3,790,690 | (583,606,825) | 23,777,899,602 | 48,517,291,207 |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2018

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|---------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Baht | Baht | Baht |
| Cash flows from operating activities | | | | | |
| Profit before income tax | | 7,090,587,376 | 6,407,014,214 | 2,165,553,696 | 1,976,658,020 |
| Adjustments for: | | | | | |
| Depreciation and amortisation | 16 - 19 | 5,725,168,750 | 4,130,145,554 | 59,572,585 | 103,932,157 |
| Amortisation of borrowing cost | 21 | 130,007,576 | 7,486,760 | 90,698,522 | - |
| Gain from fair value of short-term investment | 13 | (25,664,856) | - | - | - |
| Gain from bargain purchases | 35 | (828,802,405) | - | - | - |
| Gain from fair value adjustment on change in status of trading investment | | - | (163,784,778) | - | - |
| Doubtful accounts (Reversal) | | 193,524,111 | (104,519,657) | (190,123) | 42,845 |
| Reversal inventory obsolescence | 9 | (8,165,652) | (272,219) | - | - |
| Share of profit of investments in associates and joint ventures | 14 | (487,939,496) | (1,074,244,208) | - | - |
| Results from exposure to hyperinflation | | (342,760,006) | - | - | - |
| Interest expenses | | 2,868,581,300 | 1,756,739,216 | 1,900,566,429 | 1,241,409,985 |
| Interest income | | (605,175,207) | (501,660,627) | (3,050,277,921) | (1,894,414,520) |
| Dividends income | | (456,386,734) | (38,849,153) | (1,227,496,853) | (1,564,210,709) |
| Translation adjustment | | 230,842,599 | (12,523,061) | - | - |
| Unrealised (gain) loss on exchange rate | | (1,803,128,847) | (517,795,215) | 287,267,421 | 14,684,502 |
| Impairment of investment in associate | 14 | 280,000,000 | - | - | - |
| Loss (gain) on disposals, impairment charge and write-off of property, plant and equipment and investment properties | | 264,450,915 | 206,450,464 | 199,181 | (181,978) |
| Loss (gain) on disposals, impairment charge and write-off of intangible assets and prepaid rents | | 94,206,826 | 85,861,856 | (7,000) | - |
| Employee benefit obligations | 24 | 44,833,062 | 34,073,098 | 3,496,666 | 1,858,741 |
| Changes in operating assets and liabilities | | | | | |
| Trade and other receivables | | (97,742,191) | (1,975,366,438) | (424,216,975) | (211,709,364) |
| Inventories | | (267,770,613) | (132,957,931) | (179,057) | (1,010,337) |
| Land and real estates project for sales | | 14,407,426 | 578,398,385 | - | - |
| Other current assets | | (549,759,923) | 151,231,117 | 18,466,921 | 15,700,051 |
| Other non-current assets | | 933,918,968 | 653,505,890 | (749,347,214) | (1,604,168) |
| Trade and other payables | | 1,875,802,142 | 323,732,314 | (215,032,321) | (16,015,672) |
| Other current liabilities | | (3,592,472,726) | (170,244,186) | (17,792,245) | (12,429,133) |
| Employee benefits paid | 24 | (50,609,157) | (33,322,197) | (543,520) | (1,423,000) |
| Other non-current liabilities | | 421,440,944 | (278,762,424) | (158,305,028) | 716,238 |
| Cash generated from (used in) operations | | 11,051,394,182 | 9,330,336,774 | (1,317,566,836) | (347,996,342) |
| Interest paid | | (2,519,098,390) | (1,747,165,299) | (1,876,847,675) | (1,208,160,133) |
| Income tax (paid) received | | (1,171,987,690) | (998,359,468) | (44,479,824) | 5,044,435 |
| Net cash generated from (used in) operating activities | | 7,360,308,102 | 6,584,812,007 | (3,238,894,335) | (1,551,112,040) |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements

Minor International Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2018

| | Notes | Consolidated | | Separate | |
|--|-------|----------------------|------------------|----------------------|------------------|
| | | financial statements | | financial statements | |
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Baht | Baht | Baht |
| Cash flows from investing activities | | | | | |
| Cash paid for loans to related parties | 15 | (344,569,180) | (1,219,329,012) | (94,672,566,718) | (17,408,469,125) |
| Cash received from loans to related parties | 15 | 677,092,208 | 321,783,378 | 6,846,348,368 | - |
| Increase in loans to other companies | | (1,418,256,237) | (562,149,622) | (10,000) | (570,000) |
| Acquisition of subsidiaries, net cash acquired | | (77,607,780,651) | (856,816,967) | - | - |
| Repayment of loans related to acquisition of subsidiary | | - | (1,487,754,483) | - | - |
| Cash invested in general investment | 13 | (105,656,426) | (23,019) | - | - |
| Cash invested in available-for-sale investments | 13 | - | (2,044,983,332) | - | (827) |
| Cash in investments in subsidiaries | 14 | - | - | (98,086,992) | - |
| Cash invested in investments in associate | 14 | (26,403,478) | (72,439,811) | (12,596,278) | - |
| Cash invested in investments in joint ventures | 14 | (187,993,764) | (647,885,097) | - | - |
| Proceeds from sale of investments | 13 | 1,669,054,659 | 616,144,008 | 10,000 | 100,000,000 |
| Redemption of investment in joint ventures | 14 | 1,049,433,834 | - | 5,484,460 | - |
| Interest received | | 605,175,207 | 437,675,910 | 3,050,277,921 | 1,894,414,520 |
| Dividends received | | 833,402,133 | 355,036,414 | 1,227,496,853 | 1,564,210,709 |
| Purchases for investment properties | | (129,964,361) | (33,982,935) | - | - |
| Purchases of property, plant and equipment | | (8,809,345,739) | (6,017,132,377) | (22,049,781) | (54,156,887) |
| Purchases of intangible assets and prepaid rents | | (784,983,566) | (594,894,270) | (19,943,218) | (291,775) |
| Proceeds from disposal of assets held for sales | | - | 50,509,176 | - | - |
| Proceeds from disposals of property, plant and equipment and investment properties | | 299,331,176 | 67,668,922 | 9,346 | 1,304,453 |
| Proceeds from disposals of intangible assets | | 1,136,161,381 | - | 7,000 | 36,655,306 |
| Net cash used in investing activities | | (83,145,302,804) | (11,688,573,117) | (83,695,619,039) | (13,866,903,626) |
| Cash flows from financing activities | | | | | |
| increase (decrease) in short-term borrowings from related parties | 15 | - | - | 527,091,503 | (548,078,729) |
| Receipts from short-term borrowings from financial institutions | | 64,867,969,500 | 10,051,435,785 | 64,742,203,170 | 10,051,435,785 |
| Repayments of short-term borrowings from financial institutions | | (62,538,247,058) | (9,543,912,709) | (62,051,944,909) | (9,452,932,759) |
| Receipts from long-term borrowings from financial institutions | 21 | 85,537,786,106 | 11,974,838,170 | 84,110,365,470 | 11,063,764,370 |
| Repayments of long-term borrowings from financial institutions | 21 | (27,014,972,713) | (10,608,030,668) | (26,340,990,799) | (148,356,180) |
| Repayments of financial lease liabilities | | (1,615,151) | (6,778,138) | - | - |
| Receipts from issuance of debentures | 21 | 4,006,242,548 | 3,689,830,000 | 4,006,242,548 | 3,689,830,000 |
| Repayments of debentures | 21 | (3,682,811,066) | (4,300,000,000) | (2,000,000,000) | (4,300,000,000) |
| Receipts from issuance of ordinary shares by exercise of warrants | 26 | - | 7,583,561,469 | - | 7,583,561,469 |
| Cash received from non-controlling interest for disposal of investments in subsidiary | | 75,285,515 | - | - | - |
| Cash paid to non-controlling interest for capital increase in subsidiaries | 14 | (1,029,604,075) | (1,183,465,338) | - | - |
| Cash received from non-controlling interest for additional investment in subsidiary | | - | 157,363,926 | - | - |
| Dividends paid to shareholders | 33 | (1,847,546,349) | (1,543,586,207) | (1,847,546,349) | (1,543,586,207) |
| Dividends paid to non-controlling interests | 33 | (223,396,853) | (115,385,654) | - | - |
| Cash received from issuance of perpetual debentures | 34 | 24,821,505,000 | - | 24,821,505,000 | - |
| Net cash receipts from financing activities | | 82,970,595,404 | 6,155,870,636 | 85,966,925,634 | 16,395,637,749 |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

Minor International Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2018

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Baht | Baht | Baht |
| Net increase (decrease) in cash and cash equivalents | | 7,185,600,702 | 1,052,109,526 | (967,587,740) | 977,622,083 |
| Cash and cash equivalents at the beginning | | 5,291,559,556 | 4,305,175,604 | 1,079,134,211 | 101,512,128 |
| Gain (loss) on exchange rate | | 235,827,372 | (65,725,574) | - | - |
| Cash and cash equivalents, closing balance | | <u>12,712,987,630</u> | <u>5,291,559,556</u> | <u>111,546,471</u> | <u>1,079,134,211</u> |

Cash and cash equivalents as at 31 December

| | | Consolidated financial statements | | Separate financial statements | |
|------------------------------|----|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Baht | Baht | Baht |
| Cash and deposits with banks | 7 | 12,759,883,522 | 5,336,158,898 | 111,546,471 | 1,079,134,211 |
| Bank overdrafts | 21 | (46,895,892) | (44,599,342) | - | - |
| | | <u>12,712,987,630</u> | <u>5,291,559,556</u> | <u>111,546,471</u> | <u>1,079,134,211</u> |

Supplementary information for cash flows

Non-cash transactions

Significant non-cash activities for the years ended 31 December 2018 and 2017 are as follows

| | | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------------------------------|------------|----------------------------------|---------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Baht | Baht | Baht |
| Acquisition of property, plant and equipment by payable | | 504,343,869 | 20,049,150 | 384,280 | 384,280 |

The notes to the consolidated and separate financial statements on pages 20 to 183 form an integral part of the financial statements.

1 General information

Minor International Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand since October 1988 and is incorporated and domiciled in Thailand. The addresses of the Company’s 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 20260 Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group are summarised as follows:

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

These Group consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2019.

2 Accounting policies

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

2.1 Basis for preparation

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

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

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Certain figures in the comparative statement have been reclassified in order to be comparable to the presentation of the current year and to comply with the nature of transactions. The transactions are shown as follows:

| | Consolidated financial statements | | |
|---|-----------------------------------|-------------------|-----------------|
| | As previously | Reclassifications | As reclassified |
| | reported | | |
| | Baht | Baht | Baht |
| Income statement for the year ended | | | |
| 31 December 2017 | | | |
| Revenues from hotel and related services operations | 23,387,663,340 | 1,171,025,296 | 24,558,688,636 |
| Revenues from management services | 1,171,025,296 | (1,171,025,296) | - |
| Sales of real estates | 4,258,264,213 | (4,258,264,213) | - |
| Rental income from property business | 345,183,360 | (345,183,360) | - |
| Revenues from entertainment operations | 103,050,292 | (103,050,292) | - |
| Revenues from mixed use operations | - | 4,706,497,865 | 4,706,497,865 |
| Sales of food and beverage | 20,016,221,594 | 1,664,741,570 | 21,680,963,164 |
| Franchise fee income | 1,664,741,570 | (1,664,741,570) | - |
| Cost of sales of real estates | 1,091,159,005 | (1,091,159,005) | - |
| Direct cost of rental from property business | 253,393,100 | (253,393,100) | - |
| Direct cost of entertainment operations | 41,997,594 | (41,997,594) | - |
| Direct cost of mixed use operations | - | 1,386,549,699 | 1,386,549,699 |

2 Accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Certain figures in the comparative statement have been reclassified in order to be comparable to the presentation of the current year and to comply with the nature of transactions. The transactions are shown as follows: (Cont'd)

| | Separate financial statements | | |
|---|-------------------------------|-------------------|-----------------|
| | As previously | Reclassifications | As reclassified |
| | reported | | |
| | Baht | Baht | Baht |
| Income statement for the year ended | | | |
| 31 December 2017 | | | |
| Revenues from hotel and related services operations | 493,033,352 | 48,646,248 | 541,679,600 |
| Revenues from management services | 48,646,248 | (48,646,248) | - |
| Revenues from entertainment operations | 105,210,292 | (105,210,292) | - |
| Revenues from mixed use operations | - | 105,210,292 | 105,210,292 |
| Direct cost of entertainment operations | 74,138,607 | (74,138,607) | - |
| Direct cost of mixed use operations | - | 74,138,607 | 74,138,607 |

An English version of the consolidated and separate 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 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018.

| | |
|------------------------|---|
| TAS 7 (revised 2017) | Statement of Cash Flows |
| TAS 12 (revised 2017) | Income Taxes |
| TFRS 12 (revised 2017) | Disclosure of Interests in Other Entities |

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The management applied such revised standards and considered that the above revised standards do not have a significant impact on the Group.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has announced new standard, TFRS15 Revenue from Contracts with Customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

| | |
|-------------------------|--|
| TAS 11 (revised 2017) | Construction Contracts |
| TAS 18 (revised 2017) | Revenue |
| TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers |

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- 1) Identify contracts with customers
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price of the contract
- 4) Allocate the transaction price to each of the separate performance obligations, and
- 5) Recognise the revenue as each performance obligation is satisfied.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.
(Cont'd)

2.2.2.1 The FAP has announced new standard, TFRS15 Revenue from Contracts with Customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The management has assessed the impact from this standard and does not expect the significant impacts of revenue recognition from adoption of the new standard.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.
(Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

| | |
|-----------------------|--|
| TFRS 2 (revised 2018) | Share-based Payment |
| TAS 28 (revised 2018) | Investments in Associates and Joint ventures |
| TAS 40 (revised 2018) | Investment Property |

TFRS 2, the amendments clarify;

The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account

- by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.
(Cont'd)

2.2.2.3 The group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019.

| | |
|----------|---|
| TAS 32 | Financial instruments: Presentation |
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

The above new standards and interpretations will supersede the following standards:

| | |
|---------|---|
| TAS 101 | Bad and Doubtful Debts |
| TAS 103 | Disclosures in the Financial Statements of Bank and Similar Financial Institutions |
| TAS 104 | Accounting for Troubled Debt Restructuring |
| TAS 105 | Accounting for Investment in Debts and Equity securities |
| TAS 106 | Accounting for Investment Companies |
| TAS 107 | Financial Instruments: Disclosure and Presentation |

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.
(Cont'd)

2.2.2.3 The Group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.
(Cont'd)

2.2.2.3 The group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow: (Cont'd)

- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries, associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group.

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised loss is also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Company's principal subsidiaries is set out in Note 14.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(2) Transactions with non-controlling interests

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

(3) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements.

A list of the Group's principal associates is set out in Note 14.

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method in the consolidated financial statements.

A list of the Group's principal joint ventures is set out in Note 14.

(6) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(6) Accounting under equity method (Cont'd)

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(7) Separate financial statement

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss.

Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale investments in equity securities are included in the revaluation reserve in equity.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Segment reporting

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's CEO and Board of Directors that makes strategic decisions.

2 Accounting policies (Cont'd)

2.6 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.7 Trade accounts receivable

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

Trade receivables long-term contracts are receivables from sales of hotel time-sharing points, which will be paid in installments which covers over one year. The amount is carried at the original invoice amount and deducted by installment payment. The amount is subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivables and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the profit or loss within administrative expenses.

2.8 Inventories

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

2 Accounting policies (Cont'd)

2.9 Land and real estates project for sales

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

2.10 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

2.11 Other investments

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

1. Trading investments are investments 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.
2. Available-for-sale investments are 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.
3. General investments are investments in non-marketable equity securities are classified as general investments.

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

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

2 Accounting policies (Cont'd)

2.11 Other investments (Cont'd)

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

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

2.12 Investment properties

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.13 Property, plant and equipment

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

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

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

| | |
|---|-------------------------------|
| Leasehold improvement | lease period and 5 - 30 years |
| Building and fitting equipment | lease period and 5 - 60 years |
| Building improvement | lease period and 10 years |
| Machinery and equipment | 5 - 15 years |
| Furniture, fixtures and other equipment | 4 - 15 years |
| Motor vehicles | 4 - 5 years |

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

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

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

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

2 Accounting policies (Cont'd)

2.13 Property, plant and equipment (Cont'd)

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 or the estimated useful life of 5 years.

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

2.14 Intangible assets

Asset management rights

Asset management rights are recognised at cost less any accumulated amortisation and any accumulated impairment losses. The cost of the right is amortised on a straight line basis over the contract period or the useful life of the buildings, which has been assessed to be not in excess of 40 years.

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

Intellectual property

Intellectual property is measured at purchased cost and represents ownership rights of the systems used by the Group to efficiently manage and operate its MLRs portfolio and in-house developed recipes and equipments that give the Group a relative advantage over its competitors. Intellectual properties are amortised over 20 years and 40 years.

Franchise development cost

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

2 Accounting policies (Cont'd)

2.14 Intangible assets (Cont'd)

Initial franchise fees

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

Goodwill

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

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

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

Brand

Trademarks, trade names, service marks or collective marks that have achieved consumer awareness and recognition through continuous use in commerce are not subject to amortisation; however, its carrying amount is annually tested for impairment.

2 Accounting policies (Cont'd)

2.14 Intangible assets (Cont'd)

Computer software

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.15 Impairment of assets

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

2.16 Leases

Leases - where the Group is the lessee

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

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

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

Leases - where the Group is the lessor

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

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

2 Accounting policies (Cont'd)

2.17 Borrowings

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

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

2.18 Provisions

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

2.19 Employee benefits

The Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

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

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

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

2 Accounting policies (Cont'd)

2.20 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the subsidiaries and associates of the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (Cont'd)

2.21 Share capital

Ordinary shares are classified as equity.

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

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

2.22 Perpetual debentures

Perpetual debentures are recognised as equity when the Group has the sole right and discretion to early redemption as stipulated in terms and conditions of debentures, and the interest and cumulative interest payment are unconditionally deferred without time and number limitation and payable at the Group's discretion. Accordingly, any interest payments are recognised similar as dividends and directly in equity when payment obligation arises. Interest payments are presented in the statement of cash flows at the same way as dividends paid to ordinary shareholders.

2.23 Revenue recognition

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

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

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

2 Accounting policies (Cont'd)

2.23 Revenue recognition (Cont'd)

Rental income from shopping plaza and property is recognized at the rate specified in rental contract. Rental received in advance is recognised as revenue evenly over the period of the lease.

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.24 Hyper-inflationary economies

In 2018, a subsidiary of the Group located in Argentina was declared a hyperinflationary economy due to, among other causes, the fact that the accumulated inflation rate of its economy exceeded 100% over a continuous period of three years. As a result, the Group has applied TAS 29 - Financial Reporting in Hyperinflationary economies to the financial statements of Argentine companies.

The Group recognised all cumulative effects of hyperinflationary on non-monetary items as part of acquisition transaction. Any results from exposure to hyperinflation after the acquisition were recorded to income statement.

2.25 Dividend distribution

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

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

3 Financial risk management

3.1 Financial risk factors

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

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

3.1.1 Cross currency interest rate swap contracts

Cross currency interest rate swap contracts are recognised at the inception date.

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

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Forward foreign exchange contracts

Foreign exchange forward contracts are recognised at the inception date.

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

3.1.3 Interest rate swap contracts

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

3.1.4 Credit risk

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

3.2 Capital risk management

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

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

4 Critical accounting estimates and judgments

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.

The Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Fair value estimation on business combination

The Group estimates fair value of net assets acquired under business combination by engaging professional valuer, applying appropriate valuation method based on financial assumptions to derive fair value of net assets acquired. These calculations require the use of management judgment.

4.2 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 18).

5 Fair value measurements

Assets measured at fair value are classified by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is unobservable inputs).

5 Fair value measurements (Cont'd)

The following tables present the Group's and Company's assets that are measured at fair value at 31 December 2018.

| | Consolidated financial statements | | | |
|--------------------------------|-----------------------------------|--------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| At 31 December 2018 | | | | |
| Available-for-sale investments | 26 | - | - | 26 |

| | Separate financial statements | | | |
|--------------------------------|-------------------------------|--------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| At 31 December 2018 | | | | |
| Available-for-sale investments | 25 | - | - | 25 |

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available. Instruments included in Level 1 comprise primarily equity securities classified as available-for-sale.

6 Segment information

The Group discloses four operating segments which include Hotel & Spa, Mixed use, Restaurant and Retail. The four segments are determined pursuant to business activities and operating results that are regularly reviewed by the Chief Operating Decision Makers ("CODM") which is CEO and Board of Directors and aggregation criteria as disclosed in Note 2.5. Set out below is the information which CODM use for evaluating the segment's performance.

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6 Segment information (Cont'd)

6.1 Financial information by operating segments

| | For the year ended 31 December (Baht Million) | | | | | | | | | | | | |
|---|---|----------|-----------|---------|------------|----------|---------|---------|-------------|-------|----------|----------|---------|
| | Hotel & Spa | | Mixed use | | Restaurant | | Retail | | Elimination | | Total | | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | |
| Revenues | | | | | | | | | | | | | |
| Total revenues | 46,199 | 24,935 | 5,236 | 5,709 | 23,450 | 23,090 | 4,426 | 4,080 | (471) | (245) | 78,840 | 57,569 | |
| Costs | | | | | | | | | | | | | |
| Total costs | (18,872) | (10,710) | (1,060) | (1,377) | (6,440) | (6,349) | (2,456) | (2,340) | - | - | (28,828) | (20,776) | |
| Gross profit | 27,327 | 14,225 | 4,176 | 4,332 | 17,010 | 16,741 | 1,970 | 1,740 | (471) | (245) | 50,012 | 36,793 | |
| Selling and administrative expenses | (17,025) | (8,962) | (2,954) | (2,492) | (13,643) | (12,948) | (1,664) | (1,436) | 471 | 245 | (34,815) | (25,593) | |
| EBITDA | 10,302 | 5,263 | 1,222 | 1,840 | 3,367 | 3,793 | 306 | 304 | - | - | 15,197 | 11,200 | |
| Depreciation and amortisation | (3,956) | (2,387) | (166) | (244) | (1,430) | (1,322) | (174) | (157) | - | - | (5,726) | (4,110) | |
| Financial costs | (2,188) | (1,157) | (215) | (178) | (440) | (403) | (25) | (19) | - | - | (2,868) | (1,757) | |
| Sharing profit from associates and joint ventures | 116 | 257 | 96 | 325 | 276 | 492 | - | - | - | - | 488 | 1,074 | |
| Result before tax | 4,274 | 1,976 | 937 | 1,743 | 1,773 | 2,560 | 107 | 128 | - | - | 7,091 | 6,407 | |
| Tax | (1,019) | (182) | (130) | (162) | (248) | (442) | 23 | (1) | - | - | (1,374) | (787) | |
| Net profit | 3,255 | 1,794 | 807 | 1,581 | 1,525 | 2,118 | 130 | 127 | - | - | 5,717 | 5,620 | |
| Total assets | | | | | | | | | | | | 267,700 | 119,100 |
| Total liabilities | | | | | | | | | | | | 184,626 | 68,596 |

Minor International Public Company Limited
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6 Segment information (Cont'd)

6.2 Financial information by geographical segments

| | For the year ended 31 December (Baht Million) | | | | | | | | | | | |
|--------------------------------|---|---------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|----------------|----------------|
| | Hotel & Spa | | Mixed use | | Restaurant | | Retail | | Elimination | | Total | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | |
| Revenues | | | | | | | | | | | | |
| Thailand | 9,702 | 9,106 | 1,501 | 2,236 | 15,316 | 13,815 | 4,426 | 4,080 | (471) | (245) | 30,474 | 28,992 |
| Europe | 21,911 | 3,777 | - | - | 279 | 53 | - | - | - | - | 22,190 | 3,830 |
| Australia and New Zealand | 6,129 | 6,209 | - | - | 2,443 | 3,195 | - | - | - | - | 8,572 | 9,404 |
| Maldives and Middle East | 1,912 | 1,837 | - | - | 490 | 364 | - | - | - | - | 2,402 | 2,201 |
| The People's Republic of China | 202 | 34 | - | - | 3,147 | 3,265 | - | - | - | - | 3,349 | 3,299 |
| Latin America | 3,279 | 1,586 | - | - | - | - | - | - | - | - | 3,279 | 1,586 |
| Others | 3,064 | 2,386 | 3,735 | 3,473 | 1,775 | 2,398 | - | - | - | - | 8,574 | 8,257 |
| Total | 46,199 | 24,935 | 5,236 | 5,709 | 23,450 | 23,090 | 4,426 | 4,080 | (471) | (245) | 78,840 | 57,569 |
| Net profit | | | | | | | | | | | | |
| Thailand | 481 | 96 | 564 | 1,240 | 1,542 | 1,323 | 130 | 127 | - | - | 2,717 | 2,786 |
| Europe | 1,519 | 435 | - | - | (206) | (2) | - | - | - | - | 1,313 | 433 |
| Australia and New Zealand | 139 | 332 | - | - | 170 | 379 | - | - | - | - | 309 | 711 |
| Maldives and Middle East | 563 | 869 | - | - | 26 | 16 | - | - | - | - | 589 | 885 |
| The People's Republic of China | 143 | (27) | (12) | 40 | 138 | 273 | - | - | - | - | 269 | 286 |
| Latin America | 617 | 121 | - | - | - | - | - | - | - | - | 617 | 121 |
| Others | (207) | (32) | 255 | 301 | (145) | 129 | - | - | - | - | (97) | 398 |
| Total | 3,255 | 1,794 | 807 | 1,581 | 1,525 | 2,118 | 130 | 127 | - | - | 5,717 | 5,620 |
| Total assets | | | | | | | | | | | 267,700 | 119,100 |
| Total liabilities | | | | | | | | | | | 184,626 | 68,596 |

6 Segment information (Cont'd)

6.2 Financial information by geographical segments (Cont'd)

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

Thailand is the home country of the parent company and also its main operations. The areas of operation include hotels, entertainment venues, food and beverage outlets, real estates for sales, distribution, manufacturing, property rental business, spa services and management operations.

Countries in Europe - The Group operates hotel and restaurant businesses.

Australia and New Zealand - The Group operates hotels and food and beverage outlets.

Republic of Maldives and Middle East - The Group operates hotels, spa and food and beverage outlets.

The People's Republic of China - The Group operates food and beverage outlets, spa services and real estates for sales.

Latin America - The Group operates hotel business.

Others - The main activities are hotel operations, spa, and food and beverage outlets. Other countries in which the Group operates are Sri Lanka, Vietnam, Indonesia and countries in South Africa, etc.

7 Cash and cash equivalents

| | Consolidated | | Separate | |
|---------------------------------|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Cash on hand | 783,785,912 | 320,532,902 | 3,776,994 | 2,346,024 |
| Cash at banks | 11,849,424,132 | 5,004,383,604 | 107,769,477 | 1,076,788,187 |
| Time deposits | | | | |
| (maturity less than 3 months) | 126,673,478 | 11,242,392 | - | - |
| Total cash and cash equivalents | 12,759,883,522 | 5,336,158,898 | 111,546,471 | 1,079,134,211 |

As at 31 December 2018, the average effective interest rate of time deposits was 0.05% - 3.85% per annum and had a maturity less than three months (2017: 0.05% per annum).

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8 Trade and other receivables and trade receivables long-term contracts

| | Consolidated | | Separate | |
|---|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Current | | | | |
| Trade receivables - third parties, gross | 7,565,963,039 | 2,938,379,967 | 19,446,125 | 31,428,154 |
| <u>Less</u> Provision for impairment of trade receivables | (427,478,402) | (160,934,340) | (104,375) | (294,498) |
| Trade receivables - third parties, net | 7,138,484,637 | 2,777,445,627 | 19,341,750 | 31,133,656 |
| Current portion of trade receivables long-term contracts, net | 3,087,415,868 | 2,310,666,198 | - | - |
| Prepayments | 1,150,453,772 | 820,434,365 | 24,417,741 | 11,232,972 |
| Receivables from others | 2,714,193,825 | 1,625,662,204 | 36,984,414 | 22,914,793 |
| Receivables from related parties (Note 15) | 850,822,475 | 727,360,733 | 1,464,798,784 | 1,055,854,170 |
| Total trade and other receivables | 14,941,370,577 | 8,261,569,127 | 1,545,542,689 | 1,121,135,591 |

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

| | Consolidated | | Separate | |
|---|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Not yet due | 4,401,717,263 | 1,978,484,639 | 18,807,635 | 29,107,095 |
| Overdue | | | | |
| Under 90 days | 2,317,089,814 | 545,494,491 | 342,667 | 272,681 |
| 91 days to 180 days | 433,088,151 | 83,488,805 | 38,903 | 163,334 |
| 181 days to 365 days | 249,381,024 | 295,289,508 | 34,300 | 1,885,044 |
| Over 365 days | 164,686,787 | 35,622,524 | 222,620 | - |
| Trade receivables - third parties | 7,565,963,039 | 2,938,379,967 | 19,446,125 | 31,428,154 |
| <u>Less</u> Provision for impairment of trade receivables | (427,478,402) | (160,934,340) | (104,375) | (294,498) |
| Trade receivables - third parties, net | 7,138,484,637 | 2,777,445,627 | 19,341,750 | 31,133,656 |

Minor International Public Company Limited
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8 Trade and other receivables and trade receivables long-term contracts (Cont'd)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Non-current | | | | |
| Trade receivables long-term contracts | 3,903,280,477 | 3,954,721,703 | - | - |
| <u>Less</u> Unearned interest income | (394,332,938) | (522,720,199) | - | - |
| <u>Less</u> Provision for impairment of trade receivables | (125,591,562) | (194,063,240) | - | - |
| Trade receivables long-term contracts, net | <u>3,383,355,977</u> | <u>3,237,938,264</u> | <u>-</u> | <u>-</u> |

9 Inventories

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|----------------------|----------------------|------------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Food and beverage | 590,316,367 | 257,414,489 | 3,091,545 | 2,703,373 |
| Finished goods (net with allowance) | 1,466,925,416 | 1,182,882,779 | 125,127 | 150,745 |
| Raw materials (net with allowance) | 860,618,097 | 942,600,327 | - | - |
| Work in process | 39,713,972 | 105,060,423 | - | - |
| Goods in transit | 215,628,368 | 130,586,384 | - | - |
| Supplies and others | 531,539,659 | 498,102,158 | 3,772,733 | 3,956,230 |
| Total inventories | <u>3,704,741,879</u> | <u>3,116,646,560</u> | <u>6,989,405</u> | <u>6,810,348</u> |

The cost of inventories recognised as expense and included in cost of sales amounted to Baht 15,418 million (2017: Baht 13,277 million).

During 2018, reversal of Baht 8 million was recorded to the income statement for allowance for obsolete and damaged inventories (2017: of Baht 0.27 million).

Minor International Public Company Limited
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10 Land and real estates project for sales

| | Consolidated | |
|---|----------------------|---------------|
| | financial statements | |
| | 2018 | 2017 |
| | Baht | Baht |
| Residential units | 1,656,794,039 | 1,750,671,904 |
| Time sharing resort | 239,015,147 | 135,891,873 |
| Total land and real estates project for sales | 1,895,809,186 | 1,886,563,777 |

The cost of land and real estates project sold recognised during the year amounting to Baht 796 million (2017: Baht 1,091 million).

11 Other current assets

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Tax receivables | 1,716,595,536 | 567,369,662 | 57,369,983 | 81,477,384 |
| Deposits | 42,295,956 | 37,784,868 | - | - |
| Advance payments | 45,901,582 | 141,202,662 | - | - |
| Current portion of loans to other companies | 455,949,148 | 182,556,328 | - | - |
| Others | 355,367,315 | 304,727,835 | 2,734,243 | 2,927,194 |
| Total other current assets | 2,616,109,537 | 1,233,641,355 | 60,104,226 | 84,404,578 |

12 Non-current assets classified as held-for-sale and discontinued operation

Details of assets and liabilities of disposal group classified as held-for-sale were as follows:

| | Consolidated financial statements |
|-------------------------------|--------------------------------------|
| | 2018 |
| | Baht |
| Property, plant and equipment | 838,806,769 |
| Investments | 1,347,109,692 |
| Others | 2,153,262 |
| Total assets | <u>2,188,069,723</u> |
| Trade and other payables | <u>91,179,491</u> |
| Total liabilities | <u>91,179,491</u> |

Profit related to discontinued operations was Baht 9.7 million.

Minor International Public Company Limited
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13 General investments

| | Consolidated | | Separate | |
|--------------------------------|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Short-term investment | | | | |
| Trading investment | - | 1,695,238,408 | - | - |
| Total short-term investment | - | 1,695,238,408 | - | - |
| Long-term investments | | | | |
| Available-for-sale investments | 26,166,370 | 29,940,218 | 24,754,790 | 28,554,770 |
| General investments, net | 531,658,469 | 67,325 | - | - |
| Total long-term investments | 557,824,839 | 30,007,543 | 24,754,790 | 28,554,770 |

a) Trading investment

| | Consolidated | |
|---|----------------------|---------------|
| | financial statements | |
| | 2018 | 2017 |
| | Baht | Baht |
| Opening net book amount | 1,695,238,408 | - |
| Change status from available-for-sale investments | - | 1,695,238,408 |
| Disposals | (1,669,044,659) | - |
| Change in fair value of trading investment | 25,664,856 | - |
| Translation adjustment | (51,858,605) | - |
| Closing net book amount | - | 1,695,238,408 |

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13 General investments (Cont'd)

b) Available-for-sale investments

| | Consolidated | | Separate | |
|--|----------------------|-----------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Opening net book amount | 29,940,218 | 24,765,904 | 28,554,770 | 23,040,895 |
| Additions | 44,253,544,931 | 2,044,983,332 | - | 827 |
| Disposals | (10,000) | (513,550,388) | (10,000) | - |
| Change status of investments | (43,561,728,356) | (1,531,453,630) | - | - |
| Revaluation gain previously recognised in other comprehensive income | - | (163,784,778) | - | - |
| Changes in fair value of investments | (3,754,711) | 169,977,907 | (3,789,980) | 5,513,048 |
| Translation adjustment | (691,825,712) | (998,129) | - | - |
| Closing net book amount | 26,166,370 | 29,940,218 | 24,754,790 | 28,554,770 |

Available-for-sale investments as at 31 December comprise:

| | Consolidated | | Separate | |
|--------------------------------------|----------------------|------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Available-for-sale investments, cost | 20,709,624 | 20,713,029 | 20,016,428 | 20,019,829 |
| Changes in fair value of investments | 5,456,746 | 9,227,189 | 4,738,362 | 8,534,941 |
| Available-for-sale investments | 26,166,370 | 29,940,218 | 24,754,790 | 28,554,770 |

13 General investments (Cont'd)

c) General investments

| | Consolidated financial statements | |
|---|--------------------------------------|--------|
| | 2018 | 2017 |
| | Baht | Baht |
| Opening net book amount | 67,325 | 44,306 |
| Acquisition from investment in subsidiaries | 430,916,451 | - |
| Addition | 105,656,426 | 23,019 |
| Translation adjustment | (4,981,733) | - |
| Closing net book amount | 531,658,469 | 67,325 |

General investments as at 31 December comprise:

| | Consolidated financial statements | |
|--------------------------------------|--------------------------------------|-------------|
| | 2018 | 2017 |
| | Baht | Baht |
| General investments, cost | 647,382,379 | 2,707,876 |
| <u>Less</u> Provision for impairment | (115,723,910) | (2,640,551) |
| General investments, net | 531,658,469 | 67,325 |

Minor International Public Company Limited
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14 Investments in subsidiaries, associates and interests in joint ventures

| | Consolidated | | Separate | |
|--|----------------------|-----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Subsidiaries | - | - | 6,171,579,290 | 6,073,492,298 |
| Associates | 7,159,591,855 | 7,087,166,244 | 2,779,663,176 | 2,767,066,898 |
| Interests in joint ventures | 2,801,463,271 | 3,542,424,779 | - | 5,484,460 |
| Total investments in subsidiaries, associates and interests in joint ventures | <u>9,961,055,126</u> | <u>10,629,591,023</u> | <u>8,951,242,466</u> | <u>8,846,043,656</u> |

a) Investments in subsidiaries

| | Separate financial statements | |
|----------------|-------------------------------|----------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| At 1 January | 6,073,492,298 | 6,073,492,298 |
| Additions | 98,086,992 | - |
| At 31 December | <u>6,171,579,290</u> | <u>6,073,492,298</u> |

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

a) Investments in subsidiaries (Cont'd)

All investments in significant subsidiaries included in the consolidated financial statements are investments in ordinary shares of subsidiaries as follows:

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|------------------------------------|--------------------------|------------------------|---------------------|
| | | | 31 December 2018 | 31 December 2017 |
| Chao Phaya Resort Limited | Hotel operation and shopping mall | Thailand | 81.2 | 81.2 |
| Hua Hin Resort Limited | Sales of property | Thailand | 100 | 100 |
| Maerim Terrace Resort Limited | Hotel operation | Thailand | 45.3 ⁽¹⁾ | 45.3 ⁽¹⁾ |
| Samui Resort and Spa Limited | Hotel operation | Thailand | 100 | 100 |
| Rajadamri Hotel Public Company Limited | Hotel operation | Thailand | 99.2 | 99.2 |
| MI Squared Limited | Hotel operation | Thailand | 100 | 100 |
| Hua Hin Village Limited | Hotel operation | Thailand | 100 | 100 |
| Baan Boran Chiangrai Limited | Hotel operation | Thailand | 100 | 100 |
| Samui Village Limited | Hotel operation | Thailand | 100 | 100 |
| Coco Palm Hotel & Resort Limited | Hotel operation | Thailand | 100 | 100 |
| Coco Recreation Limited | Hotel operation | Thailand | 100 | 100 |
| Samui Beach Club Owner Limited | Hotel operation & rent of property | Thailand | 100 | 100 |
| The Minor Food Group Public Company Limited ("MFG") | Sales of food and beverage | Thailand | 99.7 | 99.7 |
| Royal Garden Plaza Limited | Shopping mall | Thailand | 100 | 100 |
| M Spa International Limited ("MST") | Spa services | Thailand | 100 ⁽²⁾ | 51 ⁽²⁾ |
| Samui Beach Residence Limited | Sales of property | Thailand | 100 | 100 |
| Coco Residence Limited | Sales of property | Thailand | 100 | 100 |

⁽¹⁾ Investment portion of 45.3% represents direct holding in Maerim Terrace Resort Limited. Another 25.7% indirect holding is invested through a subsidiary.

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

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

a) Investments in subsidiaries (Cont'd)

All investments in significant subsidiaries included in the consolidated financial statements are investments in ordinary shares of subsidiaries as follows: (Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|-------------------------------------|--------------------------|------------------------|---------------------|
| | | | 31 December 2018 | 31 December 2017 |
| Minor Hotel Group Limited ("MHG") | Hotel management | Thailand | 27.8 ⁽³⁾ | 27.8 ⁽³⁾ |
| Minor Supply Chain Solutions Limited | Supply chain management | Thailand | 100 | 100 |
| Minor Global Solutions Limited | Under liquidation process | Thailand | 100 | 100 |
| Chao Phaya Resort and Residence Limited | Hotel operation & sales of property | Thailand | 100 | 100 |
| Minor Corporation Public Company Limited ("MINOR") | Distribution | Thailand | 91.4 ⁽⁴⁾ | 91.4 ⁽⁴⁾ |
| RGR International Limited | Management | British Virgin Islands | 100 | 100 |
| R.G.E. (HKG) Limited | Management | Hong Kong | 100 | 100 |
| M&H Management Limited | Management | Republic of Mauritius | 100 | 100 |
| Lodging Investment (Labuan) Limited | Holding investment | Malaysia | 100 | 100 |
| Minor International (Labuan) Limited | Hotel operation | Malaysia | 100 | 100 |
| AVC Club Developer Limited | Vacation club point sales | Republic of Mauritius | 100 | 100 |
| AVC Vacation Club Limited | Vacation club point sales | Republic of Mauritius | 100 | 100 |
| Phuket Beach Club Owner Limited | Management | Thailand | 100 | 100 |
| MHG Phuket Limited ("MHGP") | Hotel operation | Thailand | 77.8 ⁽⁵⁾ | 100 |
| Minor Sky Rider Limited | Entertainment operation | Thailand | 100 | 100 |
| Minor Continental Holding (Mauritius) | Holding investment | Republic of Mauritius | 100 | 100 |

⁽³⁾ Investment portion of 27.8% represent direct holding in MHG. Another 72.2% indirect holding is invested through a subsidiary.

⁽⁴⁾ Investment portion of 91.4% represents direct holding in MINOR. Another 8.6% indirect holding is invested through a subsidiary.

⁽⁵⁾ Investment portion of 77.8% represents direct holding in MHGP. Another 22.2% indirect holding is invested through a subsidiary.

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

a) Investments in subsidiaries (Cont'd)

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

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>MFG's subsidiaries</u> | | | | |
| Swensen's (Thai) Limited | Sales of food and beverage | Thailand | 100 | 100 |
| Minor Cheese Limited | Manufacturing and sales of cheese | Thailand | 100 | 100 |
| Minor Dairy Limited | Manufacturing and sales of ice-cream | Thailand | 100 | 100 |
| Minor DQ Limited | Sales of food and beverage | Thailand | 100 | 100 |
| Catering Associates Limited | Catering service | Thailand | 51 | 51 |
| Burger (Thailand) Limited | Sales of food and beverage | Thailand | 97 | 97 |
| International Franchise Holding (Labuan) Limited | Franchise owner | Malaysia | 100 | 100 |
| SLRT Limited | Sales of food and beverage | Thailand | 100 | 100 |
| Primacy Investment Limited | Holding investment | Republic of Mauritius | 100 | 100 |
| The Coffee Club (Thailand) Limited | Sales of food and beverage | Thailand | 100 | 100 |
| The Pizza Company Ltd. | Franchise owner | Republic of Mauritius | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|----------------------------|----------------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>International Franchise Holding (Labuan) Limited's subsidiary</u> | | | | |
| Franchise Investment Corporation of Asia Ltd. | Franchise owner | British Virgin Islands | 100 | 100 |
| <u>Franchise Investment Corporation of Asia Ltd.'s subsidiary</u> | | | | |
| The Minor (Beijing) Restaurant Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 100 |
| <u>Primacy Investment Limited's subsidiaries</u> | | | | |
| Delicious Food Holding (Singapore) Pte. Ltd. | Holding investment | Singapore | 100 | 100 |
| Minor Food Group (Singapore) Pte. Ltd. | Sale of food and beverage | Singapore | 92 | 100 |
| MFG International Holding (Singapore) Pte. Ltd. | Holding investment | Singapore | 100 | 100 |
| Minor Food (Seychelles) Pte. Ltd. | Sale of food and beverage | Seychelles | 100 | 100 |
| <u>MFG International Holding (Singapore) Pte. Ltd.'s subsidiaries</u> | | | | |
| Over Success Enterprise Pte. Ltd. | Holding investment | Singapore | 100 | 85.9 |
| The Minor Food Group (India) Private Limited | Sale of food and beverage | Republic of India | 70 | 70 |
| The Minor Food Group (Myanmar) Limited | Sale of food and beverage | Republic of the Union of Myanmar | 100 | 100 |
| Grab Food Ltd. | Sale of food and beverage | The United Kingdom | 70 | 70 |
| Benihana Holding Pte. Ltd. (Note 35) | Sale of food and beverage | Singapore | 75 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|---------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Delicious Food Holding (Singapore) Pte. Ltd.'s subsidiaries</u> | | | | |
| Delicious Food Holding (Australia) Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Delicious Food Australia Finance Pty. Ltd. | Management | Australia | 100 | 100 |
| MHG Hotel Holding Australia Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| <u>Delicious Food Holding (Australia) Pty. Ltd.'s subsidiary</u> | | | | |
| Minor DKL Food Group Pty. Ltd. | Holding investment | Australia | 70 | 70 |
| <u>Minor DKL Food Group Pty. Ltd.'s subsidiaries</u> | | | | |
| Espresso Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club Investment Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club Franchising Company Pty. Ltd. | Franchise business | Australia | 100 | 100 |
| The Coffee Club (NSW) Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club (Vic) Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club (Properties) Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club Properties (NSW) Pty. Ltd. | Property investment | Australia | 100 | 100 |
| The Coffee Club Pty. Ltd. (as trustee for The Coffee Club Unit Trust) | Franchise owner | Australia | 100 | 100 |
| The Coffee Club (International) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club (Korea) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club (Mena) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club (NZ) Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| The Coffee Club (Technology) Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| First Avenue Company Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|----------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| Minor DKL Food Group Pty. Ltd.'s subsidiaries (Cont'd) | | | | |
| Ribs and Rumps Holding Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Minor DKL Construction Pty. Ltd. | Management services | Australia | 100 | 100 |
| Minor DKL Management Pty. Ltd. | Management services | Australia | 100 | 100 |
| Minor DKL Stores Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |
| TCC Operations Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |
| TGT Operations Pty. Ltd. | Sale of food and beverage | Australia | 100 | 100 |
| Nomad Coffee Group Pty. Ltd. (formerly "VGC Food Group Pty. Ltd.") | Holding investment | Australia | 70 | 70 |
| Nitro Coffee Pty. Ltd. | Holding investment | Australia | 70 | 70 |
| Ribs and Rumps Holding Pty. Ltd.'s subsidiaries | | | | |
| Ribs and Rumps Operating Company Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Ribs and Rumps Properties Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Ribs and Rumps International Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Ribs and Rumps System Pty. Ltd. | Franchise owner | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Nomad Coffee Group Pty. Ltd.'s subsidiaries</u> | | | | |
| Veneziano Coffee Roasters Holdings Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Coffee Hit Holdings Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Nomad Coffee management Pty. Ltd. (formerly "VGC Management Pty. Ltd.") | Management service | Australia | 100 | 100 |
| Veneziano Coffee Roasters Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Veneziano Coffee Assets Pty. Ltd. | Assets investment | Australia | 100 | 100 |
| Coffee Hit System Pty. Ltd. | Franchise owner | Australia | 100 | 100 |
| Coffee Hit Properties Pty. Ltd. | Property investment | Australia | 100 | 100 |
| Black Bag Roasters Pty. Ltd. | Sales of food and beverage | Australia | 100 | 100 |
| Veneziano (SA) Pty. Ltd. | Sales of food and beverage | Australia | 57.5 | - |
| Inigo Montoya Limited | Holding investment | New Zealand | 70 | - |
| <u>Inigo Montoya Limited's subsidiaries</u> | | | | |
| Flight Coffee Limited | Sales of food and beverage | New Zealand | 100 | - |
| The Hanger Limited | Sales of food and beverage | New Zealand | 100 | - |
| Good Time Gang Limited | Sales of food and beverage | New Zealand | 100 | - |
| <u>MHG Hotel Holding Australia Pty. Ltd.'s subsidiary</u> | | | | |
| Oaks Hotels & Resorts Limited ("OAKS") | Providing services for accommodation | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------|--------------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Minor Hotel Group Limited's subsidiaries</u> | | | | |
| Hospitality Investment International Limited | Holding investment | British Virgin Islands | 100 | 100 |
| MHG International Holding (Singapore) Pte. Ltd. | Management | Singapore | 100 | 100 |
| MHG International Holding (Mauritius) Limited | Holding investment | Republic of Mauritius | 100 | 100 |
| MHG Holding Limited | Holding investment | Thailand | 100 | 100 |
| <u>MHG International Holding (Singapore) Pte. Ltd.'s subsidiaries</u> | | | | |
| Vietnam Hotel Projekt B.V. | Holding investment | The Kingdom of the Netherlands | 100 | 100 |
| MHG Management (India) Private Limited | Hotel operation | Republic of India | 100 | 100 |
| MHG Australia Holding Pte. Ltd. | Management | Singapore | 100 | 100 |
| MHG IP Holding (Singapore) Pte. Ltd. | Management | Singapore | 100 | 100 |
| MHG Continental Holding (Singapore) Pte. Ltd. (formerly "AVC Vacation Club (Singapore) Pte. Ltd.") | Holding investment | Singapore | 100 | - |
| <u>Vietnam Hotel Projekt B.V.'s subsidiaries</u> | | | | |
| Bai Dai Tourism Company Limited | Hotel operation | Vietnam | 100 | 100 |
| Hoi An Riverpark Hotel Company Limited | Hotel operation | Vietnam | 91 | 91 |
| <u>MHG Australia Holding Pte. Ltd.'s subsidiary</u> | | | | |
| MHG Australia Investments Pty. Ltd. | Asset management | Australia | 100 | 100 |

Minor International Public Company Limited
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14 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------|--------------------------|------------------------|-------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>MHG International Holding (Mauritius) Limited's subsidiaries</u> | | | | |
| Sands Hotels (Proprietary) Limited | Hotel operation | Namibia | 100 | 100 |
| Minor Hotel Group Gaborone (Proprietary) Limited | Hotel operation | Botswana | 80 | 80 |
| Minor Hotel Group MEA DMCC | Hotel management | The United Arab Emirates | 100 | 100 |
| MHG Desaru Hotel Sdn. Bhd. | Hotel operation | Malaysia | 60 | 60 |
| MHG Desaru Villas Sdn. Bhd. | Sale of property | Malaysia | 60 | 60 |
| Minor Hotels Zambia Limited | Hotel operation | Zambia | 100 | 100 |
| <u>Minor Hotel Group Gaborone (Proprietary) Limited's subsidiary</u> | | | | |
| Letsatsi Casino (Pty) Ltd. | Hotel operation | Botswana | 80 | 80 |
| <u>Hospitality Investment International Limited's subsidiaries</u> | | | | |
| Lodging Management (Labuan) Limited | Hotel management | Malaysia | 100 | 100 |
| Lodging Management (Mauritius) Limited | Hotel management | Republic of Mauritius | 100 | 100 |
| PT Lodging Management (Indonesia) Limited | Hotel management | Republic of Indonesia | 93.3 | 93.3 |
| Jada Resort and Spa (Private) Limited | Hotel operation | Sri Lanka | 87 | 87 |
| <u>Lodging Management (Mauritius) Limited's subsidiaries</u> | | | | |
| Sothea Pte. Ltd. | Hotel operation | The Kingdom of Cambodia | 80 | 80 |
| Minor Hotel Group South Africa (PTY) Limited | Management | Republic of South Africa | 100 | 100 |
| <u>MI Squared Limited's subsidiaries</u> | | | | |
| Rajadamri Residence Limited | Sales of property | Thailand | 100 | 100 |
| Rajadamri Lodging Limited | Hotel operation | Thailand | 100 | 100 |
| Star Traveller Limited | Tour operation | Thailand | 49 ⁽¹⁾ | 49 ⁽¹⁾ |
| Corbin and King Limited (Note 35) | Holding investment | The United Kingdom | 74 | 74 |

⁽¹⁾ Investment portion in Star Traveller Limited is 49% but the Group has voting right at 66.7%.

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>AVC Vacation Club Limited's subsidiaries</u> | | | | |
| Anantara Vacation Club (HK) Limited | Marketing services | Hong Kong | 100 | 100 |
| AVC Vacation Club (Singapore) Pte. Ltd. | Marketing services | Singapore | - | 100 |
| <u>AVC Club Developer Limited's subsidiaries</u> | | | | |
| PT MHG Indonesia Limited | Sales & marketing services | Republic of Indonesia | _(1) | _(1) |
| PT MHG Bali Limited | Hotel and property development | Republic of Indonesia | _(1) | _(1) |

⁽¹⁾ The Group provided loans to 2 directors of PT MHG Indonesia Limited and PT MHG Bali Limited. These 2 directors have used the companies' ordinary shares as collateral and granted the share purchase option to the Group. In substance, the Group has control over these companies; therefore, these companies are identified as the subsidiaries of the Group.

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|---------------------|-------------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Jada Resort and Spa (Private) Limited's subsidiaries</u> | | | | |
| Paradise Island Resorts (Private) Limited | Hotel operation | Sri Lanka | 100 | 100 |
| Kalutara Luxury Hotel & Resort (Private) Limited | Hotel operation | Sri Lanka | 100 | 100 |
| <u>Paradise Island Resorts (Private) Limited's subsidiary</u> | | | | |
| Avani Ambalangoda (Private) Limited | Hotel operation | Sri Lanka | 100 | 100 |
| <u>Anantara Vacation Club (HK) Limited's subsidiary</u> | | | | |
| Sanya Anantara Consulting Limited | Consulting services | People's Republic of China | 100 | 100 |
| <u>Minor Continental Holding (Mauritius)'s subsidiary</u> | | | | |
| Minor Continental Holding (Luxembourg) S.A.R.L. | Holding investment | Luxembourg | 100 | 100 |
| <u>Minor Continental Holding (Luxembourg) S.A.R.L.'s subsidiaries</u> | | | | |
| Minor Continental Portugal, S.A. | Holding investment | Portuguese Republic | 100 | 100 |
| Pojuca S.A. | Hotel operation | Federative Republic of Brazil | 100 | 100 |
| <u>Minor Continental Portugal, S.A.'s subsidiaries</u> | | | | |
| Marinoteis S.A. | Hotel operation | Portuguese Republic | 100 | 100 |
| Coimbra Jardim Hotel S.A. | Hotel operation | Portuguese Republic | 100 | 100 |
| Tivoli Gave do Oriente S.A. | Hotel operation | Portuguese Republic | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|----------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Marinoteis S.A.'s subsidiaries</u> | | | | |
| Sotal S.A. | Hotel operation | Portuguese Republic | 100 | 100 |
| Hotelagos S.A. | Hotel operation | Portuguese Republic | 100 | 100 |
| <u>Corbin and King Limited's subsidiaries</u> | | | | |
| Corbin and King Holding Limited | Holding investment | The United Kingdom | 100 | 100 |
| Corbin and King Hotel Group Limited | Holding investment | The United Kingdom | 100 | 100 |
| <u>Corbin and King Holding Limited's subsidiaries</u> | | | | |
| Corbin and King Restaurant Group Limited | Holding investment | The United Kingdom | 100 | 100 |
| The Delaunay Restaurant Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| The Wolseley Restaurant Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| Brasserie Zedel Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| The Collbert Restaurant Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| Fischer's Restaurant Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| The Bellanger Restaurant Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| The Wolseley Restaurant Property Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| The Delaunay Property Limited | Property rental | The United Kingdom | 100 | 100 |
| Brasserie Zedel Property Limited | Property rental | The United Kingdom | 100 | 100 |
| Rex Restaurant Property Limited | Property rental | The United Kingdom | 100 | 100 |
| Corbin and King Restaurants Limited | Sales of food and beverage | The United Kingdom | 100 | 100 |
| <u>MHG Continental Holding (Singapore) Pte. Ltd.'s subsidiary</u> | | | | |
| NH Hotel Group S.A. | Hotel operation | Spain | 94.1 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|----------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Minor Food Group (Singapore) Pte. Ltd.'s subsidiaries</u> | | | | |
| BBZ Design International Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| YTF Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| PS07 Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| TES07 Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| XWS Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| Shokudo Concepts Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| Shokudo Heeren Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| TEC Malaysia Sdn Bhd. | Sales of food and beverage | Malaysia | 100 | 100 |
| Riverside & Courtyard (International) Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| Element Spice Cafe Pte. Ltd. | Sales of food and beverage | Singapore | 100 | 100 |
| The Food Theory Group Pte. Ltd. | Sales of Food and beverage | Singapore | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|---|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>MINOR's subsidiaries</u> | | | | |
| Armin Systems Limited | Distribution | Thailand | 100 | 100 |
| NMT Limited | Manufacturing services - consumer products | Thailand | 100 | 100 |
| Minor Development Limited | Property development | Thailand | 100 | 100 |
| Minor Consultants & Services Limited | Distribution | Thailand | 100 | 100 |
| Minor Lifestyle Limited | Distribution | Thailand | 100 | 100 |
| Esmido Fashions Limited | Distribution | Thailand | 90.8 | 90.8 |
| Minor Fashion Limited (formerly "Mysale.co.th Limited") | Distribution | Thailand | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>OAKS's subsidiaries</u> | | | | |
| Boathouse Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Calypso Plaza Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Concierge Apartments Australia Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Goldsbrough Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| MINT RESIDENTIAL PTY LTD | Providing services for accommodation | Australia | 100 | 100 |
| MH Management (Qld) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (NSW) No. 1 Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| MH Management (NSW) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| MH Management (SA) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| MH Management (VIC) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Queensland Accommodation Corporation Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Seaforth Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| The Oaks Resorts & Hotels Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| OAKS's subsidiaries (Cont'd) | | | | |
| Furniture Services Australia Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Brisbane Apartment Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Housekeepers Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| MH Management (NZ) Limited (formerly "Oaks Hotels & Resorts NZ Ltd.") | Providing services for accommodation | New Zealand | 100 | 100 |
| Oaks Hotels & Resorts Investments Pty. Ltd. | Holding investment | Australia | 100 | 100 |
| Oaks Hotels and Resorts No.4 Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Management) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts Leasing (Collins) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels and Resorts (NT) Pty. Ltd. | Asset management | Australia | 100 | 100 |
| Oaks Hotels & Resorts Asset Holding Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| MH Management (Qld) Pty. Ltd.'s subsidiaries | | | | |
| Queen Street Property Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Mon Komo Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oasis Caloundra Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Regis Towers) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Emerald Holdings Investments Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| ACN 153 970 944 Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Mon Komo) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Carlyle Mackay) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Milton) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Carlyle Lessee) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Radius) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Rivermarque) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks (M on Palmer) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Prince Place) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Moranbah) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Mews) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Queensland Holdings Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| ACN 153 490 227 Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (M on Palmer Apartments) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |

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Notes to the Consolidated and Separate Financial Statements
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14 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Oaks Queensland Holdings Pty. Ltd.'s subsidiaries</u> | | | | |
| Queensland Nominee Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Wrap No. 1 Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Emerald Holdings Investments Pty. Ltd.'s subsidiary</u> | | | | |
| Emerald Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Carlyle Mackay) Pty. Ltd.'s subsidiary</u> | | | | |
| Mackay (Carlyle) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Milton) Pty. Ltd.'s subsidiary</u> | | | | |
| Brisbane (Milton) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Brisbane (Milton) Management Pty. Ltd.'s subsidiary</u> | | | | |
| The Milton Residences Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Carlyle Lessee) Pty. Ltd.'s subsidiary</u> | | | | |
| Mackay (Carlyle) Lessee Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Radius) Pty. Ltd.'s subsidiary</u> | | | | |
| Brisbane (Radius) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Rivermarque) Pty. Ltd.'s subsidiary</u> | | | | |
| Mackay (Rivermarque) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Prince Place) Pty. Ltd.'s subsidiary</u> | | | | |
| Middlemount (Prince Place) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Moranbah) Pty. Ltd.'s subsidiary</u> | | | | |
| Moranbah Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Mews) Pty. Ltd.'s subsidiary</u> | | | | |
| Mews Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>MH Management (NSW) Pty. Ltd.'s subsidiaries</u> | | | | |
| Oaks Hotels & Resorts (NSW) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Pacific Blue Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Regis Towers Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Hunter Valley) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (NSW) Pty. Ltd.'s subsidiaries</u> | | | | |
| 183 on Kent Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| 187 Kent Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Cable Beach) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Cable Beach) Pty. Ltd.'s subsidiary</u> | | | | |
| 361 Kent Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Hunter Valley) Pty. Ltd.'s subsidiaries</u> | | | | |
| Hunter Valley (CL) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Hunter Valley (CL) Leases Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Hunter Valley (CL) Management Pty. Ltd.'s subsidiary</u> | | | | |
| Hunter Valley (CL) Memberships Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>MH Management (VIC) Pty. Ltd.'s subsidiaries</u> | | | | |
| Pacific Hotel Market Street Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Cable Beach Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| MH Residential (leasing) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (Pinnacle) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts Operator (VIC) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts (VIC) Letting Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| Oaks Hotels & Resorts Leasing (VIC) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (Pinnacle) Pty. Ltd.'s subsidiary</u> | | | | |
| Exclusive Pinnacle Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts NZ Ltd.'s subsidiaries</u> | | | | |
| 187 Cashel Management Limited | Liquidation | New Zealand | - | 100 |
| 187 Cashel Apartments Ltd. | Liquidation | New Zealand | - | 100 |
| Oaks Cashel Management Ltd. | Liquidation | New Zealand | - | 100 |
| Housekeepers (NZ) Ltd. | Providing services for accommodation | New Zealand | 100 | 100 |
| Harbour Residence Oaks Ltd. | Providing services for accommodation | New Zealand | 100 | - |
| <u>Oaks Hotels & Resorts Investments Pty. Ltd.'s subsidiary</u> | | | | |
| Tidal Swell Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts No. 4 Pty. Ltd.'s subsidiary</u> | | | | |
| Grand (Gladstone) Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resort Leasing (VIC) Pty. Ltd.'s subsidiary</u> | | | | |
| Accom (VIC) Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Accom (VIC) Pty. Ltd.'s subsidiary</u> | | | | |
| Accom Melbourne Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------------------------|----------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Wrap No.1 Pty. Ltd.'s subsidiary</u> | | | | |
| Wrap Management Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Oaks Hotels & Resorts (VIC) Letting Pty. Ltd.'s subsidiary</u> | | | | |
| Wrap No. 2 Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Wrap No. 2 Pty. Ltd.'s subsidiary</u> | | | | |
| Wrap Letting Pty. Ltd. | Providing services for accommodation | Australia | 100 | 100 |
| <u>Over Success Enterprise's subsidiaries</u> | | | | |
| Beijing Qian Bai Ye Investment Consultation Ltd. | Holding investment | People's Republic of China | 100 | 85.9 |
| Beijing Riverside & Courtyard Investment Management Ltd. | Holding investment | People's Republic of China | 100 | 85.9 |
| Beijing Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing Longkai Catering Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing Three Two One Fastfood Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing JiangShang Catering Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing Jianshan Rundai Catering Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing Xiejia Catering Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|----------------------------|----------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Over Success Enterprise's subsidiaries</u> (Cont'd) | | | | |
| Beijing Dejianhua Catering Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing Bashu Chun Qiu Restaurant | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Feng Sheng Ge Restaurant | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing Tiankong Catering Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Shanghai Riverside & Courtyard Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Shanghai Riverside & Courtyard & Gongning Catering Ltd. | Deregistration | People's Republic of China | - | 85.9 |
| Shanghai Yi Ye Qing Zhou Catering Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Shanghai Riverside & Courtyard Zhenbai Catering Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Beijing Yangguang Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Jinan Riverside & Courtyard Catering Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Tianjin Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Suzhon Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Nanjing Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Shenyang Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Wuhan Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|----------------------------|----------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| Over Success Enterprise's subsidiaries (Cont'd) | | | | |
| Nantong Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Yangzhou Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Red Matches Catering Ltd. (formerly "Beijing Honghouchai Catering Co., Ltd.") | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Hangzhou Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Dalian Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |
| Zhenjiang Riverside & Courtyard Catering Management Co., Ltd. | Sales of food and beverage | People's Republic of China | 100 | 85.9 |

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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14 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|---------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Hotel Group S.A.'s subsidiaries</u> | | | | |
| Aguamarina S.A. | Corporate service | Dominican Republic | 100 | - |
| Agrupacion Financiera Reunida SI | Hotel operation | Spain | 100 | - |
| Airport Hotel Frankfurt Raunheim, Gmbh &Co KG | Real estate | Germany | 100 | - |
| Aranzazu Donosti S. A. (Extinguida) | Hotel operation | Spain | 100 | - |
| Artos Beteiligungs Gmbh | Holding company | Germany | 100 | - |
| Astron Immobilien Gmbh | Holding company | Germany | 100 | - |
| Blacom, S.A. | Holding company | Argentina | 100 | - |
| COPERAMA COLOMBIA SAS | Procurement network | Colombia | 100 | - |
| Capredo Investments GmbH | Holding company | Switzerland | 100 | - |
| Chartwell De Nuevo Laredo, S.A. De C.V. | Hotel operation | Mexico | 100 | - |
| Chartwell Inmobiliaria De Coatzacoalcos, S.A. De C.V. | Hotel operation | Mexico | 100 | - |
| Chartwell de Mexico, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| City Hotel S.A. | Hotel operation | Argentina | 50 | - |
| Coperama Central Europe GmbH | Procurement network | Germany | 100 | - |
| Coperama Italia Srl | Procurement network | Italy | 100 | - |
| Coperama Mexico S.A. de C.V. | Procurement network | Mexico | 100 | - |
| Coperama Spain SI. | Procurement network | Spain | 100 | - |
| Corporación Hotelera Oriental, S.A. | Hotel operation | Dominican Republic | 100 | - |
| Dam 9 B.V. | Holding company | Netherlands | 100 | - |
| Desarrollo Inmobiliario Santa Fe, S.A. de C.V. | Hotel operation | Mexico | 50 | - |
| Edificio Metro S.A. | Hotel operation | Argentina | 100 | - |
| Eurotels Chile S.A. | Holding company | Chile | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| NH Hotel Group S.A.'s subsidiaries (Cont'd) | | | | |
| Franquicias Lodge, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| Gran Circulo De Madrid, Sa | Catering | Spain | 98.7 | - |
| Grupo Hotelero Monterrey, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| Grupo Hotelero Queretaro, S.A. de C.V. | Hotel operation | Mexico | 69 | - |
| HOTEL PACIFICO ROYAL LTDA | Hotel operation | Colombia | 100 | - |
| HOTELERA CHILE SA | Hotel operation | Chile | 100 | - |
| Hoteles Hesperia, S.A. | Hotel operation | Mexico | 100 | - |
| HOTELES ROYAL Del ECUADOR SA | Hotel operation | Ecuador | 54 | - |
| HORODELSA | | | | |
| HR QUANTICA SAS | Hotel operation | Colombia | 50 | - |
| Heiner Gossen Hotelbetrieb GmbH | Hotel operation | Germany | 100 | - |
| Hispana Santa Fe, S.A. de C.V. | Hotel operation | Mexico | 50 | - |
| Hotel Albar Ciudad De Albacete | Hotel operation | Spain | 100 | - |
| Sociedad Limitada. (Extinguida) | | | | |
| Hotel Andino Royal S A S | Hotel operation | Colombia | 100 | - |
| Hotel Aukamm Wiesbaden GmbH | Real estate | Germany | 100 | - |
| & Co. kg | | | | |
| Hotel Hacienda Royal Ltda | Hotel operation | Colombia | 100 | - |
| Hotel Holding Onroerend Goed d'Vijff | | | | |
| Vlieghe B.V. | Hotel operation | Netherlands | 100 | - |
| Hotel La Boheme Ltda | Hotel operation | Colombia | 100 | - |
| Hotel Medellin Royal Ltda | Hotel operation | Colombia | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|-----------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Hotel Group S.A.'s subsidiaries</u> (Cont'd) | | | | |
| Hotel Parque Royal S A S | Hotel operation | Colombia | 100 | - |
| Hotel Pavillon Royal Ltda | Hotel operation | Colombia | 100 | - |
| Hoteleira Brasil Ltda | Hotel operation | Brazil | 100 | - |
| Hotelera De La Parra, S.A. De C.V. | Hotel operation | Mexico | 100 | - |
| Hotelera Lancaster S.A. | Hotel operation | Argentina | 50 | - |
| Hotelera Norte Sur S.A. | Real estate | Chile | 100 | - |
| Hoteles Royal S A | Holding company | Colombia | 97 | - |
| Hotelexploitatiemaatschappij Onderlangs Arnhem B.V. | Hotel operation | Netherlands | 100 | - |
| Hotels Bingen & Viernheim GmbH & Co. Kg | Real estate | Germany | 94 | - |
| INMOBILIARIA Y FINANCIERA CHILE SPA. | Real estate | Chile | 100 | - |
| INVERSIONES SHCI S A S EN LIQUIDACION | Real estate | Colombia | 100 | - |
| Iber Interbrokers SI | Provision of services | Spain | 75 | - |
| Immo Hotel Bcc Nv | Real estate | Belgium | 100 | - |
| Immo Hotel Belfort Nv | Real estate | Belgium | 100 | - |
| Immo Hotel Brugge Nv | Real estate | Belgium | 100 | - |
| Immo Hotel Diegem Nv | Real estate | Belgium | 100 | - |
| Immo Hotel Gent Nv | Real estate | Belgium | 100 | - |
| Immo Hotel Gp Nv | Real estate | Belgium | 100 | - |
| Immo Hotel Mechelen Nv | Real estate | Belgium | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| NH Hotel Group S.A.'s subsidiaries (Cont'd) | | | | |
| Immo Hotel Stephanie Nv | Real estate | Belgium | 100 | - |
| Inmobiliaria Royal SA | Real estate | Chile | 66 | - |
| Inmobiliaria Y Financiera Aconcagua S.A. | Hotel operation | Argentina | 100 | - |
| Inversores Y Gestores Asociados Sa (Extinguida) | Hotel operation | Spain | 100 | - |
| Krasnapolsky Hotels & Restaurants N.V. | Holding company | Netherlands | 100 | - |
| Krasnapolsky Hotels & Restaurants Onroerend Goed B.V. | Real estate | Netherlands | 100 | - |
| Krasnapolsky Hotels (Pty) Ltd | Hotel operation | South Africa | 100 | - |
| Krasnapolsky Ict B.V. | Hotel operation | Netherlands | 100 | - |
| Krasnapolsky International Holding B.V. | Holding company | Netherlands | 100 | - |
| Latina Chile S.A. | Hotel operation | Chile | 100 | - |
| Latinoamericana Curitiba Administração De Hotéis Ltda | Hotel operation | Brazil | 100 | - |
| Latinoamericana De Gestion Hotelera SI | Holding company | Spain | 100 | - |
| Lenguados Vivos SI (Extinguida) | Hotel operation | Spain | 100 | - |
| NH Logrono Sa | Hotel operation | Spain | 76 | - |
| NH Numancia Sa (Extinguida) | Hotel operation | Spain | 100 | - |
| NH Pamplona S.A. (Extinguida) | Hotel operation | Spain | 100 | - |
| NH Santander Sa (Extinguida) | Hotel operation | Spain | 100 | - |
| NH University S.L. (Extinguida) | Hotel operation | Spain | 100 | - |
| NH MARIN SA | Hotel operation | Spain | 50 | - |
| NH Malaga S.A. (Extinguida) | Hotel operation | Spain | 100 | - |
| NH Hoteles Switzerland GmbH | Hotel operation | Switzerland | 100 | - |
| NH Hotels USA, Inc. | Hotel operation | United States | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Hotel Group S.A.'s subsidiaries</u> (Cont'd) | | | | |
| Nacional Hispana De Hoteles, S. De R.L. De C.V. | Hotel operation | Mexico | 100 | - |
| NH Brasil Administracao De Hoteis E Participacoes Ltda | Hotel operation | Brazil | 100 | - |
| NH Central Reservation Office Sa | Hotel operation | Spain | 100 | - |
| NH Establecimientos Complementarios Hoteleros Sa (Extinguida) | Hotel operation | Spain | 100 | - |
| NH Europa Sl. | Hotel operation | Spain | 100 | - |
| NH Finance Sa | Financial company | Luxembourg | 100 | - |
| NH Financing Services SARL | Financial company | Luxembourg | 100 | - |
| NH Hotel Ciutat De Reus Sa | Hotel operation | Spain | 90.1 | - |
| NH Hotelbetriebs- Und Entwicklungs Gmbh | Hotel operation | Germany | 100 | - |
| NH Hoteles España Sa | Hotel operation | Spain | 100 | - |
| NH Hoteles Participaties B.V. | Hotel operation | Netherlands | 100 | - |
| NH Las Palmas, Sa | Hotel operation | Spain | 75 | - |
| NH Management Black Sea Srl | Hotel operation | Romania | 100 | - |
| Nhow Rotterdam, B.V. | Hotel operation | Netherlands | 100 | - |
| Noorderweb, B.V. | Hotel operation | Netherlands | 100 | - |
| Nuevos Espacios Hoteleros Sa | Hotel operation | Spain | 100 | - |
| Objekt Leipzig Messe, GmbH & Co KG | Real estate | Germany | 100 | - |
| Operadora Nacional Hispana, S.A. De C.V. | Hotel operation | Mexico | 100 | - |
| PALACIO DE LA MERCED S.A. | Hotel operation | Spain | 88 | - |
| PROMOTORA ROYAL S A EN LIQUIDACION | Real estate | Colombia | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Hotel Group S.A. 's subsidiaries</u> (Cont'd) | | | | |
| Polis Corporation, S.A. | Hotel operation | Argentina | 100 | - |
| ROYAL HOTELS, INC. | Hotel operation | United States | 100 | - |
| Royal Hotels International Latin América Inc | Hotel operation | United States | 100 | - |
| Royal Santiago Hotel S.A. | Hotel operation | Chile | 66 | - |
| SOCIEDAD HOTELERA CIEN INTERNACIONAL S A | Hotel operation | Colombia | 62 | - |
| SOCIEDAD HOTELERA COTOPAXI SA COPAXI | Hotel operation | Ecuador | 54 | - |
| SOCIEDAD OPERADORA BARRANQUILLA ROYAL S A S | Hotel operation | Colombia | 100 | - |
| SOCIEDAD OPERADORA CALLE 100 ROYAL SAS | Hotel operation | Colombia | 100 | - |
| SOCIEDAD OPERADORA CARTAGENA ROYAL S A S | Hotel operation | Colombia | 100 | - |
| SOCIEDAD OPERADORA URBAN ROYAL CALLE 26 S A S | Hotel operation | Colombia | 100 | - |
| SOCIEDAD OPERADORA URBAN ROYAL CALLE 93 S A S | Hotel operation | Colombia | 100 | - |
| Servicios Chartwell de Nuevo Laredo, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| Servicios Corporativos Chartwell Monterrey, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| Servicios Corporativos Hoteleros, S.A De C.V | Hotel operation | Mexico | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Hotel Group S.A.'s subsidiaries</u> (Cont'd) | | | | |
| Servicios Corporativos Krystal Zona Rosa, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| Servicios Hoteleros Tlalnepantla, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| Servicios de Operacion Turistica, S.A. de C.V. | Hotel operation | Mexico | 100 | - |
| Sociedad Hotelera Calle 74 Ltda | Hotel operation | Colombia | 100 | - |
| Sociedad Operadora Nh Royal Panama S.A. | Hotel operation | Panama | 100 | - |
| Toralo S.A. | Hotel operation | Uruguay | 100 | - |
| VSOP VIII B.V. | Hotel operation | Netherlands | 50 | - |
| Wilan Ander SI | Hotel operation | Spain | 100 | - |
| Wilan Huel SI | Hotel operation | Spain | 100 | - |
| <u>Krasnapolsky Hotels & Restaurants N.V.'s subsidiaries</u> | | | | |
| NH Private Equity B.V. | Hotel operation | Netherlands | 100 | - |
| NH The Netherlands B.V. | Holding company | Netherlands | 100 | - |
| <u>Krasnapolsky International Holding B.V.'s subsidiaries</u> | | | | |
| Astron-Kestrel Hotels (Pty) Ltd | Hotel operation | South Africa | 100 | - |
| Krasnapolsky Belgian Shares B.V. | Holding company | Netherlands | 100 | - |
| NH Belgium Cvba | Holding company | Belgium | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|---------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Latinoamericana De Gestion Hotelera Sl 's subsidiaries</u> | | | | |
| Latina De Gestion Hotelera S.A. | Hotel operation | Argentina | 100 | - |
| NH Wilhelminakade Holding B.V. | Hotel operation | Netherlands | 100 | - |
| <u>NH Europa Sl. 's subsidiaries</u> | | | | |
| Caribe Puerto Morelos, S.A. De C.V. | Hotel operation | Mexico | 100 | - |
| Coperama Holding Sl. | Procurement network | Spain | 100 | - |
| Evergreen House Srl | Hotel operation | Romania | 100 | - |
| Harrington Hall Hotel Limited | Hotel operation | United Kingdom | 25 | - |
| Hotelexploitatiemaatschappij Eindhoven B.V. | Hotel operation | Netherlands | 100 | - |
| NH Hotels Czechia sro | Hotel operation | Czech Republic | 100 | - |
| NH Hotels Polska SP Zoo | Hotel operation | Poland | 100 | - |
| NH Atardecer Caribeño Sa | Corporate services | Spain | 100 | - |
| NH Central Europe Gmbh & Co. Kg | Hotel operation | Germany | 100 | - |
| NH Central Europe Management Gmbh | Hotel operation | Germany | 100 | - |
| NH Hotel Rallye Portugal, Unipessoal, Lda | Hotel operation | Portuguese Republic | 100 | - |
| NH Hoteles France | Hotel operation | France | 100 | - |
| NH Italia S.p.A. | Hotel operation | Italy | 100 | - |
| NH Resorts Sl. (Extinguida) | Hotel operation | Spain | 100 | - |
| Redocana Hotels Gmbh In Liquidation | Hotel operation | Switzerland | 95 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|---------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Hoteles Participaties B.V.'s subsidiary</u> | | | | |
| Coperama Benelux B.V. | Procurement network | Netherlands | 100 | - |
| <u>NH Las Palmas, Sa's subsidiaries</u> | | | | |
| HANUMAN INVESMENT S.L. | Hotel operation | Spain | 50 | - |
| NH Lagasca Sa | Hotel operation | Spain | 75 | - |
| <u>Toralo S.A.'s subsidiary</u> | | | | |
| Columbia Palace Hotel S.A. | Hotel operation | Uruguay | 100 | - |
| <u>NH The Netherlands B.V. 's subsidiaries</u> | | | | |
| Atlantic Hotel Exploitatie B.V. | Hotel operation | Netherlands | 100 | - |
| De Sparrenhorst B.V. | Hotel operation | Netherlands | 100 | - |
| Exploitatie Maatschappij Tropenhotel B.V. | Hotel operation | Netherlands | 100 | - |
| Exploitatiemaatschappij Caransa Hotel B.V. | Hotel operation | Netherlands | 100 | - |
| Exploitatiemaatschappij Doelen Hotel B.V. | Hotel operation | Netherlands | 100 | - |
| Exploitatiemaatschappij Grand-Hotel Krasnapolsky B.V. | Hotel operation | Netherlands | 100 | - |
| Exploitatiemaatschappij Hotel Best B.V. | Hotel operation | Netherlands | 100 | - |
| Exploitatiemaatschappij Hotel Naarden B.V. | Hotel operation | Netherlands | 100 | - |
| Exploitatiemaatschappij Schiller Hotel B.V. | Hotel operation | Netherlands | 100 | - |
| Highmark Geldrop B.V. | Hotel operation | Netherlands | 100 | - |
| Highmark Hoofddorp B.V. | Hotel operation | Netherlands | 100 | - |
| Hotel De Ville B.V. | Hotel operation | Netherlands | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| NH The Netherlands B.V.'s subsidiaries (Cont'd) | | | | |
| Hotelexploitatiemaatschappij Amsterdam Noord B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Atlanta Rotterdam B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Capelle Aan Den Ijssel B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Danny Kayelaan Zoetermeer B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Distelkade Amsterdam B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Epen Zuid-Limburg B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Forum Maastricht B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Jaarbeursplein Utrecht B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Janskerkhof Utrecht B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Leijenberghlaan Amsterdam B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Marquette Heemskerk B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Spuistraat Amsterdam B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitatiemaatschappij Stadhouderskade Amsterdam B.V. | Hotel operation | Netherlands | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH The Netherlands B.V.'s subsidiaries</u> (Cont'd) | | | | |
| Hotelexploitiemaatschappij Stationsstraat Amersfoort B.V. | Hotel operation | Netherlands | 100 | - |
| Hotelexploitiemaatschappij Van Alphenstraat Zandvoort B.V. | Hotel operation | Netherlands | 100 | - |
| Jan Tabak N.V. | Hotel operation | Netherlands | 81 | - |
| Koningshof B.V. | Hotel operation | Netherlands | 100 | - |
| Leeuwenhorst Congres Center B.V. | Hotel operation | Netherlands | 100 | - |
| Libération Exploitatie B.V. | Hotel operation | Netherlands | 100 | - |
| Marquette Beheer B.V. | Real estate | Netherlands | 100 | - |
| Museum Quarter B.V. | Hotel operation | Netherlands | 100 | - |
| NH Caribbean Management B.V. | Management | Netherlands | 100 | - |
| Palatium Amstelodamum N.V. | Hotel operation | Netherlands | 100 | - |
| Restaurant D'vijff Vlieghe B.V. | Catering service | Netherlands | 100 | - |
| Vela Secunda Omnium Primum Viii B.V. | Hotel operation | Netherlands | 100 | - |
| <u>NH Belgium Cvba 's subsidiaries</u> | | | | |
| Hotel Exploitiemaatschappij Diegem N.V. | Hotel operation | Belgium | 100 | - |
| <u>Latina De Gestion Hotelera S.A. 's subsidiaries</u> | | | | |
| Panorama Hotel S.A. | Hotel operation | Argentina | 100 | - |
| <u>Hotelexploitiemaatschappij Eindhoven B.V. 's subsidiaries</u> | | | | |
| NH Hotel & Service GmbH | Hotel operation | Germany | 100 | - |
| NH Hotelbetriebs- Und Dienstleistungs GmbH | Hotel operation | Germany | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|---|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Central Europe Gmbh & Co. Kg's subsidiaries</u> | | | | |
| NH Hoteles Austria Gmbh | Hotel operation | Austria | 100 | - |
| NH Hoteles Deutschland Gmbh | Hotel operation | Germany | 100 | - |
| <u>NH Italia S.P.A's subsidiaries</u> | | | | |
| Grande Jolly Spa | Hotel operation | Italy | 97.4 | - |
| NH Italy Management Srl | Hotel operation | Italy | 100 | - |
| PORTA ROSSA - S.R.L. | Hotel operation | Italy | 100 | - |
| <u>Marquette Beheer B.V. 's subsidiaries</u> | | | | |
| Hotel Amsterdam Centre Propco B.V. | Hotel operation | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Atlanta Rotterdam B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Bogardeind Geldrop B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Capelle Aan Den Ijssel B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Danny Kayelaan Zoetermeer B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Ijsselmeerweg Naarden B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Kruisweg Hoofddorp B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Maas Best B.V. | Real estate | Netherlands | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>Marquette Beheer B.V.'s subsidiaries</u> (Cont'd) | | | | |
| Onroerend Goed Beheer Maatschappij Marquette Heemskerk B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Prins Hendrikkade Amsterdam B.V. | Real estate | Netherlands | 100 | - |
| Onroerend Goed Beheer Maatschappij Van Alphenstraat Zandvoort B.V. | Real estate | Netherlands | 100 | - |
| <u>Palatium Amstelodamum N.V.'s subsidiaries</u> | | | | |
| Olofskapel Monumenten B.V. | Real estate | Netherlands | 100 | - |
| <u>Restaurant D'vijff Vlieghe B.V.'s subsidiaries</u> | | | | |
| Nhow Amsterdam B.V. | Hotel operation | Netherlands | 100 | - |
| <u>NH Hoteles Austria GmbH's subsidiaries</u> | | | | |
| Izd Hotel Betriebs GmbH | Hotel operation | Austria | 100 | - |
| NH Hungary Hotel Management Ltd | Hotel operation | Hungary | 100 | - |
| <u>NH Hoteles Deutschland GmbH's subsidiary</u> | | | | |
| Hohenstaufen Einhundertneunzehnte Vermögensverwaltungs GmbH | Hotel operation | Germany | 100 | - |
| <u>Grande Jolly Spa's subsidiaries</u> | | | | |
| Hotel Exploitiemaatschappij Vijzelstraat Amsterdam B.V. | Hotel operation | Netherlands | 100 | - |
| Hotel Houdstermaatschappij Jolly B.V. | Holding company | Netherlands | 100 | - |
| Jolly Hotels Deutschland GmbH | Hotel operation | Germany | 100 | - |
| Jolly Hotels Holland N.V. | Hotel operation | Netherlands | 100 | - |

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

a) Investments in subsidiaries (Cont'd)

Companies under significant subsidiaries included in the preparation of the consolidated financial statements are:
(Cont'd)

| Company | Nature of business | Country of incorporation | Investment portion (%) | |
|--|--------------------|--------------------------|------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| <u>NH Italy Management Srl's subsidiaries</u> | | | | |
| NH ORIO SRL | Hotel operation | Italy | 80 | - |
| NH Laguna Palace Spa | Hotel operation | Italy | 100 | - |
| NH Tortona Srl | Hotel operation | Italy | 70 | - |
| Satme Invest Srl | Hotel operation | Italy | 100 | - |
| <u>Hotel Houdstermaatschappij Jolly B.V. 's subsidiary</u> | | | | |
| Jolly Hotels Belgio Sa | Hotel operation | Belgium | 100 | - |
| <u>Jolly Hotels Holland N.V. 's subsidiaries</u> | | | | |
| Jolly Hotels France | Hotel operation | France | 100 | - |
| Jolly Hotels U.S.A., Inc. | Hotel operation | United States | 69.6 | - |
| <u>Satme Invest Srl's subsidiary</u> | | | | |
| I QUATTRO CANTI SRL | Hotel operation | Italy | 50 | - |

Significant changes in investments in subsidiaries for the year ended 31 December 2018 comprise:

M Spa International Limited

During the first quarter of 2018, the Company acquired the ordinary shares of M Spa International Limited of 200,899 shares, totalling Baht 38 million from a subsidiary of the Group. The investment portion has increased from 51% to 100%.

Coco Palm Hotel & Resort Limited

During the first quarter of 2018, the Company fully paid in the share capital of Coco Palm Hotel & Resort Limited of Baht 60 million. The investment portion has still been 100% interest.

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

a) Investments in subsidiaries (Cont'd)

Significant changes in investment in subsidiaries for the year ended 31 December 2018 comprise: (Cont'd)

MHG Desaru Hotel Sdn. Bhd.

During the second quarter of 2018, a subsidiary of the Group additionally invested in MHG Desaru Hotel Sdn. Bhd. of 10.23 million shares with a par value of MYR 1, totalling MYR 10.23 million or equivalent to Baht 83 million, the investment portion has still been 60% interest.

MHG Desaru Villa Sdn. Bhd.

During the second quarter of 2018, a subsidiary of the Group additionally invested in MHG Desaru Villa Sdn. Bhd. of 3.7 million shares with par value of MYR 1, totalling MYR 3.7 million or equivalent to Baht 30 million, the investment portion has still been 60% interest.

MHG Phuket Limited

During the second quarter of 2018, a subsidiary of the Group invested in newly issued shares of MHG Phuket Limited of 543,000 shares with a par value of Baht 100, totalling Baht 543 million. The additional paid-up capital diluted investment portion held by the Company from 100% to 77.8%. Nevertheless, the investment portion at the Group still remains at 100%.

Benihana Holding Pte. Ltd.

During the second quarter of 2018, a subsidiary of the Group acquired Benihana Holding Pte. Ltd. Details of the acquisition are described in Note 35.

Over Success Enterprise Pte. Ltd.

During the second quarter of 2018, a subsidiary of the Group additionally invested in Over Success Enterprise Pte. Ltd. in an amount of USD 33 million or equivalent to Baht 1,030 million. The investment portion has changed from 85.9% to 100%.

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

a) Investments in subsidiaries (Cont'd)

Summarised financial information for subsidiaries

Set out below is summarised financial information for each subsidiary that has non-controlling interests ("NCI") that are material to the Group. The amounts disclosed for each subsidiary are before intercompany eliminations.

Summarised statement of financial position

| | As at 31 December 2018 | | |
|-------------------------------------|--|--|-----------------------|
| | NH Hotel Group S.A. Baht Million | Minor DKL Food Group Pty. Ltd. Baht Million | Total Baht Million |
| Current | | | |
| Assets | 18,647 | 438 | 19,085 |
| Liabilities | (13,955) | (325) | (14,280) |
| Total current net assets | 4,692 | 113 | 4,805 |
| Non-current | | | |
| Assets | 133,113 | 6,296 | 139,409 |
| Liabilities | (41,003) | (1,506) | (42,509) |
| Total non-current net assets | 92,110 | 4,790 | 96,900 |
| Net assets | 96,802 | 4,903 | 101,705 |
| Accumulated NCI | 8,282 | 1,040 | 9,322 |

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

a) Investments in subsidiaries (Cont'd)

Summarised statement of comprehensive income

| | For the year ended 31 December 2018 | | | |
|--|--|---------------------------|--------|-----------------------|
| | NH Hotel Group S.A. Baht Million | Minor DKL | | Total Baht Million |
| | | Food Group | | |
| | | Pty. Ltd. Baht Million | | |
| Revenue | 16,694 | 2,831 | 19,525 | |
| Post-tax profit from continuing operations | 2,521 | 213 | 2,734 | |
| Total comprehensive income | 2,521 | 213 | 2,734 | |
| Total comprehensive income allocated to non-controlling interests | 103 | 13 | 116 | |

Summarised statement of cash flows

| | For the year ended 31 December 2018 | | | |
|---|--|---------------------------|---------|-----------------------|
| | NH Hotel Group S.A. Baht Million | Minor DKL | | Total Baht Million |
| | | Food Group | | |
| | | Pty. Ltd. Baht Million | | |
| Net cash generated from operating activities | 531 | (257) | 274 | |
| Net cash used in investing activities | 719 | 672 | 1,391 | |
| Net cash used in financing activities | (1,533) | (472) | (2,005) | |
| Net increase (decrease) in cash and cash equivalents | (283) | (57) | (340) | |

Minor International Public Company Limited
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14 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

b) Investments in associates

| | Consolidated | | Separate | |
|--------------------------------|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| At 1 January | 7,087,166,244 | 6,692,163,068 | 2,767,066,898 | 2,767,066,898 |
| Acquisition from investment | | | | |
| in subsidiaries | 271,942,090 | - | - | - |
| Additions | 26,403,478 | 72,439,811 | 12,596,278 | - |
| Disposals | - | (2,593,620) | - | - |
| Change status to | | | | |
| investment in subsidiaries | (3,821,580) | - | - | - |
| Share of profit of investments | | | | |
| in associates | 440,046,562 | 620,537,337 | - | - |
| Dividends received | (376,477,848) | (295,305,291) | - | - |
| Impairment charge | (280,000,000) | - | - | - |
| Translation adjustment | (5,667,091) | (75,061) | - | - |
| At 31 December | 7,159,591,855 | 7,087,166,244 | 2,779,663,176 | 2,767,066,898 |

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

b) Investments in associates (Cont'd)

Investments in associates are as follows:

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|---|----------------------------|--------------------------|-----------------------------------|-------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 December 2018 | 31 December 2017 |
| Arabian Spa (Dubai) (LLC) | Spa services | United Arab Emirates | 49 | 49 |
| Eutopia Private Holding Limited | Hotel operation | Republic of Maldives | 50 | 50 |
| Tanzania Tourism and Hospitality Investment Limited | Holding investment | British Virgin Islands | 50 | 50 |
| Zanzibar Tourism and Hospitality Investment Limited | Holding investment | British Virgin Islands | 50 | 50 |
| Sizzler China Pte. Ltd. | Franchise owner | Singapore | 50 | 50 |
| Select Service Partner Limited | Sales of food and beverage | Thailand | 51 ⁽¹⁾ | 51 ⁽¹⁾ |
| Harbour View Corporation Limited | Hotel operation | Vietnam | 30.4 | 30.4 |
| Zuma Bangkok Limited | Sales of food and beverage | Thailand | 51 ⁽²⁾ | 51 ⁽²⁾ |

⁽¹⁾ The Group does not have control over Select Service Partner Limited although the Group holds equity interest of 51%. This investment is classified as investment in associate and applies equity method of accounting in the consolidated financial statements.

⁽²⁾ Investment portion in Zuma Bangkok Limited is 51% but the Group has voting right only at 35%.

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

b) Investments in associates (Cont'd)

Investments in associates are as follows: (Cont'd)

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|---|----------------------------|--------------------------|-----------------------------------|---------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 December 2018 | 31 December 2017 |
| S&P Syndicate Public Company Limited | Sales of food and beverage | Thailand | 35.8 | 35.7 |
| Rani Minor Holding Limited | Hotel operation | United Arab Emirates | 25 | 25 |
| Serendib Hotels PLC | Hotel operation | Sri Lanka | 25 | 25 |
| MHG Lesotho (Proprietary) Limited | Hotel operation | Lesotho | 46.9 | 46.9 |
| NYE and RGP Development Co., Ltd. | Sale of property | Thailand | 40 | 40 |
| Breadtalk Group Limited | Sales of food and beverage | Singapore | 14.2 ⁽³⁾ | 14.1 ⁽³⁾ |
| Cardamom Tented Camp Co., Ltd. | Hotel operation | The Kingdom of Cambodia | 35 | 35 |
| Beijing NH Grand China Hotel Management Co., Ltd. | Hotel operation | China | 49 | - |
| Borakay Beach, S.L. | Hotel operation | Spain | 50 | - |
| Consortio Grupo Hotelero T2, S. A. de C. V. | Hotel operation | Mexico | 10 | - |
| Hotel & Congress Technology Sl. (Extinguida) | Hotel operation | Spain | 50 | - |
| Hotelera del Mar, S.A. | Hotel operation | Argentina | 20 | - |
| Inmobiliaria 3 Poniente, S.A. De C.V. | Hotel operation | Mexico | 27 | - |
| Losan Investment, Ltd. | Hotel operation | United Kingdom | 30 | - |
| Mil Novecientos Doce, S.A. de C.V. | Hotel operation | Mexico | 25 | - |
| Sotocaribe Sl | Hotel operation | Spain | 36 | - |

⁽³⁾ Investment portion in Breadtalk Group Limited is 14.2% but the Group has significant influence over this associate.

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

b) Investments in associates (Cont'd)

Investments in associates are as follows: (Cont'd)

| Company | Nature of business | Separate financial statements | | |
|--------------------------------------|----------------------------|-------------------------------|------------------------|------------------|
| | | Country of incorporation | Investment portion (%) | |
| | | | 31 December 2018 | 31 December 2017 |
| S&P Syndicate Public Company Limited | Sales of food and beverage | Thailand | 35.8 | 35.7 |

Significant changes in investments in associates for the year ended 31 December 2018 comprise:

S&P Syndicate Public Company Limited

During the year of 2018, the Group acquired additional shares of S&P Syndicate Public Company Limited of 733,300 shares, totalling Baht 13 million. The investment portion has increased from 35.7% to 35.8%.

Breadtalk Group Limited

During the first quarter of 2018, the Group acquired additional shares of Breadtalk Group Limited of 198,000 shares, totalling USD 0.3 million or equivalent to Baht 8 million. The investment portion has increased from 14.1% to 14.2%.

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

b) Investments in associates (Cont'd)

Summarised financial information for associates

Set out below is the summarised financial information of the associates that are material to the Group. They have been amended to reflect adjustments made by the Group when using equity method, including modifications for differences in accounting policies.

S&P Syndicate Public Company Limited is the listed company in the Stock Exchange of Thailand ("SET"). S&P Syndicate Public Company Limited will announce its financial information for the year ended 31 December 2018 later than the Group. Therefore, its 2018 financial information is not currently disclosed. For the purpose of this disclosure only, the Group use the most recent publicly available financial information of S&P Syndicate Public Company Limited which is the information for the period ended 30 September 2018.

For the consolidated financial statements for the year ended 31 December 2018, the Group uses S&P Syndicate Public Company Limited financial information for the year then ended to apply equity method.

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

b) Investments in associates (Cont'd)

Summarised statement of financial position

| | As at 30 September 2018 | As at 31 December 2018 | |
|--------------------------------------|--|---|-----------------------|
| | S&P Syndicate Public Company Limited Baht Million | Breadtalk Group Limited Baht Million | Total Baht Million |
| Current assets | | | |
| Cash and cash equivalents | 835 | 4,383 | 5,218 |
| Other current assets | 745 | 1,955 | 2,700 |
| Total current assets | 1,580 | 6,338 | 7,918 |
| Non-current assets | 2,372 | 8,077 | 10,449 |
| Total assets | 3,952 | 14,415 | 18,367 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (excluding trade payables) | 39 | 546 | 585 |
| Other current liabilities | | | |
| (including trade payables) | 1,000 | 6,665 | 7,665 |
| Total current liabilities | 1,039 | 7,211 | 8,250 |
| Non-current liabilities | | | |
| Financial liabilities | 167 | 690 | 857 |
| Other non-current liabilities | 247 | 2,658 | 2,905 |
| Total non-current liabilities | 414 | 3,348 | 3,762 |
| Total liabilities | 1,453 | 10,559 | 12,012 |
| Net assets | 2,499 | 3,856 | 6,355 |

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

b) Investments in associates (Cont'd)

Summarised statement of financial position (Cont'd)

As at 31 December 2018, the fair value of S&P Syndicate Public Company Limited shares held by the Group which is computed by using closing price announced by SET is Baht 3,426 million (2017: Baht 3,834 million) and the carrying amount of the Group's interest was Baht 3,028 million (2017: Baht 3,020 million).

As at 31 December 2018, the fair value of Breadtalk Group Limited (in Singapore) shares held by the Group which is computed by using closing price announced by SGX is Baht 1,533 million (2017: Baht 1,640 million) and the carrying amount of the Group's interest was Baht 1,305 million (2017: Baht 1,283 million).

Other companies are private companies and there are no quoted market prices available for their shares.

Summarised statement of comprehensive income

| | For the nine-month period ended 30 September 2018 | For the year ended 31 December 2018 | Total |
|---|--|---|--------------|
| | S&P Syndicate Public Company Limited Baht Million | Breadtalk Group Limited Baht Million | Baht Million |
| Revenue | 5,669 | 14,609 | 20,278 |
| Post-tax profit from continuing operations | 269 | 473 | 742 |
| Other comprehensive income | 24 | 4 | 28 |
| Total comprehensive income | 293 | 477 | 770 |
| Dividends received from associates | 149 | 30 | 179 |

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

b) Investments in associates (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:

| | For the nine-month period ended 30 September 2018 | For the year ended 31 December 2018 | |
|---|--|---|-----------------------|
| | S&P Syndicate Public Company Limited Baht Million | Breadtalk Group Limited Baht Million | Total Baht Million |
| Summarised financial information | | | |
| Opening net assets 1 January | 2,625 | 5,034 | 7,659 |
| Profit for the period/year | 269 | 473 | 742 |
| Other component of equity | 24 | 4 | 28 |
| Foreign exchange differences | - | (1,228) | (1,228) |
| Dividend paid | (417) | (427) | (844) |
| Closing net assets | 2,501 | 3,856 | 6,357 |
| Interest portion as a Group | 35.8% | 14.2% | |
| Interest in associates | 896 | 547 | 1,442 |
| Goodwill | 2,131 | 758 | 2,889 |
| Carrying amount | 3,027 | 1,305 | 4,332 |

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

b) Investments in associates (Cont'd)

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

| | 2018 Baht Million |
|---|----------------------|
| Aggregate carrying amount of individually immaterial associates | 3,107 |
| Aggregate amounts of the reporting entity's share of: | |
| Post-tax profit from continuing operations | 252 |
| Other comprehensive income | - |
| Total comprehensive income | 252 |

c) Interests in joint ventures

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Opening net book amount | 3,542,424,779 | 2,693,888,953 | 5,484,460 | 5,484,460 |
| Acquisition from investment in subsidiaries | 83,810,842 | - | - | - |
| Additions | 187,993,764 | 647,885,097 | - | - |
| Disposal | - | (76,711,420) | - | - |
| Redemption of interests in joint ventures | (1,049,433,834) | - | (5,484,460) | - |
| Change status to investment in subsidiaries | (11,126,427) | (56,831,444) | - | - |
| Share of profit of interests in joint ventures | 47,892,934 | 453,706,871 | - | - |
| Dividends received | (537,551) | (20,881,970) | - | - |
| Share of other comprehensive loss of interest in joint venture | 109,757,940 | (109,757,940) | - | - |
| Reclassification | (110,023,778) | 11,551,167 | - | - |
| Translation adjustment | 704,602 | (424,535) | - | - |
| At 31 December | 2,801,463,271 | 3,542,424,779 | - | 5,484,460 |

Minor International Public Company Limited
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14 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

c) Interests in joint ventures (Cont'd)

The jointly controlled entities are:

| Company | Nature of business | Country of incorporation | Consolidated financial statements | |
|---|--------------------------------------|------------------------------|-----------------------------------|------------------|
| | | | Interests portion as a Group (%) | |
| | | | 31 December 2018 | 31 December 2017 |
| Maikhao Vacation Villas Limited | Liquidation | Thailand | - | 50 |
| Minor Fashion Limited (formerly "Mysale.co.th Limited") | Distribution | Thailand | - | 50.1 |
| Harbour Residences Oaks Ltd. | Providing services for accommodation | New Zealand | -(1) | 50 |
| PH Resorts (Private) Ltd. | Hotel operation | Sri Lanka | 49.9 | 49.9 |
| MHG Deep Blue Financing | Management | Republic of Mauritius | 50 | 50 |
| O Plus E Holdings Private Limited | Holding company | The Republic of the Maldives | 50 | 50 |
| Pecan Deluxe (Thailand) Co. Ltd. | Manufacturing food ingredients | Thailand | 49.9 | 49.9 |
| The Food Theory Group Pte. Ltd. | Sales of food and beverage | Singapore | -(1) | 50 |
| Liwa Minor Food & Beverage LLC | Sales of food and beverage | The United Arab Emirates | 49 | 49 |
| Rani Minor Holding II Limited | Holding company | The United Arab Emirates | 49 | 49 |
| MSC Thai Cuisine Co., Ltd. | Food academy | Thailand | 43.8 | 43.8 |
| BTM (Thailand) Ltd. | Sales of food and beverage | Thailand | 50 | 50 |
| MHG Npark Development Company Limited | Sales of property | Thailand | 50 | 50 |
| MHG Signity Assets Holding (Mauritius) Limited | Holding company | Republic of Mauritius | 50 | 50 |
| Patara Fine Thai Cuisine Limited | Sales of food and beverage | The United Kingdom | 50 | 50 |
| PT Wika Realty Minor Development | Hotel operation | Republic of Indonesia | 50 | 50 |
| MHG GP Pte. Ltd. | Holding company | Singapore | 50 | 50 |

(1) Change status to investment in subsidiary due to additional investment during the year.

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

c) Interests in joint ventures (Cont'd)

The jointly controlled entities are: (Cont'd)

| Company | Nature of business | Consolidated financial statements | | |
|------------------------------------|--------------------------------|-----------------------------------|----------------------------------|------------------|
| | | Country of incorporation | Interests portion as a Group (%) | |
| | | | 31 December 2018 | 31 December 2017 |
| 2015 CM Investors Corporation | Holding company | Cayman Islands | - | 50 |
| Avadina Hills Limited | Sales of property | Thailand | 50 | 50 |
| Layan Hill Residence Limited | Sales of property | Thailand | 50 | 50 |
| Layan Bang Tao Development Limited | Sales of property | Thailand | 50 | 50 |
| Plexus Maldives Private Limited | Hotel operation | The Republic of Maldives | 50 | 50 |
| H&A Park Limited | Hotel operation | Thailand | 50 | 50 |
| Art of Baking Co., Ltd. | Manufacturing food ingredients | Thailand | 99 ⁽²⁾ | - |
| Ya Hua International Pte. Ltd. | Sales of food and beverage | Singapore | 50 | - |

⁽²⁾ Although the Group holds equity interest of 99%, the Group has the jointly control as agreed in the agreement; therefore, this investment is still classified as interests in joint venture.

| Company | Nature of business | Separate financial statements | | |
|---------------------------------|--------------------|-------------------------------|----------------------------------|------------------|
| | | Country of incorporation | Interests portion as a Group (%) | |
| | | | 31 December 2018 | 31 December 2017 |
| Maikhao Vacation Villas Limited | Liquidation | Thailand | - | 50 |

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

c) Interests in joint ventures (Cont'd)

Significant changes in interests in joint ventures for the year ended 31 December 2018 comprise:

Harbour Residences Oaks Limited

During the first quarter of 2018, a subsidiary of the Group additionally invested in Harbour Residences Oaks Limited which made change to investment in subsidiary. Details of the acquisition are described in Note 35.

The Food Theory Group Pte. Ltd.

During the second quarter of 2018, a subsidiary of the Group additionally invested in The Food Theory Group Pte. Ltd. which made change to investment in subsidiary. Details of the acquisition are described in Note 35.

Art of Baking Co., Ltd.

During the third quarter of 2018, a subsidiary of the Group additionally invested in Art of Baking Co., Ltd. amounting to Baht 158 million which made investment portion increase from 51% to 99%. As the Group has the jointly control as agreed in the agreement; therefore, this investment is still classified as the interests in joint venture.

H&A Park Limited

During the fourth quarter of 2017, a subsidiary of the Group invested in H&A Park Limited of 2 million shares, totalling Baht 292 million, representing 50% interest.

At 31 December 2018, the Group completed the measurement of fair value of identifiable of assets acquired and liabilities assumed from the acquisition already. In consideration of fair value of asset, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

The fair value at 50% interest of identified assets acquired and liabilities assumed from this acquisition was a result of the fair value of net assets amounting to Baht 255 million, when compared with the investment consideration, resulted in the excess of Baht 37 million of acquisition cost over net fair value of the identifiable assets and liabilities.

Commitments and contingent liabilities in respect of joint ventures

The Group has no commitments and contingent liabilities relating to its joint ventures.

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

c) Interests in joint ventures (Cont'd)

Summarised financial information for joint ventures

Set out below are the summarised financial information of joint ventures as at 31 December 2018, which in the opinion of the management, are material to the Group. They have amended the reflect adjustments made by the Group when using equity method, including modifications for difference in accounting policy.

All joint ventures are private companies and there is no quoted market price available for their shares.

Summarised statement of financial position

| | As at 31 December 2018 | | |
|--|--|---|-----------------------|
| | PH Resorts (Private) Ltd. Baht Million | Avadina Hills Co., Ltd Baht Million | Total Baht Million |
| Current assets | | | |
| Cash and cash equivalents | 44 | 25 | 69 |
| Other current assets (excluding cash) | 66 | 416 | 482 |
| Total current assets | 110 | 441 | 551 |
| Non-current assets | 1,106 | 663 | 1,769 |
| Total assets | 1,216 | 1,104 | 2,320 |
| Current liabilities | | | |
| Other current liabilities (including trade payables) | 175 | 33 | 208 |
| Total current liabilities | 175 | 33 | 208 |
| Non-current liabilities | | | |
| Financial liabilities (excluding trade payables) | 654 | 341 | 995 |
| Other liabilities | - | 30 | 30 |
| Total non-current liabilities | 654 | 371 | 1,025 |
| Total liabilities | 829 | 404 | 1,233 |
| Net assets | 387 | 700 | 1,087 |

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

c) Interests in joint ventures (Cont'd)

Summarised statement of comprehensive income

| | For the year ended 31 December 2018 | | |
|----------------------------|--|---|-----------------------|
| | PH Resorts (Private) Ltd. Baht Million | Avadina Hills Co., Ltd Baht Million | Total Baht Million |
| Revenue | 343 | 1 | 344 |
| Interest expense | (33) | (10) | (43) |
| Profit or loss from | | | |
| continuing operations | (50) | (21) | (71) |
| Income tax expense | - | (2) | (2) |
| Post-tax profit or loss | | | |
| from continuing operations | (50) | (23) | (73) |
| Other comprehensive income | 1 | - | 1 |
| Total comprehensive income | (49) | (23) | (72) |

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint ventures.

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

c) Interests in joint ventures (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interests in joint ventures

| | For the year ended 31 December 2018 | | |
|------------------------------|-------------------------------------|---------------------------|--------------|
| | PH Resorts (Private) Ltd. | Avadina Hills Co., Ltd | Total |
| | Baht Million | Baht Million | Baht Million |
| Opening net assets 1 January | 568 | 723 | 1,291 |
| Loss for the year | (50) | (23) | (73) |
| Other component of equity | 2 | - | 2 |
| Foreign exchange difference | (131) | - | (131) |
| Closing net assets | 389 | 700 | 1,089 |
| Interests in joint venture | 50% | 50% | |
| Carrying amount | 195 | 350 | 545 |
| Goodwill | 133 | - | 133 |
| Carrying amount, net | 328 | 350 | 678 |

Individually immaterial joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

| | 2018 Baht Million |
|---|----------------------|
| Aggregate carrying amount of individually immaterial associates | 2,224 |
| Aggregate amounts of the reporting entity's share of: | |
| Post-tax profit from continuing operations | 85 |
| Total comprehensive income | 85 |

15 Related party transactions

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

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

The Company is the ultimate parent company.

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

Minor International Public Company Limited
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15 Related party transactions (Cont'd)

15.1 Sales and purchase of goods and services

| | Consolidated | | Separate | |
|---------------------------------------|----------------------|---------------|---------------------|---------------|
| | financial statements | | financial statement | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| For the year ended 31 December | | | | |
| Subsidiaries | | | | |
| Sales of goods and services | - | - | 75,945,839 | 77,994,885 |
| Dividend income | - | - | 980,000,632 | 1,429,390,358 |
| Interest income | - | - | 3,014,932,287 | 1,881,089,541 |
| Other income | - | - | 3,735,900 | 7,085,160 |
| Purchases | - | - | (1,217,741) | - |
| Services expenses | - | - | (124,324,037) | (117,034,548) |
| Interest expenses | - | - | (43,551,816) | (36,061,030) |
| Other expenses | - | - | (2,231,598) | (9,339,347) |
| Associates | | | | |
| Sales of goods and services | 424,881,343 | 495,791,257 | - | - |
| Dividend income | - | - | 149,094,832 | 134,816,697 |
| Interest income | 51,873,355 | 48,269,183 | - | - |
| Other income | 1,637,561 | 2,083,291 | - | - |
| Purchases | (95,943,535) | (111,117,278) | - | - |
| Joint ventures | | | | |
| Sales of goods and services | 139,483,512 | 128,610,317 | 20,000,000 | 7,000,000 |
| Interest income | 99,751,595 | 81,340,705 | 30,254,060 | 2,714,425 |
| Other income | 1,031,286 | 70,479 | - | - |
| Purchases | (90,225,109) | (86,330,293) | - | - |
| Related parties | | | | |
| Sales of goods and services | 321,871,919 | 2,168,314 | - | - |
| Purchases | (74,897,616) | (99,460,886) | - | - |
| Services expenses | (28,825,542) | (27,198,166) | - | - |
| Other expenses | (55,266,167) | (16,602,067) | (27,986,539) | (16,602,067) |

Management remuneration

Management benefit expenses of the Group and the Company for the year ended 31 December 2018 Baht 310 million and Baht 117 million, respectively (2017: Baht 235 million and Baht 105 million, respectively). Management remuneration comprised short-term benefits such as salaries, bonus and other allowances.

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15 Related party transactions (Cont'd)

15.2 Outstanding balance arising from sales/purchases of goods/service

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| As at 31 December | | | | |
| a) Receivables from: | | | | |
| Subsidiaries | - | - | 1,438,114,870 | 1,047,531,595 |
| Associates | 414,513,532 | 371,959,757 | 4,039,417 | 3,947,297 |
| Joint ventures | 434,563,919 | 351,224,247 | 22,619,144 | 4,353,855 |
| Related parties | 1,745,024 | 4,176,729 | 25,353 | 21,423 |
| Total receivables from related parties (Note 8) | 850,822,475 | 727,360,733 | 1,464,798,784 | 1,055,854,170 |
| b) Payables to: | | | | |
| Subsidiaries | - | - | 30,311,746 | 35,350,889 |
| Associates | 9,755,408 | 16,070,707 | - | 3,162 |
| Joint ventures | 11,867,513 | 9,886,874 | 31 | - |
| Related parties | 6,230,201 | 31,751,411 | - | 669,766 |
| Total payables to related parties (Note 22) | 27,853,122 | 57,708,992 | 30,311,777 | 36,023,817 |

15.3 Long-term loans to related parties

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| As at 31 December | | | | |
| Long-term loans to related parties: | | | | |
| Subsidiaries | - | - | 140,904,047,306 | 55,516,550,059 |
| Associates | 1,508,642,707 | 1,163,188,910 | - | - |
| Joint ventures | 4,587,185,099 | 5,011,194,406 | 617,080,948 | 414,932,988 |
| Total long-term loans to related parties | 6,095,827,806 | 6,174,383,316 | 141,521,128,254 | 55,931,483,047 |

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15 Related party transactions (Cont'd)

15.3 Long-term loans to related parties (Cont'd)

The movement in loans to related parties can be analysed as below:

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Subsidiaries | | | | |
| At 1 January | - | - | 55,516,550,059 | 39,243,653,377 |
| Additions | - | - | 94,454,855,238 | 16,990,842,257 |
| Settlement | - | - | (6,831,348,368) | - |
| Unrealised loss on exchange rate | - | - | (2,236,009,623) | (717,945,575) |
| At 31 December | - | - | 140,904,047,306 | 55,516,550,059 |
| Associates | | | | |
| At 1 January | 1,163,188,910 | 1,239,465,885 | - | - |
| Acquisition from investment in subsidiaries | 352,748,251 | - | - | - |
| Additions | 56,191,650 | 105,215,309 | - | - |
| Settlement | (50,581,331) | (86,693,021) | - | - |
| Translation adjustment | (12,904,773) | (94,799,263) | - | - |
| At 31 December | 1,508,642,707 | 1,163,188,910 | - | - |

15 Related party transactions (Cont'd)

15.3 Long-term loans to related parties (Cont'd)

The movement in loans to related parties can be analysed as below: (Cont'd)

| | Consolidated | | Separate | |
|------------------------|----------------------|---------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Joint ventures | | | | |
| At 1 January | 5,011,194,406 | 4,499,167,813 | 414,932,988 | - |
| Additions | 288,377,530 | 1,114,113,703 | 217,711,480 | 417,626,868 |
| Reclassification | (46,556,717) | - | - | - |
| Settlement | (626,510,877) | (235,090,357) | (15,000,000) | - |
| Unrealised loss on | | | | |
| exchange rate | (3,230,000) | - | (563,520) | (2,693,880) |
| Translation adjustment | (36,089,243) | (366,996,753) | - | - |
| At 31 December | 4,587,185,099 | 5,011,194,406 | 617,080,948 | 414,932,988 |

Long-term loans to related parties are unsecured and denominated in Thai Baht and foreign currency. The loans carry interest rate at the market interest with reference to the interest rate quoted by commercial banks. The loans are due for repayment at call but the Group will not call the loans for settlement within the next 12 months. Loans to associates and joint ventures are granted pursuant to the shareholders' agreements based on the percentage of shares holding.

Treasury Center

The Company, as a Treasury Center in accordance with the Notification of the Ministry of Finance, provides an array of financial management services to the Group, including the provision of loan facilities to promote the Group liquidity, and acting as a financial facilitator on behalf of the Group, in Thailand and overseas. In 2018, the provision of loan facilities of the Treasury Center to the overseas entities in the Group is Baht 212 million or equivalent to USD 6.5 million. The accumulated loan facilities from 2016 to 2018 is Baht 1,290 million or equivalent to USD 37.2 million.

The Company has no use of any financial derivative or financial instruments on such loans.

Minor International Public Company Limited
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15 Related party transactions (Cont'd)

15.4 Borrowings from related parties

| | Consolidated | | Separate | |
|--|----------------------|------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| As at 31 December | | | | |
| Short-term borrowings from related parties | | | | |
| Subsidiaries | - | - | 2,089,180,139 | 1,707,306,993 |
| Total short-term borrowings from related parties (Note 21) | - | - | 2,089,180,139 | 1,707,306,993 |

The movement in borrowings from related parties can be analysed as below:

| | Consolidated | | Separate | |
|----------------------------------|----------------------|------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Subsidiaries | | | | |
| At 1 January | - | - | 1,707,306,993 | 2,317,923,667 |
| Additions | - | - | 1,014,949,381 | - |
| Settlements | - | - | (487,857,878) | (548,078,729) |
| Unrealised gain on exchange rate | - | - | (145,218,357) | (62,537,945) |
| At 31 December | - | - | 2,089,180,139 | 1,707,306,993 |

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

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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16 Investment properties

| | Consolidated financial statements | | |
|---|-----------------------------------|----------------------|----------------------|
| | Land and land | Buildings | Total |
| | improvement | and building | |
| Baht | improvement | Baht | Baht |
| At 1 January 2017 | | | |
| Cost | 57,227,186 | 2,014,049,949 | 2,071,277,135 |
| <u>Less</u> Accumulated depreciation | (1,155,334) | (1,147,086,181) | (1,148,241,515) |
| Net book amount | <u>56,071,852</u> | <u>866,963,768</u> | <u>923,035,620</u> |
| Fair value | | | <u>1,426,901,000</u> |
| For the year ended 31 December 2017 | | | |
| Opening net book amount | 56,071,852 | 866,963,768 | 923,035,620 |
| Additions | - | 33,982,935 | 33,982,935 |
| Disposals, net | - | (60,760) | (60,760) |
| Transfer from property, plant and equipment | - | 339,116,249 | 339,116,249 |
| Depreciation charge | (96,518) | (106,264,498) | (106,361,016) |
| Closing net book amount | <u>55,975,334</u> | <u>1,133,737,694</u> | <u>1,189,713,028</u> |
| As at 31 December 2017 | | | |
| Cost | 57,227,186 | 2,392,365,978 | 2,449,593,164 |
| <u>Less</u> Accumulated depreciation | (1,251,852) | (1,258,628,284) | (1,259,880,136) |
| Net book amount | <u>55,975,334</u> | <u>1,133,737,694</u> | <u>1,189,713,028</u> |
| Fair value | | | <u>1,453,063,409</u> |
| For the year ended 31 December 2018 | | | |
| Opening net book amount | 55,975,334 | 1,133,737,694 | 1,189,713,028 |
| Additions | - | 129,964,362 | 129,964,362 |
| Disposals, net | (32,866,671) | (39,459,959) | (72,326,630) |
| Depreciation charge | (9,724) | (61,096,122) | (61,105,846) |
| Closing net book amount | <u>23,098,939</u> | <u>1,163,145,975</u> | <u>1,186,244,914</u> |
| As at 31 December 2018 | | | |
| Cost | 24,360,515 | 2,470,589,789 | 2,494,950,304 |
| <u>Less</u> Accumulated depreciation | (1,261,576) | (1,307,443,814) | (1,308,705,390) |
| Net book amount | <u>23,098,939</u> | <u>1,163,145,975</u> | <u>1,186,244,914</u> |
| Fair value | | | <u>1,372,195,000</u> |

16 Investment properties (Cont'd)

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

The Group applies the Income Approach and the Market Approach in calculating fair values of investment properties. The fair value is within Level 3 of the fair value hierarchy.

Fair value measurements using significant unobservable inputs (Level 3)

The Group disclosed the balance of investment property which is reclassified as Level 3. The Group engaged external valuer for revaluation periodically according to the Group's policy.

There were no other changes in valuation techniques during the year.

Group's valuation processes

Finance and accounting department engages an independent valuer to perform the valuations of assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to Chief Financial Officer. Discussions of valuation processes and results are held between the finance department and the CFO at least once every year, in line with the Group's annually reporting dates.

The main Level 3 input used by the Group pertains to the discount rate for investment property is estimated based on discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate is estimated based on a yield rate, considering capital structure and cost of fund of the company that are, in the opinion of the management, considered appropriate, including the appropriate risk premium and reflects current market assessments of the time value of money and risk adjusted which mainly are at the rates of 12% per annum.

Amount recognised in the income statement which relates to investment property is as follows:

| | 2018 | 2017 |
|--|-----------------------------|-----------------------------|
| | Baht | Baht |
| | <u> </u> | <u> </u> |
| Rental income | 335,045,679 | 345,183,360 |
| Direct operating expense arised from investment property that generated rental income | 53,968,613 | 106,361,016 |

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| 17 Property, plant and equipment | Consolidated financial statements - Baht | | | | | | | |
|--|--|---------------------------------|------------------------------------|---|----------------|---------------------|--------------------------|------------------|
| | Land and land improvement | Buildings and fitting equipment | Building and leasehold improvement | Furniture, fixtures and other equipment | Motor vehicles | Operating equipment | Construction in progress | Total |
| At 1 January 2017 | | | | | | | | |
| Cost | 10,852,923,869 | 33,540,411,509 | 10,025,356,051 | 15,470,878,258 | 378,474,223 | 3,688,137,883 | 2,032,475,766 | 75,988,657,559 |
| Less Accumulated depreciation | (317,068,155) | (10,227,699,028) | (4,446,139,394) | (9,509,886,858) | (245,863,448) | (2,423,592,853) | - | (27,170,249,736) |
| Less Provision for impairment | - | (75,580,317) | (31,791,135) | (10,691,076) | - | (1,452,696) | - | (119,515,224) |
| Net book amount | 10,535,855,714 | 23,237,132,164 | 5,547,425,522 | 5,950,300,324 | 132,610,775 | 1,263,092,334 | 2,032,475,766 | 48,698,892,599 |
| For the year ended 31 December 2017 | | | | | | | | |
| Opening net book amount | 10,535,855,714 | 23,237,132,164 | 5,547,425,522 | 5,950,300,324 | 132,610,775 | 1,263,092,334 | 2,032,475,766 | 48,698,892,599 |
| Additions | 479,181,494 | 881,763,911 | 383,454,844 | 803,810,317 | 25,756,677 | 948,159,499 | 3,115,821,152 | 6,637,947,894 |
| Acquisition from investment in subsidiaries, net | - | 740,974,866 | - | 150,721,246 | - | 7,385,777 | - | 899,081,889 |
| Adjustment of fair value of assets from investment in subsidiary | - | 26,438,700 | - | - | - | - | - | 26,438,700 |
| Disposals, net | (8,108,850) | (1,266) | (19,563,765) | (12,310,723) | (738,092) | (38,554,622) | (24,702,068) | (103,979,386) |
| Write-offs, net | (2,763,649) | (65,745,248) | (87,976,208) | (20,531,255) | (2,005,850) | (10,100,868) | (6,992,797) | (196,115,875) |
| Reclassification | 56,350,400 | 173,305,186 | 844,862,188 | 792,451,371 | 7,707,420 | 74,690,232 | (1,949,366,797) | - |
| Transfer to investment properties (Note 16) | - | - | - | (337,763,374) | - | - | (1,352,875) | (339,116,249) |
| Transfer from (to) other accounts | - | - | (1,789,306) | 33,795,027 | - | (311,661) | (93,516,358) | (61,822,298) |
| Depreciation charge | (22,388,565) | (1,093,120,984) | (965,550,704) | (1,249,732,953) | (39,596,072) | (263,268,588) | - | (3,633,657,866) |
| Impairment reversal | - | - | 19,340,693 | 5,243,246 | - | 1,452,696 | - | 26,036,635 |
| Translation adjustment | (29,853,800) | (246,637,756) | (73,531,653) | (36,186,100) | (1,834,067) | (3,977,113) | (185,377,145) | (577,397,634) |
| Closing net book amount | 11,008,272,744 | 23,654,109,573 | 5,646,671,611 | 6,079,797,126 | 121,900,791 | 1,978,567,686 | 2,886,988,878 | 51,376,308,409 |
| At 31 December 2017 | | | | | | | | |
| Cost | 11,366,123,778 | 34,907,071,203 | 10,539,017,005 | 16,488,821,841 | 395,343,726 | 4,722,161,896 | 2,886,988,878 | 81,305,528,327 |
| Less Accumulated depreciation | (357,851,034) | (11,178,718,878) | (4,872,250,205) | (10,403,830,169) | (273,442,935) | (2,743,594,210) | - | (29,829,687,431) |
| Less Provision for impairment | - | (74,242,752) | (20,095,189) | (5,194,546) | - | - | - | (99,532,487) |
| Net book amount | 11,008,272,744 | 23,654,109,573 | 5,646,671,611 | 6,079,797,126 | 121,900,791 | 1,978,567,686 | 2,886,988,878 | 51,376,308,409 |

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17 Property, plant and equipment (Cont'd)

| | Consolidated financial statements - Baht | | | | | | | Total |
|--|--|---------------------------------|------------------------------------|---|----------------|---------------------|--------------------------|------------------|
| | Land and land improvement | Buildings and fitting equipment | Building and leasehold improvement | Furniture, fixtures and other equipment | Motor vehicles | Operating equipment | Construction in progress | |
| For the year ended 31 December 2018 | | | | | | | | |
| Opening net book amount | 11,008,272,744 | 23,654,109,573 | 5,646,671,611 | 6,079,797,126 | 121,900,791 | 1,978,567,686 | 2,886,988,878 | 51,376,308,409 |
| Additions | 283,142,393 | 1,823,012,252 | 587,226,819 | 1,004,088,858 | 29,662,115 | 737,263,057 | 4,480,269,435 | 8,944,664,929 |
| Acquisition from investment in subsidiaries, net (Note 35) | 40,985,953,264 | 36,234,432,303 | 15,374,470 | 2,796,386,190 | 1,606,334 | 13,760,503 | 1,659,678,365 | 81,707,191,429 |
| Disposals, net | (52,255) | (59,185,484) | (16,967,920) | (21,369,910) | (4,698,994) | (116,816,919) | (18,795,805) | (237,887,287) |
| Write-offs, net | - | (153,116,839) | (87,256,453) | (83,351,506) | (52,405) | (18,016,393) | (4,913,299) | (346,706,895) |
| Reclassification | (2,444,718) | (185,261,362) | 1,130,113,814 | 921,204,045 | 17,072,965 | 478,747,492 | (2,359,432,236) | - |
| Transfer to non-current assets classified as held-for-sale | (106,556,721) | - | - | - | - | - | (372,684,515) | (479,241,236) |
| Transfer from (to) other accounts | (204,776,750) | (90,361,142) | (701,601) | (40,573,807) | - | 72,665,141 | (37,007,050) | (300,755,209) |
| Depreciation charge | (24,912,976) | (1,784,898,343) | (1,025,101,149) | (1,643,282,443) | (40,917,625) | (431,063,184) | - | (4,950,175,720) |
| Impairment reversal (charge) | - | 214,055,382 | (20,818,318) | (62,744,866) | - | (37,353,477) | - | 93,138,721 |
| Translation adjustment | (708,628,423) | (1,395,218,943) | (133,867,956) | (124,242,644) | (1,964,161) | (132,323,238) | (185,392,560) | (2,681,637,925) |
| Closing net book amount | 51,229,996,558 | 58,257,567,397 | 6,094,673,317 | 8,825,911,043 | 122,609,020 | 2,545,430,668 | 6,048,711,213 | 133,124,899,216 |
| At 31 December 2018 | | | | | | | | |
| Cost | 51,600,777,239 | 104,501,378,591 | 11,507,814,445 | 32,550,978,123 | 458,947,569 | 5,477,780,263 | 6,048,711,213 | 212,146,387,443 |
| Less Accumulated depreciation | (370,780,681) | (45,830,716,700) | (5,373,266,672) | (23,657,656,109) | (336,338,549) | (2,895,590,925) | - | (78,464,349,636) |
| Less Provision for impairment | - | (413,094,494) | (39,874,456) | (67,410,971) | - | (36,758,670) | - | (557,138,591) |
| Net book amount | 51,229,996,558 | 58,257,567,397 | 6,094,673,317 | 8,825,911,043 | 122,609,020 | 2,545,430,668 | 6,048,711,213 | 133,124,899,216 |

Depreciation expense of Baht 3,431 million (2017: Baht 2,236 million) has been charged in cost of sales and services, Baht 1,273 million (2017: Baht 1,211 million) in selling expenses and Baht 246 million (2017: Baht 186 million) in administrative expenses.

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17 Property, plant and equipment (Cont'd)

| | Separate financial statements - Baht | | | | | | | Total |
|--|--------------------------------------|---------------|----------------------|---|----------------|---------------------|--------------------------|-----------------|
| | Land and land improvement | Buildings | Building improvement | Furniture, fixtures and other equipment | Motor vehicles | Operating equipment | Construction in progress | |
| At 1 January 2017 | | | | | | | | |
| Cost | 10,011,983 | 606,798,444 | 142,783,224 | 596,576,490 | 20,579,369 | 21,190,403 | 23,809,290 | 1,421,749,203 |
| Less: Accumulated depreciation | (449,343) | (554,745,180) | (100,796,758) | (475,116,647) | (8,255,900) | (12,898,746) | - | (1,152,262,574) |
| Net book amount | 9,562,640 | 52,053,264 | 41,986,466 | 121,459,843 | 12,323,469 | 8,291,657 | 23,809,290 | 269,486,629 |
| For the year ended 31 December 2017 | | | | | | | | |
| Opening net book amount | 9,562,640 | 52,053,264 | 41,986,466 | 121,459,843 | 12,323,469 | 8,291,657 | 23,809,290 | 269,486,629 |
| Additions | - | - | 8,917,383 | 43,237,115 | - | 5,736,035 | 10,120,966 | 68,011,499 |
| Disposals, net | - | (1,260) | - | (167,663) | - | (3,128) | (921,893) | (1,093,944) |
| Write-offs, net | - | (22) | - | (28,509) | - | - | - | (28,531) |
| Reclassification | - | - | 10,183,411 | 9,603,753 | - | 3,132,652 | (22,919,816) | - |
| Transfer to other account | - | - | - | - | - | - | (1,075,178) | (1,075,178) |
| Depreciation charge | (34,037) | (28,327,695) | (25,587,531) | (43,130,609) | (3,156,465) | (2,050,976) | - | (102,287,313) |
| Closing net book amount | 9,528,603 | 23,724,287 | 35,499,729 | 130,973,930 | 9,167,004 | 15,106,240 | 9,013,369 | 233,013,162 |
| At 31 December 2017 | | | | | | | | |
| Cost | 10,011,983 | 593,789,452 | 161,884,018 | 623,619,687 | 20,579,369 | 28,261,935 | 9,013,369 | 1,447,159,813 |
| Less: Accumulated depreciation | (483,380) | (570,065,165) | (126,384,289) | (492,645,757) | (11,412,365) | (13,155,695) | - | (1,214,146,651) |
| Net book amount | 9,528,603 | 23,724,287 | 35,499,729 | 130,973,930 | 9,167,004 | 15,106,240 | 9,013,369 | 233,013,162 |

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17 Property, plant and equipment (Cont'd)

| | Separate financial statements - Baht | | | | | | | Total |
|--|--------------------------------------|---------------|----------------------|---|----------------|---------------------|--------------------------|-----------------|
| | Land and land improvement | Buildings | Building improvement | Furniture, fixtures and other equipment | Motor vehicles | Operating equipment | Construction in progress | |
| For the year ended 31 December 2018 | | | | | | | | |
| Opening net book amount | 9,528,603 | 23,724,287 | 35,499,729 | 130,973,930 | 9,167,004 | 15,106,240 | 9,013,369 | 233,013,162 |
| Additions | 23,000 | 88,825 | 3,237,238 | 17,748,425 | 601,028 | 81,327 | 153,213 | 21,933,056 |
| Write-offs, net | - | (83,145) | - | (72,977) | (52,405) | - | - | (208,527) |
| Reclassification | - | - | 695,813 | 2,839,100 | - | - | (3,534,913) | - |
| Depreciation charge | (2,797) | (4,934,686) | (5,855,993) | (41,295,008) | (3,114,661) | (2,745,200) | - | (57,948,345) |
| Closing net book amount | 9,548,806 | 18,795,281 | 33,576,787 | 110,193,470 | 6,600,966 | 12,442,367 | 5,631,669 | 196,789,346 |
| At 31 December 2018 | | | | | | | | |
| Cost | 10,034,983 | 591,789,330 | 165,719,848 | 639,249,877 | 19,747,739 | 28,343,262 | 5,631,669 | 1,460,516,708 |
| Less Accumulated depreciation | (486,177) | (572,994,049) | (132,143,061) | (529,056,407) | (13,146,773) | (15,900,895) | - | (1,263,727,362) |
| Net book amount | 9,548,806 | 18,795,281 | 33,576,787 | 110,193,470 | 6,600,966 | 12,442,367 | 5,631,669 | 196,789,346 |

17 Property, plant and equipment (Cont'd)

Borrowing cost amounting to Baht 33 million from loan for construction of building was recorded as part of cost of the asset and included in addition of assets. The Group applied capitalised interest rate of 4% per annum in calculation of borrowing cost to be included in cost of the assets.

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise other equipment:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2018 Baht | 2017 Baht | 2018 Baht | 2017 Baht |
| Cost - capitalised finance leases | 38,004,097 | 40,205,010 | - | - |
| <u>Less</u> Accumulated depreciation | (11,325,227) | (14,301,098) | - | - |
| Net book amount | 26,678,870 | 25,903,912 | - | - |

Subsidiaries of the Group have mortgaged land and building amounting to AUD 92 million and EUR 237 million or equivalent to Baht 10,888 million (2017: AUD 100 million or equivalent to Baht 2,545 million) to secure loans with foreign banks (Note 21).

Capital commitments

| | Consolidated financial statements | | |
|--|--------------------------------------|-------------|-------------|
| | Baht Million | AUD Million | EUR Million |
| Commitments in respect of building renovation and construction contracts and purchases of assets as at 31 December 2018 | 1,860 | 1 | 67 |
| Commitments in respect of building renovation and construction contracts and purchases of assets and purchases of equipment as at 31 December 2017 | 367 | 3 | - |

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18 Intangible assets

| | Consolidated financial statements (Baht) | | | | | | | | |
|--|--|-----------------------------|--------------------------------|------------------------|---------------|---------------|-------------------|--------------------------------------|-----------------|
| | Asset management rights | Intellectual property right | Franchise development expenses | Initial franchise fees | Goodwill | Brand | Computer software | Computer software under installation | Total |
| At 1 January 2017 | | | | | | | | | |
| Cost | 4,569,301,642 | 585,168,438 | 166,037,722 | 199,800,254 | 8,195,033,639 | 5,670,451,641 | 1,281,041,800 | 300,910,277 | 20,967,745,413 |
| Less: Accumulated amortisation | (697,947,131) | (96,162,190) | (162,927,225) | (131,850,239) | (391,808,039) | - | (844,480,256) | - | (2,325,175,080) |
| Less: Provision for impairment | (3,371,706) | - | (12,445) | (1,855,372) | (153,775,854) | (801) | (56,823) | - | (159,073,001) |
| Net book amount | 3,867,982,805 | 489,006,248 | 3,098,052 | 66,094,643 | 7,649,449,746 | 5,670,450,840 | 436,504,721 | 300,910,277 | 18,483,497,332 |
| For the year ended 31 December 2017 | | | | | | | | | |
| Opening net book amount | 3,867,982,805 | 489,006,248 | 3,098,052 | 66,094,643 | 7,649,449,746 | 5,670,450,840 | 436,504,721 | 300,910,277 | 18,483,497,332 |
| Additions | 172,738,030 | 5,885,368 | - | 23,204,447 | - | - | 177,754,521 | 82,241,295 | 461,823,661 |
| Acquisition from investment in subsidiaries | 51,878,125 | 2,713,347 | - | - | 1,395,817,468 | - | 2,091,756 | - | 1,452,500,696 |
| Adjustment of fair value of assets from investment in subsidiary | - | - | - | - | (13,089,000) | - | - | - | (13,089,000) |
| Write-offs, net | - | (168,888) | - | (720,100) | - | (76,890,852) | (6,018,759) | - | (83,798,599) |
| Reclassification | - | 18,332,909 | - | - | - | (18,332,909) | 154,473,912 | (154,473,912) | - |
| Transfer (to) from other account | - | - | - | (2,800,301) | - | - | 1,439,371 | 1,043,208 | (317,722) |
| Amortisation charge | (106,809,626) | (1,383,394) | (98,621) | (8,931,993) | - | - | (162,425,865) | - | (279,649,499) |
| Impairment (charge) reversal | - | (1,086,727) | - | - | - | - | 13,146 | - | (1,073,581) |
| Translation adjustment | (78,107,251) | (10,879,310) | (106,240) | (614,090) | (255,332,139) | 6,679,393 | (16,599,570) | (111,924) | (355,071,131) |
| Closing net book amount | 3,907,682,083 | 502,419,553 | 2,893,191 | 76,232,606 | 8,776,846,075 | 5,581,906,472 | 587,233,233 | 229,608,944 | 19,664,822,157 |
| At 31 December 2017 | | | | | | | | | |
| Cost | 4,700,183,655 | 601,051,866 | 166,931,768 | 222,284,601 | 9,188,654,114 | 5,581,907,273 | 1,668,201,627 | 229,608,944 | 22,338,823,848 |
| Less: Accumulated amortisation | (789,189,537) | (97,545,586) | (164,038,577) | (144,196,623) | (391,808,039) | - | (1,080,924,718) | - | (2,667,703,080) |
| Less: Provision for impairment | (3,312,035) | (1,086,727) | - | (1,855,372) | - | (801) | (43,676) | - | (6,298,611) |
| Net book amount | 3,907,682,083 | 502,419,553 | 2,893,191 | 76,232,606 | 8,776,846,075 | 5,581,906,472 | 587,233,233 | 229,608,944 | 19,664,822,157 |

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18 Intangible assets (Cont'd)

| | Consolidated financial statements (Baht) | | | | | | | | | |
|---|--|-----------------------------|--------------------------------|------------------------|-----------------|----------------|-------------------|--------------------------------------|-----------------|--|
| | Asset management rights | Intellectual property right | Franchise development expenses | Initial franchise fees | Goodwill | Brand | Computer software | Computer software under installation | Total | |
| For the year ended 31 December 2018 | | | | | | | | | | |
| Opening net book amount (as previously reported) | 3,907,682,083 | 502,419,553 | 2,893,191 | 76,232,606 | 8,776,846,075 | 5,581,906,472 | 587,233,233 | 229,608,944 | 19,664,822,157 | |
| Retrospective adjustment of fair value (Note 35) | - | - | - | - | (1,167,255,129) | 1,378,175,984 | - | - | 210,920,855 | |
| Opening net book amount (as restated) | 3,907,682,083 | 502,419,553 | 2,893,191 | 76,232,606 | 7,609,590,946 | 6,960,082,456 | 587,233,233 | 229,608,944 | 19,875,743,012 | |
| Additions | 206,264,169 | 1,952,882 | - | 19,014,742 | - | 175,793 | 278,468,973 | 226,905,231 | 732,781,810 | |
| Acquisition from investment in subsidiaries (Note 35) | 4,455,982,832 | - | - | - | 261,970,194 | 39,788,267,833 | 849,314,858 | - | 45,355,535,717 | |
| Disposals, net | (1,128,299,799) | - | - | - | - | - | (264,071) | (1,713,733) | (1,130,277,603) | |
| Write-offs, net | (3,689,240) | (518,130) | - | (1,148,759) | - | - | (2,707,009) | (108,500) | (8,171,638) | |
| Reclassification | - | - | - | - | - | - | 139,473,882 | (139,473,882) | - | |
| Transfer (to) from other account | (251,252) | - | - | (1,356,572) | - | - | 12,365,728 | 5,883,453 | 16,641,357 | |
| Amortisation charge | (216,170,333) | (2,015,912) | (81,837) | (10,626,004) | - | - | (315,442,110) | - | (544,336,196) | |
| Impairment charge | - | (2,137,397) | - | (790,962) | - | (35,438,330) | (28,317,954) | - | (66,684,643) | |
| Translation adjustment | (518,776,954) | (30,860,563) | (7,744) | (1,328,764) | (488,166,299) | (847,342,206) | (23,452,911) | - | (1,909,935,441) | |
| Closing net book amount | 6,702,741,526 | 468,840,433 | 2,803,610 | 79,996,287 | 7,383,394,841 | 45,865,745,546 | 1,496,672,619 | 321,101,513 | 62,321,296,375 | |
| At 31 December 2018 | | | | | | | | | | |
| Cost | 9,970,424,989 | 586,361,615 | 166,931,768 | 240,903,297 | 7,779,888,319 | 45,901,184,677 | 4,663,905,482 | 321,101,513 | 69,630,701,660 | |
| Less Accumulated amortisation | (3,264,714,120) | (114,297,058) | (164,128,158) | (158,260,676) | (396,493,478) | - | (2,771,093,180) | - | (6,868,986,670) | |
| Less Provision for impairment | (2,969,343) | (3,224,124) | - | (2,646,334) | - | (35,439,131) | (396,139,683) | - | (440,418,615) | |
| Net book amount | 6,702,741,526 | 468,840,433 | 2,803,610 | 79,996,287 | 7,383,394,841 | 45,865,745,546 | 1,496,672,619 | 321,101,513 | 62,321,296,375 | |

Amortisation of Baht 368 million (2017: Baht 155 million) has been charged in the cost of sales and services, Baht 47 million (2017: Baht 41 million) in selling expenses and Baht 129 million (2017: Baht 83 million) in administrative expenses.

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18 Intangible assets (Cont'd)

| | Separate financial statements (Baht) | | |
|--|--------------------------------------|--------------------------------------|---------------------|
| | Computer software | Computer software under installation | Total |
| At 1 January 2017 | | | |
| Cost | 43,105,539 | 36,589,931 | 79,695,470 |
| <u>Less</u> Accumulated amortisation | <u>(39,501,417)</u> | <u>-</u> | <u>(39,501,417)</u> |
| Net book amount | <u>3,604,122</u> | <u>36,589,931</u> | <u>40,194,053</u> |
| For the year ended 31 December 2017 | | | |
| Opening net book amount | 3,604,122 | 36,589,931 | 40,194,053 |
| Additions | 107,500 | 184,275 | 291,775 |
| Disposals, net | (65,375) | (36,589,931) | (36,655,306) |
| Transfer from other account | 430,000 | 599,838 | 1,029,838 |
| Amortisation charge | <u>(1,021,826)</u> | <u>-</u> | <u>(1,021,826)</u> |
| Closing net book amount | <u>3,054,421</u> | <u>784,113</u> | <u>3,838,534</u> |
| At 31 December 2017 | | | |
| Cost | 43,404,029 | 784,113 | 44,188,142 |
| <u>Less</u> Accumulated amortisation | <u>(40,349,608)</u> | <u>-</u> | <u>(40,349,608)</u> |
| Net book amount | <u>3,054,421</u> | <u>784,113</u> | <u>3,838,534</u> |
| For the year ended 31 December 2018 | | | |
| Opening net book amount | 3,054,421 | 784,113 | 3,838,534 |
| Additions | 220,248 | 19,722,970 | 19,943,218 |
| Reclassification | 864,438 | (864,438) | - |
| Amortisation charge | <u>(1,001,391)</u> | <u>-</u> | <u>(1,001,391)</u> |
| Closing net book amount | <u>3,137,716</u> | <u>19,642,645</u> | <u>22,780,361</u> |
| At 31 December 2018 | | | |
| Cost | 44,478,716 | 19,642,645 | 64,121,361 |
| <u>Less</u> Accumulated amortisation | <u>(41,341,000)</u> | <u>-</u> | <u>(41,341,000)</u> |
| Net book amount | <u>3,137,716</u> | <u>19,642,645</u> | <u>22,780,361</u> |

A subsidiary of the Group has mortgaged asset management rights amounting to AUD 163 million or equivalent to Baht 3,723 million (2017: AUD 142 million or equivalent to Baht 3,614 million) to secure loans with foreign banks (Note 21).

18 Intangible assets (Cont'd)

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

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment-level summary of the goodwill and brand allocation are presented below:

| | Consolidated financial statements | | | | | |
|----------|-----------------------------------|----------------------------|-----------------------|-----------------------------|----------------------------|-----------------------|
| | 31 December 2018 | | | 31 December 2017 | | |
| | Hotel & Spa Baht Million | Restaurant Baht Million | Total Baht Million | Hotel & Spa Baht Million | Restaurant Baht Million | Total Baht Million |
| Goodwill | 3,725 | 3,658 | 7,383 | 3,875 | 4,902 | 8,777 |
| Brand | 40,363 | 5,503 | 45,866 | 264 | 5,318 | 5,582 |

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

| | Hotel and Spa | Restaurant |
|----------------------------|---------------|------------|
| Gross margin ¹ | 24% - 72% | 72% - 76% |
| Growth rate ² | 2% - 29% | 2% - 16% |
| Discount rate ³ | 6% - 12% | 5% - 7% |

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Pre-tax discount rate applied to the cash flow projections.

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

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

The key assumption that will affect the value in use is discount rate. The management has considered the sensitivity of the change in the discount rate to some cash generating units (CGUs) under the hotel business and spa which have value in use higher than the carrying value of approximately Baht 189 million. In this case, if the pre-tax discount had been 1.5% per annum higher than management's estimate, the Group would have recognised impairment loss of approximately Baht 60 million. However, other cash generating units still have their value in use higher than the carrying value.

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| 19 Prepaid rents | Consolidated financial statements Baht | Separate financial statements Baht |
|--|---|--|
| At 1 January 2017 | | |
| Cost | 4,377,044,982 | 18,690,531 |
| <u>Less</u> Accumulated amortisation | (2,392,344,657) | (17,444,664) |
| Net book amount | <u>1,984,700,325</u> | <u>1,245,867</u> |
| For the year ended 31 December 2017 | | |
| Opening net book amount | 1,984,700,325 | 1,245,867 |
| Additions | 133,070,609 | - |
| Write-offs, net | (989,676) | - |
| Transfer to other account | (1,733,573) | - |
| Amortisation charge | (110,477,173) | (623,018) |
| Translation adjustment | 8,095,157 | - |
| Closing net book amount | <u>2,012,665,669</u> | <u>622,849</u> |
| At 31 December 2017 | | |
| Cost | 4,405,895,298 | 18,690,531 |
| <u>Less</u> Accumulated amortisation | (2,393,229,629) | (18,067,682) |
| Net book amount | <u>2,012,665,669</u> | <u>622,849</u> |
| For the year ended 31 December 2018 | | |
| Opening net book amount (as previously reported) | 2,012,665,669 | 622,849 |
| Retrospective adjustment of fair value (Note 35) | 445,815,480 | - |
| Opening net book amount (as restated) | 2,458,481,149 | 622,849 |
| Additions | 52,201,756 | - |
| Disposals, net | (5,883,778) | - |
| Write-offs, net | (11,029,826) | - |
| Transfer from other account | 139,101,501 | - |
| Amortisation charge | (169,550,988) | (622,849) |
| Translation adjustment | (69,640,853) | - |
| Closing net book amount | <u>2,393,678,961</u> | <u>-</u> |
| At 31 December 2018 | | |
| Cost | 4,995,236,349 | 18,690,531 |
| <u>Less</u> Accumulated amortisation | (2,601,557,388) | (18,690,531) |
| Net book amount | <u>2,393,678,961</u> | <u>-</u> |

Amortisation of Baht 101 million (2017: Baht 52 million) has been charged in the cost of sales and services, Baht 49 million (2017: Baht 49 million) in selling expenses and Baht 18 million (2017: Baht 9 million) in administrative expenses.

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| 20 | Other non-current assets | Consolidated | | Separate | |
|----|---|------------------------|-----------------------|------------------------|-----------------------|
| | | financial statements | | financial statements | |
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Baht | Baht | Baht |
| | Loans to other companies | 1,170,018,798 | 386,636,848 | - | - |
| | Deposits | 1,746,885,224 | 1,164,204,279 | 10,966,209 | 11,120,351 |
| | Deferred charges | 124,758,053 | 177,287,672 | 285,038 | 32,894,465 |
| | Others | 1,271,336,775 | 64,771,211 | 407,408,127 | - |
| | Total other non-current assets | 4,312,998,850 | 1,792,900,010 | 418,659,374 | 44,014,816 |
| 21 | Borrowings | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| | | 2018 | 2017 | 2018 | 2017 |
| | | Baht | Baht | Baht | Baht |
| | Current | | | | |
| | Bank overdrafts | 46,895,892 | 44,599,342 | - | - |
| | Short-term borrowings | | | | |
| | from financial institutions | 3,433,642,576 | 1,509,933,903 | 3,427,833,826 | 1,000,962,153 |
| | Sub-total | 3,480,538,468 | 1,554,533,245 | 3,427,833,826 | 1,000,962,153 |
| | Borrowings from related parties | | | | |
| | (Note 15) | - | - | 2,089,180,139 | 1,707,306,993 |
| | Current portion of long-term borrowings | | | | |
| | Finance lease liabilities | 13,998,602 | 7,474,588 | - | - |
| | Borrowings from financial institutions | 9,635,759,029 | 1,757,932,380 | 9,303,839,271 | 653,618,000 |
| | Sub-total | 9,649,757,631 | 1,765,406,968 | 9,303,839,271 | 653,618,000 |
| | Current portion of debentures | 4,502,710,140 | 2,000,000,000 | 4,500,000,000 | 2,000,000,000 |
| | Total current borrowings | 17,633,006,239 | 5,319,940,213 | 19,320,853,236 | 5,361,887,146 |
| | Non-current | | | | |
| | Finance lease liabilities | 21,823,896 | 10,264,789 | - | - |
| | Borrowings from financial institutions | 73,231,947,709 | 21,698,332,404 | 61,687,828,310 | 13,546,109,566 |
| | Debentures | 36,007,094,338 | 23,134,045,000 | 22,575,011,352 | 23,134,045,000 |
| | Total non-current borrowings | 109,260,865,943 | 44,842,642,193 | 84,262,839,662 | 36,680,154,566 |
| | Total borrowings | 126,893,872,182 | 50,162,582,406 | 103,583,692,898 | 42,042,041,712 |

21 Borrowings (Cont'd)

The movement in long-term borrowings from financial institutions can be analysed as below:

| | Consolidated financial statements | Separate financial statements |
|---|--------------------------------------|----------------------------------|
| | Baht | Baht |
| For the year ended 31 December 2018 | | |
| Opening amount | 23,456,264,784 | 14,199,727,566 |
| Additions | 85,537,786,106 | 84,110,365,470 |
| Acquisition from investment in subsidiaries | 2,908,902,287 | - |
| Repayments | (27,014,972,713) | (26,340,990,799) |
| Amortisation of underwriting fees | 128,088,772 | 88,779,718 |
| Unrealised gain on exchange rate | (1,072,732,106) | (1,066,214,374) |
| Translation adjustment | (1,075,630,392) | - |
| Closing amount | <u>82,867,706,738</u> | <u>70,991,667,581</u> |

Borrowings from financial institutions

As at 31 December 2018, significant long-term borrowings from financial institutions by the Group and the Company comprise:

- a) The Company has an unsecured loan from a bank of Baht 2,000 million. The loan carries fixed interest rate and is due for repayment in April 2020. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- b) The Company has an unsecured loan from a bank of AUD 33.8 million. The loan carries a variable interest rate of 6-month BBSY plus a margin and is due for repayment between 2018 and 2020. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- c) The Company has an unsecured loan from a bank of USD 20 million. The loan carries a variable interest rate of LIBOR plus a margin and is due for repayment in May 2019. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- d) The Company has an unsecured loan from a bank of USD 238 million. The loan carries a variable interest rate of LIBOR plus a margin and is due for repayment in 2023. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- e) The Company has an unsecured loan from a bank of USD 22.7 million. The loan carries a variable interest rate of LIBOR plus a margin and is due for repayment in June 2019. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.

21 Borrowings (Cont'd)

Borrowings from financial institutions (Cont'd)

- f) The Company has an unsecured loan from a bank of GBP 14.9 million. The loan carries a variable interest rate of LIBOR plus a margin and is due for repayment during 2018 to 2020. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- g) The Company has an unsecured loan from a bank of SGD 12.1 million. The loan carries a variable interest rate of SOR plus a margin and is due for repayment in December 2020. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- h) The Company have a secured loans from a bank of EUR 1,177 million. The loan carries a variable interest rate of EURIBOR plus a margin and is due for repayment between 2019 and 2020. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- i) The Company has an unsecured loan from a bank of EUR 259 million. The loan carries a variable interest rate of EURIBOR plus a margin and is due for repayment in 2020. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- j) The Company has an unsecured loan from a bank of EUR 138.9 million. The loan carries a variable interest rate of EURIBOR plus a margin and is due for repayment in 2023. The loan is subject to certain conditions which the Company has to comply with throughout the loan period.
- k) A subsidiary has a secured loan from a bank of AUD 104.5 million. The loan carries a variable interest rate of Australian Bank Bill Swap Reference Rate plus a margin and is due for repayment in August 2020. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- l) A subsidiary has a secured loan from a bank of AUD 34.1 million. The loan carries a variable interest rate of Australian Bank Bill Swap Reference Rate plus a margin and is due for repayment during 2018 to 2022. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- m) A subsidiary has a secured loan from a bank of AUD 18.6 million. The loan carries a variable interest rate of Australian Bank Bill Swap Reference Rate plus a margin and is due for repayment in 2023.
- n) A subsidiary has a secured loan from a bank of USD 21.2 million. The loan carries a variable interest rate of 3-month LIBOR plus a margin and is due for repayment during 2017 to 2020. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

21 Borrowings (Cont'd)

Borrowings from financial institutions (Cont'd)

- o) A subsidiary has a secured loan from a bank of AUD 13.5 million. The loan carries a variable interest rate of 30-day Australian Bank Bill Swap Reference Rate plus a margin and is due for repayment in 2020.
- p) A subsidiary has a secured loan from a bank of EUR 11.9 million. The loan carries a variable interest rate of 3-month EURIBOR plus a margin and is due for repayment during 2018 to 2022. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- q) A subsidiary has secured loans from two banks of AUD 169.6 million. The loans carry interest rates of Australian Bank Bill Swap Reference Rate plus a margin and are due for repayment during 2018 to 2022. The loans are subject to certain conditions which the subsidiary has to comply with throughout the loan periods and use the subsidiary's land and building and asset management rights as collateral (Note 17 and Note 18).
- r) A subsidiary has secured loan from a bank of USD 3.9 million. The loan carries a variable interest rate of cost of fund plus a margin and is due for repayment during 2019 to 2025. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- s) A subsidiary has secured loan from a bank of MYR 13.3 million. The loan carries a variable interest rate of cost of fund plus a margin and is due for repayment during 2021 to 2026. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- t) A subsidiary has secured loan from a bank of MYR 5.4 million. The loan carries a variable interest rate of cost of fund plus a margin and is due for repayment during 2020 to 2023. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.
- u) A subsidiary has secured loans from banks of EUR 28 million. The loans carry a variable and fixed interest rates which due for repayment during 2020 and 2036. The loans are subject to certain conditions which the subsidiary has to comply with throughout the periods and use the subsidiary's hotel properties as collateral (Note 17).
- v) A subsidiary has unsecured loans totaling EUR 48 million. The loans carry a variable interest rate which due for repayment during 2019 and 2037. The loans are subject to certain conditions which the subsidiary has to comply with throughout the periods.

The carrying amounts of long-term bank borrowings as of 31 December 2018 approximate to their fair values.

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21 Borrowings (Cont'd)

Debentures

Debentures comprise:

| Consolidated financial statements | | | | | | |
|--------------------------------------|-------------|-------------------|----------------------|----------------------|------------------|---|
| Issued date | Due date | Period (Years) | 31 December | 31 December | Interest rate | Condition |
| | | | 2018 Baht Million | 2017 Baht Million | | |
| Mar 2011 | Mar 2018 | 7 | - | 1,500 | Fixed | Unsecured, senior and with a debenture holders' representative |
| Oct 2011 | Oct 2021 | 10 | 300 | 300 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Oct 2011 | Oct 2018 | 7 | - | 500 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Aug 2012 | Aug 2022 | 10 | 2,700 | 2,700 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2014 | Mar 2019 | 5 | 4,500 | 4,500 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2020 | 5 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2025 | 10 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2021 | 5 | 2,800 | 2,800 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2031 | 15 | 1,200 | 1,200 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Jul 2017 | Jul 2027 | 10 | 1,622 | 1,634 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2024 | 7 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2032 | 15 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2018 | Mar 2028 | 10 | 1,000 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Oct 2018 | Oct 2033 | 15 | 2,970 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Apr 2017 | Oct 2023 | 6 | 12,718 | - | Fixed | Secured, senior and with a debenture holders' representative |

| Separate financial statements | | | | | | |
|----------------------------------|-------------|-------------------|----------------------|----------------------|------------------|---|
| Issued date | Due date | Period (Years) | 31 December | 31 December | Interest rate | Condition |
| | | | 2018 Baht Million | 2017 Baht Million | | |
| Mar 2011 | Mar 2018 | 7 | - | 1,500 | Fixed | Unsecured, senior and with a debenture holders' representative |
| Oct 2011 | Oct 2021 | 10 | 300 | 300 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Oct 2011 | Oct 2018 | 7 | - | 500 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Aug 2012 | Aug 2022 | 10 | 2,700 | 2,700 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2014 | Mar 2019 | 5 | 4,500 | 4,500 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2020 | 5 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| May 2015 | May 2025 | 10 | 4,000 | 4,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2021 | 5 | 2,800 | 2,800 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2016 | Mar 2031 | 15 | 1,200 | 1,200 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Jul 2017 | Jul 2027 | 10 | 1,622 | 1,634 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2024 | 7 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Sep 2017 | Sep 2032 | 15 | 1,000 | 1,000 | Fixed | Unsecured, senior and without a debenture holders' representative |
| Mar 2018 | Mar 2028 | 10 | 1,000 | - | Fixed | Unsecured, senior and without a debenture holders' representative |
| Oct 2018 | Oct 2033 | 15 | 2,970 | - | Fixed | Unsecured, senior and without a debenture holders' representative |

21 Borrowings (Cont'd)

Debentures (Cont'd)

The movements in debentures can be analysed as below:

| | Consolidated financial statements Baht | Separate financial statements Baht |
|-------------------------------------|---|---|
| For the year ended 31 December 2018 | | |
| Opening amount | 25,134,045,000 | 25,134,045,000 |
| Additions | 4,006,242,548 | 4,006,242,548 |
| Acquisition of subsidiary | 15,181,394,988 | - |
| Repayments | (3,682,811,066) | (2,000,000,000) |
| Amortisation of underwriting fees | 1,918,804 | 1,918,804 |
| Unrealised gain on exchange rate | (67,195,000) | (67,195,000) |
| Translation adjustment | (63,790,796) | - |
| Closing amount | <u>40,509,804,478</u> | <u>27,075,011,352</u> |

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

At the Annual General Meeting of the shareholders of the Company held on 4 April 2017, the shareholders passed a resolution to approve the total outstanding principal amount of debentures (at par value) issued by the Company at any time of not exceeding Baht 45,000 million (Revolving Principal Basis).

At the Extraordinary General Meeting of the Shareholders of the Company held on 9 August 2018, the shareholders passed a resolution to approve additional principal amount of debenture (at par value) of not exceeding Baht 50,000 million, total aggregated amount of all outstanding debentures issued by the Company at any time of not exceeding Baht 95,000 million (Revolving Principal Basis).

As at 31 December 2018, a total amount of Baht 43,086 million debentures remains available for issuance under this shareholders' resolutions.

Minor International Public Company Limited
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For the year ended 31 December 2018

21 Borrowings (Cont'd)

Debentures (Cont'd)

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

| | Consolidated financial statements | | | |
|------------|-----------------------------------|--------------|--------------|--------------|
| | Carrying amounts | | Fair value | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Debentures | 40,510 | 25,134 | 40,876 | 26,033 |

| | Separate financial statements | | | |
|------------|-------------------------------|--------------|--------------|--------------|
| | Carrying amounts | | Fair value | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Debentures | 27,075 | 25,134 | 27,442 | 26,033 |

The fair values are based on the discounted cash flows using discount rates based upon market yield rates which are quoted by the Thai Bond Market Association at date of statement of financial position. The fair values are within Level 2 of the fair value hierarchy.

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

| | Consolidated | | Separate | |
|---------------------|----------------------|--------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Borrowings: | | | | |
| - at fixed rates | 45,800 | 27,685 | 29,443 | 27,205 |
| - at floating rates | 81,094 | 22,478 | 74,141 | 14,837 |
| Total borrowings | 126,894 | 50,163 | 103,584 | 42,042 |

21 Borrowings (Cont'd)

Debentures (Cont'd)

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

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|-----------|----------------------------------|-----------|
| | 2018 % | 2017 % | 2018 % | 2017 % |
| Borrowings from financial institutions | 2.33 | 3.56 | 2.16 | 3.31 |
| Debentures | 3.47 | 3.33 | 3.32 | 3.33 |

The fair values are based on the discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statement of financial position date. The fair values are within Level 2 of the fair value hierarchy. The carrying amounts of short-term borrowings and lease obligations approximate their fair values.

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

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2018 Baht Million | 2017 Baht Million | 2018 Baht Million | 2017 Baht Million |
| Next year | 9,636 | 1,758 | 9,304 | 654 |
| Between 2 and 5 years | 71,948 | 21,698 | 61,688 | 13,546 |
| Over 5 years | 1,284 | - | - | - |
| Total long-term borrowings | 82,868 | 23,456 | 70,992 | 14,200 |

Minor International Public Company Limited
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21 Borrowings (Cont'd)

Borrowing facilities

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

| | 31 December 2018 | | | | | | | | |
|------------------------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------|----------------|-----------------|
| | Consolidated financial statements | | | | | | Separate financial statements | | |
| | USD Million | EUR Million | CNY Million | BRL Million | INR Million | MYR Million | Baht Million | USD Million | Baht Million |
| Floating interest rate | | | | | | | | | |
| Short-term | 311 | 77 | 125 | 5 | 53 | - | 7,660 | 311 | 7,660 |
| Long-term | 37 | 294 | - | - | - | 107 | 3,478 | - | - |
| | <u>348</u> | <u>371</u> | <u>125</u> | <u>5</u> | <u>53</u> | <u>107</u> | <u>11,138</u> | <u>311</u> | <u>7,660</u> |

| | 31 December 2017 | | | | | | | |
|------------------------|-----------------------------------|----------------|----------------|----------------|-----------------|-------------------------------|-----------------|--|
| | Consolidated financial statements | | | | | Separate financial statements | | |
| | USD Million | EUR Million | CNY Million | BRL Million | Baht Million | USD Million | Baht Million | |
| Floating interest rate | | | | | | | | |
| Short-term | 328 | 15 | 74 | 5 | 6,445 | 328 | 6,445 | |
| Long-term | 11 | 9 | - | - | - | - | - | |
| | <u>339</u> | <u>24</u> | <u>74</u> | <u>5</u> | <u>6,445</u> | <u>328</u> | <u>6,445</u> | |

22 Trade and other payables

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------------|----------------------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Trade payables - third parties | 11,968,448,191 | 2,802,498,243 | 8,825,672 | 21,590,889 |
| Trade payables - related parties (Note 15) | 18,590,565 | 41,934,384 | 24,750,765 | 32,349,220 |
| Amounts due to related parties (Note 15) | 9,262,557 | 15,774,608 | 5,561,012 | 3,674,597 |
| Accrued expenses | 5,589,066,391 | 4,089,965,591 | 416,831,522 | 390,950,617 |
| Account payable - contractors | 231,410,541 | 181,119,364 | 107,447 | 384,280 |
| Other payables | 4,172,640,227 | 1,821,416,451 | 82,227,329 | 19,174,296 |
| Total trade and other payables | <u>21,989,418,472</u> | <u>8,952,708,641</u> | <u>538,303,747</u> | <u>468,123,899</u> |

Minor International Public Company Limited
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23 Other current liabilities

| | Consolidated | | Separate | |
|---------------------------------|----------------------|---------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Booking deposits | 652,685,574 | 617,924,209 | 13,583,269 | 15,552,910 |
| Other tax payable | 396,494,745 | 447,759,012 | 1,290,061 | 1,166,368 |
| Others | 2,075,863,784 | 813,273,440 | 23,142,242 | 37,369,359 |
| Total other current liabilities | 3,125,044,103 | 1,878,956,661 | 38,015,572 | 54,088,637 |

24 Employee benefits obligations

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

| | Consolidated | | Separate | |
|---------------------|----------------------|-------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Retirement benefits | 911,807,578 | 222,234,045 | 16,317,710 | 16,823,424 |

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

| | Consolidated | | Separate | |
|--------------------------------------|----------------------|-------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Present value of unfunded obligation | 911,807,578 | 222,234,045 | 16,317,710 | 16,823,424 |

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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24 Employee benefits obligations (Cont'd)

The movement in the defined obligations during the year is as follows:

| | Consolidated | | Separate | |
|---|----------------------|--------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| At 1 January | 222,234,045 | 222,770,643 | 16,823,424 | 16,387,683 |
| Actuarial loss (gain) | 97,350,183 | - | (3,458,860) | - |
| Acquisition from investment in subsidiaries | 606,555,523 | - | - | - |
| Current service cost | 37,526,630 | 27,470,178 | 3,134,911 | 1,307,211 |
| Interest expense | 7,306,432 | 6,602,920 | 361,755 | 551,530 |
| Payment from plans benefit payment | (50,609,157) | (33,322,197) | (543,520) | (1,423,000) |
| Translation adjustment | (8,556,078) | (1,287,499) | - | - |
| At 31 December | 911,807,578 | 222,234,045 | 16,317,710 | 16,823,424 |

The amount recognised in the income statements is as follows:

| | Consolidated | | Separate | |
|---------------------------------|----------------------|------------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Current service cost | 37,526,630 | 27,470,178 | 3,134,911 | 1,307,211 |
| Interest cost | 7,306,432 | 6,602,920 | 361,755 | 551,530 |
| Total (included in staff costs) | 44,833,062 | 34,073,098 | 3,496,666 | 1,858,741 |

Of the total charge, Baht 45 million (2017: Baht 34 million) were included in administrative expenses.

The defined benefit obligation are composed by country as follows:

| | Consolidated financial statements (Baht Million) | | | | | | | | | | |
|-----------------------------|--|--------------|-----------|-----------|--------|-------|----------|--------------|-----------|-----------|-------|
| | 2018 | | | | | 2017 | | | | | |
| | Thailand | South Africa | Australia | Sri Lanka | Europe | Total | Thailand | South Africa | Australia | Sri Lanka | Total |
| Present value of obligation | | | | | | | | | | | |
| Total | 262 | 19 | 7 | 3 | 621 | 912 | 196 | 16 | 7 | 3 | 222 |

Minor International Public Company Limited
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24 Employee benefits obligations (Cont'd)

The principal actuarial assumptions used were as follows:

| | Consolidated and Separate financial statements | |
|--------------------|---|--------------|
| | 2018 | 2017 |
| Discount rate | 1.43% - 4.00% | 3.5% - 3.75% |
| Inflation rate | 2.5% | 2% |
| Salary growth rate | 1.4% - 7% | 5% - 7% |

Sensitivity analysis

| | Consolidated and Separate financial statements | | | | | |
|--------------------|--|------|--------------------------------------|-------------------|------------------------|-------------------|
| | Change in assumption | | Impact on defined benefit obligation | | | |
| | | | Increase in assumption | | Decrease in assumption | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Discount rate | 1% | 1% | Decrease by 16.5% | Decrease by 8.3% | Increase by 5% | Increase by 9.5% |
| Salary growth rate | 1% | 1% | Increase by 6.56% | Increase by 9.3% | Decrease by 1.63% | Decrease by 8.3% |
| Withdrawn rate | 5% | 5% | Decrease by 15.95% | Decrease by 33.5% | Increase by 21.36% | Increase by 41.5% |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

| | Hotel & Spa | Restaurant | Retail |
|---|-------------|------------|------------|
| The weighted average duration of the defined benefit obligation | 13.7 years | 14.3 years | 13.7 years |

Minor International Public Company Limited
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24 Employee benefits obligations (Cont'd)

Expected maturity analysis of undiscounted retirement plans:

| | Consolidated financial statements | | | | |
|---------------------|-------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|-----------------------|
| | Less than a year Baht Million | Between 1-2 years Baht Million | Between 2-5 years Baht Million | Over 5 years Baht Million | Total Baht Million |
| At 31 December 2018 | | | | | |
| Defined obligation | 13 | 35 | 224 | 1,294 | 1,566 |
| Total | 13 | 35 | 224 | 1,294 | 1,566 |
| At 31 December 2017 | | | | | |
| Defined obligation | 11 | 16 | 40 | 347 | 414 |
| Total | 11 | 16 | 40 | 347 | 414 |
| | Separate financial statements | | | | |
| | Less than a year Baht Million | Between 1-2 years Baht Million | Between 2-5 years Baht Million | Over 5 years Baht Million | Total Baht Million |
| At 31 December 2018 | | | | | |
| Defined obligation | 0.4 | 2 | 0.8 | 47 | 50 |
| Total | 0.4 | 2 | 0.8 | 47 | 50 |
| At 31 December 2017 | | | | | |
| Defined obligation | 0.2 | 2 | 2 | 27 | 31 |
| Total | 0.2 | 2 | 2 | 27 | 31 |

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25 Other non-current liabilities

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|---------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Deferred income | 184,448,959 | 161,149,890 | 794,341 | 609,555 |
| Rental deposits | 119,557,428 | 113,879,621 | 613,950 | 640,500 |
| Accrued land rental | 323,431,947 | 322,563,183 | - | - |
| Accrued decommissioning | 334,305,872 | 165,867,839 | - | - |
| Others | 3,475,482,071 | 472,001,411 | 2,874,770 | 161,338,035 |
| Total other non-current liabilities | 4,437,226,277 | 1,235,461,944 | 4,283,061 | 162,588,090 |

26 Share capital and premium on share capital

| | Consolidated financial statements | | | |
|---------------------|-----------------------------------|----------------------|--------------------|----------------|
| | Number of ordinary shares | Ordinary shares Baht | Share premium Baht | Total Baht |
| At 1 January 2017 | 4,410,368,436 | 4,410,368,436 | 7,639,594,103 | 12,049,962,539 |
| Issuance of shares | 208,545,855 | 208,545,855 | 7,375,015,614 | 7,583,561,469 |
| At 31 December 2017 | 4,618,914,291 | 4,618,914,291 | 15,014,609,717 | 19,633,524,008 |
| Issuance of shares | - | - | - | - |
| At 31 December 2018 | 4,618,914,291 | 4,618,914,291 | 15,014,609,717 | 19,633,524,008 |

| | Separate financial statements | | | |
|---------------------|-------------------------------|----------------------|--------------------|----------------|
| | Number of ordinary shares | Ordinary shares Baht | Share premium Baht | Total Baht |
| At 1 January 2017 | 4,410,368,436 | 4,410,368,436 | 7,613,941,727 | 12,024,310,163 |
| Issuance of shares | 208,545,855 | 208,545,855 | 7,375,015,614 | 7,583,561,469 |
| At 31 December 2017 | 4,618,914,291 | 4,618,914,291 | 14,988,957,341 | 19,607,871,632 |
| Issuance of shares | - | - | - | - |
| At 31 December 2018 | 4,618,914,291 | 4,618,914,291 | 14,988,957,341 | 19,607,871,632 |

As at 31 December 2018, the registered shares comprise 4,618,914,291 ordinary shares (2017: 4,621,828,347 ordinary shares) at a par value of Baht 1 each. The issued and fully paid-up shares comprise 4,618,914,291 ordinary shares (2017: 4,618,914,291 ordinary shares).

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27 Legal reserve

| | Consolidated and Separate financial statements | |
|-------------------------------|---|--------------------|
| | 2018 Baht | 2017 Baht |
| At 1 January | 464,178,907 | 464,178,907 |
| Appropriation during the year | - | - |
| At 31 December | <u>464,178,907</u> | <u>464,178,907</u> |

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.

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28 Other components of equity

| | Consolidated financial statements | | | | | | | | | |
|-------------------------------------|---|-----------------|---|---------------|---|-----------------|------------------------|------|-------|--|
| | Discount on business combination under common control | | Discount on additional investment in subsidiary | | Remeasuring available-for-sale investment | | Translation adjustment | | Total | |
| | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | |
| At 1 January 2017 | (755,412,590) | (400,242,159) | (400,242,159) | 3,360,933 | (1,255,593,207) | (2,407,887,023) | | | | |
| Additional investment in subsidiary | - | (490,016,526) | (490,016,526) | - | - | (490,016,526) | | | | |
| Revaluation | - | - | - | (105,615,051) | - | (105,615,051) | | | | |
| Currency translation difference | - | - | - | - | (932,872,689) | (932,872,689) | | | | |
| At 31 December 2017 | (755,412,590) | (890,258,685) | (890,258,685) | (102,254,118) | (2,188,465,896) | (3,936,391,289) | | | | |
| At 1 January 2018 | (755,412,590) | (890,258,685) | (890,258,685) | (102,254,118) | (2,188,465,896) | (3,936,391,289) | | | | |
| Additional investment in subsidiary | - | (951,496,527) | (951,496,527) | - | - | (951,496,527) | | | | |
| Revaluation | - | - | - | 106,751,208 | - | 106,751,208 | | | | |
| Currency translation difference | - | - | - | - | (1,900,351,411) | (1,900,351,411) | | | | |
| At 31 December 2018 | (755,412,590) | (1,841,755,212) | (1,841,755,212) | 4,497,090 | (4,088,817,307) | (6,681,488,019) | | | | |

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28 Other components of equity (Cont'd)

| | Separate financial statements | | |
|---------------------|---|--|---------------|
| | Discount on business combination under common control Baht | Remeasuring of available-for-sale investment Baht | Total Baht |
| At 1 January 2017 | (587,397,515) | 2,417,507 | (584,980,008) |
| Revaluation | - | 4,410,438 | 4,410,438 |
| At 31 December 2017 | (587,397,515) | 6,827,945 | (580,569,570) |
| At 1 January 2018 | (587,397,515) | 6,827,945 | (580,569,570) |
| Revaluation | - | (3,037,255) | (3,037,255) |
| At 31 December 2018 | (587,397,515) | 3,790,690 | (583,606,825) |

29 Other income

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|---------------|----------------------------------|--------------|
| | 2018 Baht | 2017 Baht | 2018 Baht | 2017 Baht |
| Rental income | 213,495,150 | 165,615,784 | 35,671,726 | 36,809,366 |
| Premium sales income | 157,366,394 | 138,612,284 | - | - |
| Freight charges | 180,574,918 | 165,931,163 | - | - |
| Subsidy income | 192,651,383 | 269,041,989 | - | - |
| Advisory income | 161,817,849 | 165,811,811 | - | - |
| Sales of raw material to franchisees | 39,353,720 | 48,903,618 | - | - |
| Maintenance fee income | 54,337,739 | 51,744,111 | - | - |
| Property tax | 16,303,797 | 16,181,369 | - | - |
| Trademark fee income | 113,995,395 | 114,921,661 | - | - |
| Gain from bargain purchases | 828,802,405 | - | - | - |
| Others | 882,267,714 | 891,136,657 | 118,652,198 | 9,295,086 |
| Total other income | 2,840,966,464 | 2,027,900,447 | 154,323,924 | 46,104,452 |

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30 Expenses by nature

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

| | Consolidated | | Separate | |
|---|----------------------|----------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Depreciation on investment properties (Note 16) | 61,105,846 | 106,361,016 | - | - |
| Depreciation on property, plant and equipment (Note 17) | 4,950,175,720 | 3,633,657,866 | 57,948,345 | 102,287,313 |
| Reversal impairment of property, plant and equipment (Note 17) | (93,138,721) | (26,036,635) | - | - |
| Write-off of property, plant and equipment (Note 17) | 346,706,895 | 196,115,875 | 208,527 | 28,531 |
| Amortisation of intangible assets (Note 18) | 544,336,196 | 279,649,499 | 1,001,391 | 1,021,826 |
| Impairment of intangible assets (Note 18) | 66,684,643 | 1,073,581 | - | - |
| Amortisation of prepaid rents (Note 19) | 169,550,988 | 110,477,173 | 622,849 | 623,018 |
| Impairment of investment in associates (Note 14) | 280,000,000 | - | - | - |
| Doubtful account (Reversal) | 193,524,111 | (104,519,657) | (190,123) | 294,498 |
| Staff costs | 20,217,899,338 | 15,341,651,823 | 336,939,229 | 382,689,325 |

31 Deferred income taxes and income taxes

Deferred income taxes

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

| | Consolidated | | Separate | |
|---------------------------------|----------------------|-----------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Deferred income tax assets | 6,257,144,849 | 805,406,498 | - | - |
| Deferred income tax liabilities | (26,587,393,882) | (5,693,139,078) | (139,145,422) | (153,454,388) |
| Deferred income taxes, net | (20,330,249,033) | (4,887,732,580) | (139,145,422) | (153,454,388) |

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

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31 Deferred income taxes and income taxes (Cont'd)

The gross movements in deferred tax assets and liabilities during the years are as follows:

| | Consolidated financial statements | | | | | 31 December 2017 Baht | |
|--|-----------------------------------|--|---|----------------------------------|---------------------|-----------------------------|---|
| | 1 January 2017 Baht | Charged/ (credited) to profit or loss Baht | Charged/ (credited) to other comprehensive Income Baht | Business acquisitions Baht | Adjustments Baht | | |
| | Deferred tax assets | | | | | | |
| | Consignment sales | 51,261,228 | 17,659,765 | - | - | | - |
| Provision for impairment of assets (reversal) | 138,492,586 | (124,623,214) | - | - | - | 13,869,372 | |
| Employee benefit obligations | 252,644,967 | (66,034,672) | - | - | - | 186,610,295 | |
| Depreciation | 89,181,508 | 7,005,370 | - | - | - | 96,186,878 | |
| Unearned income | 17,023,038 | (237,241) | - | - | - | 16,785,797 | |
| Tax loss carried forward | 293,880,326 | 142,108,199 | - | - | - | 435,988,525 | |
| Translation adjustment | 163,012,010 | - | - | - | 73,495,441 | 236,507,451 | |
| Others | (67,600) | - | - | - | - | (67,600) | |
| | <u>1,005,428,063</u> | <u>(24,121,793)</u> | <u>-</u> | <u>-</u> | <u>73,495,441</u> | <u>1,054,801,711</u> | |
| Deferred tax liabilities | | | | | | | |
| Accounts receivable | (10,871,036) | 6,042,358 | - | - | - | (4,828,678) | |
| Asset management right | (1,136,140,892) | (2,457,216) | - | - | - | (1,138,598,108) | |
| Financial lease revenue | (570,371,738) | (64,320,191) | - | - | - | (634,691,929) | |
| Unrealised gain on available-for-sale securities | (228,894,053) | - | (1,102,610) | - | - | (229,996,663) | |
| Unrealised gain on sale of assets in the group | 2,303,929 | (36,965,986) | - | - | - | (34,662,057) | |
| Fair value adjustment of net assets at acquisition date | (3,961,327,299) | 189,634,480 | - | (185,195,147) | - | (3,956,887,966) | |
| Translation adjustment | (4,771,908) | - | - | - | 232,647,417 | 227,875,509 | |
| Others | (140,748,456) | (29,995,943) | - | - | - | (170,744,399) | |
| | <u>(6,050,821,453)</u> | <u>61,937,502</u> | <u>(1,102,610)</u> | <u>(185,195,147)</u> | <u>232,647,417</u> | <u>(5,942,534,291)</u> | |
| Deferred tax liabilities, net (as previously reported) | <u>(5,045,393,390)</u> | <u>37,815,709</u> | <u>(1,102,610)</u> | <u>(185,195,147)</u> | <u>306,142,858</u> | <u>(4,887,732,580)</u> | |

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31 Deferred income taxes and income taxes (Cont'd)

The gross movements in deferred tax assets and liabilities during the years are as follows: (Cont'd)

| | Consolidated financial statements | | | | | 31 December 2018 Baht | | | | | |
|---------------------------------|---|--|---|----------------------------------|---------------------|-----------------------------|--|--|--|--|--|
| | (Restated) 1 January 2018 Baht | Charged/ (credited) to profit or loss Baht | Charged/ (credited) to other comprehensive Income Baht | Business acquisitions Baht | Adjustments Baht | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Deferred tax assets | | | | | | | | | | | |
| Consignment sales | 68,920,993 | 19,784,667 | - | - | - | 88,705,660 | | | | | |
| Provision for | | | | | | | | | | | |
| impairment of assets | 13,869,372 | 144,810,229 | - | - | - | 158,679,601 | | | | | |
| Provisions | 186,610,295 | (18,568,299) | 8,718,972 | 110,525,002 | - | 287,285,970 | | | | | |
| Depreciation | 96,186,878 | (29,554,650) | - | - | - | 66,632,228 | | | | | |
| Unearned income | 16,785,797 | (151,582) | - | - | - | 16,634,215 | | | | | |
| Tax loss carried forward | 435,988,525 | (27,239,244) | - | 3,329,530,920 | - | 3,738,280,201 | | | | | |
| Translation adjustment | 236,507,451 | - | - | - | 93,483,903 | 329,991,354 | | | | | |
| Others | (67,600) | - | - | - | - | (67,600) | | | | | |
| | <u>1,054,801,711</u> | <u>89,081,121</u> | <u>8,718,972</u> | <u>3,440,055,922</u> | <u>93,483,903</u> | <u>4,686,141,629</u> | | | | | |
| Deferred tax liabilities | | | | | | | | | | | |
| Accounts receivable | (4,828,678) | (163,981,685) | - | - | - | (168,810,363) | | | | | |
| Asset management right | (1,138,598,108) | 36,040,302 | - | - | - | (1,102,557,806) | | | | | |
| Financial lease revenue | (634,691,929) | 12,039,696 | - | - | - | (622,652,233) | | | | | |
| Unrealised loss on | | | | | | | | | | | |
| available-for-sale securities | (229,996,663) | 18,234,719 | 600,397 | - | - | (211,161,547) | | | | | |
| Unrealised gain on sale of | | | | | | | | | | | |
| assets in the group | (34,662,057) | 7,819,466 | - | - | - | (26,842,591) | | | | | |
| Fair value adjustment of net | | | | | | | | | | | |
| assets at acquisition date | (3,956,887,966) | (252,279,840) | - | (19,981,587,526) | - | (24,190,755,332) | | | | | |
| Translation adjustment | 227,875,509 | - | - | - | 842,856,050 | 1,070,731,559 | | | | | |
| Others | (170,744,399) | (31,804,268) | - | 438,206,318 | - | 235,657,651 | | | | | |
| | <u>(5,942,534,291)</u> | <u>(373,931,610)</u> | <u>600,397</u> | <u>(19,543,381,208)</u> | <u>842,856,050</u> | <u>(25,016,390,662)</u> | | | | | |
| Deferred tax liabilities, net | <u>(4,887,732,580)</u> | <u>(284,850,489)</u> | <u>9,319,369</u> | <u>(16,103,325,286)</u> | <u>936,339,953</u> | <u>(20,330,249,033)</u> | | | | | |

Minor International Public Company Limited
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31 Deferred income taxes and income taxes (Cont'd)

| | Separate financial statements | | | |
|--|-------------------------------|------------------------|--------------------------------|---------------|
| | | Charged/ (credited) | Charged/(credited) to other | |
| | 1 January | to profit | comprehensive | 31 December |
| | 2017 | or loss | Income | 2017 |
| | Baht | Baht | Baht | Baht |
| Deferred income tax assets | | | | |
| Provision for impairment of assets | 5,159,960 | - | - | 5,159,960 |
| Provisions | 3,356,445 | 136,259 | - | 3,492,704 |
| Tax loss carried forward | 44,757,626 | 2,236,474 | - | 46,994,100 |
| Effective interest rate | 3,661,606 | (243,671) | - | 3,417,935 |
| | 56,935,637 | 2,129,062 | - | 59,064,699 |
| Deferred income tax liabilities | | | | |
| Unrealised gain on | | | | |
| available-for-sales securities | (211,416,477) | - | (1,102,610) | (212,519,087) |
| Deferred income tax liabilities, net | (154,480,840) | 2,129,062 | (1,102,610) | (153,454,388) |

| | Separate financial statements | | | |
|--|-------------------------------|------------------------|--------------------------------|---------------|
| | | Charged/ (credited) | Charged/(credited) to other | |
| | 1 January | to profit | comprehensive | 31 December |
| | 2018 | or loss | Income | 2018 |
| | Baht | Baht | Baht | Baht |
| Deferred income tax assets | | | | |
| Provision for impairment | | | | |
| of assets (reversal) | 5,159,960 | (3,760,000) | - | 1,399,960 |
| Provisions | 3,492,704 | 462,609 | (691,771) | 3,263,542 |
| Tax loss carried forward | 46,994,100 | 18,486,509 | - | 65,480,609 |
| Effective interest rate | 3,417,935 | (947,695) | - | 2,470,240 |
| | 59,064,699 | 14,241,423 | (691,771) | 72,614,351 |
| Deferred income tax liabilities | | | | |
| Unrealised gain on | | | | |
| available-for-sales securities | (212,519,087) | - | 759,314 | (211,759,773) |
| Deferred income tax liabilities, net | (153,454,388) | 14,241,423 | 67,543 | (139,145,422) |

Minor International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

31 Deferred income taxes and income taxes (Cont'd)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 655 million (2017: Baht 509 million), to carry forward against future taxable income; which no deferred taxes have been recognised as follows:

| | Consolidated | |
|------|----------------------|--------------------|
| | financial statements | |
| | 2018 | 2017 |
| | Baht | Baht |
| 2018 | - | 33,148,805 |
| 2019 | 12,118,235 | 52,129,811 |
| 2020 | 35,104,636 | 107,193,838 |
| 2021 | 183,194,745 | 186,834,126 |
| 2022 | 214,318,291 | 129,474,979 |
| 2023 | 211,189,860 | - |
| | <u>655,925,767</u> | <u>508,781,559</u> |

Income taxes

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|--------------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Current tax: | | | | |
| Current tax on profits for the year | 1,100,130,635 | 876,842,651 | 57,234,862 | 3,982,946 |
| Adjustments in respect of prior year | (10,996,157) | (51,954,481) | (876,351) | 1,586,518 |
| Total current tax | <u>1,089,134,478</u> | <u>824,888,170</u> | <u>56,358,511</u> | <u>5,569,464</u> |
| Deferred tax: | | | | |
| Origination and reversal of temporary differences | 364,181,636 | (19,815,909) | (19,091,056) | 147,954 |
| Change in unrecognised deductible temporary differences | 4,429,885 | (16,312,463) | 4,849,633 | (3,616,472) |
| Recognised of previously unrecognised tax losses | (83,761,032) | (1,687,337) | - | 1,339,456 |
| Total deferred tax | <u>284,850,489</u> | <u>(37,815,709)</u> | <u>(14,241,423)</u> | <u>(2,129,062)</u> |
| Total income tax | <u>1,373,984,967</u> | <u>787,072,461</u> | <u>42,117,088</u> | <u>3,440,402</u> |

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31 Deferred income taxes and income taxes (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | Baht | Baht | Baht | Baht |
| Profit before tax | 7,090,587,376 | 6,407,014,214 | 2,165,553,696 | 1,976,658,020 |
| Tax calculated at a tax rate of 20% | 1,418,117,475 | 1,281,402,843 | 433,110,739 | 395,331,604 |
| Tax effect of: | | | | |
| Associates' results reported net of tax | (364,561,004) | (212,138,374) | - | - |
| Effect of different tax rate in other countries | 168,619,524 | (187,082,672) | (151,298,453) | (76,422,016) |
| Expenses not deductible for tax purpose | 1,217,908,818 | 160,509,782 | 1,816,947 | 1,693,034 |
| Income not subject to tax | (1,382,964,318) | (272,896,026) | (245,499,371) | (312,842,141) |
| Adjustments in respect of prior year | 73,898,383 | (73,793,003) | 3,973,282 | (2,029,954) |
| Tax incentive expenses | (42,306,405) | (20,696,632) | (1,819,986) | (1,665,843) |
| Change in unrecognised deductible temporary differences | 185,333,487 | (7,651,297) | 1,833,930 | (624,282) |
| Utilisation of previously unrecognised tax losses | (21,845,468) | (3,067,335) | - | - |
| Tax losses for which no deferred income tax asset was recognised | 121,784,475 | 122,485,175 | - | - |
| Tax charge | 1,373,984,967 | 787,072,461 | 42,117,088 | 3,440,402 |

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31 Deferred income taxes and income taxes (Cont'd)

The tax charge relating to component of other comprehensive income is as follows:

| | Consolidated financial statements | | | | | |
|---|-----------------------------------|--------------------|------------------------|----------------------|--------------------|----------------------|
| | 2018 | | | 2017 | | |
| | Before tax Baht | Tax charge Baht | After tax Baht | Before tax Baht | Tax charge Baht | After tax Baht |
| Remeasurement of post-employment benefit obligations | (43,594,860) | 8,718,972 | (34,875,888) | - | - | - |
| Unrealised gain (loss) on available-for-sale securities | 106,150,811 | 600,397 | 106,751,208 | (104,512,441) | (1,102,610) | (105,615,051) |
| Translation adjustment | (1,172,368,761) | - | (1,172,368,761) | (464,382,960) | - | (464,382,960) |
| Other comprehensive income (loss) | (1,109,812,810) | 9,319,369 | (1,100,493,441) | (568,895,401) | (1,102,610) | (569,998,011) |
| | Separate financial statements | | | | | |
| | 2018 | | | 2017 | | |
| | Before tax Baht | Tax charge Baht | After tax Baht | Before tax Baht | Tax charge Baht | After tax Baht |
| Remeasurement of post-employment benefit obligations | 3,458,854 | (691,771) | 2,767,083 | - | - | - |
| Unrealised gain (loss) on available-for-sale securities | (3,796,569) | 759,314 | (3,037,255) | 5,513,048 | (1,102,610) | 4,410,438 |
| Other comprehensive income (loss) | (337,715) | 67,543 | (270,172) | 5,513,048 | (1,102,610) | 4,410,438 |

32 Earnings per share

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

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the period) 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.

| | Consolidated and Separate financial statements | |
|---|--|---------------|
| | For the years ended 31 December | |
| | 2018 | 2017 |
| | Shares | Shares |
| Weighted average number of ordinary shares in issue, net | 4,618,914,291 | 4,441,818,312 |
| Dilutive potential ordinary shares | - | - |
| Weighted average number of ordinary shares for diluted earnings | 4,618,914,291 | 4,441,818,312 |
| | Consolidated financial statements | |
| | For the years ended 31 December | |
| | 2018 | 2017 |
| | Baht | Baht |
| Profit attributable to ordinary shareholders | 5,444,770,759 | 5,415,397,011 |
| Interest expenses on perpetual debentures (net of tax) | 210,800,219 | - |
| Profit used to determine diluted earnings per share | 5,233,970,540 | - |
| Basic earnings per share | 1.1788 | 1.2192 |
| Diluted earnings per share | 1.1332 | 1.2192 |

32 Earnings per share (Cont'd)

| | Separate financial statements | |
|--|---------------------------------|---------------|
| | For the years ended 31 December | |
| | 2018 | 2017 |
| | Baht | Baht |
| Profit attributable to ordinary shareholders | 2,123,436,608 | 1,973,217,618 |
| Interest expenses on perpetual debentures (net of tax) | 210,800,219 | - |
| Profit used to determine diluted earnings per share | 1,912,636,389 | - |
| Basic earnings per share | 0.4597 | 0.4442 |
| Diluted earnings per share | 0.4141 | 0.4442 |

33 Dividend

At the Annual General Meeting of Shareholders of the Company held on 3 April 2018, the shareholders passed a resolution to approve the cash dividend in the amount of Baht 0.4 per share for existing shareholders of no more than 4,619 million ordinary shares, total dividends to be paid were in the amount of not exceeding Baht 1,848 million and dividends were paid to shareholders in April 2018.

At the Annual General Meeting of Shareholders of the Company held on 4 April 2017, the shareholders passed a resolution to approve the cash dividend in the amount of Baht 0.35 per share for existing shareholders and shareholders who convert the convertible securities (MINT-W5) of no more than 4,622 million ordinary shares, total dividends to be paid were in the amount of not exceeding Baht 1,618 million and dividends were paid to shareholders in April 2017.

34 Perpetual debentures

At the Extraordinary General Meeting of the shareholders of the Company held on 9 August 2018, the shareholders passed a resolution to approve additional principal amount of debenture (at par value) of not exceeding Baht 50,000 million, which is in the addition of principle amount of Baht 45,000 million previously approved in the Annual General Meeting of the shareholders of the Company held on 4 April 2017 (Note 21), total aggregated amount of all outstanding debentures issued by the Company at any time of not exceeding Baht 95,000 million (Revolving Principal Basis).

In September 2018, the Company issued the subordinated perpetual debentures of totalling Baht 15,000 million, net of issuance cost of Baht 96.3 million, which were recognised as a part of equity in the consolidated and separate financial statement. Such subordinated perpetual debentures carry a fixed interest rate coupon of 5.85% per annum for the first five years, after which the coupon will be adjusted every five years as per the stated terms and conditions.

In December 2018, the Company issued the senior perpetual debentures of totalling USD 300 million with equivalent to Baht 9,821 million, net of issuance cost of Baht 947 million, which were recognised as a part of equity in the consolidated and separate financial statement. Such senior perpetual debentures carry a fixed interest rate coupon of 4.661% per annum for the first three years, after which the coupon will be adjusted every three years as per the stated terms and conditions.

35 Business acquisitions

35.1 New acquisitions

Harbour Residences Oaks Limited

During the first quarter of 2018, a subsidiary of the Group additionally acquired the remaining 50% interest of Harbour Residences Oaks Limited in the total amount of NZD 2.75 million or equivalent to Baht 64 million, which made the holding interest increase from 50% to 100%. As a result, the Group has control over Harbour Residences Oaks Limited. The Group recorded fair value of the investment on status changing date as cost of investment in the subsidiary amounting to Baht 64 million. The Group recognised gain from changing status of investment amounting to Baht 36 million to profit for the year, according to relevant financial reporting standards.

Recognition of goodwill from acquisition in the portion of 100% ownership.

| | <u>Baht Million</u> |
|--|---------------------|
| Additional purchase price considerations | 64 |
| Fair value of previously held interest | 64 |
| | <hr/> |
| Total purchase price considerations | 128 |
| Provisional fair value of net assets under interest acquired | 98 |
| | <hr/> |
| Goodwill | 30 |
| | <hr/> |

The Provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--------------------------------------|---------------------|
| Cash and cash equivalents | 2 |
| Trade and other receivables | 10 |
| Property, plant and equipment | 18 |
| Asset management rights | 106 |
| Deferred tax liabilities | (30) |
| Liabilities | (8) |
| | <hr/> |
| Provisional fair value of net assets | 98 |
| | <hr/> |

As at 31 December 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

35 Business acquisitions (Cont'd)

35.1 New acquisitions (Cont'd)

Benihana Holding Pte. Ltd.

During the second quarter of 2018, a subsidiary of the Group acquired 75% of the issued shares in Benihana Holding Pte. Ltd. for a consideration of USD 10.5 million or equivalent to Baht 334 million.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 334 |
| Provisional fair value of net assets under interest acquired | <u>455</u> |
| Gain from bargain purchase | <u><u>(121)</u></u> |

The provisional fair value at 75% interest of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 27 |
| Receivables and prepayments | 38 |
| Inventories | 2 |
| Property, plant and equipment | 9 |
| Intangible assets | 661 |
| Liabilities | <u>(131)</u> |
| Provisional fair value of net assets | 606 |
| Non-controlling interests | <u>(151)</u> |
| Provisional fair value of net assets under interest acquired | <u><u>455</u></u> |

As at 31 December 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

35 Business acquisitions (Cont'd)

35.1 New acquisitions (Cont'd)

The Food Theory Group Pte. Ltd.

During the second quarter of 2018, a subsidiary of the Group additionally acquired the remaining 50% interest of The Food Theory Group Pte. Ltd. by exchanging with 8% interest of Minor Food Group (Singapore) Pte. Ltd., which made the holding interest increase from 50% to 100%. As a result, the Group has control over The Food Theory Group Pte. Ltd. The Group recorded fair value of the investment on status changing date as cost of investment in the subsidiary amounting to Baht 79 million. The Group recognised gain from changing status of investment amounting to Baht 79 million to profit for the year, according to relevant financial reporting standards.

Recognition of goodwill from acquisition in the portion of 100% ownership

| | <u>Baht Million</u> |
|--|---------------------|
| Additional purchase price considerations | 65 |
| Fair value of previously held interest | <u>79</u> |
| Total purchase price considerations | 144 |
| Provisional fair value of net assets (liabilities) under interest acquired | <u>(11)</u> |
| Goodwill | <u>155</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 22 |
| Trade and other receivables | 8 |
| Other current assets | 2 |
| Interests in joint venture | 9 |
| Property, plant and equipment | 10 |
| Deposit | 13 |
| Liabilities | <u>(75)</u> |
| Provisional fair value of net assets (liabilities) | <u>(11)</u> |

As at 31 December 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

35 Business acquisitions (Cont'd)

35.1 New acquisitions (Cont'd)

Ocean Hervey Bay

During the third quarter of 2018, a subsidiary of the Group acquired the operating assets located in Australia in the amount of AUD 7 million or equivalent to Baht 176 million which is considered as business combination.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 176 |
| Provisional fair value of net assets under interest acquired | <u>144</u> |
| Goodwill | <u>32</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follow:

| | <u>Baht Million</u> |
|--|---------------------|
| Current assets | 11 |
| Property, plant and equipment | 30 |
| Asset management rights | 135 |
| Liabilities | <u>(32)</u> |
| Provisional fair value of net assets under interest acquired | <u>144</u> |

As at 31 December 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

35 Business acquisitions (Cont'd)

35.1 New acquisitions (Cont'd)

NH Hotel Group S.A.

During the second and third quarter of the year 2018, a subsidiary of the Group had invested 46.3% of issued shares of NH Hotel Group S.A. in the amount of EUR 1,165 million or equivalent to Baht 43,562 million and during the fourth quarter of the year 2018, the subsidiary of the Group additionally acquired the 47.8% of issued shares in the total amount of EUR 1,180 million or equivalent to Baht 44,105 million, which made the investment portion be 94.1%. The Group recorded fair value of the investment on status changing date and recognised loss from changing status of investment amounting to Baht 800 million to loss for the year, according to relevant financial reporting standards.

The Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of NH Hotel Group S.A. during the fourth quarter of 2018. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Additional purchase price considerations | 44,105 |
| Fair value of previously held interest | <u>42,762</u> |
| Total purchase price considerations | 86,867 |
| Fair value of net assets under interest acquired | <u>87,575</u> |
| Gain from bargain purchase | <u>(708)</u> |

Fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 10,216 |
| Other current assets | 9,254 |
| Intangible assets | 44,121 |
| Property, plant and equipment | 81,585 |
| Deferred tax assets | 5,754 |
| Other non-current assets | 3,693 |
| Deferred tax liabilities | (21,807) |
| Liabilities | <u>(37,346)</u> |
| Fair value of net assets | 95,470 |
| Non-controlling interests | <u>(7,895)</u> |
| Fair value of net assets under interest acquired | <u>87,575</u> |

35 Business acquisitions (Cont'd)

35.1 New acquisitions (Cont'd)

Inigo Montoya Group

During the fourth quarter of 2018, a subsidiary of the Group acquired 70% of the issued shares in Inigo Montoya Group for a consideration of AUD 1.3 million or equivalent to Baht 29 million.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 29 |
| Provisional fair value of net assets under interest acquired | 5 |
| | <hr/> |
| Goodwill | 24 |
| | <hr/> <hr/> |

The provisional fair value at 70% interest of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 2 |
| Property, plant and equipment | 16 |
| Other assets | 12 |
| Liabilities | (23) |
| | <hr/> |
| Provisional fair value of net assets | 7 |
| Non-controlling interests | (2) |
| | <hr/> |
| Provisional fair value of net assets under interest acquired | 5 |
| | <hr/> <hr/> |

As at 31 December 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

35 Business acquisitions (Cont'd)

35.1 New acquisitions (Cont'd)

Santai Resort

During the fourth quarter of 2018, a subsidiary of the Group acquired the operating assets located in Australia in the amount of AUD 3.2 million or equivalent to Baht 77 million which is considered as business combination.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 77 |
| Provisional fair value of net assets under interest acquired | <u>57</u> |
| Goodwill | <u>20</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Asset management rights | 68 |
| Property, plant and equipment | 9 |
| Deferred tax liabilities | <u>(20)</u> |
| Provisional fair value of net assets under interest acquired | <u>57</u> |

As at 31 December 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

35 Business acquisitions (Cont'd)

35.1 New acquisitions (Cont'd)

QT Port Douglas

During the fourth quarter of 2018, a subsidiary of the Group acquired the operating assets located in Australia in the amount of AUD 14.0 million or equivalent to Baht 331 million which is considered as business combination.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 331 |
| Provisional fair value of net assets under interest acquired | <u>329</u> |
| Goodwill | <u>2</u> |

The provisional fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Asset management rights | 2 |
| Inventory | 299 |
| Property, plant and equipment | 30 |
| Deferred tax liabilities | (1) |
| Liabilities | <u>(1)</u> |
| Provisional fair value of net assets under interest acquired | <u>329</u> |

As at 31 December 2018, the Group is in the process of completing appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the process.

35 Business acquisitions (Cont'd)

35.2 Period year acquisitions

Grab Food Limited

For the acquisition of Grab Food Limited in March 2017, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of Grab Food Limited during the first quarter of 2018, to comply with the measurement period for a business combination referred in TFRS 3 that the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if know, would have affected the measurement of the amounts recognised as of that date and the measurement period shall not exceed one year from the acquisition date. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 57 |
| Fair value of net assets under interest acquired | <u>39</u> |
| Goodwill | 18 |
| Goodwill - as previously reported | <u>36</u> |
| Adjustment of fair value | <u><u>18</u></u> |

Details of adjustment of fair value are as follows:

| | <u>Baht Million</u> |
|--------------------------------------|---------------------|
| Increase in intangible assets | 31 |
| Increase in deferred tax liability | (6) |
| Increase in non-controlling interest | <u>(7)</u> |
| | <u><u>18</u></u> |

The fair value at 70% interest of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Cash and cash equivalents | 13 |
| Property, plant and equipment | 25 |
| Intangible assets | 35 |
| Other assets | 7 |
| Liabilities | <u>(25)</u> |
| Net fair value of net assets | 55 |
| Non-controlling interests | <u>(16)</u> |
| Fair value of net assets under interest acquired | <u><u>39</u></u> |

35 Business acquisitions (Cont'd)

35.2 Prior year acquisitions (Cont'd)

Metropolis Auckland

For the acquisition of Metropolis Auckland in May 2017, the Group completed the measurement the fair value of identified assets acquired and liabilities assumed of Metropolis Auckland during the second quarter of 2018. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|---|---------------------|
| Purchase price considerations | 278 |
| Fair value of net assets under interest acquired | <u>286</u> |
| Gain from bargain purchase | 8 |
| Gain from bargain purchase - as previously reported | <u>8</u> |
| Adjustment of fair value | <u>-</u> |

The fair value of identified assets acquired from this acquisition was as follow:

| | <u>Baht Million</u> |
|--------------------------|---------------------|
| Operating assets | 307 |
| Liabilities | <u>(21)</u> |
| Fair value of net assets | <u>286</u> |

Corbin and King Group

For the acquisition of Corbin and King Group in December 2017, the Group completed the measurement the fair value of identifiable assets acquired and liabilities assumed of Corbin and King Group during the fourth quarter of 2018, to comply with the measurement period for a business combination referred in TFRS 3 that the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if know, would have affected the measurement of the amounts recognised as of that date and the measurement period shall not exceed one year from the acquisition date. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

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35 Business acquisitions (Cont'd)

35.2 Prior year acquisitions (Cont'd)

Corbin and King Group (Cont'd)

Details of the acquisition were as follows:

| | <u>Baht Million</u> |
|--|---------------------|
| Purchase price considerations | 1,013 |
| Fair value of net assets under interest acquired | <u>803</u> |
| Goodwill | 210 |
| Goodwill - as previously reported | <u>1,360</u> |
| Adjustment of fair value | <u><u>1,150</u></u> |

Details of adjustment if fair value were as follows:

| | <u>Baht Million</u> |
|--------------------------------------|---------------------|
| Increase in intangible asset | 1,347 |
| Increase in prepaid rent | 446 |
| Increase in deferred tax liability | (168) |
| Increase in non-controlling interest | (475) |
| | <u><u>1,150</u></u> |

The fair value of identified assets acquired and liabilities assumed from this acquisition was as follows:

| | <u>Baht Million</u> |
|-------------------------------|---------------------|
| Cash and cash equivalents | 159 |
| Other current assets | 227 |
| Property, plant and equipment | 875 |
| Intangible assets | 1,348 |
| Prepaid rents | 446 |
| Liabilities | (2,084) |
| Deferred tax liabilities | (168) |
| | <u><u>803</u></u> |

35 Business acquisitions (Cont'd)

35.3 Group's valuation processes

The Group has mainly applied the value-in-use model in calculating fair value of property plant and equipment and intangible assets, comprising of income approach and royalty relief method. The Group applied cost approach in calculating fair value of property, plant and equipment, and the market approach in calculating fair value of prepaid rent which are considered as Level 3 of fair value measurement.

Finance and accounting department engages professional independent valuers, who hold a recognised relevant professional qualification and have experience in the locations and segments of the business, to perform the valuations of assets acquired from business combination, including Level 3 fair values. This team reports directly to Chief Financial Officer ("CFO"). Discussions of valuation processes and results are held between the finance department and the CFO at least once every quarter, in line with the Group's quarterly reporting dates.

The main Level 3 input used by the Group pertains to the discount rate and growth rate for business valuation. It is estimated based on discounted cash flow projections of revenue in the future in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the operation.

The discount rate is estimated based on capital structure and financial factors in overall economy that are, in the opinion of the management, appropriate including the risk premium and reflects current market assessments of the time value of money and risk adjusted which are in the range of 4% - 22% per annum (an exceptional rate of 44% per annum in one location where hyperinflationary is identified).

The growth rate is estimated based on current and future market conditions that are, in the opinion of the management, appropriate. The growth rate is generally in the range of 1.5% - 4% per annum, unless there are specific indicators for growth over average rate.

36 Financial instruments

Financial risk management policies

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

Liquidity risk

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

Interest rate risk

The interest rate risks arise from the volatility of market interest rates, which may have a negative impact on the Company cash flow. The Group and the Company manage such risks in accordance with its policy to reduce the Company's exposure to adverse changes in interest rates and the prevailing financial market condition. As a result, the Company keeps balancing interest rate position to align with the financial market situation. Interest rate swap is one of the key financial derivatives that the Group uses to manage interest rates volatility and exposure to mitigate negative impact to its cash flow.

As at 31 December 2018, the Group has entered into the interest rate swap contracts as follows:

- a) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 238 million, which swap floating interest rate to fixed interest rate. The contracts will expire in September 2023.
- b) Interest rate swap contract for debenture from financial institution in THB currency with principal amount of THB 4,000 million, which swap fixed interest rate to floating interest rate. The contract will expire in May 2025.
- c) Interest rate swap contract for debenture from financial institution in THB currency with principal amount of THB 1,000 million, which swap fixed interest rate to floating interest rate. The contract will expire in March 2028.
- d) Interest rate swap contract for loan from financial institution in EUR currency with principal amount of EUR 7.9 million, which swap fixed interest rate to floating interest rate. The contract will expire in June 2023.

36 Financial instruments (Cont'd)

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, associates and joint venture. In order to manage the risk arising from fluctuations in currency exchange rates, the Group uses the derivative, cross currency swap contracts and forward foreign exchange contracts, to manage the risk as follows:

Cross currency interest rate swap contracts

As at 31 December 2018, the Group has entered into the cross currency interest rate swap contracts as follows:

- a) Cross currency swap contract for perpetual debenture of Baht 15,000 million with fixed interest rate converting to an equivalent fixed amount of EUR 400 million with fixed interest rate. The contract will be expire on September 2023.
- b) Cross currency interest rate swap contract for debenture of Baht 4,000 million with fixed interest rate converting to an equivalent fixed amount of EUR 106.1 million with variable interest rate. The contract will expire on May 2020.
- c) Cross currency interest rate swap contract for debenture of Baht 2,800 million with fixed interest rate converting to an equivalent fixed amount of EUR 72.7 million with variable interest rate. The contract will expire on March 2021.
- d) Cross currency interest rate swap contract for debenture of Baht 1,000 million with fixed interest rate converting to an equivalent fixed amount of GBP 22.8 million with variable interest rate. The contract will expire on March 2028.
- e) Cross currency interest rate swap contract for perpetual debenture of USD 300 million with fixed interest rate converting to an equivalent fixed amount of EUR 264.5 million with variable rate. The contract will be expire on December 2021

36 Financial instruments (Cont'd)

Foreign currency risk (Cont'd)

Foreign exchange forward contracts

Foreign exchange forward contracts are used for managing exposure to fluctuations in foreign currency exchange rates for the purchase of goods. As at 31 December 2018 and 2017, the Group has outstanding foreign exchange forward contracts, with maturity less than 6 months as follows:

| | <u>Consolidated financial statements</u> | |
|--|--|--------------|
| | <u>2018</u> | <u>2017</u> |
| | Baht Million | Baht Million |
| USD 1,964,855 (Baht 32.62/1 USD) | 64 | 193 |
| (2017: USD 5,926,764 (Baht 32.62/1 USD)) | | |

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 interest rate swap contracts for loans as at 31 December 2018 is favourable amounting to Baht 109 million (2017: unfavourable amounting to Baht 247 million).

The fair value of the open foreign exchange forward contracts for the purchase of goods as at 31 December 2018 is unfavourable amounting to Baht 0.3 million (2017: unfavourable amounting to Baht 0.3 million).

36 Financial instruments (Cont'd)

Financial instrument in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the fair value of cross currency swap contracts and foreign exchange forward contracts of the Group are in Level 2 hierarchy.

37 Commitments

As at 31 December 2018, the Group has commitments as follows:

The Company

- The Company has extended land lease agreements for periods of 6 years, effective on 01 January 2019. The Company is committed to pay rental fees at a certain amount. As at 31 December 2018, the Company's future commitments according to the minimal rental fees stipulated in the agreement is approximately Baht 1,008 million.
- The Company has entered into a trademark agreement and a hotel management agreement with a subsidiary. The Company has an obligation to pay trademark fees and hotel management fees at certain percentages of revenue generated as indicated in the agreement. The agreement is valid for 10 years and will be terminated in 2026.
- The Company has entered into two agreements for technical assistance and the use of trademarks and trade names with an overseas company under the terms of the agreements, fees calculated at a percentage of gross sales as specified in the agreements. One of them was effective in February 1994 which will be continued until one of the parties terminates the contract, and the other will also be continued until one of the parties terminates the contract. According to the two agreements, a subsidiary must pay franchise fees based on a percentage of sales and must comply with certain terms and conditions.

37 Commitments (Cont'd)

Subsidiaries

Management and services agreements

- A subsidiary has entered into a license and royalty agreement with an overseas company. The subsidiary is committed to pay royalty fees and management hotel fees at the rate, terms and basis as specified in the agreement for a period of 20 years through 2021 and can be renewed at its expiry date for 10 years.
- A subsidiary has entered into service agreements with three companies with regards to hotel operations, whereby the subsidiary has been provided certain services and granted a license. The subsidiary is required to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective for the period from September 2006 to June 2024 with option for the subsidiary to extend the period up to the end of the land lease agreement or for another 20 years.
- A subsidiary has entered into service agreements with three companies with regards to hotel operations, whereby the subsidiary has been provided services and granted a license. The subsidiary is required 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 has entered into service agreements with three companies with regards to hotel operations, whereby the subsidiary has been provided services and granted a license to operate. The subsidiary is required to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from February 2007 to January 2027 and are renewable after expiry date for another two periods of 20 years and 10 years, respectively.
- A subsidiary has entered into a consulting agreement regarding hotel operations with two companies, whereby the subsidiary has been provided hotel operating and marketing services, right of trademark use, technical knowledge, and other associated services. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from April 2011 to December 2031.
- A subsidiary has entered into a residential license marketing agreement regarding residential operation with a company, whereby the subsidiary has been provided residential operating and marketing services, right of trademark use, technical knowledge, and other associated services. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates as specified in the agreements. The agreement is effective from June 2007 to May 2037.
- A subsidiary has entered into the service agreements with a company with regards to consultation, installation, repair and maintenance of computer systems, computer software and information technology systems. The subsidiary is committed to pay the fees following the rates, terms and basis as specified in the agreements. The agreements are effective from July 2015 to December 2019.

37 Commitments (Cont'd)

Subsidiaries (Cont'd)

Management and services agreements (Cont'd)

Rental agreements

- Three subsidiaries have entered into separate land lease agreements for periods between 30 to 42 years, effective on 8 May 1987, 25 January 1989 and 2 July 1994, respectively. The subsidiaries are committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2018, the subsidiaries' future payment commitments in accordance with the minimal rental fees stipulated in the agreements are approximately Baht 48 million (2016: Baht 59 million).
- A subsidiary has extended its land lease agreements for a period of 30 years, effective from 25 January 2019. The subsidiary is committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2018, the subsidiary's future payment commitments in accordance with the minimal rental fees and special remuneration stipulated in the agreements are approximately Baht 1,132 million (2017: Baht 1,132 million).
- A subsidiary has entered into the sublease land agreement of Kihavah Huravalhi Island for 23 years from 23 October 2007 for the construction of a new hotel. As at 31 December 2018, a subsidiary has a commitment to pay rental fee as stipulated in the lease agreement of approximately USD 36 million (2017: USD 38 million).
- Subsidiaries have entered into lease agreements covering the land where their hotels are situated. Under the lease agreements, the subsidiaries have transferred the ownership of the hotel buildings and improvements to the landlord. The subsidiaries committed to pay rental fees at the rates specified in the lease agreements. The lease agreements are for a period of 30 years up to the years 2043 and 2047. As at 31 December 2018, the subsidiaries have commitments to pay minimal rental fees as stipulated in the agreement as follows:

| Year | Baht Million |
|-----------------------|--------------|
| Within 1 year | 52 |
| Between 2 and 5 years | 229 |
| After 5 years | 2,125 |
| | 2,406 |

37 Commitments (Cont'd)

Subsidiaries (Cont'd)

Rental agreements (Cont'd)

- On 3 July 2007, a subsidiary entered into an agreement with the Privy Purse Bureau to lease land and construct a building. Under this agreement, the Privy Purse Bureau agrees and permits the subsidiary to undertake building construction, and the subsidiary agreed to construct a residential and hotel building situated on land owned by the Privy Purse Bureau. The building construction permit was under the name of the Privy Purse Bureau and the ownership of the building and other constructions on this land are transferred to the landlord on completion. In addition, the subsidiary was required to pay all expenses with respect to the construction of the building. The construction period was 4 years from the date of receipt of the permit to construct the building from the Bangkok Metropolitan Authority. The Privy Purse agreed with the subsidiary to lease the land and building for the residential, hotel and related commerce for a period of 30 years commencing 1 March 2011. As at 31 December 2018, the subsidiary has a commitment to pay land and building rental fee to the Privy Purse Bureau at the rates stipulated in the agreement amounting to Baht 446 million by which the subsidiary has recorded a part of the rental fee as accrued project cost in the statement of financial position amounting to Baht 272 million.
- A subsidiary has entered into a land rental agreement of which the location is on timeshare residence. The subsidiary has a commitment to pay rental fees as stated in the agreement. The agreement are for a period of 30 years and will end in January 2039. As at 31 December 2018, the subsidiary has commitments to pay Baht 112 million as stipulated, by which Baht 47 million has been included as accrued project cost in the statement of financial position.
- As at 31 December 2018 and 2017, there were lease commitments for the lease and service agreements for restaurant outlets, office spaces, shops, motor vehicles, computer equipment, and office equipment committed by subsidiaries for periods ranging from 1 year to 30 years payable as follows:

| | 2018 | | 2017 | |
|-----------------------|--------------|-------------|--------------|-------------|
| | Baht Million | AUD Million | Baht Million | AUD Million |
| Within 1 year | 1,610 | 25 | 1,390 | 26 |
| Between 2 and 5 years | 1,793 | 61 | 1,758 | 73 |
| After 5 years | 9 | 8 | 12 | 10 |
| Total | 3,412 | 94 | 3,160 | 109 |

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

37 Commitments (Cont'd)

Subsidiaries (Cont'd)

Rental agreements (Cont'd)

- A subsidiary has entered into lease agreements covering the land and building. A subsidiary committed to pay rental fees at the rates specified in the lease agreements. As at 31 December 2018, a subsidiary has a commitment to pay rental fee as stipulated in the lease agreement of approximately EUR 0.14 million.
- A subsidiary has entered into lease agreement for periods between 5 to 40 years. The subsidiary is committed to pay rental fee at a certain percentage of annual gross revenue or at a minimum rent stipulated in the agreement. As at 31 December 2018, a subsidiary has commitment to pay rental fee as stipulated in the lease agreement approximately of EUR 3,581 million.

Trademark, franchise and license agreements

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

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38 Guarantees

Guarantees in the normal courses of business are as follows:

| | 31 December 2018 | | | | | | | | | | | | | |
|--|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------|-----------------|-----------------|----------------|----------------|----------------|----------------|
| | Consolidated financial statements | | | | | | | Consolidated financial statements | | | | | | |
| | Baht Million | US\$ Million | AUD Million | EUR Million | CNY Million | BRL Million | INA Million | MYR Million | Baht Million | US\$ Million | AUD Million | EUR Million | BRL Million | MYR Million |
| Letters of guarantees issued by banks on behalf of the Group | 1,092.1 | 4.9 | 12.6 | 39.3 | 12.6 | - | - | - | 614.8 | 0.9 | - | - | - | - |
| Guarantee given by the Group to financial institution to guarantee for credit facilities | 3,499.0 | 136.3 | 138.7 | 219.2 | 125.0 | 5.0 | 65.0 | 100.2 | 1,835.3 | 136.3 | 138.7 | 15.0 | 5.0 | 100.2 |

| | 31 December 2017 | | | | | | | | | | | | | |
|--|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|-------------------------------|-----------------|----------------|----------------|----------------|----------------|--|
| | Consolidated financial statements | | | | | | | Separate financial statements | | | | | | |
| | Baht Million | US\$ Million | AUD Million | EUR Million | CNY Million | AED Million | BRL Million | Baht Million | US\$ Million | AUD Million | EUR Million | BRL Million | MYR Million | |
| Letters of guarantees issued by banks on behalf of the Group | 1,104.6 | 5.6 | 11.5 | 1.6 | 123.1 | 23.3 | - | 624.0 | 2.7 | - | - | - | - | |
| Guarantee given by the Group to financial institution to guarantee for credit facilities | 3,593.9 | 361.8 | 139.5 | 16.2 | 125.0 | - | 5.0 | 1,764.3 | 123.8 | 139.5 | 15.0 | 5.0 | - | |

39 Post statement of financial position event

In January 2019, a subsidiary of the Group had disposed the investment in BTM (Thailand) Ltd., a joint venture, in an amount of Baht 160 million.

In January 2019, a subsidiary of the Group had disposed the investment in Beijing NH Grand China Hotel Management Co., Ltd., an associate, in an amount of Euro 1.9 million.

ISSUER

Minor International Public Company Limited
88 The PARQ Building
12th Floor, Ratchadaphisek Road
Klongtoey Subdistrict, Klongtoey District
Bangkok 10110
Thailand

GUARANTOR

Bangkok Bank Public Company Limited, acting through its Hong Kong Branch
Bangkok Bank Building
28 Des Voeux Road Central
Hong Kong

TRUSTEE

**The Bank of New York Mellon,
London Branch**
One Canada Square
London E14 5AL
United Kingdom

**PRINCIPAL PAYING AGENT AND
CALCULATION AGENT**

**The Bank of New York Mellon,
London Branch**
One Canada Square London
E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg

LEGAL ADVISERS

To the Issuer as to Thai law

Baker & McKenzie Ltd.
25th Floor, Abdulrahim Place
990 Rama IV Road
Bangkok 10500
Thailand

To the Guarantor as to Thai law

Allen & Overy (Thailand) Co. Ltd.
23rd Floor, Sindhorn Tower III
130-132 Wireless Road
Lumpini, Pathumwan
Bangkok 10330
Thailand

To the Guarantor as to Hong Kong law

Allen & Overy LLP
9th Floor Three Exchange Square
Central
Hong Kong

To the Joint Lead Managers as to English law

Linklaters Singapore Pte. Ltd.
One George Street
#17-01
Singapore 049145

To the Joint Lead Managers as to Thai law

Linklaters (Thailand) Ltd
20th Floor Capital Tower All Seasons Place
87/1 Wireless Road
Bangkok 10330

To the Trustee as to English law

Linklaters
11/F Alexandra House
Chater Road
Central
Hong Kong

INDEPENDENT AUDITORS FOR MINT

PricewaterhouseCoopers ABAS Ltd.
15th Floor, Bangkok City Tower
179/74-80 South Sathorn Road, Sathon
Bangkok 10120
Thailand