NOT FOR DISTRIBUTION INTO THE UNITED STATES OR TO U.S. PERSONS.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial advisor authorised under FSMA who specialises in advising upon investments in shares and other securities or, if you are not resident in the UK, from another appropriately authorised independent financial advisor in your own jurisdiction. The contents of this document are not to be construed as legal, business or tax advice. Prospective Investors and Shareholders should rely only on the information in this document. The Annex at the end of this document forms part of this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company.

If you have sold or otherwise transferred all of your registered holding of Existing Shares or holding of Existing Depositary Interests in the Company before 8.00 a.m. on 5 October 2012 (the date upon which the Shares were marked "ex" the entitlement to the Rights Issue by the London Stock Exchange), please send this document and (if applicable) the Provisional Allotment Letter and the Excess Application Form at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom or by whom the sale or transfer was made for delivery to the purchaser or transferee. However, this document, the Provisional Allotment Letter and the Excess Application Form should not be forwarded or sent within, into or from the United States, Australia, Canada, Japan or South Africa or any other jurisdiction where doing so may be restricted by law. If you sold or otherwise transferred only part of your registered holding of Existing Shares before 8.00 a.m. on 5 October 2012, please immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected and, in the case of Qualifying Non-CREST Shareholders, please refer to the instructions regarding split applications set out in "Part 6 – Terms and Conditions of the Rights Issue" and in the Provisional Allotment Letter. If you have sold or otherwise transferred all or some of your Existing Depositary Interests before 8.00 a.m. on 5 October 2012, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

The distribution of this document and/or the accompanying documents and/or the transfer of the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares and/or New Depositary Interests through CREST or otherwise into jurisdictions other than the UK (including the United States, Australia, Canada, Japan or South Africa) may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into any Restricted Jurisdiction. The attention of Overseas Shareholders and any person (including, without limitation, stockbrokers, banks or other agents) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the UK is drawn to paragraph 2.5 ("Overseas Shareholders") of "Part 6 – Terms and Conditions of the Rights Issue".

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symphony
INTERNATIONAL HOLDINGS LIMITED

Symphony International Holdings Limited

(incorporated in the British Virgin Islands on 5 January 2004 and voluntarily re-registered on 17 November 2006 as a BVI Business Company with registration number 1064910)

0.481 for 1 Rights Issue of 166,665,997 New Ordinary Shares at U.S.$0.60 per New Ordinary Share

Panmure Gordon (UK) Limited

Sole Underwriter, Bookrunner and Broker

This document comprises a prospectus prepared in accordance with the Prospectus Rules. This document has been prepared in accordance with the Prospectus Rules of the UK Listing Authority made under Section 73A of the FSMA, has been approved by the FSA in accordance with Section 87A of the FSMA and has been filed with the FSA in accordance with Rule 3.2 of the Prospectus Rules. This document will be made available to the public in accordance with the Prospectus Rules. Application will be made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares to be listed on the "standard listing" segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and that dealings in the Nil Paid Rights will commence at 8.00 a.m. on 5 October 2012. No application has been, or is currently intended to be, made for the New Ordinary Shares to be admitted to listing or dealt in on any other stock exchange. The Existing Shares are listed on the Official List and admitted to trading on the London Stock Exchange's main market for listed securities.

The latest time and date for acceptance and payment in full for the New Ordinary Shares by the holders of the Nil Paid Rights is expected to be 11.00 a.m. on 19 October 2012. The procedure for acceptance and payment is set out in "Part 6 – Terms and Conditions of the Rights Issue" and, where relevant, in the Provisional Allotment Letter and the Excess Application Form. Qualifying Depositary Interest Shareholders should refer to paragraph 2.2 ("Action to be taken by Qualifying Depositary Interest Holders in relation to Nil Paid Rights in CREST") of "Part 6 – Terms and Conditions of the Rights Issue".

Your attention is drawn to the discussion of risks and other factors which should be considered in connection with an application under the Rights Issue or otherwise in connection with any investment in the New Ordinary Shares, Nil Paid Rights, Fully Paid Rights or New Depositary Interests, set out in the section entitled "Risk Factors". Your attention is also drawn to "Part 1 – The Business and the Investment Portfolio". NOTWITHSTANDING THIS, YOU SHOULD READ THE ENTIRE DOCUMENT AND ANY DOCUMENTS INCORPORATED BY REFERENCE AS SET OUT IN "PART 15 – INFORMATION INCORPORATED BY REFERENCE".

The Rights Issue (as defined herein) comprises an offer by the Company of 166,665,997 New Ordinary Shares at U.S.$0.60 per New Ordinary Share. The New Ordinary Shares will represent approximately 32.48 per cent. of the issued ordinary share capital of the Company immediately following the Rights Issue. The New Ordinary Shares to be issued pursuant to the Rights Issue will, following Admission, rank *pari passu* in all respects with the Shares in issue at the date of this document and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Shares after Admission.

The Directors (as defined herein), whose names appear on page 51 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect its import.

Application has been made for the New Ordinary Shares to be listed on the "standard listing" segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities, respectively. A standard listing affords Investors and Shareholders in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the "premium" listing segment of the Official List, which are subject to additional obligations under the Listing Rules. It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules and/or any provision of the Model Code or those aspects of the Disclosure and Transparency Rules which the Company has indicated herein that it has complied or, intends to comply, with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to comply with any such rules.

Panmure Gordon, which is authorised and regulated in the UK by the FSA, is acting exclusively for the Company and no one else in connection with the Rights Issue and Admission and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Rights Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Panmure Gordon, or for providing advice in relation to the Rights Issue or Admission or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Panmure Gordon by FSMA or the regulatory regime established thereunder, Panmure Gordon accepts no responsibility whatsoever or makes any representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification or regarding the legality of an investment in the New Ordinary Shares by a subscriber thereof under the laws applicable to such subscriber or for any other statement made or purported to be made by them or either of them, or on their behalf, in connection with the Company, the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements or the Rights Issue, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Panmure Gordon accordingly disclaims to the fullest extent permitted by applicable law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction where such offer or solicitation is unlawful. The New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Excess Entitlements, the Fully Paid Rights, the Provisional Allotment Letters and the Excess Application Forms have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the issuance of the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters or the Excess Application Forms or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Subject to certain exceptions, neither this document, the Provisional Allotment Letter, the Excess Application Form nor the crediting of Nil Paid Rights, the Excess Entitlements and/or Fully Paid Rights is or constitutes an invitation to buy or an offer of New Ordinary Shares or New Depositary Interests to any person with a registered address, or who is resident or located, in any Restricted Jurisdiction. The New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, into or from the United States or to a U.S. person (as defined in Regulation S under the Securities Act), except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Depositary Interests or the New Ordinary Shares in the United States. The Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares and the New Depositary Interests may only be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, to or by persons in the United States or to or by U.S. persons outside the United States to a purchaser that is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) (a "QIB") that is also a "qualified purchaser" as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") (a "QP") and has provided to the Company (and the Company has accepted) a signed Investor representation letter in the form provided to such purchaser. The New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements have not been and will not be registered under the relevant laws of any other Restricted Jurisdiction or any state, province or territory thereof and may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, into or from any other Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or is a citizen of, any other Restricted Jurisdiction, except pursuant to an applicable exemption. There will be no public offer in any Restricted Jurisdiction. Offers of New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements are being made outside the United States to non-U.S. persons in offshore transactions within the meaning of and in accordance with the safe harbour from the registration requirements in Regulation S under the Securities Act.

All Overseas Shareholders and any person (including, without limitation, a nominee, custodian or trustee) who has a contractual or other legal obligation to forward this document or any Provisional Allotment Letter and the Excess Application Form, if and when received, or other document to a jurisdiction outside the UK, should read paragraph 2.5 ("Overseas Shareholders") of "Part 6 – Terms and Conditions of the Rights Issue".

If you have any questions on the procedure for acceptance and payment, you should contact the Shareholder Helpline on 0871 664 0321, or, if calling from overseas, on +44 208 639 3399 between 9.00 a.m. and 5.30 p.m. on any Business Day (calls to this number are charged at 10 pence per minute from a BT landline, other telephone provider costs may vary). Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that the Registrar cannot provide financial advice on the merits of the Rights Issue or as to whether or not you should take up your entitlement.

This document is dated 4 October 2012.

TABLE OF CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
Element A.1	Warning	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section B – Company		
Element B.1	Legal and commercial name of the Company	Symphony International Holdings Limited.
Element B.2	Domicile and legal form of the Company	The Company is a BVI Business Company, incorporated under the laws of the BVI and with its registered office at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands, whose Shares and Warrants are admitted to the standard segment of the Official List of the UK Listing Authority under Chapter 14 of the Listing Rules.
Element B.5	Description of the Group and the Company's position within the Group	The Company is the parent company of the Group. The principal activity of the Company and all of the Company's subsidiaries is investment holding. Each of the Company's subsidiaries is, directly or indirectly, wholly or substantially owned by the Company and the issued shares of which are fully paid.
Element B.6	Material interests in Shares	*Shareholdings of Substantial Shareholders* The BVI Companies Act imposes no requirement on Shareholders to disclose their shareholdings to any person. As at the Latest Practicable Date, insofar as it is known to the Directors from notifications received by the Company in accordance with the provisions of the Memorandum and Articles of Association and the Disclosure and Transparency Rules, the name of each person, other than a Director, who, directly or indirectly, is interested in 5 per cent. or more of the voting rights attaching to the issue share capital of the Company, and the amount of such person's interest, is as follows:

	Shares		Warrants	
	Number	*(%)*	*Number*	*(%)*
Gunbarrel Investment Limited	50,000,000	14.43	9,944,000	9.21
R&H Trust Co (Bermuda) Ltd as trustee of The Leonardo Trust	33,077,555	9.55	9,083,404	8.37
Leo Fund Managers Limited	27,402,609	7.91	7,615,392	7.01

There are no differences between the voting rights enjoyed by the Shareholders described above and those enjoyed by other holders of Shares. To the extent known by the Company, the Company is not aware of any person or persons who, directly or indirectly, jointly or severally, exercise control of the Company. There are no relationships between the Directors and the Substantial Shareholders.

Shareholdings of the Directors

The Directors (and persons connected with the Directors) hold and will, after Rights Issue, hold the number of Shares and Warrants set out below. Following the Rights Issue, the Directors will beneficially own, in aggregate, approximately 12.5 per cent. of the enlarged issued share capital of the Company (on the basis set out in footnote 2 below). There is no restriction on the Directors disposing of or transferring any part of their shareholdings, subject to the Company's internal policies on dealing in Shares by the Directors.

	Shares and Warrants owned before the Rights Issue			
	(Shares)	*(%)*	*(Warrants)*	*(%)*
Pierangelo Bottinelli	4,792,827	1.38	343,972	0.32
Georges Gagnebin	411,990	0.12	168,495	0.16
Rajiv K. Luthra	Nil	Nil	Nil	Nil
Anil Thadani(1)	20,496,336	5.92	3,787,287	3.49
Sunil Chandiramani(1)	7,619,983	2.20	1,507,437	1.39

	Shares and Warrants owned after the Rights Issue(3)(4)			
	(Shares)	*(%)*	*(Warrants)*	*(%)*
Pierangelo Bottinelli	8,989,992	1.75	343,972	0.32
Georges Gagnebin	608,158	0.12	168,495	0.16
Rajiv K. Luthra	Nil	Nil	Nil	Nil
Anil Thadani(1)	43,055,113	8.39	3,787,287	3.49
Sunil Chandiramani(1)	11,334,488	2.21	1,507,437	1.39

Notes:

(1) These figures include those Shares held by the Investment Manager in which Anil Thadani and Sunil Chandiramani have a beneficial interest by virtue of their 40 per cent. and 30 per cent. shareholdings in the Investment Manager, respectively, (being 3,295,592 and 2,471,694 Shares, respectively). Anil Thadani holds his remaining interest through ACTA International Limited and Sunil Chandiramani holds his remaining interest through Greater Heights Incorporated. They also have a beneficial interest in the Initial Share Options currently held by the Investment Manager of up to 40 per cent. and 30 per cent., respectively, and will be deemed to have a beneficial interest in the Rights Issue Share Options and any additional Share Options issued as a result of any adjustment made due to the Rights Issue, based upon their respective shareholdings in the Investment Manager at that time. A lower figure may be applicable depending upon how the Investment Manager allocates these Share Options. The Warrants that were issued to the Investment Manager have already been fully allocated by the Investment Manager.

(2) Under the Rights Issue, Anil Thadani intends to subscribe for a total of 9,858,737 New Ordinary Shares and is sub-underwriting a further 12,700,040 New Ordinary Shares, Sunil Chandiramani intends to subscribe for a total of 3,665,211 New Ordinary Shares and is sub-underwriting a further 49,294 New Ordinary Shares, Pierangelo Bottinelli intends to subscribe for a total of 2,305,349 New Ordinary Shares and is sub-underwriting a further 1,891,816 New Ordinary Shares and Georges Gagnebin intends to subscribe for a total of 198,168 New Ordinary Shares.

(3) The number of Warrants owned by the Directors after the Rights Issue excludes any adjustments to the number of Warrants (if applicable) as a result of the Rights Issue.

(4) The number of Shares owned by the Directors after the Rights Issue assumes the full take up of their Rights Issue Entitlement, and does not include application or allocation under the Excess Application Facility and includes, where applicable, any additional sub-underwriting commitment.

Section B – Company

A total of 8,238,980 Management Shares and 82,782,691 Share Options (excluding the Rights Issue Share Options) are currently held by the Investment Manager. 6,251,497 Warrants were issued to the Investment Manager, of which 5,294,724 Warrants are now held by Anil Thadani and Sunil Chandiramani, as set out above, and the remainder are held by other members of the Investment Management Team. Anil Thadani and Sunil Chandiramani are shareholders in the Investment Manager and therefore have a deemed interest in the Management Shares (as disclosed above) and Share Options held by the Investment Manager.

Element B.7 — Selected historical key financial information

The following selected financial information for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the six-month period ended 30 June 2012 has been extracted without material adjustment from or derived from the Company's audited financial statements for the years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the Company's unaudited interim financial statements for the six-month period ended 30 June 2012:

	12 months ended 31 December			6 months ended 30 June	
Group	**2009**	**2010**	**2011**	**2012**	**2011**
	(U.S.$ '000)				
Revenue	3,494	3,727	4,000	3,778	2,630
Other operating income	13,261	18,823	14,357	8,404	10,712
Gain on disposal of financial assets at fair value through profit or loss	20,666(1)	23,065(2)	–	–	–
Profit (loss) after tax(3)	68,488	42,812	(10,519)	39,736	(1,663)

Notes:

(1) Relates to the profit on sales of listed investment of U.S.$20.7 million, which relates to an accounting gain from the exchange of Minor Corporation Public Company Limited shares for MINT shares that was completed on 12 June 2009 as part of a merger/restructuring.

(2) Includes profit on sales of listed investment of U.S.$23.1 million, which relates mainly to an accounting gain from the sale of shares in Parkway.

(3) Profit (loss) after tax for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the six-month period ended 30 June 2012 includes expenses for Management Shares (2009: U.S.$0.9 million, 2010: U.S.$0.9 million, 2011: U.S.$0.6 million, six-month period ended 30 June 2012: U.S.$0.1 million) and Share Options not yet exercised (2009: U.S.$10.2 million, 2010: U.S.$5.8 million, 2011: U.S.$4.2 million, six-month period ended 30 June 2012: U.S.$1.0 million). Share Options have an exercise price of U.S.$1.00.

	As at 31 December			As at 30 June
Group	**2009**	**2010**	**2011**	**2012**
	(U.S.$ '000)(1)			
Total assets	342,605	408,557	399,061	447,772
Total liabilities	5,757	8,170	10,065	17,363
Total shareholders' equity	336,848	400,387	388,996	430,409
NAV(2)	336,680	400,172	389,429	430,145
Number of shares outstanding ('000)	338,260	344,439	346,499	346,499
NAV per Share (U.S.$)	1.00	1.16	1.12	1.24

Notes:

(1) Save where indicated otherwise.

(2) NAV is based on the sum of the Company's cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities.

Save for (i) the increase in the unaudited NAV of the Group from U.S.$430,144,792 as at 30 June 2012 to U.S.$472,457,266 as at the Latest Practicable Date and (ii) a corresponding increase in the unaudited NAV per Share of the Group from U.S.$1.24 as at 30 June 2012 to U.S.$1.36 as at the Latest Practicable Date, there has been no significant change in the trading or financial position of the Group since 30 June 2012, being the date to which the Group's latest unaudited interim financial information has been prepared.

Section B – Company		
Element B.8	Selected key pro-forma financial information	The unaudited pro-forma statement of net assets set out below has been prepared: • to illustrate the impact of the Rights Issue on the consolidated net assets of the Group; • for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not and will not represent the Group's actual financial position or results; and • on a basis that is consistent with the accounting policies adopted by the Company in preparing its consolidated financial statements for the six-month period ended 30 June 2012. The unaudited pro-forma statement of net assets is based on the consolidated net assets of the Group as at 30 June 2012 and has been prepared on the basis that the settlement of the Rights Issue took place on that date. The unaudited pro-forma statement of net assets takes no account of the results of the Group for the period subsequent to 30 June 2012, or of any other changes in its financial position in that period.

	Group historical(1)	Adjustment to net assets for Rights Issue(2)	Pro-forma for the Group
		(U.S.$ '000)	
Non-current assets			
Interests in joint ventures	159,404	–	159,404
Investment properties	5,408	–	5,408
Financial assets at fair value through profit or loss	247,197	–	247,197
Other receivables and prepayments	1,077	–	1,077
Current assets			
Other receivables and prepayments	1,618	–	1,618
Financial assets at fair value through profit and loss	–	–	–
Cash and cash equivalents	33,068	93,000	126,068
Current liabilities			
Amounts due to non-controlling interest (non-trade)	504	–	504
Interest-bearing borrowings (secured)	6,932	–	6,932
Other payables	8,405	–	8,405
Current tax payable	91	–	91
Non-current liabilities			
Interest-bearing borrowings (secured)	784	–	784
Deferred tax liabilities	647	–	647
Net assets	430,409	93,000	523,409

Notes:

(1) The financial information in respect of the Group has been extracted without material adjustment from the unaudited interim financial statements of the Group for the six-month period ended 30 June 2012, which are incorporated by reference in this document.

(2) The net proceeds of the Rights Issue are calculated on the basis that the Company issues 166,665,997 New Ordinary Shares at a price of U.S.$0.60 per Share, net of estimated expenses in connection with the Rights Issue of approximately U.S.$7.0 million.

(3) Save for the adjustment for the net proceeds of the Rights Issue as described in note (2) above, no adjustment has been made to reflect any trading or other transactions undertaken by the Group since 30 June 2012.

Had the Rights Issue been undertaken on 1 January 2012, the date of the commencement of the Company's latest financial statements, the earnings of the Company would have been enhanced by the interest received on the net proceeds of the Rights Issue received by the Company on an after-tax basis. However, this does not mean that the future earnings of the Company will necessarily match, exceed or fall short of its historical published earnings.

Element B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate has been provided in this document.

Section B – Company		
Element B.10	Nature of any qualifications in the audit report on the historical financial information	Not applicable; there are no qualifications to the audit reports on the historical information.
Element B.11	Working capital	The Company is of the opinion, taking into account the net proceeds of the Rights Issue, that the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the next 12 months following the date of this document.
Element B.34	Description of investment objective, policy and investment restrictions	The Company's investment objective is to increase the aggregate net asset value of the Group ("NAV") calculated in accordance with the Company's policies through strategic longer-term investments in consumer-related businesses. The Company believes that, by pursuing the Company's investment objectives, it will be able to build a strong investment base, increase its NAV and thereby create long-term value for its Shareholders. The Company's current investment policies and procedures provide that it may invest an amount equivalent to not less than 70 per cent. of its total assets, as determined at the time of each investment, predominantly in longer-term investments in the HH&L sectors (including branded real estate developments) in the Asia-Pacific region and no more than 30 per cent. of its total assets in special situations and structured transactions which, although not typical longer-term investments, have the potential to generate attractive returns and enhance its NAV. Following the Company's investments, it may be that the proportion of its total assets invested in longer-term investments falls below 70 per cent. and the proportion of its total assets invested in special situations and structured transactions exceeds 30 per cent. due to changes in the valuations of the assets, over which the Company has no control.
Element B.35	Borrowing and/or leverage limits	The Company's investment policies and procedures do not require or prohibit the use of leverage or impose limits on the amount of indebtedness that may be incurred in connection with an investment. Although the Company's investment policies and procedures do not limit the amount of leverage incurred by its subsidiaries in respect of particular investments, it is not the Company's current intention to increase the leverage incurred directly by it beyond 35 per cent. of its total assets.
Element B.36	Regulatory status of the Company	The principal legislation under which the Company operates is the BVI Companies Act and the Company is not regulated by the FSA or any other overseas regulator.
Element B.37	Profile of typical Investors	The Company expects its investor base to be comprised of mainly corporates, high net worth individuals, and institutions such as insurance companies, investment management companies, pension funds etc.
Element B.38	Investments which individually constitute at least 20 per cent. of the gross assets of the Company	**MINT** MINT is a diversified consumer business and is one of the largest hospitality and restaurant companies in the Asia-Pacific region. Anil Thadani (a Director of the Company) currently serves on MINT's board of directors. MINT is a company that is incorporated under the laws of Thailand and is listed on the Stock Exchange of Thailand. The Company has invested an aggregate of U.S.$67.0 million in MINT. As at the Latest Practicable Date, the Company owns 313.6 million shares in

Section B – Company		
		MINT which represents approximately 8.6 per cent. of the ordinary share capital of MINT. In addition, as at the Latest Practicable Date, the Company owns 15.9 million warrants to subscribe for 1.1 ordinary shares of MINT each. As at 30 June 2012, the market value of the Company's investment in MINT was approximately U.S.$140.4 million. The market value of the Company's investment in MINT as at the Latest Practicable Date is U.S.$165.0 million. **MINUET** In July 2008, the Company entered into a joint venture agreement with a Thai partner and at that time invested approximately U.S.$78.3 million (by way of an equity investment and interest-bearing shareholder loan) for a 49 per cent. direct interest in Minuet*. Following the sale of land to SC Asset, the Company received U.S.$12.4 million from Minuet by way of a partial return of the shareholder loan. The Company is currently considering several development and/or sale options for the land owned by Minuet, which is located in close proximity to central Bangkok, Thailand. The Company's investment cost (net of shareholder loan repayments) at the Latest Practicable Date is approximately U.S.$66.3 million. As at 30 June 2012, the fair value of the Company's interest in Minuet was approximately U.S.$88.0 million, based on an independent third-party valuation of the land owned by Minuet and was approximately U.S.$90.5 as at the Latest Practicable Date. * The Company also has a 49 per cent. shareholding in La Finta Limited which itself holds a 2 per cent. interest in Minuet.
Element B.39	Investments which individually constitute at least 40 per cent. of the gross assets of the Company	Not applicable; the Company does not have any investments which individually constitute 40 per cent. or more of the gross assets of the Company.
Element B.40	The Company's Investment Manager and other advisors	The Company's investment manager is Symphony Investment Managers Limited (the "Investment Manager"). The directors and executive officers of the Investment Manager, Symphony Asia Holdings Pte. Ltd. (the "Singapore Advisor") and Symphony Asia Limited (the "Hong Kong Consultant") constitute the Investment Management Team and are responsible for implementation of the Company's investment strategy. On 10 July 2007, the Company entered into an Investment Management and Advisory Agreement with the Investment Manager and the Singapore Advisor, pursuant to which the Investment Manager will provide investment management services exclusively to the Company with respect to the Company's investments (subject to the completion of existing investment advisory commitments by certain members of the Investment Management Team), and the Singapore Advisor will provide investment advisory services exclusively to the Company. The Hong Kong Consultant has entered into a consultancy arrangement with the Investment Manager

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		wherein it assists the Investment Manager in providing investment management services to the Company. *Management Fee* – in consideration for its services, pursuant to the Investment Management and Advisory Agreement, the Investment Manager is entitled to a management fee at a rate of 2.25 per cent. per annum of its NAV, payable quarterly in advance and based on the prior Quarter End Date. The management fee is at least U.S.$8 million per annum and at most U.S.$15 million per annum. In addition, the Investment Manager is compensated through the issuance to it of Share Options (which are intended to compensate the Investment Manager for its services in lieu of the traditional carried interest typically paid to managers of private equity vehicles) and Management Shares: • *Share Options* – Initial Share Options over 82,782,691 Shares with an exercise price of U.S.$1.00 each were granted to the Investment Manager pursuant to the Investment Management and Advisory Agreement on 3 August 2008 (deferred from the date of the IPO). All of the Initial Share Options have vested, and none has to date been exercised. If unexercised, the Initial Share Options will expire in August 2018. Following the Rights Issue, the Company intends to grant the Rights Issue Share Options, with an exercise price equal to the Issue Price, to the Investment Manager in accordance with the Share Options Terms. The Rights Issue Share Options will be issued as a result of the change to the Capital of the Company following the Rights Issue. The Rights Issue Share Options will vest in five equal tranches over a period of five years from the date of grant. The first tranche will vest on the first anniversary of their date of grant, and each subsequent tranche will vest on the following anniversaries. The Rights Issue Share Options will be exercisable up to the tenth anniversary of the date of grant. In addition, the Investment Management and Advisory Agreement provides that on the issuance of Shares pursuant to exercise of Warrants in accordance with the terms and conditions of the Warrants, additional Share Options currently with an exercise price of U.S.$1.25 per share will be granted to the Investment Manager. The Share Options Terms provide the Investment Manager (together with any assignee of the Investment Manager) with the right to be granted Share Options representing Shares equal to 20 per cent. of the issued share capital of the Company (excluding Management Shares (which, for the purpose of this calculation, includes the 7,129,209 Management Shares issued to the Investment Manager prior to the IPO) and assuming the exercise of all the issued Share Options) at any given time subject to certain adjustments. The number and exercise price of the Share Options may be adjusted pursuant to the Share Options Terms following the publication of this document (including as a result of the Rights Issue). • *Management Shares* – Following the IPO, pursuant to the Investment Management and Advisory Agreement, the Investment Manager was entitled to be issued Shares of an amount equal to 5 per cent. of the Company's issued share capital (the "Management Shares"). As at the Latest Practicable Date, an aggregate of 8,238,980 Management Shares have been issued to the Investment Manager since the IPO on this basis, in addition to the 7,129,209 Management Shares that were held by the Investment Manager prior to the IPO. The Investment Manager is eligible to receive up to 2,059,746 further Management Shares after 30 September 2012

Section B – Company		
		if, following the calculation of the NAV per Share as at the relevant quarter end, the NAV per Share is greater than U.S.$1.00 (taking into account the potential issuance of the 2,059,746 Management Shares). No additional Management Shares shall be issued as a result of the Rights Issue. In addition, on the issuance of Shares pursuant to exercise of Warrants, in accordance with the terms and conditions of the Warrants, additional Management Shares will be granted to the Investment Manager in order to maintain the proportion of the share capital held by the Investment Manager prior to the exercise of the Warrants. The Management Shares to be issued will not exceed 5 per cent. of the increase in the Company's issued share capital as a result of the exercise of the Warrants (including the Management Shares thus issued but excluding the 7,129,209 Management Shares held by the Investment Manager prior to the IPO).
Element B.41	Identity and regulatory status of the Investment Manager, Singapore Advisor and Hong Kong Consultant	*The Investment Manager* The Investment Manager was incorporated on 26 March 2007 with limited liability and for unlimited duration in the British Virgin Islands. The Investment Manager's registration number is 1394473. The registered office of the Investment Manager is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. On 23 May 2012, the Investment Manager was granted an Investment Business Licence by the British Virgin Islands Financial Services Commission. The principal legislation under which the Investment Manager operates is the BVI Companies Act 2004 and the BVI Securities and Investment Business Act 2010. *Singapore Advisor* The Singapore Advisor was incorporated on 5 May 2005 with limited liability and for unlimited duration in Singapore and its registration number is 200506087M. The Singapore Advisor is not regulated by the FSA, the Monetary Authority of Singapore or any other financial services regulator. *Hong Kong Consultant* The Hong Kong Consultant was incorporated on 2 March 2004 with limited liability and for unlimited duration in Hong Kong and its registration number is 885885. The Hong Kong Consultant is not regulated by the FSA, the Hong Kong Securities and Futures Commission or any other financial services regulator.
Element B.42	Valuation of the Company's NAV	The Company calculates its total NAV per Share on a quarterly basis as at 31 March, 30 June, 30 September and 31 December of every year. The NAV is the sum of its cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities. The Investment Manager is responsible for the Calculation of the NAV, the Calculation of which is provided to the Company's Auditor who performs certain procedures on the Calculation. The NAV per Share is notified through a Regulatory Information Service and is also available on the Company's website at www.symphonyasia.com.

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Element B.43	Umbrella collective investment undertaking cross liabilities	Not applicable; the Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investments in another collective investment undertaking.
Element B.44	Collective investment undertakings which have not commenced operations	Not applicable; the Company has commenced operations and historical financial information is included in this document.
Element B.45	The Company's existing portfolio	See below

Material Investments

Name of company/ investment	Sector	Date of investment post IPO	Initial cost of investment (U.S.$ million)	Nature of investment	Equity percentage shareholding at Latest Practicable Date	Fair value of investment as at 30 June 2012 (U.S.$ million)	Fair value(1) of investment as at Latest Practicable Date (U.S.$ million)	% change from initial cost of investment to fair value of investment as at Latest Practicable Date	% of Company's NAV as at Latest Practicable Date (10)
Parkway(2)	Healthcare	Sept 2007	54.1	Equity(2)	N/A	N/A	N/A	N/A	N/A
MINT(3)	Hospitality	Aug 2007 – Oct 2011(5)	67.0(5)	Equity (listed)(6)	8.6	140.4	165.0	146.4	34.9
P-REIT(3)	Healthcare	Aug 2007 – Feb 2012	33.8	Equity (listed)(6)	6.36	56.7	62.9	86.3	13.3
Minuet(3)	Lifestyle/ Real estate	July 2008	66.3(7)	Debt & Equity	49.0(8)	88.0	90.5	36.6	19.2
Desaru(3)	Lifestyle/ Real estate	Jan 2012	29.0	Redeemable preference shares	49.0 of redeemable preference shares	28.3	29.5	1.6	6.2
IHT/IHH(3)	Healthcare	Feb 2012	50.1	Equity	0.7(9)	50.1	58.6	17.0	12.4
Total			300.3			363.5	406.6		86.1

Notes:

(1) The current fair value of the Company's investments in MINT, P-REIT and IHH is as at the Latest Practicable Date. The fair value of the Company's investments in Minuet and Desaru is as at 30 June 2012 (converted at the relevant exchange rate on the Latest Practicable Date into U.S. Dollars). Minuet's value is based on the valuation of its real estate assets by an independent third-party on 30 June 2012. The difference in the valuation date is due to the fact that MINT, IHH and P-REIT are listed entities and therefore the fair value of the Company's investment can be determined by reference to the market value of the shares or units, as applicable, on the relevant Stock Exchange on which they are listed. The other Material Investments are in private companies and therefore the most recent date on which the fair value of the Company's investments in such companies was determined was 30 June 2012.

(2) Interest sold in August 2010 to a subsidiary of Khazanah. Parkway consequently de-listed in August 2010.

(3) The securities in, and loans to (where applicable), Minuet and MINT are denominated in Thai Baht, the securities in Desaru and IHH are denominated in Malaysian Ringgit and the securities in P-REIT are denominated in Singapore Dollars.

(4) Prior to the IPO, the Company had made investments in Minor Corporation Public Company Limited (which then merged/was restructured with MINT). Since the table deals with post-IPO investments only, details relating to these pre-IPO investments have not been disclosed.

(5) Minor Corporation Public Company Limited shares were divested in exchange for MINT shares on 12 June 2009 in conjunction with the merger/restructuring between Minor Corporation Public Company Limited and MINT. As a result of the divestment, in addition to the shares in MINT held by the Company, the Company received approximately an additional 112.3 million shares in MINT. The U.S.$8.6 million the Company paid for Minor Corporation Public Company Limited shares prior to the IPO has been added to the U.S.$27.5 million the Company paid for MINT shares prior to the IPO and U.S.$30.9 million the Company paid for MINT shares after the IPO.

(6) MINT is listed on the Stock Exchange of Thailand and P-REIT is listed on the Singapore Exchange Securities Trading Limited ("SGX"). IHH is listed on the Bursa Malaysia Securities Berhad and the SGX.

(7) Amount invested is net of shareholder loan repayments to the Company in 2009 and 2012.

Section B – Company

(8) The Company has a direct 49 per cent. interest in Minuet. In addition, the Company also holds a 49 per cent. interest in La Finta Limited, which itself holds a 2 per cent. interest in Minuet.

(9) The Company's interest in IHT was converted into IHH shares at the time of IHH's initial public offering in July 2012. As at the Latest Practicable Date, the Company held 0.7 per cent. of the ordinary share capital in IHH.

(10) Using fair values of MINT, P-REIT and IHH as at the Latest Practicable Date and of Minuet and Desaru as at 30 June 2012.

Non-Material Investments

Name of company/investment	Sector	Date of investment post IPO	Nature of investment	Equity percentage holding as at the Latest Practicable Date
SG Land	Lifestyle/ Real estate	April 2008	Debt & Equity	49.9
AFC	Lifestyle	May 2008 – June 2012	Equity	19.2 (preference shares)
C Larsen	Lifestyle	Dec 2008 – July 2009	Debt & Equity	0.1 (ordinary shares) and 100 (redeemable convertible preference shares)
One Central Residences, Macau(1)	Lifestyle/ Real estate	Aug 2009 – Nov 2011	Equity	92.1
Niseko Property JV	Lifestyle/ Real estate	March 2011 – August 2012	Debt & Equity	37.5
Maison Takuya	Lifestyle	January – August 2012	Debt & Equity	7.44 (convertible preference shares)
Miscellaneous(2)	Lifestyle/ Real estate and Healthcare	August 2008 and June 2010	Debt	N/A

Note:

(1) The Company has sold all of the apartments that constituted this investment. The sale of the final apartment was completed on 13 September 2012.

(2) The Company's investment in these two entities represents less than 0.5 per cent. of NAV as at 30 June 2012 and as at the Latest Practicable Date and therefore the details of these entities have not been disclosed.

Element B.46	NAV per Share	As at 30 June 2012, the NAV per Share was approximately U.S.$1.24. As at the Latest Practicable Date, the NAV per Share was approximately U.S.$1.36. The Investment Manager is responsible for the Calculation of the NAV, the Calculation of which is provided to the Company's Auditor who perform certain procedures on the Calculation.

Section C – Securities

Element C.1	Details of the Rights Issue	The Rights Issue is being made to all Shareholders on the register of members of the Company at the close of business on 2 October 2012. Pursuant to the Rights Issue, the Company is proposing to offer New Ordinary Shares to Qualifying Shareholders, other than, subject to certain exceptions, Excluded Overseas Shareholders, at U.S.$0.60 per New Ordinary Share, payable in full on acceptance by no later than 11.00 a.m. on 19 October 2012 on the basis of 0.481 New Ordinary Shares for every 1 Existing Share. As part of the Rights Issue, the Company will also offer Excess Securities pursuant to the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Securities, in addition to their Rights Issue Entitlement, up to a maximum number equal to the Excess Entitlement which is 0.481 Excess Securities for every 1 Existing Share held in such Qualifying Shareholder's name as at the Record Date. The ISIN for the New Depositary Interests will be the same as that of the Existing Depositary Interests, being VGG548121059. The ISIN code for

Section C – Securities		
		the Nil Paid Rights is VGG548121398, for the Fully Paid Rights is VGG548121216 and for the Excess Entitlements is VGG548121471.
Element C.2	Currency denomination of the Shares	The Shares are denominated in U.S. Dollars.
Element C.3	Details of the Shares	Immediately prior to the publication of this document, the Company had 346,498,956 Shares with no par value (all of which were fully paid or credited as fully paid) and the share capital of the Company amounted to U.S.$306,975,366, which represents subscription proceeds received from, and the amount of liabilities capitalised through, the issuance of Shares of no par value in the Company, less transaction costs directly attributable to equity transactions.
Element C.4	Rights attaching to the Shares	The New Ordinary Shares to be issued pursuant to the Rights Issue will, following Admission, rank *pari passu* in all respects with the Shares in issue at the date of this document and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Shares after Admission.
Element C.5	Restrictions on the transferability of shares	Not applicable; there are no restrictions on the free transferability of the Shares or the New Ordinary Shares.
Element C.6	Application for admission to trading on a regulated market	Application has been made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares (nil paid and fully paid) to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective on 5 October 2012 and that dealings in the Nil Paid Rights will commence on the London Stock Exchange by 8.00 a.m. on that date. The New Depositary Interests will not be required to be listed on the "standard listing" segment of the Official List or admitted to trading on the London Stock Exchange's main market for listed securities.
Element C.7	Dividend policy	The Company has not declared or paid any dividend since the date of its incorporation on 5 January 2004. The Company believes that its growth will be driven by a combination of the appreciation in value of its portfolio companies and capital gains from the realisation of investments. The Company's current strategy is to reinvest the returns generated by its realised investments as well as income received from investments in the form of dividends and interest, after expenses, in accordance with the Company's investment policies and procedures. The Company's distribution policy reflects its judgement that the continuous reinvestment of its Capital in accordance with the Company's investment policies and procedures will allow the Company to build a strong investment base, increase its NAV and create long-term value for its Shareholders. Accordingly, the Company is not able to provide any indication of whether or when distributions may be made. Any dividends that the Company decides to declare and pay will be declared and paid in U.S. Dollars. In the event that the Company declares a future dividend prior to the exercise of all of the Share Options, subject to the market price of the Shares and exercise price of the relevant Share Options, it will pay an amount to Share Option holders equivalent to the

Section C – Securities		
		amount which the relevant Share Option holder would have received if all the Share Options granted to it which remain unexercised, whether or not they have vested at the time that the dividend is declared, had been exercised.

Section D – Risks		
Element D.2	Risks that are specific to the Company	***Risks relating to the Company*** • The Company's and the Investment Management Team's past performance is not necessarily indicative of the Company's future performance and any unrealised values of investments presented in this document may not be realised in the future. • The Company is not structured as a typical private equity vehicle (it is structured as a permanent capital vehicle), and thus may not have a comparable investment strategy. The Investment Manager is more likely to identify opportunities for the Company to invest as a long-term strategic partner in investments which may be less liquid and which are less likely to increase in value in the short term. • The Company's organisational, ownership and investment structure may create certain conflicts of interests (for example in respect of the directorships, shareholdings or interests, including in portfolio companies that some of the Directors and members of the Investment Management Team may have). In addition, neither the Investment Manager nor any of its affiliates owes Shareholders any fiduciary duties under the Investment Management and Advisory Agreement. The Company cannot assume that any of the foregoing will not result in a conflict of interest that will have a material adverse effect on the business, financial condition and results of operations. • The Company is highly dependent on the Investment Manager, the Key Persons and the other members of the Investment Management Team and the Company cannot assure Shareholders that it will have continued access to them or their undivided attention, which could affect the Company's ability to achieve it investment objectives. • Shareholders have no rights to direct the Company's investments or its investment policies and procedures, since the Investment Manager has a broad discretion as regards this. The decision to make changes (material or otherwise) to the Company's investment policy and strategy rests with the Board in conjunction with the Investment Manager. Only in very limited circumstances: (i) does the Board have a prior right of approval in respect of the making of investments or disposals; and (ii) is the Company able to remove the Investment Manager (which do not include the underperformance of the Investment Manager and/or the Company's investments). • The Investment Manager's remuneration is based on the Company's NAV (subject to minimum and maximum amounts) and is payable even if the NAV does not increase, which could create an incentive for the Investment Manager to increase or maintain the NAV in the short term (rather than the long-term) to the potential detriment of Shareholders. • The Company is exposed to foreign exchange risk when investments and/or transactions are denominated in currencies other than the U.S. Dollar, which could lead to significant changes in the NAV that the Company reports from one quarter to another. • The Company's investments include investments in companies that it does not control, meaning that there is a risk that such portfolio companies may make decisions which do not serve the Company's interests.

Section D – Risks		
	Risks relating to the Shares	• The Company has made, and may continue to make, investments in companies in emerging markets, which exposes it to additional risks (including, but not limited to, the possibility of exchange control regulations, political and social instability, nationalisation or expropriation of assets, the imposition of taxes, higher rates of inflation, difficulty in enforcing contractual obligations, fewer investor protections and greater price volatility) not typically associated with investing in companies that are based in developed markets. Furthermore, the Company has made, and may continue to make, investments in portfolio companies that are susceptible to economic recessions or downturns. Such economic recessions or downturns may also affect the Company's ability to obtain funding for additional investments. • The Company's investment policies contain no requirements for investment diversification and its investments could therefore be concentrated in a relatively small number of portfolio companies in the HH&L sectors (including branded real estate developments) within the Asia-Pacific region. • The Investment Manager has identified but has not yet contracted to make further potential investments with which to fully invest the proceeds of the Rights Issue. The Company cannot guarantee Investors or Shareholders that any or all of these prospective investments will take place in the future. • The Company cannot assure Shareholders that the values of investments that it reports from time to time will in fact be realised. For certain of the Company's investments, there is no single standard for determining fair value and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The NAV could be adversely affected if the values of investments that it records are materially higher than the values that are ultimately realised upon the disposal of the investments. • A number of the Company's investments are currently, and likely to continue to be, illiquid and/or may require a long-term commitment of capital. The Company's investments may also be subject to legal and other restrictions on resale. The illiquidity of these investments may make it difficult to sell investments if the need arises. • The Company's real estate investments may be subject to the risks inherent in the ownership and operation of real estate businesses and assets. A down turn in the real estate sector or a materialisation of any of the risks inherent in the real estate business and assets could materially adversely affect the Company's real estate investments. The Company's portfolio companies also anticipate selling a significant proportion of development properties prior to completion. Any delay in the completion of these projects may result in purchasers terminating off-plan sale agreements and claiming refunds, damages and/or compensation.
Element D.3		***Risks relating to the Securities*** • Shareholders who do not acquire New Ordinary Shares or New Depositary Interests will experience a dilution in their ownership of the Company. • The Company's "standard" listing affords Shareholders a lower level of regulatory protection than that afforded to investors in a company with a "premium" listing. • The price of the Shares may fluctuate significantly and Shareholders may not be able to sell their Shares at or above the price at which they

Section D – Risks		
		purchased them, thereby suffering a partial or full loss of their investment. • The Shares are currently trading, and have in the past traded, and could in the future trade at a discount to NAV. • Shareholders may experience dilution of their interests if the Warrants or Share Options are exercised. • Shareholders may face difficulty protecting their interests under the laws of the BVI as their rights may differ from or may not be as clearly established as under statutes or judicial precedents in other jurisdictions. • There are very limited restrictions on the ability of the Company to issue new Shares and the determination of the structure and/or pricing of future issuances is at the discretion of the Board. • The Company may declare a dividend in the future and any such dividend payments will in part be paid to the Share Option holders in respect of unexercised Share Options.

Section E – Rights Issue		
Element E.1	Proceeds and expenses of the Rights Issue	The estimated net proceeds from the Rights Issue are expected to be approximately U.S.$93.0 million (on the basis that all of the New Ordinary Shares are issued). The total costs and expenses of, and incidental to, the Rights Issue payable by the Company are estimated to be approximately U.S.$7.0 million (excluding VAT).
Element E.2a	Reasons for the Rights Issue and use of proceeds	The Company considers there to be a number of potential benefits to Shareholders by issuing further Shares and increasing its available Capital to make further investments. The Company believes that the Rights Issue will have the following benefits to Shareholders: • providing additional capital will enable the Company to benefit from investment opportunities in the market; • having a greater number of Shares in issue may provide the Shares with additional liquidity; • increasing the size of the Company will help make it more attractive to a wider shareholder base; and • the Company's fixed running costs will be spread across a wider shareholder base, thereby reducing the total expense ratio. The Company intends to apply the net proceeds in making investments in accordance with the Company's investment strategy. Pending investment, it is anticipated that the net proceeds will be temporarily invested in liquid investments and managed by a third-party investment manager of international repute or held on deposit with commercial banks.
Element E.3	Terms and conditions of the Rights Issue	The Rights Issue is an offer by the Company of 166,665,997 New Ordinary Shares at a price of U.S.$0.60 per New Ordinary Share or New Depositary Interest and is on the basis of 0.481 New Ordinary Shares for every 1 Existing Share held by Qualifying Non-CREST Shareholders on the Record Date. The Depositary holds Existing Shares and accordingly will receive a provisional allotment of New Ordinary Shares on behalf of Qualifying

Section E – Rights Issue		
		Depositary Interest Holders. The Depositary will pass on the provisional allotment made in its favour to Qualifying Depositary Interest Holders other than, subject to certain exceptions, Qualifying Depositary Interest Holders with a registered address, or resident, in the Restricted Jurisdictions and otherwise in accordance with the terms and conditions set out in this document and in accordance with the Deed Poll. As part of the Rights Issue, the Company will also offer Excess Securities pursuant to the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Securities, in addition to their Rights Issue Entitlement, up to a maximum number equal to the Excess Entitlement which is 0.481 Excess Securities for every 1 Existing Share held in such Qualifying Shareholder's name as at the Record Date. The Depositary holds Existing Shares and accordingly will receive a provisional allotment of Excess Entitlements on behalf of Qualifying Depositary Interest Holders. The Depositary will pass on the provisional allotment made in its favour to Qualifying Depositary Interest Holders other than, subject to certain exceptions as set out in this document, Qualifying Depositary Interest Holders with a registered address, or resident, in the Restricted Jurisdictions and otherwise in accordance with the terms and conditions set out in this document and in accordance with the Deed Poll. If applications under the Excess Application Facility are received for more than the total number of New Ordinary Shares available following take-up of Rights Issue Entitlements, such applications will be scaled back *pro rata* to the number of Excess Securities applied for by Qualifying Shareholders under the Excess Application Facility. The rights to an Excess Entitlement are non-transferable. Qualifying Shareholders other than, subject to certain exceptions, those who have a registered address, or are resident, in the Restricted Jurisdictions, are entitled to sell or transfer their Nil Paid Rights to the New Ordinary Shares and receive the net proceeds, if any, of the sale or transfer in cash. If you hold Existing Shares or Existing Depositary Interests on the Record Date, you will be a "Qualifying Shareholder". Qualifying Shareholders, other than, subject to certain exceptions, those who have a registered address, or are resident in, the Restricted Jurisdictions, will be entitled to participate in the Rights Issue. The New Ordinary Shares and New Depositary Interests, when fully paid, will rank *pari passu* in all respects with the Existing Shares and Existing Depositary Interests, respectively. The Rights Issue has been fully underwritten by Panmure Gordon and is conditional, *inter alia*, upon: (i) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and (ii) Admission becoming effective by not later than 8.00 a.m. on 12 October 2012 (or such later date as the Company and Panmure Gordon may agree). It is expected that Admission will become effective on 5 October 2012 and that dealings in the Nil Paid Rights will commence on the London Stock Exchange by 8.00 a.m. on that date.
Element E.4	Material interests to the Rights Issue	Not applicable; there are no interests which are material to the Rights Issue.

Section E – Rights Issue		
Element E.5	Selling Shareholders and lock-up agreements	Not applicable; there are no Shareholders offering to sell their Shares as part of the Rights Issue. There are no lock-up agreements.
Element E.6	Dilution resulting from the Rights Issue	Shareholders who do not take up entitlements to New Ordinary Shares (whether directly or through New Depositary Interests) will have their proportionate shareholdings in the Company diluted by approximately 32.48 per cent.
Element E.7	Estimated expenses charged to the Investor by the Company	Not applicable; Investors will not be charged expenses by the Company.

RISK FACTORS

An investment in the New Ordinary Shares or New Depositary Interests involves a number of risks. Prospective Investors and Shareholders should consider carefully, together with all other information contained in this document, the risk factors described below before deciding whether to invest in the New Ordinary Shares or New Depositary Interests. Additional risks and uncertainties that the Company does not currently know about or that it currently believes are immaterial may also adversely impact its business, financial condition, results of operations or the value of your investment. Any of these risks could result in a significant or material adverse effect on its results of operations or financial condition and a corresponding decline in the market price of the Shares and the Warrants. You could lose all or part of your investment.

Investors and Shareholders contemplating an investment in the New Ordinary Shares or New Depositary Interests should recognise that there is no guarantee that the Company will achieve its investment objectives. Prospective Investors and Shareholders should regard an investment in the Company as long-term in nature and may not recover the full amount initially invested. Past performance of the Company's investments or that of the Investment Management Team are not necessarily indicative of the Company's future performance. Investors and Shareholders should be aware that the price of Shares, and the income from Shares, may fall or rise. Before deciding to invest in the New Ordinary Shares or New Depositary Interests, prospective Investors and Shareholders should seek professional advice from the relevant advisers about their particular circumstances.

Your investment in the Company will involve substantial risks. You should carefully consider the following factors in addition to the other information set forth in this document before you decide to purchase or subscribe for the New Ordinary Shares or New Depositary Interests. If any of the following risks actually occurs, the Company's business, financial condition, results of operations and the value of your investment are likely to suffer.

Nothing in the risk factors outlined in this section is intended to qualify the statement made in respect of the Group's working capital in paragraph 22 ("Working Capital") of "Part 14 – Additional Information".

Risks Relating to the Rights Issue

Shareholders who do not acquire New Ordinary Shares or New Depositary Interests in the Rights Issue will experience a dilution in their ownership of the Company

Qualifying Shareholders who do not take up their entitlements pursuant to the Rights Issue will suffer an immediate dilution in their proportionate ownership and voting interests in the enlarged issued share capital of the Company. Even if an Existing Shareholder elects to sell his Nil Paid Rights, or such Nil Paid Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Company's share capital that may occur as a result of the Rights Issue.

If an active trading market in the Nil Paid Rights or the Fully Paid Rights does not develop, their market price may be adversely affected

Application has been made to admit the New Ordinary Shares (nil and fully paid) for trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in the Nil Paid Rights and Fully Paid Rights on the London Stock Exchange's main market for listed securities will commence at 8.00 a.m. on 5 October 2012.

An active trading market in the Nil Paid Rights or the Fully Paid Rights may not develop on the London Stock Exchange during the trading period. The Nil Paid Rights are expected to have an initial value that is lower than the Shares and will have a limited trading life, which may impair the development of an active trading market. If an active trading market for the Nil Paid Rights does not develop, the limited liquidity may have an adverse effect on their market price. The Nil Paid Rights may not have any value which may result in no trading market developing for the Nil Paid Rights. In addition, because the trading price of the Nil Paid Rights and the Fully Paid Rights depends on the trading price of the Shares, the Nil Paid Rights and the Fully Paid Rights prices may be volatile and subject to the same risks as noted elsewhere herein.

Risks Relating to the Company and its Investment Strategy

The Company's past performance, and the past performance of the members of the Investment Management Team, is not necessarily indicative of the Company's future performance

You should bear in mind that the Company's past performance, and the past performance of the members of the Investment Management Team, is not indicative of the future results that you should expect from the Company, and that any unrealised values of the investments presented herein may not be realised in the future. The Company's pro-forma NAV per Share as at the date of the IPO was U.S.$1.00[1]. Since August 2007, the Company has increased its NAV and, as at 30 June 2012, its NAV per Share was U.S.$1.24. Nevertheless, the Company's results may differ substantially from the historical results achieved by the investments made by it for a number of reasons, including the fact that:

- the Company will be required to pay management fees and expenses (including expenses of the Rights Issue) before it is able to make and generate returns from any of its present or future investments;
- the Company will have a substantial amount of cash from the Rights Issue that, prior to making longer-term investments or investing in special situations or structured transactions, will need to be invested in temporary investments, which are expected to generate returns that are substantially lower than the returns it would expect from longer-term investments or special situations and structured transactions;
- the Company may make investments in special situations and structured transactions which have different risks of loss compared to longer-term investments;
- the Company's results will depend on the number and quality of the investments that are available to it and that it is able to execute, consummate and realise; and
- the macroeconomic environment in the future, including the interest rate and exchange rate environment, may vary considerably from the environment that exists when the Company's investments are made and economic downturns in the Asia-Pacific region, or in the HH&L sectors (including branded real estate developments), in future could have a material adverse effect on its results.

The Company is not structured as a typical private equity vehicle and its investment strategy may not be comparable to the investment model of a typical private equity vehicle

The Company is an investment company with a different structure and a different investment strategy to that of a typical private equity vehicle. Specifically, the Company is structured as a permanent capital vehicle to enable it, where necessary, to make longer-term investments that are not constrained by restricted fund lifecycles that are a characteristic of traditional private equity funds. As a result, the Investment Manager is more likely to identify opportunities for the Company to invest as a long-term strategic partner in investments which may be less liquid and which are less likely to increase in value in the short term. In addition, unlike a typical private equity vehicle in which investors are only required to make capital commitments, the full proceeds of the Rights Issue will be paid by those Investors and Shareholders who are issued New Ordinary Shares or New Depositary Interests under the Rights Issue which the Investment Manager will arrange to be held initially on deposit with commercial banks or invested in temporary investments before they are invested. Such capital contributions may achieve lower returns for Shareholders than if they had been able to make capital commitments and retain and/or invest by themselves their uncalled capital pending its investment, as would be the case for investors in a private equity vehicle.

The Investment Manager has identified but has not yet contracted to make further potential investments with which to fully invest the proceeds of the Rights Issue and the Company expects that it will generate lower returns due to its cash management policy during the period that it takes to deploy its Capital

The Investment Manager has identified but has not yet contracted to make further potential investments with which to fully invest the net proceeds of the Rights Issue. The Company will continue to focus on

1 At the time of the IPO, the NAV per Share was determined to be approximately U.S.$1.00 per Share. However, no NAV per Share calculation was undertaken at that time.

investments in consumer-related companies, particularly in the HH&L sectors (including branded real estate developments) in the Asia-Pacific region. The Investment Manager is in early and advanced-stage discussions regarding a number of potential investment opportunities in these sectors and the Investment Manager has identified a number of other potential opportunities, as disclosed in paragraph 7 ("Future Investment Opportunity") of "Part 1 – The Business and the Investment Portfolio". Nevertheless, the Investment Manager intends to conduct, as it has in the past, appropriate due diligence with respect to the Company's investments and, as a result, suitable investment opportunities may not be immediately available. Given the amount of the proceeds from the Rights Issue, it may take a significant amount of time to fully invest the Company's Capital and the Company cannot assure Shareholders that the Investment Manager will be able to identify or complete suitable investments for any or all of its Capital.

The Company anticipates that the net proceeds of the Rights Issue will need to be temporarily invested by the Investment Manager in liquid investments and managed by a third-party investment manager of international repute or held on deposit with commercial banks before they are invested. Temporary investments could include government securities, certificates of deposit, commercial paper, floating rate notes, short- and medium-term obligations, repurchase agreements, supranational bonds, asset-backed securities and other investment grade securities. The returns that temporary investments are expected to generate and the interest that the Company will earn on deposits with commercial banks will be substantially lower than the returns that it anticipates receiving from its longer-term investments or special situations and structured transactions. This could prevent the Company from meeting its investment objectives and negatively impact its results and its NAV pending the full investment of its Capital. If the yields on temporary investments do not exceed the Company's expenses, the negative rate of return may adversely impact the NAV. In addition, while the Company's temporary investments will be relatively conservative compared to its longer-term investments or special situations and structured transactions, they are nevertheless subject to the risks associated with any investment, which could result in the loss of all or a portion of the capital invested. There may also be a high degree of variability between the returns generated by different types of temporary investment. These factors will increase the uncertainty, and thus the risk, of an investment in the New Ordinary Shares.

The Company's financial condition and results of operations will depend on its ability to manage future growth and the effective implementation of the investment strategy by the Investment Manager

The Company's ability to achieve its investment objectives will depend on its ability to manage its existing investments and grow its investment base, which will depend, in turn, on the Investment Manager's ability to identify, invest in, monitor and achieve exits from a suitable number of companies and implement the various aspects of the Company's investment strategy. Achieving growth on a cost-effective basis will largely be a function of the Investment Manager's structuring of the investment process, competence, attentiveness and efficiency and its ability to invest the net proceeds of the Rights Issue, reinvest the Company's Capital and obtain additional capital on acceptable terms, as well as being influenced by factors such as the market opportunities available and prevailing interest rates. Any failure to manage the Company's future growth or to effectively implement the investment strategy could have a material adverse effect on its business, financial condition and results of operations.

The Company cannot assure Shareholders that it will be able to accurately predict or effectively react to future changes in the value of investments

The Company's ability to generate attractive returns for Shareholders will depend upon the Investment Manager's ability to make a correct assessment as to future values that can be realised in connection with the Company's existing and future investments. The ability to accurately assess future investment values, whether in connection with the making of an investment or the exiting of an investment, while important for all of the Company's investments, may be particularly important in the case of investments that are made in businesses over which the Company and the Investment Manager have relatively limited or no control, as is likely to be the case, in particular, with investments in special situations and structured transactions. The securities markets have, in recent years, been characterised by a high degree of volatility and unpredictability and there can be no assurance that the Investment Manager will be successful in making assessments regarding future trends in prices, including the timing of any price changes, or that the Investment Manager will be able to react effectively to any such changes or that the Company will generate gains on investments.

The Company's organisational, ownership and investment structure may create certain conflicts of interest

The Investment Manager is obliged to use its best endeavours to ensure that each member of the Investment Manager Group shall exclusively assist the Investment Manager in fulfilling its obligations under the Investment Management and Advisory Agreement (subject to any pre-existing commitments of such member of the Investment Manager Group).

The Investment Manager is also obliged to disclose any conflict of interest of the Investment Manager or any of its directors in an entity in which the Company is evaluating an investment. If the Board determines that there is a material conflict of interest, the Board shall decide whether such investment decision shall be made instead of the Investment Manager.

Certain conflicts of interest situations, however, may arise in respect of the directorships, shareholdings or interests that some of the Directors and members of the Investment Management Team, subject to the completion of existing investment and advisory commitments, hold in companies or investment funds that carry on similar businesses to that of the Company. These are summarised as follows: two of the Directors, Anil Thadani and Sunil Chandiramani, and some of the members of the Investment Management Team are also directors of Symphony Capital Partners Limited ("SCPL"), Symphony Capital Partners (Asia) Pte. Ltd. ("SCPAPL") and Symphony Capital Partners (Asia) Limited ("SCPAL"). SCPL acts as an investment adviser to the managers of Asia-Pacific Fund II ("APF II") and Schroder Ventures Asia-Pacific Fund ("SVAPF" and, together with APF II, the "Schroder Ventures Funds"), while SCPAPL and SCPAL act as consultants to SCPL. The members of the Investment Management Team have advised that the Schroder Ventures Funds are at their end stage (i.e. they are in the final phase of their lifecycle and will not be making any new investments). The members of the Investment Management Team and Anil Thadani and Sunil Chandiramani will continue as directors of SCPL, SCPAPL and SCPAL, pending realisation of the remaining investments in the Schroder Ventures Funds' portfolios and their final liquidation.

Further, the Investment Manager or its affiliates may continue to enter into contractual arrangements involving the portfolio companies of the Company for the purposes of the fulfilment of its investment objectives. Such arrangements involve, among other things, consulting and advising the Company's portfolio companies and providing other organisational and financial guidance. The Investment Manager and its affiliates may receive fees for these services. The directors and other executive officers of the Investment Manager and its affiliates may continue to be appointed as directors of such portfolio companies and may also receive compensation in the form of fees and/or options or other compensation from such portfolio companies for acting as directors of such companies.

The Company cannot assume that any of the foregoing would not result in a conflict of interest that will have a material adverse effect on its business, financial condition and results of operations.

The Company operates in a highly competitive market for investment opportunities

The Company's performance is dependent to a significant extent on the ability of the Investment Manager to identify opportunities for the Company pursuant to the Company's investment strategy. The failure of the Investment Manager to identify and make appropriate investments, whether as a result of competitive pressures or otherwise, would increase the amount of the Company's assets invested in temporary cash investments and, accordingly, reduce its anticipated rates of return. The Company competes with a number of entities for investment opportunities and the competition has become more intense in the Asia-Pacific region in recent years. With respect to its longer-term investments, the Company expects to face competition primarily from private equity vehicles, strategic buyers and hedge funds. With respect to the Company's investments in branded real estate developments, the Company expects to face competition primarily from real estate funds, hedge funds, private investors, and hotel and hospitality groups. With respect to the Company's investments in special situations and structured transactions, depending on the investment, the Company expects to face competition primarily from hedge funds, public funds and commercial finance companies. Many of these competitors may be substantially larger and have considerably greater financial, technical and marketing resources than are available to the Company and the Investment Manager. Several of these competitors have recently raised, or are expected to raise, significant amounts of capital, and may have similar investment policies, which may create additional competition for investment opportunities.

Some of these competitors may also have a lower cost of capital and access to funding sources that are not available to the Company, which may create competitive disadvantages for the Company with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances or different risk assessments or investment objectives, which could allow them to consider a wider variety of investments. The Company cannot assure Shareholders that these competitive pressures will not have a material adverse effect on its business, financial condition and results of operations or that the Investment Manager will be able to identify and make investments that are consistent with its investment policies or that generate attractive returns for Shareholders. The Company may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Company may experience decreased rates of return and increased risks of loss if it matches investment prices, structures and terms offered by competitors.

The Group may incur indebtedness, including borrowings drawn under one or more credit facilities, which may involve the provision of a corporate guarantee by the Company in addition to other security, which will be in addition to indebtedness that is incurred by portfolio companies in which the Company's investments are made. Such additional indebtedness could subject Shareholders to additional risks

Schubert Holdings Pte. Ltd. (one of the Company's wholly-owned subsidiaries) has incurred indebtedness in respect of its investment in SG Land which is secured against Schubert Holdings Pte. Ltd.'s interest in SG Land (with no recourse to the Company). The Company is the borrower of a loan in respect of its investment in the Niseko Property JV. Save as set out above, the Company itself currently does not have any borrowings, but certain of the portfolio companies in which it has invested are currently indebted. Pursuant to its investment strategy, the Company may incur indebtedness, and acquisition vehicles established by it may also incur indebtedness, in buy-out or buy-in transactions. This indebtedness, which may be incurred under one or more credit facilities, will be in addition to any indebtedness that is incurred by portfolio companies, but no indebtedness has or will be incurred by one portfolio company with respect to an investment by the Company in another portfolio company, there has not been, nor will there be, any cross-collateralisation of debt incurred by the portfolio companies, there are not and it is not intended that the Company will guarantee any indebtedness incurred by a portfolio company and any indebtedness incurred by a portfolio company is not subject to recourse to the Company. While the incurrence of this indebtedness may positively affect the NAV when the values of underlying investments increase, it has the potential to negatively impact its NAV when the values of underlying investments decline, because a greater percentage of the value of the underlying assets could be subject to a lender's superior claim. This indebtedness would also give rise to additional costs, including debt issuance and servicing costs and financial and operating covenants, which could affect the Company's ability to engage in certain types of activity, to make distributions in respect of equity, to make certain investments and/or to incur further indebtedness. Moreover, the deductibility of interest on such indebtedness may be limited for tax purposes. Because the Company anticipates that a significant proportion of its investments in portfolio companies will be illiquid and will not generate distributable cash on a regular basis, it will need to monitor its level of indebtedness to ensure that it satisfies its debt service obligations on an ongoing basis (although please note that this is not a qualification to the statement regarding working capital made in paragraph 22 ("Working Capital") of "Part 14 – Additional Information"). If the Company was to incur indebtedness in the future it may be required to dispose of certain investments in its portfolio companies in order to satisfy any debt service obligations or to ensure that the Company complies with any related financial or operating covenants. Any of these outcomes could materially and adversely affect the value of an investment in the Shares.

The Company is exposed to foreign exchange risk

The Company's functional currency is currently the U.S. Dollar. The Company is exposed to transactional foreign exchange risk when transactions are denominated in currencies other than the U.S. Dollar. The Company is also exposed to translational foreign exchange risk from its subsidiaries and jointly controlled entities with non-U.S. Dollar functional currencies. When valuing investments that are denominated in currencies other than the U.S. Dollar, the Company is, and will be, required to revalue such investments into U.S. Dollars based on prevailing exchange rates as at the end of the applicable accounting period. Due to the foregoing, changes in exchange rates between the U.S. Dollar and other currencies could lead to significant changes in the NAV that the Company reports from one quarter to another. The Investment

Manager may employ hedging techniques on behalf of the Company to minimise these risks, but the Company can offer no assurance that such strategies will be effective. If the Company engages in hedging transactions, it may be exposed to additional risks associated with such transactions, such as the risk of default by the counterparty.

The Company may experience fluctuations in its operating results

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of its investments, which could be due to changes in values of portfolio companies, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in its operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which it encounters competition, the degree of indebtedness it incurs in any particular financial period and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular financial period not to be indicative of its performance in a future period.

The Company is not regulated as an investment company under the laws or regulations of the British Virgin Islands

The Company is not regulated as an investment company under the laws or regulations of the British Virgin Islands and no applicable laws or regulations in that jurisdiction provide protection for Investors or Shareholders or impose restrictions on investment companies which are similar to the Company.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, investments, NAV and/or financial performance

Each of the Company and the Investment Manager is subject to the laws and regulations of the British Virgin Islands and the Company is also subject to various UK regulatory requirements. Additional laws may apply to the portfolio companies in which the Company makes investments, for example, the laws of the jurisdictions in which the portfolio companies are incorporated and/or the rules and regulations of a competent regulatory authority or the relevant stock exchanges on which such companies are listed (if applicable). Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Other countries or regimes may seek to impose regulatory requirements that impact on either the Company and/or the Investment Manager Group. For example, Singapore (where the Singapore Advisor is incorporated and domiciled) is currently reviewing the regulatory requirements applicable to fund managers which may affect the regulatory status of the Singapore Advisor and, in the context of the European Union, the European Commission has recently published the Alternative Investment Fund Managers Directive which may have significant consequences for the Company and/or the Investment Manager (see also the risk factor entitled "Implementation of the Alternative Investment Fund Managers Directive may have significant consequences for the Company and its ability to raise further capital through offering its Shares in the EU"). Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on the Company's business, investments and financial performance as well as the operations of the Investment Manager. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied by any of the persons referred to above, could have a material adverse effect on the Company's business, investments and results of operations and/or the operations and ability of the Investment Manager.

Shareholders have no prior right of approval of material changes to the Company's investment policy

The Company's investment policies and procedures (which incorporate the Company's investment strategy) provide that the Investment Manager should review the Company's investment policies and procedures on a regular basis and, if necessary, propose changes to the Board when it believes that those changes would further assist the Company in achieving its objective of building a strong investment base and creating long-term value for its Shareholders.

The decision to make any changes to the Company's investment policy and strategy, material or otherwise, rests with the Board in conjunction with the Investment Manager and Shareholders have no prior right of approval for material changes to the Company's investment policy.

Risks Relating to the Investment Manager and the Investment Management Team

The Company is highly dependent on the Investment Manager, the Key Persons and the other members of the Investment Management Team, and the Company cannot assure Shareholders that it will have continued access to them or their undivided attention. The departure, death or incapacity of some or all of the members of the Investment Management Team could affect the Company's ability to achieve its investment objectives

The Company depends on the Investment Manager to manage its assets and its day-to-day operations. The Company will depend on the diligence, skill and business contacts of the Investment Manager, the Key Persons and the other members of the Investment Management Team, and the information and deal flow they generate during the normal course of their activities for, among other things, selecting, acquiring and disposing of investments, carrying out financing, cash management and risk management activities, providing investment advisory services, including with respect to the Company's investment policies and procedures, and arranging for personnel and support staff to be provided to carry out the management and operation of its businesses. In addition, the Investment Manager has agreed to ensure that the Key Persons work exclusively for the Investment Manager (as long as they are involved with the Investment Manager or its affiliates), devote substantially all of their business time (as employees and on behalf of the Investment Manager Group) to assist the Investment Manager in its fulfilment of the investment objectives of the Company and be actively involved in the affairs of the Investment Manager Group. The Company believes that its success and the success of its investments will depend upon the experience of the Investment Manager, the Key Persons and the other members of the Investment Management Team and their continued involvement in the Company's business and those investments. If the Investment Manager was to cease to provide services under the Investment Management and Advisory Agreement or to cease to provide investment management, operational and financial advisory services to the Company or to any of its investments for any reason, the Company would experience difficulty in making new investments, its business and prospects would be materially harmed and the value of its existing investments and its results of operations and financial condition would be likely to suffer materially.

The Key Persons' participation in the activities of the Investment Manager is subject to completion of their existing commitments. If the Key Persons were to be relatively more occupied by these existing commitments, they may spend less time on the affairs of the Investment Manager, which could have a material adverse effect on the Company's ability to achieve its investment objectives.

The departure of any member of the Investment Management Team, including Anil Thadani, Sunil Chandiramani or Rajgopal Rajkumar or any other Key Person, or a significant number of the other members of the Investment Management Team for any reason, or their death or incapacity or the failure to appoint qualified or effective successors in the event of such departures, death or incapacity, could have a material adverse effect on the Company's ability to achieve its investment objectives and its NAV.

In addition, the Company does not have the right to prevent the shareholders of the Investment Manager from transferring control over the Investment Manager's business to a third-party. If the shareholders of the Investment Manager were to transfer their control over the Investment Manager's business, the new owner would become the service provider under the Company's Investment Management and Advisory Agreement, would exercise control over the Investment Manager and/or may seek to replace or supplement members of the Investment Management Team in accordance with the terms of the Investment Management and Advisory Agreement.

The Company is required to initiate the process of liquidation if it is unable to replace the Investment Manager or the Key Persons in a certain prescribed time

Pursuant to the Investment Management and Advisory Agreement, if no replacement Key Persons who are nominated by the Investment Manager and/or the remaining Key Persons are approved by the Board within a period of 12 calendar months from the date following the date on which only one Key Person remains engaged or employed by the Investment Manager, and the Board is not able to nominate at least one replacement Key Person within a period of six calendar months from the aforesaid 12 calendar months, the Board shall be required to appoint a new investment manager and terminate the Investment Management and Advisory Agreement.

Further, if, at any time during the term of the Investment Management and Advisory Agreement, no Key Person is employed or engaged by the Investment Manager, the Board shall be required, within a period of three calendar months from the date the last Key Person ceases to be employed or engaged by the Investment Manager, to nominate at least two replacement Key Persons to be appointed by the Investment Manager or to appoint a new investment manager and terminate the Investment Management and Advisory Agreement.

If the Company is unable to replace the Investment Manager or the Key Persons in time, it is required by the terms of the Investment Management and Advisory Agreement to initiate the process of the Company's liquidation.

The Investment Management and Advisory Agreement contains provisions that indemnify and limit the liability of the Investment Manager and the Singapore Advisor

The Company has agreed in the Investment Management and Advisory Agreement to indemnify the Investment Manager and the Singapore Advisor in respect of claims and expenses in connection with performing their obligations under the Investment Management and Advisory Agreement, except for those claims and expenses which arise from fraud, gross negligence, wilful misconduct, reckless disregard of duties or bad faith. Further, the Company has also agreed to indemnify the Investment Manager Group and their directors, officers, shareholders, employees and agents against all claims, liabilities, costs and expenses incurred by them for any good faith act or omission on behalf of the Company, except for those claims and expenses which arise from fraud, gross negligence, wilful misconduct, reckless disregard of duties or bad faith. In addition, the Investment Management and Advisory Agreement contains provisions that limit the liability of the Investment Manager Group to the Company for any loss suffered by the Company unless such loss arises from bad faith, fraud, gross negligence, wilful misconduct or reckless disregard of duties in the performance or non-performance of their obligations or duties. Therefore, the Company is liable for claims and expenses incurred by the Investment Manager Group and for acts and omissions taken by them on its behalf, but the Company has limited legal recourse against them for losses arising from such acts and omissions.

The Company has no direct rights to enforce the employment terms between the Investment Manager Group and the members of the Investment Management Team, including the exclusivity of the Key Persons, and the Company has no right to prevent a variation of the employment terms or the termination of employment

The Investment Manager has identified Anil Thadani, Sunil Chandiramani and Rajgopal Rajkumar as the current Key Persons. The Investment Manager, the Singapore Advisor and the Hong Kong Consultant are responsible for the remuneration paid to members of the Investment Management Team and the Key Persons.

Although the Investment Manager has agreed in the Investment Management and Advisory Agreement to ensure that each of the Key Persons will (as long as they are involved with the Investment Manager or its affiliates) (i) be employed by and work exclusively for the Investment Manager Group, (ii) devote substantially all of their business time (as employees and on behalf of the Investment Manager Group) to assist the Investment Manager in its fulfilment of the investment objectives of the Company and (iii) be actively involved in the management of the business activities of the Investment Manager Group (subject to (a) any existing commitments of any Key Persons, (b) the participation by any Key Persons as members of the Board of the Company and (c) the engagement of a Key Person by the Investment Manager Group in any capacity that the Investment Manager deems necessary in order to fulfil its obligations under the Investment Management and Advisory Agreement), none of the Key Persons or members of the Investment Management Team is a party to the Investment Management and Advisory Agreement. As a consequence, the Company has no right to prevent a variation of the employment terms agreed with the Key Persons or any other member of the Investment Management Team, no right to prevent the termination of employment or the departure of a Key Person or any member of the Investment Management Team, and only limited rights to propose replacement Key Persons. The Company will rely upon the Investment Manager Group to enforce the terms of their respective employment agreements with the Key Persons and any other member of the Investment Management Team, as the case may be. The Company cannot assure Shareholders that the Investment Manager Group will enforce its rights under such employment terms in the event of the departure of a Key Person. The Company's own rights will be restricted to enforcement or (in certain limited circumstances) termination of the Investment Management and Advisory Agreement with the Investment Manager.

The Board has a right of prior approval of investments or disposals in only very limited circumstances

The Board has the responsibility for the strategic and corporate governance of the Company and is entrusted with responsibility for its overall management. Pursuant to the Investment Management and Advisory Agreement, which has no fixed term, the Investment Manager has been authorised to issue orders and instructions with respect to the making and divestment of investments, monies and other assets, and all the Company's investments must be reviewed and approved by an investment committee which is to be appointed by the Investment Manager. While the investment committee's members may include Anil Thadani and/or Sunil Chandiramani, who are members of the Board and also of the Investment Manager Group, the Board itself does not hold any rights of prior approval in respect of investments entered into or disposals made, save in circumstances where the Board perceives there to be a material conflict of interest of the Investment Manager or any of its directors in relation to an investment being evaluated by the Company (see the risk factor entitled "The Company's organisational, ownership and investment structure may create certain conflicts of interest" for further details). As such, disagreements may arise between the Board and the Investment Manager, which could adversely affect the operations of the Company and the NAV. Nevertheless, the Board is regularly kept informed of potential Material Investment opportunities, the performance of all the Company's existing investments and the status of any proposed disposals. Furthermore, the Company has the ability, under certain limited circumstances, to remove the Investment Manager, as further detailed in paragraph 18.2 ("Investment Management and Advisory Agreement") of "Part 14 – Additional Information".

Shareholders have no rights to direct the Company's investments or its investment policies and procedures and the Company is only able to remove the Investment Manager in very limited circumstances, not including in the event of underperformance of the Investment Manager and/or the Company's investments, which could limit the Company's ability to improve its performance and could adversely affect the market price of the Shares and Warrants

The Investment Manager has broad discretion when making investments and implementing the Company's investment strategy and policies and procedures. Under the Memorandum and Articles of Association, Shareholders do not have the right (i) to propose changes to the Company's investment policies and procedures (including the Company's investment strategy), (ii) to approve material changes to its investment policies and procedures (including the Company's investment strategy) or (iii) to provide input with regard to investment decisions or the implementation of its investment strategy, or to evaluate a proposed investment before an investment decision is made.

Further, the Investment Management and Advisory Agreement with the Investment Manager and the Singapore Advisor, which has no fixed term, provides that the Company may terminate the Investment Management and Advisory Agreement only when:

- the Investment Manager is insolvent, is placed in liquidation or is wound up; or
- the Investment Manager is in material breach of the Investment Management and Advisory Agreement (including certain provisions with respect to the appointment of replacement Key Persons) and fails to remedy the breach within a period of 30 days of receiving written notice from the Company requiring it to do so (each such notice a "Breach Notice") in accordance with the following process:

if the Company alleges a material breach of the Investment Management and Advisory Agreement and the same is not remedied within 30 days of the date of receipt of the Breach Notice, a panel comprising of three arbitrators from the list of approved arbitrators of the Singapore International Arbitration Centre (the "SIAC") (one of whom is to be nominated by the Company, one of whom is to be nominated by the Investment Manager and the third who is to be nominated by the two arbitrators nominated by the Company and the Investment Manager or, if they are unable to do so, by the chairman of the SIAC in accordance with the rules of the SIAC) (the "Arbitration Panel") shall determine, within a period of not more than six months from the date falling 30 days from the date of receipt of a Breach Notice (each such period an "Investigation Period"), whether there has been a material breach of the Investment Management and Advisory Agreement. If the Arbitration Panel decides that such material breach as has been alleged in the Breach Notice has occurred and not been remedied within 30 days of the date of receipt of a Breach Notice, then the Investment Management and Advisory Agreement shall be terminated. If the Arbitration Panel decides that such material breach as has been alleged in the Breach Notice has not occurred or that the same has been remedied within 30 days of the date of receipt of the Breach Notice, then the Investment Management and Advisory Agreement shall not be terminated pursuant to such Breach Notice. If, within an Investigation Period, the Arbitration Panel has not been able to determine whether the material breach alleged in a Breach Notice has occurred or whether the same has been remedied within 30 days of the date of the receipt of a Breach Notice, then the Company can terminate the Investment Management and Advisory Agreement only with the approval of a Special Resolution of its Shareholders.

Further, during any Investigation Period, the Investment Manager shall not make any new investments, increase or decrease the Company's investment in any existing investment, make any dividend payments or issue any further Shares or securities of the Company or do any other transactions which have the same economic effect as any of the above; provided, however, that any increase in any existing investment may be made in any Investigation Period with the prior approval of the investment committee of the Investment Manager. The Company shall continue to pay the Management Fees, grant the Share Options and issue the Management Shares to the Investment Manager in respect of any Investigation Period.

The market price of the Shares could be adversely affected if the Investment Manager's performance as the Company's service provider does not meet the expectations of Investors and Shareholders and the Company is unable to remove the Investment Manager and terminate the Investment Management and Advisory Agreement, which has no fixed term, in accordance with the process mentioned above.

The Investment Manager's remuneration is payable even if the NAV does not increase and may create an incentive for the Investment Manager to make investments and take actions that increase or maintain the NAV over the shorter-term when other investments or actions may be more favourable in the longer-term

Although the Investment Manager has been granted the Initial Share Options and issued 8,238,980 Management Shares, the value of which will depend on long-term growth in the NAV and the market value of the Shares, the Investment Manager is also entitled to receive a payment under the Investment Management and Advisory Agreement based on the NAV. This fee component, which is payable irrespective of operating performance, may create an incentive for the Investment Manager to make investments and take other actions that increase or maintain the NAV over the shorter term when other investments or actions may be more favourable in the longer term.

The Company intends to grant the Rights Issue Share Options to the Investment Manager in accordance with the Share Options Terms as a result of the change to the Capital of the Company following the Rights Issue. The Company will grant the Rights Issue Share Options following the date of the Rights Issue.

In addition, in the event that the Company declares a future dividend prior to the exercise of all of the Share Options, it will pay an amount to Share Option holders equivalent to the amount which the relevant Share Option holder, would have received if all the Share Options granted to it which remain unexercised, whether or not they have vested at the time that the dividend is declared, had been exercised. See paragraph 5 ("Investment Manager's Remuneration") of "Part 3 – The Investment Manager Group" and the paragraph entitled "Payment to Share Option Holders" of "Part 11 – Dividend Policy" for further details.

The Investment Manager and/or members of the Investment Management Team may decide to sell all its/their Management Shares and/or Shares received through the Share Options and the Rights Issue Share Options and thereafter the interests of the Investment Manager and/or members of the Investment Management Team may no longer be better aligned with the interests of Shareholders

The Company believes that by compensating the Investment Manager (and, through the Investment Manager, the Investment Management Team) for its services in the form of Management Shares and Share Options (which, upon their exercise, will entitle the Investment Manager and members of the Investment Management Team to Shares), the interests of the Investment Manager and the Investment Management Team will be better aligned with the interests of Shareholders. This is because the exercise price of the Initial Share Options is currently U.S.$1.00, the exercise price of the Rights Issue Share Options will be the Issue Price and the current exercise price of the Future Share Options is U.S.$1.25 and will thus be "out of the money" if the price of its Shares declines below those exercise prices. In each case, the number and exercise price of the Share Options may be adjusted pursuant to the Share Options Terms following the publication of this document (including as a result of the Rights Issue). In addition, a reduction in the NAV may also reduce the value of the Management Shares, and a decline in the price of its Shares will reduce the value of the Management Shares. However, the Investment Manager (or, once the Management Shares or Share Options are transferred to a member of the Investment Management Team, such Investment Management Team member) may decide to sell all the Management Shares and/or Shares received following exercise of the Share Options and, thereafter, the interests of the Investment Manager and/or the Investment Management Team may no longer be aligned to the same extent with the interests of its Shareholders.

Neither the Investment Manager nor any of its affiliates owes Shareholders any fiduciary duties under the Investment Management and Advisory Agreement

The obligations of the Investment Manager under the Investment Management and Advisory Agreement are contractual rather than fiduciary in nature. The Company will have sole authority and discretion to enforce the terms of the agreement and to consent to any waiver, modification or amendment of its provisions. While the Board is permitted to take action on the Company's behalf with respect to the enforcement of its rights under the Investment Management and Advisory Agreement, any such action would require the approval of a majority of the Directors.

Implementation of the Alternative Investment Fund Managers Directive may have significant consequences for the Company and its ability to raise further capital through offering its Shares in the EU

The Company anticipates that it will be considered to be an Alternative Investment Fund within the meaning of the Alternative Investment Fund Managers Directive, which came into force on 21 July 2011. This classification may have significant consequences for the Company and the Investment Manager, and has the potential to materially increase compliance, regulatory, operational and administrative costs, in particular in relation to anticipated requirements for marketing the Company's shares within the EU.

While the Alternative Investment Fund Managers Directive is now in force, the deadline for its transposition into the national law of each EU member state is currently 22 July 2013. It is expected that, pursuant to the so-called "third country provisions" of the Directive, the Company and/or the Investment Manager will be able to continue to market the Company's Shares to professional investors within the EU in reliance upon applicable national private placement regimes until at least 2018, although this may depend upon the relevant regulatory authority in the BVI entering into co-operation agreements with its EU counterparts and the Company complying with certain enhanced disclosure requirements.

If the costs of raising capital increase as a consequence of the implementation of the Alternative Investment Fund Managers Directive or if, after 2018, marketing of the Company's Shares in the EU is prohibited as a result of the removal of national private placement regimes, then this may have a detrimental impact on the Company's ability to meet its liabilities or manage its operations.

Risks Relating to the Company's Investments in Portfolio Companies

The Company's longer-term investments in portfolio companies are subject to a number of significant risks and the Company could lose all or part of its investment

The Company's current investment policies and procedures provide that it invests a majority of its assets in longer-term investments. Longer-term investments involve a number of significant risks, including the following, any of which could materially and adversely affect the value of an investment in the Shares:

- companies in which longer-term investments are made are more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of those persons could have a material adverse impact on their business and prospects and the investment made;
- companies in which investments of an expansion capital nature are made generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- companies in which longer-term investments are made may have limited financial resources and may be unable to meet their debt service obligations, which may be accompanied by a deterioration in the value of their equity securities or any collateral or guarantees provided with respect to their debt obligations;
- companies in which longer-term investments are made may be highly leveraged and subject to significant debt service obligations, stringent operating and financial covenants and risks of default under financing and other contractual arrangements, which could have material adverse consequences for the Company and the value of the Company's investment in such company if a default was to occur (although please note that this is not a qualification to the statement regarding working capital made in paragraph 22 ("Working Capital") of "Part 14 – Additional Information");
- the Company, the Directors, the Investment Manager or the members of the Investment Management Team may be named as defendants in litigation involving a company in which an investment is made;
- generally only limited public information exists about unlisted companies in which longer-term investments are made and such companies are often not subject to external regulation or disclosure requirements; therefore, when investing in those companies, the Company is relying on the ability of the Investment Management Team to obtain adequate information for the purposes of evaluating potential returns and making a fully informed investment decision; and
- some of the Company's longer-term investments may be in publicly listed companies whose securities are illiquid and the prices of which are volatile, which may reduce its flexibility to exit such investments or the price achieved on exit.

The Company's investments in special situations and structured transactions may pose the same or additional risks of loss to those posed by longer-term investments

In connection with its investment activities and pursuant to the Company's investment guidelines, the Investment Manager will identify investment opportunities which are in the nature of "special situations and structured transactions". Companies in which the Company invests in connection with special situations and structured transactions typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These investment opportunities do not strictly fit into the category of longer-term investments or temporary investments as described in this document. Opportunities in special situations and structured transactions generally arise from the network of relationships that the members of the Investment Management Team have developed with vendors, entrepreneurs, financial institutions, other fund managers and professional advisors (such as investment bankers, accountants and lawyers) in the course of transaction generation and execution. Investments that fall into this category tend to have relatively short holding periods and entail little or no participation in the board of the company in which such investments have been made. The Company may invest up to 30 per cent. of its total assets (as determined at the time of each investment) in special situations and structured transactions. Whether an investment will be characterised by the Company as an investment in a special situation and structured transaction will be determined at the time of such investment.

Special situations and structured transactions in the form of fixed debt investments also carry an additional risk that increases in interest rates could decrease their value. The Company's investments in special situations and structured transactions could lose some or all of their value and may generate returns that are lower than the returns achieved by the private equity vehicles which members of the Investment Management Team had managed or advised in the past.

The Company's investments in portfolio companies may be in companies that are highly leveraged

The Company may have investments, including investments in special situations and structured transactions, in portfolio companies that may have a significant degree of leverage in their capital structure, including leverage resulting from the structuring of the Company's investment in such portfolio companies. For example, in investments that involve management buy-outs or buy-ins, or investments of certain real estate assets, indebtedness may constitute a significant proportion of a portfolio company's total capital, including debt that may be incurred in connection with the investment. In addition, companies that are not or do not become highly leveraged at the time an investment is made may increase their leverage after the time of investment by the Company, including in connection with an expansion into additional or different markets. Investments in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. In addition, the incurrence of a significant amount of indebtedness by a portfolio company may, among other things:

- give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which may limit the company's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;
- limit the portfolio company's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;
- limit the portfolio company's ability to engage in strategic acquisitions that may be necessary to generate attractive returns or further growth; and
- limit the portfolio company's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital (although please note that this is not a qualification to the statement regarding working capital made in paragraph 22 ("Working Capital") of "Part 14 – Additional Information") or general corporate purposes.

A leveraged portfolio company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged portfolio company is generally greater than for portfolio companies with comparatively less debt.

The Company's investments may rank junior to investments made by others

The Company expects to make investments in companies that have indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, that rank senior to the Company's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of its investment. Also, in the event of insolvency, liquidation, dissolution, reorganisation or bankruptcy of a portfolio company in which an investment is made, holders of securities ranking senior to the Company's investment in the portfolio company would typically be entitled to receive payment in full before distributions can be made in respect of the Company's investment. After repaying senior security holders, the portfolio company may not have any remaining assets to use for repaying amounts owed in respect of the Company's investment. To the extent that any assets remain, holders of claims that rank equally with the Company's investment will be entitled to share on an equal and rateable basis in distributions that are made out of those assets.

The Company cannot assure Shareholders that the values of investments that it reports from time to time will in fact be realised

Certain of the Company's investments will be in companies for which market quotations are not readily available. The Company will typically value these investments at cost for a 12-month period from the date of investment except where market quotations are readily available or if there is a potential diminution in the value of the investment (such valuations will also usually be converted at the relevant exchange rates into U.S. Dollars as appropriate during that 12-month period). After this period, the Company will make determinations as to the fair value of these investments on a quarterly basis, except for real estate related investments, which are valued as at 30 June and 31 December each year by independent third-party valuation agents. There is no single standard for determining fair value and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The types of factors that may be considered when applying fair value pricing to an investment in a particular portfolio company include the historical and projected financial data for the portfolio company, valuations given to comparable companies, the size and scope of the portfolio company's operations, the strengths and weaknesses of the portfolio company, expectations relating to investors' receptivity to an offering of the portfolio company's securities, the size of the Company's holding in the portfolio company and any control associated therewith, information with respect to transactions or offers for the portfolio company's securities (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realisable value of any collateral or credit support and other relevant factors.

Fair values may be established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or NAV) or, in some cases, a cost basis or a discounted cash flow or liquidation analysis. Because valuations, and, in particular, valuations of investments for which market quotations are not readily available, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates and determinations of fair value that may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for the Company's investments, such quotations may not reflect the value that the Company would actually be able to realise because of various factors, including the possible illiquidity associated with a large ownership position, subsequent illiquidity in the market for the portfolio company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance.

Valuations of the Company's investments in branded real estate developments are conducted on a half-yearly basis by an independent third-party. Nevertheless, the valuation of property and property-related assets is inherently subjective, in part because all property valuations are made on the basis of assumptions which may not prove to be accurate, and in part because of the individual nature of each property. Factors such as changes in regulatory requirements and applicable laws (including in relation to building and environmental regulations, taxation and planning), political conditions, the condition of financial markets, the financial condition of customers, potentially adverse tax consequences, and interest and inflation rate fluctuations all mean that valuations are subject to uncertainty. This is particularly so where there has been more limited transactional activity in the market against which property valuations can be benchmarked by the Company's independent third-party valuation agents. There is no assurance that the valuations of the Company's investments may not reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

The Company may invest in properties through investments in various property-owning vehicles, and may utilise a variety of investment structures for the purpose of investing in property. Where a property or an interest in a property is acquired through a company or investment structure, the value of the company or investment structure may not be the same as the value of the underlying property due, for example, to tax, environmental, contingent, and contractual or other liabilities, or structural considerations. As a result, there can be no assurance that the value of investments made through those structures will fully reflect the value of the underlying property.

The NAV could be adversely affected if the values of investments that it records are materially higher than the values that are ultimately realised upon the disposal of the investments, and changes in values attributed to investments from one quarter to another may result in volatility in the NAV and results of operations that the Company reports from period to period. The Company cannot assure Shareholders that the investment values that it records from time to time, particularly in respect of unlisted companies, will ultimately be realised.

The Company's ability to achieve attractive rates of return on its investments may depend on its continued ability to access sources of indebtedness at attractive rates, and a significant increase in prevailing interest rates could have a material adverse effect on its financial condition and results of operations

Because some investments may rely heavily on the use of leverage, the Company's and/or its portfolio companies' ability to achieve attractive rates of return on investments that are highly leveraged may depend on their continued ability to access sources of indebtedness at attractive rates. An increase in either the general levels of interest rates or the risk spread demanded by sources of indebtedness would make it more expensive to finance investments. Increases in interest rates could also make it more difficult for the Investment Manager to identify and consummate investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital. In addition, a portion of the indebtedness used to finance investments sometimes includes subordinated debt securities issued in capital markets transactions. Availability of capital from debt capital markets is subject to volatility and the Company and/or its portfolio companies may not be able to access those markets at attractive rates, or at all, when completing an investment. Any of the foregoing circumstances could have a material adverse effect on the Company's financial condition and its results of operations.

Some of the Company's portfolio company investments may be structured as "club investments", which reduce its control over the investments, require the consent of other investors to transfer the investments and increase Shareholders' exposure to a risk of loss on any particular investment if Shareholders have invested in one or more other private equity vehicles participating in such club investment

Under certain circumstances, investors may elect to structure a portfolio company investment as a "club investment". A club investment involves an equity investment in which two or more private equity firms serve together or collectively as equity sponsors.

Club investments generally provide for a reduced level of control over the investment because governance rights are shared with other equity sponsors. In club deals, the Company may be required to share control over an investment and typically at least some aspects of its investment approach will not be followed. Accordingly, decisions relating to the investment, including decisions relating to the management and operation of the portfolio company and the timing and nature of any exit, will often be made by a majority vote of the equity sponsors or by separate agreements that are reached with respect to individual decisions. Because decisions of those bodies are generally made by majority or supermajority vote, the Company may not have the individual power to determine the outcome of matters relating to the investment or individually prevent the other equity sponsors from taking actions of which it and the Investment Manager do not approve. Because the Company may not have the ability to exercise control over the club investments in which it may participate, it may not be able to realise some or all of the benefits that it believes will be created from its investments, and it may be unable to exit any such investment when the Investment Manager believes it is beneficial to do so.

In addition, when an investment is structured as a club investment, Shareholders could face increased exposure to a risk of loss on any particular investment if Shareholders have also made an investment in another private equity vehicle that is involved in the club investment. The likelihood that Shareholders will face such increased exposure may be greater if Shareholders hold interests in a large number of private equity vehicles.

The Company may be subject to certain risks relating to minority shareholdings and joint venture arrangements

The Company holds a number of its longer-term investments through joint ventures where it holds a minority interest with third-party partners (including (but not limited to) its investments in Minuet and Desaru) and certain of the Company's future investments may also be held in joint venture arrangements. Although the Company will seek, where possible, to mitigate risks inherent in joint venture arrangements, disputes may arise between joint venture partners which could mean that the Company is not able to manage or deal with a particular investment in the way and/or in the timeframe that it would wish, and this may adversely affect the Company's business, financial condition and results of operations. Joint venture arrangements involve certain risks that are not present in wholly-owned subsidiaries, including:

- the possibility that a joint venture partner might at any time have economic or other business interests that are inconsistent with those of the Company;
- the possibility that a joint venture partner may be in a position to take action contrary to the Company's instructions, or requests, or contrary to the Company's policies or objectives, or frustrate the execution of acts which the Company believes to be in the best interests of any particular project;
- the possibility that a joint venture partner may have different objectives from the Company, including with respect to the appropriate timing and pricing of any sale, or refinancing, of an investment and whether to enter into agreements with third parties;
- the possibility that a joint venture partner may have the ability, under the joint venture contractual arrangements, to compel the Company to sell its interest in the joint venture to a third-party at a time when the Company does not wish to dispose of its interest;
- the possibility that a joint venture partner might become bankrupt or insolvent;
- the possibility that the Company may be required to provide finance to make up for any shortfall, due to a joint venture partner failing to provide such equity finance, or to furnish any required collateral to the financing banks; and
- disputes or disagreements with a joint venture partner may result in significant delays and increased costs associated with the Company's investments.

Even when the Company has, or will have, a controlling interest, certain major decisions (such as whether to sell or refinance the investment and the terms on which to do so) may require the joint venture partner's, or other third-party's, approval. If the Company is unable to reach, or maintain agreements with its joint venture partners, or other third parties, on the matters relating to the operation of the business of the joint venture, the Company's financial condition and its results of operations may be materially adversely affected.

The Company has made, and may continue to make, investments in companies that it does not control

The Company's investments include investments in debt instruments and equity securities of companies that are not controlled by it. The Investment Manager may also dispose of the Company's investments in portfolio companies over time in a manner that results in the Company retaining a minority investment. Those investments will be subject to the risk that the portfolio company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the portfolio company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of these investments could decrease and the Company's financial condition and results of operations could suffer.

There are certain restrictions on equity participation in investments in some jurisdictions

In some of the countries in which the Company invests, foreign entities and persons are, or may in the future be, restricted by legislation in these jurisdictions, or have been historically restricted, from owning direct equity interests in incorporated business entities in such jurisdictions. In order to comply with these ownership restrictions, the Company has been, and may in the future be, obliged to enter into joint venture arrangements with local joint venture partners under which the Company may only be permitted to have a minority interest. These joint ventures will be subject to the same risks outlined in the risk factor entitled "The Company may be subject to certain risks relating to minority shareholdings and joint venture arrangements" above. The Company may be required to restructure its investments if it is determined that these investments are not in compliance with relevant local laws, regulations, rules or policies, or any new interpretations or newly issued laws, regulations, rules or policies that are introduced. This may result in the Company incurring substantial costs and the expenditure of substantial amounts of time and effort from the Company's Investment Manager.

A number of the Company's investments are currently, and likely to continue to be, illiquid

A substantial proportion of the Company's investments in private companies and in public listed companies whose securities are illiquid may require a long-term commitment of capital. The Company's investments may also be subject to legal and other restrictions on resale. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the Investment Manager determines that such sale would be in the Company's best interests. In addition, if the Company was to be required to liquidate all or a portion of an investment quickly, it may realise significantly less than the value at which the investment was previously recorded, which would result in a decrease in its NAV.

The Company's investments may not appreciate in value or generate investment income or gains or could decline in value or result in losses

The Company intends to make investments that will create long-term value for Shareholders. However, investments that the Company makes may not appreciate in value and, in fact, may decline in value. In addition, the Company's temporary investments or investments in special situations and structured transactions may include investments in debt securities. Issuers of debt securities may default on payments of interest, principal or both. Accordingly, the Company cannot assure Shareholders that its investments will generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained.

Economic recessions or downturns could impair the value of the Company's investments in portfolio companies or prevent it from increasing its investment base

The Company has made, and may continue to make, investments in portfolio companies that are susceptible to economic recessions or downturns, including recessions and downturns in the HH&L sectors (including branded real estate developments). In addition, the performance of companies in the HH&L sectors (including branded real estate developments) can also be vulnerable to the economic consequences of terror attacks or geological phenomena, which can reduce visitor arrivals in the affected areas. During periods of adverse economic conditions, these companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies may also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due (although please note that this is not a qualification to the statement regarding working capital made in paragraph 22 ("Working Capital") of "Part 14 – Additional Information"). Any of the foregoing could cause the value of the Company's investments in such portfolio companies to decline. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and may adversely affect its NAV and results of operations.

Market values of publicly traded securities that are held as investments may be volatile

The Company's investments include, and may continue to include, investments in portfolio companies whose securities are publicly traded or offered to the public in connection with the process of exiting an investment. The market prices and values of publicly traded securities of portfolio companies in which the Company has invested may be volatile and are likely to fluctuate due to a number of factors beyond its control, including the illiquidity of some such securities compared to other publicly traded securities, actual or anticipated fluctuations in the quarterly, half-yearly and annual results of the portfolio companies in which investments are made and other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and divestments. Changes in the values of these investments may adversely affect the NAV and results of operations and cause the market price of the Shares to decrease.

The due diligence process undertaken by the Investment Manager in connection with the Company's investments may not reveal all facts that may be relevant in connection with an investment

Before making investments, the Company expects the Investment Manager to conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment. The objective of the due diligence process will be to identify attractive investment opportunities based on the facts and circumstances surrounding an investment and to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence, a number of important business, financial, tax, accounting, environmental, structural (in respect of real estate investments) and legal issues will be evaluated by the Investment Manager in determining whether or not to proceed with an investment. External accountants, financial and legal advisors and third-party valuation agents may be involved in the due diligence process in varying degrees depending on the type and size of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, reliance will be placed on resources available to the Investment Manager, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process may at times be subjective, especially with respect to newly organised companies for which only limited information is available. Accordingly, the Company cannot assure Shareholders that the due diligence investigations carried out by the Investment Manager with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such an investment opportunity. The Company also cannot assure Shareholders that such an investigation will result in an investment being successful.

Access to confidential information may restrict the Investment Manager's ability to take action with respect to some investments which, in turn, may negatively affect the potential returns to Shareholders

The Investment Manager and others who are involved in the Company's investments may, directly or indirectly, obtain confidential information concerning one or more companies in which an investment has been or may be made. The Company has implemented compliance procedures designed to ensure that material non-public information is not used for making investment decisions, although it cannot assure Shareholders that such procedures will be effective. Under these procedures, if the Company or the Investment Manager is in possession of confidential information concerning a portfolio company, there may be restrictions on the Company's ability to make, dispose of, increase the amount of or otherwise take action with respect to an investment in that portfolio company. Such restrictions could limit the Company's freedom to make potentially profitable investments or to exit an investment when it would be in its best interests to do so.

The Company has made, and may continue to make, investments in companies in emerging markets which exposes it to additional risks not typically associated with investing in companies that are based in developed markets

The Company's investment strategy includes investments in portfolio companies that are based in countries characterised as emerging markets. Investments in portfolio companies which are based in emerging markets involve risks and considerations that are not typically associated with investments in companies based in developed markets. These risks may include the possibility of exchange control regulations, political and social instability, economic crises, nationalisation or expropriation of assets, the imposition of taxes, less liquid markets, adverse fluctuations in currency exchange rates, higher rates of inflation, less available current information about an issuer, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting, auditing and financial reporting standards, less stringent requirements relating to fiduciary duties, fewer investor protections and greater price volatility.

In addition, some of the Company's investments may be in public companies whose securities are listed on stock exchanges in the Asia-Pacific region and are less liquid than listed company investments typically made outside the Asia-Pacific region by comparable investment vehicles established in the United States or Europe. The prices of these securities are volatile, the markets can be illiquid and the Company may not have the ability to divest such investments at the most desirable times.

There can be no assurance that investments which the Company makes in portfolio companies based in emerging markets will not have a material adverse effect on its financial condition and results of operations.

Risk management activities may adversely affect the return on the Company's investments

When managing its exposure to market risks, the Company may enter into forward contracts, options, swaps, caps, collars and floors or the Investment Manager may advise the Company to pursue other strategies or use other forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates. The Company anticipates that the scope of risk management activities that it undertakes will vary based on the level and volatility of interest rates, prevailing foreign currency exchange rates, the types of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

The success of any hedging or other derivative transactions that the Company enters into generally will depend on the Investment Manager's ability to correctly predict market changes. As a result, while the Company may enter into such transactions in order to reduce its exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Investment Manager may not seek or be successful in establishing a perfect correlation between the instruments used in a hedging or other derivative transaction and the position being hedged. An imperfect correlation could prevent the Company from achieving the intended result and could give rise to a loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the value of its investments, because the value of investments is likely to fluctuate as a result of a number of factors, some of which will be beyond its control.

In addition, the members of the Investment Management Team are not experienced in applying such hedging techniques, which could increase the risk of loss.

The Company's investment policies contain no requirements for investment diversification

Other than the Company's intention to invest not less than 70 per cent. of its total assets (as determined at the time of each investment) in longer-term investments in businesses in the HH&L sectors (including branded real estate developments) and not more than 30 per cent. of its total assets (as determined at the time of each investment) in special situations and structured transactions, its investment policies and procedures do not contain any fixed requirements for investment diversification, including any requirements relating to the number or types of companies in which investments should be made, the number or types of industries or geographic regions that should be covered by investments or the range of credit ratings, if any, that should be accorded to investments. The Company's investments could therefore be concentrated in a relatively small number of portfolio companies in the HH&L sectors (including branded real estate developments) within the Asia-Pacific region. The Company's investments could also be focused on a few specific types of investment and a few specific countries. Following the Company's investments, it may be that the proportion of its total assets invested in longer-term investments falls below 70 per cent. and the proportion of its total assets invested in special situations and structured transactions exceeds 30 per cent. due to changes in the valuations of the assets, over which the Company has no control.

The Company and/or its portfolio companies may remain liable for certain matters in relation to the Company's investments or the investments' assets even after their disposal

The Company and/or its portfolio companies may dispose of assets in certain circumstances and may be required to give representations and warranties about those investments and to pay damages to the extent that any such representations or warranties turn out to be inaccurate. The Company and/or its portfolio companies may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. If the Company and/or its portfolio company does not have cash available to conduct such litigation or make such payments, it may be required to borrow funds. Any such payments and borrowings to finance those payments could have an adverse impact on the Company's results of operations. In addition, if the Company and/or its portfolio companies are unable to borrow funds to make such payments, it may be forced to sell further assets to obtain funds. There can be no assurance that any such sales could be effected on satisfactory terms and could therefore adversely affect the NAV.

Additional Risks Relating to the Company's Real Estate Investments

The Company's real estate investments are subject to the risks inherent in the ownership and operation of real estate and real estate related businesses

The Company's real estate investments may be subject to the risks inherent in the ownership and operation of real estate and real estate related businesses and assets. Risks include those associated with general economic climate, local real estate conditions, changes in supply of, or demand for, competing properties in an area, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, government regulations, changes in real property taxes and interest rates. As a result, a downturn in the real estate sector or the materialisation of any one or a combination of the aforementioned risks could materially adversely affect the Company's real estate investments.

The Company's investment performance within branded real estate developments will depend on its ability to manage its property assets successfully

Revenues earned from, and the capital value and disposal value of, properties held by the Company's investments in branded real estate developments may be materially adversely affected by a number of factors inherent in property investment, including, but not limited to:

- decreased demand by potential tenants for properties;
- inability to recover operating costs such as local taxes and service charges on vacant space;
- exposure to the creditworthiness of tenants, including the inability to collect rent and other contractual payments from tenants (which includes the risk of tenants defaulting on their obligations and seeking the protection of bankruptcy laws), which could result in delays in receipt of rental and other contractual payments, inability to collect such payments at all, the renegotiation of tenant leases on terms less favourable to the Company, or the termination of tenant leases;
- material declines in rental values;
- defaults by a number of tenants with material rental obligations (including sub-let obligations) or a default by a significant tenant at a specific property that may hinder or delay the sale of such property;
- material litigation with tenants;
- material expenses in relation to the construction of new tenant improvements and re-letting a relevant property, including the provision of financial inducements to new tenants such as rent-free periods;
- reduced access to financing for tenants, thereby limiting their ability to alter existing operations or sites or to undertake expansion plans; and

- increases in operating and other expenses or cash needs without a corresponding increase in turnover or tenant reimbursements, including as a result of increases in the rate of inflation if it exceeds rental growth, property taxes and other statutory charges, insurance premiums and other void costs, and unforeseen capital expenditure affecting the properties which cannot be recovered from tenants.

If the value of its properties, or revenues earned from tenants, within the Company's investments in branded real estate developments are adversely impacted by the above or other factors, the NAV may be materially adversely affected.

In relation to future investments in branded real estate developments, such projects may be subject to a significant number of governmental consents and/or permissions, licences, permits and authorisations, including local land use permits, planning permissions, building and re-zoning permits, environmental clearances and health and safety permits in respect of the development and/or construction of property and such approvals can only be obtained after completion of detailed procedural formalities. It is possible that there may be impediments to or delays in obtaining such approvals which may adversely affect the suitability and/or timing of the investments and the completion thereof. It is also possible that some approvals may not be received at all or may be revoked after receipt or not renewed (if renewal is required).

Lack of availability or unfavourable terms of finance for buyers of residential property units may have an adverse impact on residential property sales and therefore also on the NAV

A number of the Company's residential property investments may attract buyers that need to finance their residential purchases from the portfolio company with mortgage financing. In the event that such buyers are unable or unwilling to utilise the mortgage finance available to them, the Company's residential property portfolio company may experience diminished property sales, thereby materially adversely affecting the portfolio company's results of operation and consequently the NAV.

The failure to obtain the necessary planning, zoning, building and other third-party permissions and/or consents may have an adverse impact on the NAV

Certain developments may require new planning consents to be granted by the relevant local planning authority. There can be no certainty that any given application, or broadly equivalent proposal, will result in full planning consent or that a planning consent, if granted, will not be on unduly onerous terms. Local and national planning policies, local urban regeneration strategies, and policies on the use of brownfield and greenfield sites and building on greenbelt sites continue to have a significant impact on the ability of developers to develop sites. Delays to the expected timescale for receipt of planning consents for a site may result in a reduction in the number of residential properties that are available for sale within the proposed time frame. Planning policies can place restrictions on access to new land and on how land is developed. Furthermore, if the requirements imposed by the planners do not coincide with customer preferences, there may be a negative impact on demand for the product or anticipated returns may otherwise be reduced. The estimated number of plots and the economic feasibility of development represented by the Company's investment/s that hold strategic land may also be reduced due to planning considerations.

Properties may be acquired by the Company and/or its portfolio companies that have not yet been granted detailed construction, demolition and/or zoning permissions or building permits. There can be no certainty that any permits, consents or approvals required from third parties in connection with existing or new development projects will be issued or granted to the Company and/or the relevant portfolio company. A failure to obtain such permits, consents or approvals may affect or delay the Company's and/or the relevant portfolio company's ability to execute or complete existing and/or future projects.

In the event that planning is not achieved, the net realisable value may be less than the carrying value, resulting in the requirement to write down the value. Laws may also be introduced that may be retrospective and affect existing building consents or permits which may restrict development in the Company's target geographies. In addition, there is a risk that unforeseen events will have an impact on the value of the Company's portfolio companies that hold land bank and that a decline in land value will materially and adversely affect the Company's investments and NAV.

Risks associated with real estate development projects may have an adverse effect on the NAV and/or increase the risk of failure of such investments

The Company has acquired, and anticipates acquiring further, interests in real estate projects and/or in businesses that engage in real estate development. To the extent that the Company invests in such development activities, it is subject to the risks normally associated with such activities, such as cost overruns. Projects under development may generate little or no cash flow from the date of acquisition through to the date of completion of development, if completed, and may experience operating deficits after the date of completion.

If projected returns on investment properties are not met or if special purpose vehicles in which the Company has invested become insolvent, the Company may lose some or all of its investment. Developers may become insolvent and fail to complete a development in which the Company has invested. If a developer fails to complete a development or becomes insolvent, the purchasers of the properties, who have placed deposits with that developer as part of an off plan sale, may seek some form of redress from the Company and/or its portfolio companies as the owner of the development, which may result in a loss to the Company. See the risk factor entitled "Purchasers of off plan properties may be entitled to remedies against the Company and/or its portfolio companies in certain circumstances" below for more detail. Counterparties to whom the Company, or its portfolio companies, sells investment properties may default on payment of the purchase price.

The complexity and scale of the Company's and/or its portfolio companies' projects may increase the risk of failure to complete such projects within the projected timetables compared to projects that are less complex. If the Company and/or its portfolio companies are unable to complete their projects as planned or at all, they may not realise their expected rates of return on the projects, which would have a material adverse effect on the portfolio companies' results of operations and consequently the NAV.

The Company and its portfolio companies are reliant on contractors and subcontractors for all of their construction and development activities

The Company and its portfolio companies rely on contractors and subcontractors for all of their construction and development activities. If the Company and its portfolio companies cannot enter into subcontracting arrangements on acceptable terms (or at all), they may incur additional costs which may have an adverse effect on their businesses. The competition for the services of quality contractors and subcontractors may cause delays in construction, exposing the Company to a loss of competitive advantage. Subcontracting arrangements may be on less favourable terms than would otherwise be available, which may result in increased development and construction costs. By relying on subcontractors, the Company and its portfolio companies may become subject to a number of risks relating to these entities, such as quality of performance, varied work ethics, performance delays, construction defects and the financial stability of the subcontractors. A shortage of workers could also have a detrimental effect on the Company, its portfolio companies and their subcontractors and, as a result, on the ability to conclude the construction phase on time and within budget.

Purchasers of off plan properties may be entitled to remedies against the Company and/or its portfolio companies in certain circumstances

The Company's portfolio companies anticipate selling a significant proportion of development properties prior to completion. Any delay in the completion of these projects may result in purchasers terminating off plan sale agreements and claiming refunds of purchase monies, damages and/or compensation for late completion. There is no assurance that the Company will not experience delays in completion or delivery of its real estate investments. The Company and its portfolio companies intend to partly finance their property developments and investments from the proceeds of off plan sales and therefore delays, refunds and/or compensations may have a material adverse effect on the Company's results of operations and NAV.

The Company and/or its portfolio companies may not be able to sell their properties on favourable terms

The real estate market may be affected by many factors that are beyond the Company's and/or its portfolio companies' control, such as general economic conditions, availability of financing, changes in property tax rates, interest rates and other factors, including investor/buyer supply and demand. The Company cannot predict whether the Company and/or its portfolio companies will be able to sell any property for the price or on the terms proposed, or whether any price or other terms offered by a prospective purchaser would be acceptable to the Company or its portfolio companies. If the properties are sold below their fair value, this may lead to a reduction in the NAV of the Company.

The Company and/or its portfolio companies may be required to expend funds to correct defects or to make improvements before a property can be sold. The Company cannot be certain that it or its portfolio companies will have funds available to correct such defects, or to make such improvements.

Legal disputes may arise in relation to the properties owned by the Company and/or its portfolio companies.

There may be a risk of legal disputes arising with, *inter alia*, architects, project managers and suppliers in relation to the properties owned by the Company and/or its portfolio companies. Even if ultimately settled or decided in favour of the Company and/or the relevant portfolio company, the Company and/or the portfolio company may not be able to recover its costs incurred in relation to the dispute.

Building methods or materials used in the Company's investments may prove to be defective. If a construction company used on a development becomes insolvent, it may prove impossible to recover compensation for such defective work or materials and the Company and/or its portfolio companies may incur losses as a result of repairing the defective work or paying damages to persons who have suffered loss as a result of such defective work.

The markets in which the Company is investing as compared to more developed western markets have legal systems that are less developed and there is comparatively greater uncertainty as to how real estate issues, such as construction defects, might be resolved if they were to become the subject of court proceedings.

Title disputes may arise in relation to the properties owned by the Company and/or its portfolio companies

There is a risk of title disputes arising in connection with the land that has been, or may be, acquired by the Company and/or its portfolio companies with neighbouring landowners. Even if ultimately settled or decided in favour of the Company and/or the relevant portfolio company, the Company and/or the portfolio company may not be able to recover its costs incurred in relation to the dispute. The markets in which the Company is investing as compared to more developed western markets have legal systems that are less developed and there is comparatively greater uncertainty as to how issues, such as land title disputes, might be resolved if they were to become the subject of court proceedings.

The Company's real estate investments may suffer uninsured losses

The Company's real estate investments could suffer physical damage caused by fire or other causes, resulting in losses (including loss of rent) which may not be fully compensated by insurance. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or are not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, and other factors might also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Company and/or its portfolio companies could be liable to repair damage caused by uninsured risks. The Company and/or its portfolio companies could also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

Risks Relating to the Shares

The Company's Shares are currently admitted, and the Company has applied for the New Ordinary Shares to be admitted, to the Official List and to trading on the London Stock Exchange's main market for listed securities and the Company has a "standard", not a "premium", listing

The Company's Shares are admitted for listing pursuant to Chapter 14 of the Listing Rules, not as a closed-ended investment fund (a "CEIF") with a "premium" listing subject to the additional obligations in

Chapter 15 of the Listing Rules. This means that the Company is not required to comply with obligations that are intended, *inter alia*, to ensure CEIFs:

- comply with Chapter 9 of the Listing Rules regarding the continuing obligations of a "premium" listed company (as modified by the provisions of Chapter 15 of the Listing Rules);
- have a published investment policy at all times;
- invest and manage their investments in a way that is consistent with the objective of spreading investment risk and in accordance with their published investment policies;
- do not conduct any trading activity which is significant in the context of their groups as a whole;
- do not have more than 10 per cent. of the value of their total assets invested in other listed CEIFs ("cross holdings");
- have an independent board;
- obtain prior shareholders' approval to any material change to their published investment policies;
- obtain the relevant shareholders' prior approval for any conversion of existing listed securities into a new class of shares;
- do not issue further shares for cash at a price below the NAV per share of the existing shares unless they are first offered *pro rata* to existing holders of the shares of that class;
- comply with the Model Code;
- comply with Chapter 10 of the Listing Rules in relation to significant transactions;
- comply with Chapter 11 of the Listing Rules regarding related party transactions;
- disclose any change in their tax status;
- make specific disclosures in their annual financial reports;
- which have invested more than 20 per cent. of their assets in property include a summary of the valuation of their portfolios in their annual reports; and
- make regular notifications to a Regulatory Information Service of their cross holdings.

These additional rules were intended to represent the minimum standards considered appropriate for a CEIF with a "premium" listing, regardless of domicile or regulatory status. The Company complies, however, and has complied with certain of these additional rules but this commitment is voluntary and will not be subject to oversight by the regulatory authorities.

A "standard" listing affords Shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a "premium" listing which is the subject of additional obligations under the Listing Rules.

Further details regarding the differences afforded by a "premium" listing as against a "standard" listing are set out in "Part 5 – Consequences of a Standard Listing".

The price of the Shares may fluctuate significantly and Shareholders could lose all or part of their investment

The market price of the Shares may fluctuate significantly and Shareholders may not be able to resell their Shares at or above the price at which they purchased them. Factors that may cause the price of Shares to vary include:

- changes in the Company's financial performance and prospects or in the financial performance and prospects of companies engaged in businesses that are similar to its business;

- changes in the underlying values and trading volumes of the investments that the Company makes, particularly when it announces its quarterly NAV and updates the aggregate unrealised values of its investments;
- a decline in the NAV per Share due to the Rights Issue;
- a decline in the NAV per Share due to the payment of Rights Issue-related expenses;
- a decline in the NAV per Share due to the exercise of Share Options and Warrants, the payment of operating expenses (including management fees) or any dividends or distributions to Shareholders;
- the departure of some or all of the Investment Management Team members;
- changes in laws or regulations, or new interpretations or applications of laws and regulations, that are applicable to the Company's business or to the companies in which it makes investments;
- sales of Shares/Warrants by the Shareholders/Warrantholders;
- general economic trends and other external factors, including those resulting from war, natural disasters, incidents of terrorism or responses to such events;
- speculation in the press or investment community regarding the Company's business or investments, or factors or events that may, directly or indirectly, affect its business or investments; and
- the Company's inability to access sources of indebtedness.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies or partnerships. Any broad market fluctuations may adversely affect the trading price of the Shares and/or Warrants. In the event of a winding-up of the Company, the Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of creditors.

The Company's Shares are currently trading, and have in the past traded, and could in the future trade, at a discount to NAV regardless of the performance of the Company's investments

The Company's Shares are currently trading, and have in the past traded, and could in the future trade, at a discount to NAV for a variety of reasons, including due to market conditions. The only way for Investors and Shareholders to realise their investment is to sell their Shares for cash. Accordingly, in the event that a holder of Shares requires immediate liquidity, or otherwise seeks to realise the value of his investment through a sale, the amount received by the Shareholder upon such sale may be less than the underlying NAV of the Shares sold.

Shareholders will be diluted if the Warrants and/or the Share Options are exercised

If the Warrants and/or the Share Options are exercised, this will result in a dilution of Shareholders' interests if the NAV per Share exceeds the exercise price payable on the exercise of a Warrant or if the price of the Shares exceeds the relevant exercise price of the Share Options at the relevant time. The exercise of the Warrants and/or the Share Options will also dilute the voting rights of Shareholders.

Any repurchase of Shares, Warrants and/or Share Options may result in a change to the dilutive effect of the Warrants on the NAV per Share.

Investing in the New Ordinary Shares or New Depositary Interests may involve an above-average degree of risk

The Company's investments may involve a higher amount of risk and volatility than alternative investment options and may be subject to a total loss of investments. Such investments may also be highly speculative and aggressive. As a result, an investment in the New Ordinary Shares or New Depositary Interests may not be suitable for someone with a low or average risk tolerance.

The Company's Shareholders may face difficulty protecting their interests under the laws of the British Virgin Islands

The Company is incorporated in the British Virgin Islands, and its corporate affairs are governed by its Memorandum and Articles of Association and the BVI Companies Act. The laws of the British Virgin Islands relating to the protection of the interests of minority shareholders and to the fiduciary responsibilities of Directors may differ from the laws in other jurisdictions, and the corresponding remedies available to minority shareholders may differ accordingly.

The rights of the Shareholders and the fiduciary responsibilities of the Directors under the laws of the British Virgin Islands may not be as clearly established as under statutes or judicial precedents in other jurisdictions. Therefore, the Shareholders may have more difficulty protecting their interests in the case of actions by the Directors or management than shareholders of a corporation incorporated in other jurisdictions.

Under the laws of the British Virgin Islands, the duties of directors and officers of a company are generally owed to the company only and not to individual shareholders. Shareholders of companies incorporated in the British Virgin Islands do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances.

There are only limited restrictions on the issue of new Shares

The only restrictions on the issue of new Shares (including securities convertible or exercisable into or exchangeable for Shares) will be (i) a requirement that no Shares be issued to create a controlling interest in the Company without a Special Resolution of the Shareholders approving such issuance and (ii) the requirement to seek a Special Resolution of the Shareholders for any increase in the Company's issued share capital if, at the date that the Board resolves to issue such Shares, more than 30 per cent. of the Company's Capital is held in temporary investments or on deposit with commercial banks or if the Shares to be issued would exceed 50 per cent. in value of the Company's Capital, save in each case for:

- an issue of Shares in payment of all or part of the purchase price for an investment, provided that (i) such new Shares are issued either at no discount or at a discount of no more than 10 per cent. of its NAV (based on a NAV valuation produced specifically for the purposes of such issue), (ii) the issue will not create an obligation on the subscriber or parties acting in concert with it to make a mandatory offer for all of the Company's issued Shares and (iii) when aggregated with other Shares issued in payment of all or part of the purchase price for an investment in any calendar year, the aggregate value does not exceed 50 per cent. of the aggregate of the Company's outstanding borrowings and issued share capital at the beginning of that calendar year;
- the issue of Shares pursuant to the exercise of Share Options or Warrants;
- the issue of Management Shares; and
- the issue of Shares pursuant to the exercise of rights of conversion by the holders of convertible securities issued by the Company.

Further, at any time when 30 per cent. or less of the Company's Capital is held in temporary investments or deposited with commercial banks, the Investment Manager will be able to raise, subject to the approval of a sub-committee of the Board comprising Key Persons who are Directors of the Company, further finance (through the issuance of further Shares and/or through other financing arrangements) in the Company's name without the consent of the Shareholders. The determination of the structure or pricing of future issuances is at the discretion of the Board. The Company cannot predict what effect, if any, such further raising of finance and/or future issues or sales of its Shares (whether as consideration for an acquisition or otherwise), or the availability of Shares for future issue or sale, will have on the market price of the Shares. Issues or sales of substantial numbers of the Shares in the public market following the Rights Issue, or the perception that such issues or sales could occur, could adversely affect the market price of the Shares and may make it more difficult for Shareholders to sell their Shares at a time and price which they deem appropriate.

The Company has had recent correspondence with a significant Shareholder who has expressed its opposition to the Rights Issue. This Shareholder has suggested that the Rights Issue is detrimental to the interests of existing Shareholders and will result in unfair prejudice to minority Shareholders (although in fact the Directors have intentionally structured the capital raising as a rights issue in order to ensure that all of the existing Shareholders have the opportunity to participate in it on a pro-rata basis). This Shareholder has raised a number of objections, including as regards the Issue Price being at a discount to the NAV per Share and the proposed issuance of the Rights Issue Share Options to the Investment Manager. The Company has engaged and continues to engage with the Shareholder in order to correct any factual misunderstandings and to seek to address its concerns. However, it is possible that the Shareholder will continue to raise objections during the acceptance period for the Rights Issue and could even attempt to bring some form of legal action against the Company and/or the Directors in relation to the implementation of the Rights Issue. The Company and the Directors have been advised that the relevant Shareholder's objections have no legal merit and that the Rights Issue is being conducted in compliance with the Memorandum and Articles of Association and the Investment Management and Advisory Agreement, both of which were in place at the time of the IPO. Whilst the Directors would accordingly expect any legal action to be dismissed summarily, defending such legal action would require the Company to incur certain costs and expenses and could have an adverse effect on the Company's share price and/or impact the implementation of the Rights Issue and/or its timing.

The Company may declare a dividend in the future and any such dividend payments will in part be paid to Share Option holders in respect of unexercised Share Options

The Company has not declared or paid any dividend since the date of its incorporation on 5 January 2004. The Company can give no assurance that it will be able to pay, or decide to declare, a dividend in the future. Dividends will only be paid to the extent that they are covered by income received from underlying investments (including, but not limited to, the income realised from disposal of investments, the payment of dividends and interest received by the Company on loans extended by the Company) and by share of profits of associated companies which are received by the Company and are available for distribution or to the extent that the Company otherwise has available cash or retained earnings in accordance with all applicable laws. To the extent that the Company makes distributions in future, all such distributions will be made subject to all applicable laws or regulations (including compliance with section 57 of the BVI Companies Act).

In addition, in the event that the Company declares a future dividend prior to the exercise of all of the Share Options, it will pay an amount to Share Option holders equivalent to the amount which the relevant Share Option holder would have received if all the Share Options granted to it which remain unexercised, whether or not they have vested at the time that the dividend is declared, had been exercised. See paragraph 5 ("Investment Manager's Remuneration") of "Part 3 – The Investment Manager Group" and the paragraph entitled "Payment to Share Option Holders" of "Part 11 – Dividend Policy" for further details.

For further information on the Company's dividend policy, please see "Part 11 – Dividend Policy".

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the New Depositary Interests cannot be freely resold in the United States

The offering and delivery of the Nil Paid Rights to, and the offering and acquisition of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the New Depositary Interests in, the United States to and by certain persons reasonably believed to be QIBs and QPs, is being made in reliance on an exemption from the registration requirements of the Securities Act and the U.S. Investment Company Act. None of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the New Depositary Interests have been, or will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, Investors who are QIBs and QPs and who are acquiring the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the New Depositary Interests in the Rights Issue pursuant to an exemption from the registration requirements of the Securities Act should note that the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the New Depositary Interests may not be freely resold or transferred in the United States. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the New Depositary Interests may only be resold, renounced, pledged or otherwise transferred or delivered in an offshore transaction in accordance with Rule 904 of Regulation S, and in accordance with any applicable securities laws of the United States and of any state of the United States.

Risks Relating to Taxation

Local laws or regulations may mean that the status of the Company and the Shares are uncertain or subject to change, which could adversely affect Investors' and Shareholders' ability to hold the Shares

For regulatory, tax and other purposes, the Company and the Shares may be treated differently in different jurisdictions. Furthermore, in certain jurisdictions, the status of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosures by the Company. Changes in the status or treatment of the Company or the Shares may have unforeseen effects on the ability of Investors and Shareholders to hold the Shares or the consequences of so doing.

The non-UK tax residence or non-trading status of the Company could be challenged or transactions could be taxed under certain UK anti-avoidance rules. The Company is, and intends to continue to qualify for exempt status for the purposes of taxation so as to remain, exempt from tax in the British Virgin Islands.

The affairs of the Company have been, and will be, conducted with the intent that the central management and control of the Company is not exercised in the UK and, consequently, so that the Company is not UK tax resident. However, it cannot be guaranteed that HMRC will not challenge the position. In order to maintain its non-UK tax residence status, the Company is required to be centrally managed and controlled outside the UK. The composition of the Board, the manner in which the Board conducts its business and the location(s) in which the Board makes decisions will be important in determining and maintaining the non-UK tax residence of the Company. While the Company is incorporated and administered in the British Virgin Islands and all of its Directors are resident outside the UK, continued attention must be paid to ensure that major decisions by the Company are not made in the UK to mitigate the risk that the Company may lose its non-UK tax residence status.

There is a risk that management errors could potentially lead to the Company being considered UK tax resident. If so, this is likely to result in the Company being subject to UK tax, which would negatively affect its financial and operating results and, accordingly, reduce returns (including dividends) payable to Shareholders.

In addition, even where a company maintains its non-UK tax residence status, it could potentially be subject to UK corporation tax if it is carrying on a trade in the UK through a permanent establishment in the UK or to UK income tax if it is carrying on a trade wholly or partly in the UK other than through a permanent establishment in the UK, in which case the relevant company will be subject to UK corporation or income tax on the income profits and capital gains attributable to its UK trade. It is intended that the Company will not undertake any UK trading activities. It cannot be guaranteed that HMRC will not seek to contend that the Company has acquired one or more of its assets for trading purposes and, consequently, is carrying on a trade wholly or partly in the UK or in the UK through a permanent establishment in the UK. If any such contention were correct, this would be likely to result in the Company paying UK tax, which would negatively affect its financial results and returns to Shareholders.

Changes in tax legislation could result in the imposition of additional and possibly material tax liabilities on Shareholders

Investors and Shareholders should consider the information given in "Part 13 – Taxation" and should take professional advice about the consequences of their investing in the Company. The material in "Part 13 – Taxation" is essentially concerned with the tax position of Shareholders who are resident, and, in the case of individuals, resident, ordinarily resident and domiciled in the UK for tax purposes. Different treatment may apply in the case of non-UK resident taxpayers, who should take their own advice concerning their tax positions (or, indeed, whether an investment into the Company is suitable for their personal circumstances).

References in this document (in particular in "Part 13 – Taxation") to taxes and the rates of tax reflect the position as at the date of this document. Such law (including applicable rates of taxation) and tax authority practice are subject to change. Any change in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates could adversely affect the after-tax return to Shareholders from their investment in the Company, possibly with retrospective effect.

RIGHTS ISSUE STATISTICS

Issue Price per New Ordinary Share	U.S.$0.60
Basis of Rights Issue[2]	0.481 New Ordinary Shares for every 1 Existing Share
Basis of Excess Application Facility[2]	Up to 0.481 Excess Securities for every 1 Existing Share
Number of Shares in issue at the date of this document	346,498,956
Number of New Ordinary Shares to be issued by the Company pursuant to the Rights Issue	166,665,997
Number of Shares in issue immediately following completion of the Rights Issue	513,164,953
New Ordinary Shares as a percentage of the enlarged issued share capital of the Company immediately following completion of the Rights Issue[3]	32.48 per cent.
Estimated net proceeds receivable by the Company	U.S.$93.0 million
Estimated expenses of the Rights Issue	U.S.$7.0 million

2 The Depositary holds Existing Shares and accordingly will receive a provisional allotment of New Ordinary Shares and Excess Entitlements on behalf of Qualifying Depositary Interest Holders. The Depositary will pass on the provisional allotment made in its favour to Qualifying Depositary Interest Holders other than, subject to certain exceptions as set out in this document, Qualifying Depositary Interest Holders with a registered address, or resident, in the Restricted Jurisdictions and otherwise in accordance with the terms and conditions set out in this document and in accordance with the Deed Poll.

3 On the assumption that no further Shares are issued as a result of the exercise of any of the Share Options or Warrants between the posting of this document and the closing of the Rights Issue.

EXPECTED TIMETABLE OF KEY EVENTS

Each of the times and dates in the table below is indicative only and may be subject to changes.

Event	Date
Record Date for entitlement under the Rights Issue for Qualifying Shareholders and Qualifying Depositary Interest Holders	close of business on Tuesday 2 October 2012
Announcement of the Rights Issue	Thursday 4 October 2012
Publication of this document	Thursday 4 October 2012
Dispatch of Provisional Allotment Letters and Excess Application Forms (to Qualifying Non-CREST Shareholders)	Thursday 4 October 2012
Start of subscription period	Friday 5 October 2012
Dealing in Nil Paid Rights and Fully Paid Rights commence on the London Stock Exchange	**8.00 a.m. on Friday 5 October 2012**
Existing Shares marked "ex-rights" by the London Stock Exchange	8.00 a.m. on Friday 5 October 2012
Nil Paid Rights credited to stock accounts in CREST (Qualifying Depositary Interest Holders only)	as soon as practicable after 8.00 a.m. on 5 October 2012
Nil Paid Rights and Fully Paid Rights enabled in CREST	Friday 5 October 2012
Recommended latest time for requesting withdrawal of Nil Paid Rights and Fully Paid Rights from CREST (i.e. if your Nil Paid Rights and Fully Paid Rights are in CREST and you wish to convert them to certificated form)	4.30 p.m. on Monday 15 October 2012
Latest time and date for depositing renounced Provisional Allotment Letters, nil or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights and Fully Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them to uncertificated form)	3.00 p.m. on Tuesday 16 October 2012
Latest time and date for splitting Provisional Allotment Letters (nil or fully paid)	3.00 p.m. on Wednesday 17 October 2012
Latest time and date for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters	**11.00 a.m. on Friday 19 October 2012**
Announcement of results of the Rights Issue through a Regulatory Information Service	7.00 a.m. on Monday 22 October 2012
Dealings in the New Ordinary Shares commence on the London Stock Exchange	**8.00 a.m. on Monday 22 October 2012**
New Depositary Interests expected to be credited to accounts in CREST	as soon as practicable after 8.00 a.m. on 22 October 2012
Dispatch of definitive share certificates for the New Ordinary Shares in certificated form	by no later than Monday 29 October 2012

Notes:

(1) The ability to participate in the Rights Issue is subject to certain restrictions relating to Shareholders with registered addresses outside the UK, details of which are set out in "Part 6 – Terms and Conditions of the Rights Issue".

(2) The times and dates set out in the expected timetable of key events above, and mentioned throughout this document, may be adjusted by the Company in consultation with Panmure Gordon. In such event, details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where appropriate, Qualifying Shareholders.

(3) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Existing Shares through a CREST Member or other nominee, that person may set an earlier date for application and payment than the dates noted above.

(4) References to times in this document are to London time unless otherwise stated.

COMPANY INFORMATION

Company	Symphony International Holdings Limited
Directors	Pierangelo Battista Bottinelli (*Chairman and Independent Director*) Georges Gagnebin (*Independent Director*) Rajiv K. Luthra (*Independent Director*) Anil Thadani Sunil Chandiramani
Registered Office in the British Virgin Islands	Offshore Incorporations Centre P.O. Box 957 Road Town Tortola British Virgin Islands
Registered Agent	Offshore Incorporations Limited P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands
Share Registrar and Share Transfer Agent	Capita Registrars (Guernsey) Limited Mont Crevett House Bulwer Avenue St. Sampson Guernsey G42 4LH
Warrant Registrar	Capita Registrars (Guernsey) Limited Mont Crevett House Bulwer Avenue St. Sampson Guernsey G42 4LH
Receiving Agent	Capita Registrars Limited Corporate Actions The Registry 34 Beckenham Road Beckenham, Kent BR3 4TU United Kingdom
Investment Manager (incorporated under the laws of the BVI)	Symphony Investment Managers Limited P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands Tel: +852 2801 6199
Singapore Advisor (incorporated under the laws of Singapore)	Symphony Asia Holdings Pte. Ltd. 9 Raffles Place #52-02 Republic Plaza Tower One Singapore 048619 Tel: +65 6536 6177

Hong Kong Consultant (incorporated under the laws of Hong Kong SAR)	Symphony Asia Limited Suite 1408 Two Exchange Square 8 Connaught Place Hong Kong Tel: +852 2801 6199
Sole Underwriter, Bookrunner and Broker to the Rights Issue	Panmure Gordon (UK) Limited One New Change London EC4M 9AF United Kingdom
Legal Advisors to the Company as to English Law	Linklaters Singapore Pte. Ltd. One Marina Boulevard, #28-00 Singapore 018989
Legal Advisors to the Company as to British Virgin Islands Law	Harney Westwood & Riegels 7502 International Commerce Centre One Austin Road West Kowloon Hong Kong
Legal Advisors to Panmure Gordon as to English Law	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Auditor	KPMG LLP (Singapore) Certified Public Accountants 16 Raffles Quay #22-00 Leong Kong Building Singapore 048581
Reporting Accountants	KPMG LLP (UK) 15 Canada Square London E14 5GL United Kingdom

Annex

The Annex at the end of this document, which contains information in respect of MINT, forms part of this document.

Forward-Looking Statements

This document contains certain forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “potential”, “should”, “will” and “would” or the negative of those terms or other comparable terminology. The forward-looking statements are based on the Company’s beliefs, assumptions and expectations of its future performance, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company or are within its control. If a change occurs, the Company’s business, financial condition and results of operations may vary materially from those expressed in its forward-looking statements. Shareholders and Investors should carefully consider these risks before making an investment decision with respect to the New Ordinary Shares, along with the following factors, among others, that could cause actual results to vary from the Company’s forward-looking statements:

- the factors described in this document, including those set forth under the sections entitled “Risk Factors”, “Part 1 – The Business and the Investment Portfolio” and “Part 9 – Operating and Financial Review”;
- the Company’s, and the Investment Management Team’s, past performance not necessarily being indicative of its future performance;
- the rate at which the Company deploys its Capital in investments and, in particular, longer-term investments and in investments in special situations and structured transactions, and the rate at which the Company achieves expected rates of return;
- the Company’s ability to execute its investment strategy, including through the identification of a sufficient number of appropriate investments by the Investment Manager;
- the Company’s financial condition and liquidity, including its ability to access or obtain new sources of financing at attractive rates in order to leverage investments in special situations and structured transactions in accordance with its investment strategy;
- changes in the values or returns of investments that the Company makes;
- changes in financial markets, interest rates or industry, general economic or political conditions; and
- the general volatility of the capital markets and the market price of Shares.

Nothing in this section seeks to qualify the statement made in respect of the Group’s working capital in paragraph 22 (“Working Capital”) of “Part 14 – Additional Information”.

Except as required by applicable law and/or the Listing Rules, the Prospectus Rules or the Disclosure and Transparency Rules, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the events described by the Company’s forward-looking statements might not occur. Save in respect of the statement made in relation to the Group’s working capital in paragraph 22 (“Working Capital”) of “Part 14 – Additional Information”, the Company qualifies any and all of its forward-looking statements by these cautionary factors. Please keep this cautionary note in mind as you read this document.

Presentation of Financial Information

The Company publishes its financial statements in U.S. Dollars and prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). In this document, references to "U.S.$" or "U.S. Dollars" are to the lawful currency of the United States of America, references to "€" are to the lawful currency of the Eurozone, references to "Singapore Dollars" or "S$" are to the lawful currency of Singapore, references to "Hong Kong Dollars" are to the lawful currency of Hong Kong SAR, references to "Japanese Yen" or "JPY" are to the lawful currency of Japan, references to "Malaysian Ringgit" or "RM" are to the lawful currency of Malaysia and references to "Thai Baht" or "THB" are to the lawful currency of Thailand.

Any discrepancies in the tables included in this document between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

Sources of Information

Where information contained in this document has been sourced from third parties, the Company confirms that such information has been accurately reproduced and, as far as the Company is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Limited Disclosure for Investments in Unlisted Privately Held Companies

Where the Company invests in an unlisted privately held company and such investment constitutes less than 5 per cent. of the NAV at the time the investment is made, the Company will disclose the name and a brief description of the relevant company but it will not typically disclose pricing and valuation information (both at the time of investment and also on an ongoing basis) in order to prevent (i) sellers of potential investments in private companies from determining how much the Company has paid for its investments in comparable private companies which are similar to their potential investment, as this could lead to unfair price comparisons and (ii) buyers of its existing investments from determining how much the Company initially paid for its investments, as this will affect its competitive advantage during the exit price negotiation process and may prevent the Company from maximising value for Shareholders. For the purposes of this document, the Company also confirms that the Non-Material Investments constituted less than 5 per cent. of the NAV as at the Latest Practicable Date. Where the Company invests in an unlisted privately held company and such investment constitutes less than 0.5 per cent. of the NAV at the time the investment is made (and, for the purposes of this document, as at the Latest Practicable Date), the Company will not typically disclose any information in respect of that particular investment.

Valuations

Investment Valuations

The investments that the Company carries as assets in its consolidated financial statements comprise investments in portfolio companies.

The Company's investment policies and procedures provide that its investments are valued at cost for a period of 12 months following the date of investment, except where market quotations are readily available or if there is a potential diminution in the value of an investment (such valuations will also typically be converted at the relevant exchange rates into U.S. Dollars as appropriate during that 12-month period). The Company's investments are thereafter valued on a quarterly basis and the latest date on which such valuations occurred was 30 June 2012 (with the exception of branded real estate developments and investments held for less than 12 months). Investments related to branded real estate developments are valued by independent third parties on a half-yearly basis on 30 June and 31 December of each year with the latest date on which such valuations having occurred being 30 June 2012.

Any disclosure relating to the value of the Company's investments in unlisted companies at the Latest Practicable Date shall refer to the valuations as at 30 June 2012 converted at the relevant exchange rate on the Latest Practicable Date into U.S. Dollars. Any disclosure relating to the value of the Company's investments in listed companies as at the Latest Practicable Date shall be calculated on the basis of the relevant closing price of the shares in those companies on the Latest Practicable Date. Any disclosure relating to the value of temporary investments as at the Latest Practicable Date shall be calculated on the basis of the Company's cash balances as at 31 August 2012.

Unrealised appreciation or depreciation in the value of those investments will have an impact on the net assets of the Company and its subsidiaries during the period.

The Board is responsible for reviewing and approving the value of investments that are carried as assets in the Company's consolidated financial statements. The valuation of investments requires the application of valuation principles to the specific facts and circumstances of the investments. In satisfying its responsibilities, the Board utilises (i) the services of the Investment Manager, who makes calculations as to investment values, and (ii) for certain investments, the services of third-party valuation specialists. The Board relies on the Investment Manager with respect to such calculations in the absence of manifest error. The Auditor performs an annual external audit of the Company and its subsidiaries' consolidated financial statements. The audit is performed in accordance with International Standards on Auditing and the Auditor expresses an opinion on the financial statements as a whole and not on individual components or line items of the financial statements.

NAV

The Company calculates its total NAV per Share on a quarterly basis as at 31 March, 30 June, 30 September and 31 December of every year. The Investment Manager is responsible for the Calculation of the NAV, the Calculation of which is provided to the Company's Auditor who performs certain procedures on the Calculation. The NAV per Share is notified through a Regulatory Information Service and is also available on the Company's website at www.symphonyasia.com. The NAV is the sum of its cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities. The valuation methodologies the Company uses to calculate the unrealised values of its investments are described below. The NAV and NAV per Share calculations (including those contained in this document) are unaudited.

Fair Value of Investments

The fair value of the Company's equity investments are calculated by using quoted bid prices where a market quotation is available or valuation techniques where a market quotation is not available for the investment.

When market prices are used, they will not take into account various factors which may affect the value that the Company would actually be able to realise in the future, such as the possible illiquidity associated with a large ownership position, subsequent illiquidity in a market for a company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance.

There is no single standard for determining fair value and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. When fair value pricing is used, the Company expects that the value attributed to an equity investment will be based on the enterprise value at which the portfolio company could be sold in an orderly divestment over a reasonable period of time between willing parties other than in a forced or liquidation sale.

When determining the enterprise value of a portfolio company, the Company uses any one or a combination of the following methodologies:

- a comparable market and/or transacted multiple approach that utilises a specific multiple of a financial measure (such as EBITDA, adjusted EBITDA, net income, book value or net asset value) or operational measure from a comparable company that is then applied to a financial or operational measure of a portfolio company;
- the price of recent investment, or offers for investment, for the portfolio company's securities (including the transaction pursuant to which the investment was made);

- comparable recent arm's length transactions between knowledgeable parties (be they consummated or proposed);
- discounted cash flow analysis; and
- others.

Consideration is also given to such factors as historical and projected financial data for the portfolio company, the size and scope of the portfolio company's operations, the portfolio company's strengths and weaknesses, expectations relating to investors' receptivity to an offering of the portfolio company's securities, the size of the Company's holding in the portfolio company and any control associated therewith, applicable restrictions on transfer, industry information and assumptions, general economic and market conditions and other factors deemed relevant. When an investment is acquired in a transaction between willing parties other than in a forced sale or liquidation, it is expected that the investment will initially be valued at its acquisition cost, which approximates to fair value.

For the Company's real estate related investments, the properties are valued by independent third parties with recent experience in the location and category of property being valued. Valuations are conducted on a half-yearly basis on 30 June and 31 December of each year on an open market value basis assuming sales with vacant possession.

Where the Company's investment comprises solely or substantially non-equity instruments (such as debt or mezzanine debt instruments), the fair value is derived mainly from the expected cash flows and associated risk attaching to the instruments, and methodologies such as discounted cash flow analysis (applied to the cash flow on the relevant investment, for example any interest on debt, rather than operating cash flows of any underlying portfolio company) are likely to be more appropriate. In the case of mezzanine debt investments where, for example, equity warrants are included, the components (in the case of mezzanine debt, the debt and the warrants) should be valued separately.

If the debt instrument has an equity component, the Company expects the equity component will be valued separately by applying the main methods of valuing equity instruments (i.e. multiples, recent investment, etc.).

For other non-equity instruments or other asset classes (for example, preference shares or investments in the limited partnership interests of funds), the Company expects each instrument will be valued on a case-by-case basis using judgement as to the most appropriate valuation technique, including using appropriate third-party valuations.

Definitions and Glossary

Capitalised terms used in this document shall have the meanings set out in "Part 16 – Definitions and Glossary".

Incorporation by Reference

Certain information in relation to the Company has been incorporated by reference into this document. Please see "Part 15 – Information Incorporated by Reference".

Content of the Company's Website Not Incorporated by Reference

Neither the content of the Company's website at www.symphonyasia.com (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this document.

Notice to all Investors and Shareholders

Any investment in the Company is suitable only for Investors and Shareholders capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss (including total loss) which may result from the investment. An investment in the Company will not be suitable for Investors seeking an index-linked return on their investment.

An investment in the Company should constitute part of a diversified investment portfolio. Typical Investors in the Company are expected to be institutional Investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their fund manager or broker regarding investment in the New Ordinary Shares and/or New Depositary Interests, or who have sufficient experience to enable them to evaluate themselves the risks and merits of such investment. Investors and Shareholders should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor before making an investment in the Company. Investment in the Company should be regarded as long-term in nature and may not be suitable for short-term investment.

Any reproduction of this document and/or any Provisional Allotment Letter and/or the Excess Application Form, in whole or in part, any disclosure of its contents or any use of information in this document for any purpose other than an investment in the New Ordinary Shares and/or New Depositary Interests is prohibited. By accepting delivery of this document, you agree to the foregoing.

The distribution and possession of this document and/or the Provisional Allotment Letter and/or the Excess Application Form and/or the transfer of the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and/or the Excess Entitlements within or into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions at their own expense and without liability to the Company. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. The Provisional Allotment Letter, the Excess Application Form, the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares and the New Depositary Interests are not transferable, except in accordance with, and the distribution of this document is subject to, the restrictions set out in paragraph 2.5 ("Overseas Shareholders") of "Part 6 – Terms and Conditions of the Rights Issue". No action has been taken by the Company or by any of its advisors that would permit an offer of the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares, the New Depositary Interests or rights thereto or possession or distribution of this document or any other offering or publicity material or the Provisional Allotment Letter or the Excess Application Form in any jurisdiction where action for that purpose is required, other than in the UK.

Investors and Shareholders should only rely on the information contained in this document and any documents incorporated herein by reference. No person is authorised to give any information or to make any representation not contained in this document or incorporated by reference herein and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or Panmure Gordon. Neither the delivery of this document nor any offer, subscription, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of the Company, its Shares, its Depositary Interests or its Warrants since the date hereof. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Neither the Company nor Panmure Gordon or any of their respective affiliates, directors, officers, employees, agents, representatives or advisors is making any representation or undertaking to any prospective Investor in the New Ordinary Shares and/or New Depositary Interests regarding the legality of an investment by such prospective Investor or Panmure Gordon under appropriate legal, investment or similar laws. In addition, prospective Investors and Shareholders in the New Ordinary Shares and/or New Depositary Interests should not construe the contents of this document as legal, business, financial or tax advice. Prospective Investors and Shareholders should be aware that they may be required to bear the financial risks of an investment in the New Ordinary Shares and/or New Depositary Interests for an indefinite period of time. Prospective

Investors and Shareholders should consult their own professional advisors as to the legal, tax, business, financial and related aspects of an investment in the New Ordinary Shares and/or New Depositary Interests.

The Company and the Investment Manager are not associated or affiliated with any other fund managers whose names include “Symphony”, including, without limitation, Symphony Financial Partners Co., Ltd.

United States

For the Rights Issue, the Company is relying upon the exemptions from registration provided by Regulation S and Rule 144A under the Securities Act. The New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States and may not be directly or indirectly offered, sold, resold, granted, delivered, allotted, taken up, exercised, pledged, transferred or renounced within the United States or to or by U.S. persons (as defined in Regulation S) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Neither receipt of this document nor any of its accompanying documents constitutes an offer of the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares and the New Depositary Interests to any Shareholder other than the Shareholder who has received this document and its accompanying documents directly from the Company. This document, the Provisional Allotment Letter and the Excess Application Form may only be delivered to persons in the United States and U.S. persons outside the United States, in each case, who are QIBs as defined under the Securities Act and qualified purchasers under the U.S. Investment Company Act. Any person in the United States or a U.S. person outside the United States who obtains a copy of this document or a Provisional Allotment Letter or an Excess Application Form who has not been specifically invited by the Company to participate or is not a QIB and qualified purchaser is requested to disregard this document and any accompanying documents and their contents.

The Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares and the New Depositary Interests may only be acquired by persons in the United States and U.S. persons outside the United States, in each case, who are QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and who are also qualified purchasers. The Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares and the New Depositary Interests may be acquired by non-U.S. persons (as defined in Regulation S) outside the United States. The Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares and the New Depositary delivered or offered outside the United States are being delivered or offered to non-U.S. persons in offshore transactions in reliance on Regulation S.

Further, if you are in the United States or are a U.S. person, you may not exercise any Nil Paid Rights, Fully Paid Rights or Excess Entitlements and/or acquire any New Ordinary Shares or the New Depositary Interests offered hereby unless you are a QIB and a qualified purchaser and have been invited to participate directly by the Company. In addition, in order to exercise your Nil Paid Rights, Fully Paid Rights or Excess Entitlements and/or acquire any New Ordinary Shares or New Depositary Interests offered hereby, you must have completed, duly executed and delivered to the Company (with a copy thereof to your Depository Agent, financial intermediary or nominee) on or prior to 8 October 2012, an Investor representation letter (which the Company must have accepted), in the form provided to you.

Each recipient or purchaser of the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or Excess Entitlements who is a non-U.S. Person outside the United States will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S under the Securities Act are used herein as defined therein):

- the recipient or purchaser (i) is, and the person, if any, for whose account it is acquiring such New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or Excess Entitlements is, outside the United States and is not a U.S. person (as defined in Regulation S under the Securities Act) and (ii) is acquiring the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or Excess Entitlements in an offshore transaction meeting the requirements of Regulation S under the Securities Act;

- the recipient or purchaser is aware that the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements have not been and will not be registered under the Securities Act and are being distributed and offered only outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act and within the United States to "qualified institutional buyers" as defined in Rule 144A who are also "qualified purchasers" as defined under the U.S. Investment Company Act; and
- the recipient or purchaser acknowledges that the Company, Panmure Gordon, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

In addition, each person in the United States or U.S. person, by accepting the delivery of this document and its accompanying documents, any Nil Paid Rights, Fully Paid Rights, Excess Entitlements New Ordinary Shares or New Depositary Interests will be deemed to have represented, warranted and agreed as follows:

1. It (or any account for which it is acting) is a Shareholder and has received an invitation addressed to it and inviting it to participate in the Rights Issue.
2. It is (i) a qualified institutional buyer within the meaning of Rule 144A ("QIB") that is also a qualified purchaser as defined in Section 2(a)(51) of the Investment Company Act ("QP"); (ii) not a broker-dealer that owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers; (iii) not a participant-directed employee plan, such as a 401(k) plan; (iv) acquiring such Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests for its own account, or for the account of one of more QIBs each of which is also a QP; (v) not formed for the purpose of investing in the Company; and (vi) aware, and each beneficial owner of such Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests has been advised, that the sale of such Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests to it is being made pursuant to an exemption from the registration requirements of the Securities Act.
3. It has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein, and, if it is acquiring the Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB and a qualified purchaser, it has sole investment discretion with respect to each such account, and it has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein on behalf of each owner of such account.
4. It understands that the Company has the power to compel any beneficial owners of New Ordinary Shares or New Depositary Interests that is a U.S. person and is not a QIB and a QP to sell its interest in the New Ordinary Shares and New Depositary Interests, or may sell such interest on behalf of, or purchase such interest from, such owners. The Company has the right to refuse to honour the transfer of an interest in the New Ordinary Shares or New Depositary Interests to a U.S. person who is not a QIB and a QP. In addition, it understands that the Company may receive a list of participants holding positions in the New Ordinary Shares or New Depositary Interests from one or more book-entry depositories.
5. To the extent it exercises the Nil Paid Rights or Fully Paid Rights and subscribes for New Ordinary Shares or New Depositary Interests, or applies for Excess Entitlements it will acquire such New Ordinary Shares or New Depositary Interests for its own account, or for the account of one or more QIB(s) that are also qualified purchasers as to which it has full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of U.S. securities laws) of the Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests.
6. It understands that its receipt of the Nil Paid Rights or Fully Paid Rights, any subscription it may make for New Ordinary Shares or New Depositary Interests and any application it may make for Excess

Entitlements will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this document and its accompanying documents.

7. It is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the New Ordinary Shares or New Depositary Interests involves a considerable degree of risk and that the New Ordinary Shares and the New Depositary Interests are a speculative investment, and, further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.

8. It understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests in any jurisdiction (other than the lodging of this document with the UK Listing Authority); and it will not offer, resell, pledge or otherwise transfer any of the Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

9. Without limiting the generality of the foregoing, it is aware and understands (and each account for which it is acting has been advised and understands) that (i) the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests have not been and will not be registered under the Securities Act or the U.S. Investment Company Act or under any securities laws of any state or other jurisdiction of the United States; (ii) any offer and sale of the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests to it is being made pursuant to an exemption from the registration requirements of the Securities Act; and (iii) the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act; and it agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests are "restricted securities", it will not offer, resell, pledge or otherwise transfer any Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests which it may acquire, or any beneficial interest therein, except in an offshore transaction complying with Rule 904 of Regulation S.

10. To the extent it exercises the Nil Paid Rights or Fully Paid Rights and subscribes for New Ordinary Shares or the New Depositary Interests, or applies for Excess Entitlements, it acknowledges and agrees that it is not acquiring or subscribing for the New Ordinary Shares or the New Depositary Interests as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act). It understands and agrees that although offers and sales of the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests are being made in the United States to QIBs, such offers and sales are not being made under Rule 144A under the Securities Act.

11. To the extent it exercises the Nil Paid Rights or Fully Paid Rights and subscribes for New Ordinary Shares or the New Depositary Interests, or applies for Excess Entitlements, it agrees not to deposit any Nil Paid Rights, Fully Paid Rights, Excess Entitlements, New Ordinary Shares or New Depositary Interests into any unrestricted depository facility maintained by any depository bank unless and until such time as the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests are no longer "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

12. Prior to making any investment decision to exercise the Nil Paid Rights or Fully Paid Rights or subscribe for New Ordinary Shares or New Depositary Interests, or apply for Excess Entitlements, it

(i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have been furnished with and will have carefully read and reviewed a copy of this document and its accompanying documents; (iii) will have possessed all information relating to the Company and the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and has had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company concerning the financial condition and results of operations of the Company and the purchase of the New Ordinary Shares or New Depositary Interests, and any such questions have been answered to its satisfaction; (iv) has reviewed all information that it believes is necessary or appropriate in connection with an investment in the New Ordinary Shares or the New Depositary Interests; and (v) will have conducted its own due diligence on the Company and the Rights Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of the Company, Panmure Gordon or their respective affiliates (including any research reports) (other than, with respect to the Company, any information contained in this document).

13. Without limiting the generality of the foregoing, it acknowledges that (i) the Company's New Ordinary Shares are listed on the "standard segment" of the FSA's Official List and are admitted to trading on the London Stock Exchange's main market for listed securities and the Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of the FSA and London Stock Exchange (the "Exchange Information"), which includes, but is not limited to, a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding years, and that it has reviewed such Exchange Information as it has deemed necessary or that it is able to obtain or access the Exchange Information without undue difficulty; and (ii) neither the Company nor any of its affiliates has made any representations to it, express or implied, with respect to the Company, the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests or the accuracy, completeness or adequacy of the Exchange Information.

14. It understands that the Exchange Information and this document have been prepared in accordance with content, format and style which is either prescribed by the UK Listing Authority or under English laws or is customary in rights offerings in the United Kingdom, which differs from the content, format and style customary for similar offerings in the United States. In particular, (i) the Company's financial information contained in the Exchange Information and this document have been prepared in accordance with IFRS; and (ii) with respect to the financial information contained in this document, such financial information has not been prepared for an offering registered with the U.S. Securities and Exchange Commission.

15. It acknowledges that (i) any information that it has received or will receive relating to or in connection with the Rights Issue and the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests, including this document and the Exchange Information (collectively, the "Information"), has been prepared solely by the Company, and (ii) neither Panmure Gordon nor its affiliates has verified or will verify such Information, and no recommendation, promise, representation or warranty (express or implied) is, has been or will be made or given by Panmure Gordon nor its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by it or any of its affiliates.

16. It will not hold Panmure Gordon nor any of its affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by the Company to it. It acknowledges that no written or oral information relating to the Rights Issue, the Nil Paid Rights,

the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests has been or will be provided by Panmure Gordon nor any of its affiliates to it.

17. It is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters as to be capable of evaluating the merits and risks of an investment in the New Ordinary Shares and the New Depositary Interests. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the New Ordinary Shares and the New Depositary Interests, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the New Ordinary Shares and the New Depositary Interests, and is able to sustain a complete loss in connection therewith and it will not look to the Company or to Panmure Gordon, for all or part of any such loss or losses it may suffer. It has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of any New Ordinary Shares or New Depositary Interests it may decide to invest in.

18. It understands and acknowledges that Panmure Gordon is assisting the Company in respect of the Rights Issue and that Panmure Gordon is acting solely for the Company and no one else in connection with the Rights Issue and, in particular, is not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any New Ordinary Shares or New Depositary Interests nor providing advice to it in relation to the Company, the Rights Issue or the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against Panmure Gordon arising from its engagement with the Company.

19. It has full power and authority to execute and deliver this document, which constitutes its valid and legally binding obligation and is enforceable against it in accordance with its terms.

20. It understands that the foregoing representations and acknowledgments have been provided in connection with United States, the United Kingdom and other securities laws. It acknowledges that the Company, Panmure Gordon and their respective affiliates and others (including legal counsels to each of the Company and Panmure Gordon) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if, at any time before the closing of the Rights Issue or the issuance of the New Ordinary Shares or New Depositary Interests, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Nil Paid Rights or Fully Paid Rights, and subscription for New Ordinary Shares or New Depositary Interests or application for Excess Entitlements is no longer accurate, it shall promptly notify the Company and Panmure Gordon in writing.

Such recipients or purchasers may also be required to observe the selling restrictions set out below.

Any envelope containing a Provisional Allotment Letter and/or Excess Application Form and post-marked from the United States will not be accepted unless the Company has received a duly executed Investor representation letter in the prescribed form. Similarly, the Company shall treat as invalid any Provisional Allotment Letter and/or Excess Application Form in respect of which the exercising holder or subscribing applicant requests New Ordinary Shares or New Depositary Interests to be credited to a Securities Account and gives an address in the United States, unless the Company has received (and accepted) a duly executed Investor representation letter in the prescribed form. Any payment made in respect of any Provisional Allotment Letter and/or Excess Application Form that does not meet the foregoing criteria will be returned without interest.

In addition, until the expiration of the 40-day period beginning on the date on which the Company will allot and issue the New Ordinary Shares or New Depositary Interests, an offer to sell or a sale of, or subscription for, the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Ordinary Shares or the New Depositary Interests within the United States by a broker/dealer (whether or not it is participating in the Rights Issue) may violate the registration requirements of the Securities Act.

Notice to Investors and Shareholders in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (except the UK) (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), none of the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights may be offered or sold to the public in that Relevant Member State prior to the publication of this document in relation to the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights and the Fully Paid Rights, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, other than the offers contemplated in this document in a Relevant Member State after the date of such publication or notification, and except that an offer of such New Ordinary Shares, New Depositary Interests, Nil Paid Rights or Fully Paid Rights may be made to the public in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of Panmure Gordon for any such offer; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Ordinary Shares, New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights shall require the Company or Panmure Gordon to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this selling restriction, the expression an "offer of New Ordinary Shares, New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights to the public" in relation to any New Ordinary Shares, New Depositary Interests, Nil Paid Rights or Fully Paid Rights in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights to be offered so as to enable an Investor to decide to acquire the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

In the case of any New Ordinary Shares, New Depositary Interests, Nil Paid Rights or Fully Paid Rights being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Ordinary Shares, New Depositary Interests, Nil Paid Rights or Fully Paid Rights to the public other than their offer or resale in a Relevant Member State to "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive. The Company, Panmure Gordon and their respective affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Notice to Investors and Shareholders in India

No invitation, offer or sale to purchase or subscribe to the New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights is made or intended to be made to the public in India through this document or any amendment or supplement thereto. Neither this document, nor any amendment or supplement thereto, is a prospectus, offer document or advertisement, nor has it been or will it be submitted or registered as a prospectus or offer document, under any applicable law or regulation in India. None of this document, the Provisional Allotment Letter or the Excess Application Form, nor any amendment or supplement thereto, has been reviewed, approved or recommended by any Registrar of Companies in India, the Securities and Exchange Board of India, the Reserve Bank of India, any stock exchange in India or any other Indian regulatory authority.

Accordingly, no person may make any invitation, offer or sale of any New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights, nor may this document, the Provisional Allotment Letter or the Excess Application Form, nor any amendment or supplement thereto nor any other document, material, notice or circular in connection with the invitation, offer or sale for subscription or purchase of any New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights (the "Offer") be circulated or distributed whether directly or indirectly to, or for the account or benefit of, any person resident in India, other than strictly on a private and confidential basis and so long as any such Offer is not calculated to result, directly or indirectly, in the New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights becoming available for subscription or purchase by persons other than those receiving such offer or invitation. Notwithstanding the foregoing, in no event shall the Offer be made, directly or indirectly, in any circumstances which would constitute an offer to the public in India within the meaning of any applicable law or regulation.

Any Offer of the New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights to a person in India shall be made subject to compliance with all applicable Indian laws including, without limitation, the Foreign Exchange Management Act, 1999, as amended, and any guidelines, rules, regulations, circulars or notifications issued by the Reserve Bank of India, the Securities and Exchange Board of India and any other Indian regulatory authority.

Each Investor in the Securities acknowledges, represents and agrees that it is eligible to invest in the Company and the Securities under applicable laws and regulations in India and that it is not prohibited or debarred under any law or regulation from acquiring, owning or selling the Securities.

Notice to Investors and Shareholders in a Restricted Jurisdiction

This document does not constitute an offer of the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights to any person with a registered address, or who is resident or located, in any of the other Restricted Jurisdictions. The New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights and the Fully Paid Rights have not been and will not be registered under any securities laws of any Restricted Jurisdiction. This document, the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights and the Fully Paid Rights may not be sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, within any of the Restricted Jurisdictions. Accordingly, the Rights Issue is not being extended into any of the Restricted Jurisdictions and the Provisional Allotment Letters and Excess Application Form will not be sent to Excluded Overseas Shareholders, nor will any Nil Paid Rights or Fully Paid Rights be credited to a stock account in CREST of Excluded Overseas Shareholders.

Notice to all Overseas Shareholders

All Overseas Shareholders and any person (including, without limitation, a nominee, custodian or trustee) who has a contractual or other legal obligation to forward this document or any Provisional Allotment Letter or Excess Application Form, if and when received, or other document to a jurisdiction outside the UK should read paragraph 2.5 ("Overseas Shareholders") of "Part 6 – Terms and Conditions of the Rights Issue".

PART 1

THE BUSINESS AND THE INVESTMENT PORTFOLIO

1. The Company

The Company is an investment company initially incorporated as a limited liability company under the laws of the British Virgin Islands on 5 January 2004. The Company voluntarily re-registered itself as a BVI Business Company on 17 November 2006. The Company does not have a principal place of business as the Company carries out its principal activities under the management of the Investment Manager. The Company was admitted to the Official List of the UK Listing Authority on 3 August 2007 under Chapter 14 of the Listing Rules, and its securities were admitted to trading on the London Stock Exchange's main market for listed securities, raising U.S.$203 million before expenses through an initial public offering of its Shares and a concurrent share placement. Prior to admission to the Official List, the Company raised a total of approximately U.S.$103.8 million before expenses, and closed its first capital subscription at the end of 2005. The Company's pro-forma NAV as at the date of the IPO was approximately U.S.$338.3 million, and pro-forma NAV per Share was approximately U.S.$1.00. Since the date of the IPO, the Company has increased its NAV and, as at 30 June 2012, its NAV was approximately U.S.$430.1 million and NAV per Share was approximately U.S.$1.24. As at the Latest Practicable Date, the NAV was approximately U.S.$472.5 million and NAV per Share was approximately U.S.$1.36.

2. The Business

The principal activities of the Company are those relating to an investment holding company, while those of its subsidiaries consist primarily of making longer-term strategic investments predominantly in the Asia-Pacific region, particularly in the HH&L sectors (including branded real estate developments), as well as investments in special situations and structured transactions. The Company is structured as a permanent capital vehicle to enable it, where necessary, to make longer-term investments that are not constrained by restricted fund life cycles that are a characteristic of traditional private equity funds. The Company's business is not seasonal in nature, although the businesses of some of its portfolio companies (for example, those in the HH&L sectors) may be.

Where it is stated in this document that the Company has made an investment or has a shareholding in a venture, Investors and Shareholders should assume that such investment or shareholding has not been made or is not held (as applicable) by the Company directly but rather by one of its wholly-owned or majority-owned subsidiaries.

The Company's Investment Manager provides day-to-day management and administrative services to the Company in order to manage the Company's investments having regard to the Company's investment objectives, policy and strategy. For further information on the Investment Manager, please see "Part 3 – The Investment Manager Group".

3. Investment Objectives

The Company's investment objectives are to increase its NAV through strategic longer-term investments in consumer-related businesses, primarily in the HH&L sectors (including branded real estate developments), and through investments in special situations and structured transactions, which have the potential to generate attractive returns and to enhance the NAV.

The Company has invested, and will continue to invest, in opportunities in listed and unlisted companies. The Company's investments are generally characterised by long holding periods. The Investment Manager is typically involved at the board level of the Company's portfolio companies to provide strategic and financial advice and, where necessary, will play a role in the management and operations of the portfolio company to assist the portfolio company's management team to drive growth and enhance profitability.

4. Key Developments since IPO

Investments since IPO

The Company currently holds 13 investments in its portfolio. The Company made four investments prior to its IPO (increasing its investment in three of them after the IPO) and has made 11 new investments since the IPO, which it has done despite the backdrop of challenging market conditions. Since the IPO, the Company has invested an aggregate of approximately U.S.$314.5 million (including reinvestment of dividends and other distributions received and proceeds from the sale of investments but excluding cost reductions from principal loan repayments), equivalent to approximately 100 per cent. of its Capital. Such investment has consisted of an aggregate of approximately U.S.$276.2 million in investments that individually represent more than 5 per cent. of NAV both as at the Latest Practicable Date and in Parkway, and as at the time the investment was made (each such investment being a "Material Investment") and an aggregate of approximately U.S.$38.2 million in investments that individually represent less than 5 per cent. of NAV both as at the Latest Practicable Date and as at the time the investment was made (each such investment being a "Non-Material Investment"). Aggregate NAV in respect of both the Material Investments and the Non-Material Investments was approximately U.S.$413.7 million as at 30 June 2012 and U.S.$457.6 million as at the Latest Practicable Date[4]. The Company has a relatively concentrated portfolio with five of its Material Investments representing approximately 84.5 per cent. of NAV as at 30 June 2012 and approximately 86.1 per cent. of NAV as at the Latest Practicable Date. Non-Material Investments and temporary investments net of working capital represented approximately 11.7 per cent. and approximately 3.8 per cent. of NAV, respectively, as at 30 June 2012 and approximately 10.8 per cent. and approximately 3.1 per cent. of NAV, respectively, as at the Latest Practicable Date.

Material Investments

Since the IPO, the Company has made the Material Investments, being those which individually represent greater than 5 per cent. of the NAV as at the Latest Practicable Date and as at the time the investment was made, as detailed below (the figures in the following table are unaudited):

Name of company/ investment	Sector	Date of investment post IPO	Initial cost of investment (U.S.$ million)	Nature of investment	Equity percentage shareholding at Latest Practicable Date	Fair value of investment as at 30 June 2012 (U.S.$ million)	Fair value[1] of investment as at Latest Practicable Date (U.S.$ million)	% change from initial cost of investment to fair value of investment as at Latest Practicable Date	% of Company's NAV as at Latest Practicable Date[10]
Parkway[2]	Healthcare	Sept 2007	54.1	Equity[2]	N/A	N/A	N/A	N/A	N/A
MINT[3]	Hospitality	Aug 2007 – Oct 2011[5]	67.0[5]	Equity (listed)[6]	8.6	140.4	165.0	146.4	34.9
P- REIT[3]	Healthcare	Aug 2007 – Feb 2012	33.8	Equity (listed)[6]	6.36	56.7	62.9	86.3	13.3
Minuet[3]	Lifestyle/ Real estate	July 2008	66.3[7]	Debt & Equity	49.0[8]	88.0	90.5	36.6	19.2
Desaru[3]	Lifestyle/ Real estate	Jan 2012	29.0	Redeemable preference shares	49.0 of redeemable preference shares	28.3	29.5	1.6	6.2
IHT/IHH[3]	Healthcare	Feb 2012	50.1	Equity	0.7[9]	50.1	58.6	17.0	12.4
Total			300.3			363.5	406.6		86.1

Notes:

(1) The current fair value of the Company's investments in MINT, P-REIT and IHH is as at the Latest Practicable Date. The fair value of the Company's investments in Minuet and Desaru is as at 30 June 2012 (converted at the relevant exchange rate on the Latest Practicable Date into U.S. Dollars). Minuet's value is based on the valuation of its real estate assets by an independent third-party on 30 June 2012. The difference in the valuation date is due to the fact that MINT and P-REIT are listed entities and therefore the fair value of the Company's investment can be determined by reference to the market value of the shares or units, as applicable, on the relevant Stock Exchange on which they are listed. The other Material Investments are in private companies and therefore the most recent date on which the fair value of the Company's investments in such companies was determined was 30 June 2012. See the section entitled "Important Information – Valuations".

(2) Interest sold in August 2010 to a subsidiary of Khazanah (see the section entitled "– Divestments since IPO" below for further details). Parkway consequently de-listed in August 2010.

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4 The aggregate valuation of the Company's investments as at the Latest Practicable Date is an aggregation of the values of the Company's investments as follows: (a) valuation of its investment in unlisted entities as at 30 June 2012 (converted at the relevant exchange rate on the Latest Practicable Date into U.S. Dollars); (b) valuation of its investments in listed entities as at the Latest Practicable Date; and (c) valuation of the Company's temporary investments net of working capital at 31 August 2012 (please see the section entitled "Important Information – Valuations" for further information).

(3) The securities in, and loans to (where applicable), Minuet and MINT are denominated in Thai Baht, the securities in Desaru and IHH are denominated in Malaysian Ringgit and the units in P-REIT are denominated in Singapore Dollars.

(4) Prior to the IPO, the Company had made investments in Minor Corporation Public Company Limited (which then merged/was restructured with MINT). Since the table deals with post-IPO investments only, details relating to these pre-IPO investments have not been disclosed.

(5) Minor Corporation Public Company Limited shares were divested in exchange for MINT shares on 12 June 2009 in conjunction with the merger/restructuring between Minor Corporation Public Company Limited and MINT. As a result of the divestment, in addition to the shares in MINT held by the Company, the Company received approximately an additional 112.3 million shares in MINT. The U.S.$8.6 million the Company paid for Minor Corporation Public Company Limited shares prior to the IPO has been added to the U.S.$27.5 million the Company paid for MINT shares prior to the IPO and U.S.$30.9 million the Company paid for MINT shares after the IPO.

(6) MINT is listed on the Stock Exchange of Thailand and P-REIT is listed on the SGX. IHH is listed on the Bursa Malaysia Securities Berhad and the SGX.

(7) Amount invested is net of shareholder loan repayments to the Company in 2009 and 2012.

(8) The Company has a direct 49 per cent. interest in Minuet. In addition, the Company also holds a 49 per cent. interest in La Finta Limited, which itself holds a 2 per cent. interest in Minuet.

(9) The Company's investment in IHT was converted into IHH shares at the time of IHH's initial public offering in July 2012. As at the Latest Practicable Date, the Company held 0.7 per cent. of the ordinary share capital in IHH.

(10) Using fair values of MINT, P-REIT and IHH as at the Latest Practicable Date, and of Minuet and Desaru as at 30 June 2012.

Non-Material Investments

Since the IPO, the Company has made the Non-Material Investments, being those which constitute less than 5 per cent. of the NAV as at the Latest Practicable Date and as at the time the investment was made, as detailed in the table below. The aggregate NAV of the Non-Material Investments was approximately U.S.$50.3 million and represented approximately 11.7 per cent. of NAV as at 30 June 2012, and was approximately U.S.$51.0 million and represented approximately 10.8 per cent. of NAV as at the Latest Practicable Date.

As described in the section entitled "Important Information – Limited Disclosure for Investments in Unlisted Privately Held Companies", the Company will typically not disclose pricing and valuation information relating to Non-Material Investments in order to prevent: (a) sellers of potential investments in private companies from determining how much the Company has paid for its investments in comparable private companies which are similar to its potential investment, as this could lead to unfair price comparisons; and (b) buyers of the Company's existing investments from determining how much the Company initially paid for its investments, as this will affect its competitive advantage during the exit price negotiation process and may prevent it from maximising value for Shareholders.

Name of company/investment	Sector	Date of investment post IPO	Nature of investment	Equity percentage holding as at the Latest Practicable Date
SG Land	Lifestyle/ Real estate	April 2008	Debt & Equity	49.9
AFC	Lifestyle	May 2008 – June 2012	Equity	19.2 (preference shares)
C Larsen	Lifestyle	Dec 2008 – July 2009	Debt & Equity	0.1 (ordinary shares) and 100 (redeemable convertible preference shares)
One Central Residences, Macau[(1)]	Lifestyle/ Real estate	Aug 2009 – Nov 2011	Equity	92.1
Niseko Property JV	Lifestyle/ Real estate	March 2011 – August 2012	Debt & Equity	37.5
Maison Takuya	Lifestyle	January – August 2012	Debt & Equity	7.44 (convertible preference shares)
Miscellaneous[(2)]	Lifestyle/Real estate and Healthcare	August 2008 and June 2010	Debt	N/A

Note:

(1) The Company has sold all of the apartments that constituted this investment. The sale of the final apartment was completed on 13 September 2012.

(2) The Company's investment in these two entities represents less than 0.5 per cent. of NAV as at 30 June 2012 and as at the Latest Practicable Date and therefore the details of these entities have not been disclosed.

Divestments since IPO

The Company's first divestment since the IPO was its interest in approximately 98.5 million shares in Minor Corporation Public Company Limited which it divested on 12 June 2009 as a result of the merger between Minor Corporation Public Company Limited and MINT. As consideration for the divestment, the Company received approximately 112.3 million shares in MINT, which, at the time of divestment, resulted in an approximate U.S.$21.9 million gain over the investment cost, taking into account the market value of the MINT shares at the time of divestment and distributions received from Minor Corporation Public Company Limited during the investment period. This translated to approximately 3.6 times the investment cost and an approximate 43 per cent. gross annualised return over a period of approximately four years.

The Company's second divestment since the IPO was its interest in Parkway Holdings Limited, of which Mr. Anil Thadani is a former chairman, which it sold in the third quarter of 2010 to Khazanah Nasional Berhad as part of Khazanah's public takeover of Parkway. The investment provided the Company with gross proceeds of approximately U.S.$80.7 million, and resulted in an approximate U.S.$26.6 million gain over investment cost. This translated to 1.5 times the investment cost and a 21.6 per cent. annualised return over a period of less than three years.

Minuet, one of the Company's Material Investments, also successfully sold approximately 69.2 rai (approximately 11.1 hectares) of the land owned by it in Bangkok, Thailand to SC Asset in January 2012 at a sale price, based on exchange rates prevailing at that time, of over 20 per cent. above Minuet's average land cost. As a result, and as at the Latest Practicable Date, the Company had received approximately U.S.$12.4 million from Minuet by way of partial return of a shareholder loan.

The Company has recently completed the sale of all four of its apartments in One Central Residence, Macau and the gross proceeds attributable to the Company were approximately U.S.$9.0 million. This translated into a gain of approximately 53.8 per cent. over the Company's cost of investment.

5. Investment Performance and Share Price

From the date of the IPO until 30 June 2012, the NAV per Share has increased from approximately U.S.$1.00[5] to approximately U.S.$1.24, representing an increase of approximately 24.1 per cent. over such period or an annualised increase of approximately 4.5 per cent. This compares to a decrease in the MSCI AC World and MSCI AC Asia Indices by 19.3 and 24.5 per cent., respectively, over such period or an annualised loss of 4.3 and 5.6 per cent., respectively.

The following table sets out the NAV per Share total return compared against the MSCI AC World and MSCI AC Asia Indices total return, from the IPO until 30 June 2012:

Date	NAV per Share	MSCI AC World Index (rebased)	Company's relative performance	MSCI AC Asia Index (rebased)	Company's relative performance
	(U.S.$)		*(%)*		*(%)*
03/08/2007	1.0000	1.0000	0.00	1.0000	0.00
30/09/2007	1.0132	1.0648	(4.84)	1.0570	(4.14)
31/12/2007	1.0652	1.0424	2.19	1.0240	4.02
31/03/2008	1.0788	0.9409	14.65	0.9060	19.07
30/06/2008	0.9921	0.9187	7.99	0.8816	12.53
30/09/2008	0.8843	0.7620	16.05	0.6986	26.57
31/12/2008	0.7523	0.5885	27.82	0.5978	25.84
31/03/2009	0.7122	0.5223	36.36	0.5343	33.29
30/06/2009	0.8196	0.6330	29.47	0.6814	20.28
30/09/2009	0.9640	0.7425	29.84	0.7595	26.93
31/12/2009	0.9953	0.7740	28.59	0.7723	28.89
31/03/2010	1.0372	0.7946	30.53	0.8037	29.05

5 At the time of the IPO, the NAV per Share was determined to be approximately U.S.$1.00. However, no NAV calculation was undertaken at the time.

Date	NAV per Share	MSCI AC World Index (rebased)	Company's relative performance	MSCI AC Asia Index (rebased)	Company's relative performance
	(U.S.$)		*(%)*		*(%)*
30/06/2010	1.0278	0.6934	48.23	0.7399	38.92
30/09/2010	1.1981	0.7888	51.88	0.8160	46.82
31/12/2010	1.1618	0.8547	35.94	0.8897	30.58
31/03/2011	1.1719	0.8883	31.93	0.8697	34.75
30/06/2011	1.1660	0.8836	31.96	0.8656	34.71
30/09/2011	1.1096	0.7254	52.95	0.7339	51.19
31/12/2011	1.1239	0.7742	45.17	0.7311	53.72
31/03/2012	1.1935	0.8616	38.53	0.8179	45.93
30/06/2012	1.2414	0.8068	53.87	0.7552	64.39

Despite the positive performance, since the IPO, the Company's share price has consistently traded at a discount to its NAV per Share, and, as at the Latest Practicable Date, the Shares were trading at U.S.$0.6775, a 50.3 per cent. discount to the NAV per Share as at the Latest Practicable Date of U.S.$1.36.

The Directors are focused on the discount to the NAV per Share at which the Shares trade and will continue to implement and seek measures to attempt to narrow this discount. Following completion of the Rights Issue, the Directors intend to propose a Special Resolution at the Company's annual general meeting in 2013 to amend the Memorandum and Articles of Association to include an article prohibiting the issuance of Shares by the Company at a price which represents a discount of more than 15 per cent. to the then most recently published NAV per Share, except where approved by a Resolution (such approval to be sought on a case-by-case basis).

Whilst the Directors are confident that the discount to NAV per Share at which the Shares trade can be narrowed over time, the Directors intend that if at the time of publication of the NAV as at 30 September 2017:

(i) the volume weighted average closing price of the Shares for the trading days over the three months prior to 30 September 2017 is shown to represent a discount of more than 35 per cent. of the NAV per Share as at 30 September 2017; and

(ii) the Directors reasonably consider that if the investments of the Company were sold for cash through an orderly sale process the aggregate sale proceeds (net of costs, fees and expenses associated with such sales) would be at least 80 per cent. of the NAV as at 30 September 2017,

they will, as soon as is reasonably practicable, put a resolution to the Shareholders to propose a sale of sufficient assets so as to enable a distribution in cash to Shareholders of an aggregate amount of at least 80 per cent. of the NAV as at 30 September 2017.

The table below sets out the NAV per Share, value of cash (net of working capital and listed securities per Share) and Share price for the period from 31 December 2007 to 30 June 2012 on a quarterly basis:

Date	NAV per Share	Cash net of working capital and listed securities per share	Share price
	(U.S.$)	*(U.S.$)*	*(U.S.$)*
31/12/2007	1.0652	1.0384	0.91
31/03/2008	1.0788	1.0504	0.73
30/06/2008	0.9921	0.9368	0.77
30/09/2008	0.8843	0.5887	0.63
31/12/2008	0.7523	0.4491	0.29
31/03/2009	0.7122	0.4061	0.23
30/06/2009	0.8196	0.4853	0.34
30/09/2009	0.9640	0.6085	0.48

Date	NAV per Share	Cash net of working capital and listed securities per share	Share price
31/12/2009	0.9953	0.6356	0.64
31/03/2010	1.0372	0.6658	0.65
30/06/2010	1.0278	0.6554	0.62
30/09/2010	1.1981	0.8031	0.68
31/12/2010	1.1618	0.7648	0.67
31/03/2011	1.1719	0.7639	0.7
30/06/2011	1.1660	0.7589	0.78
30/09/2011	1.1096	0.7065	0.73
31/12/2011	1.1239	0.7079	0.595
31/03/2012	1.1935	0.5505	0.725
30/06/2012	1.2414	0.6161	0.645

6. Existing Portfolio

6.1 *Material Investments*

Details on the Company's Material Investments, being those which individually represent greater than 5 per cent. of the NAV as at the Latest Practicable Date and as at the time the investment was made, are provided below. The Company has representation on the board of each of the companies in which it has a Material Investment, with the exception of IHH and P-REIT where it has no board representation. Please see paragraph 5 ("Additional Material Investment Information") of "Part 14 – Additional Information" for some further information in respect of the Material Investments.

MINT

As at the Latest Practicable Date, the Company owns 313.6 million shares in MINT which represents approximately 8.6 per cent. of the ordinary share capital of MINT. In addition, as at the Latest Practicable Date, the Company owns approximately 15.9 million warrants to subscribe for 1.1 ordinary shares of MINT each. As at the Latest Practicable Date, the Company has invested an aggregate of approximately U.S.$67.0 million in MINT, through the acquisition of approximately 271.8 million ordinary shares (including the cost of the acquisition of approximately 98.5 million shares in Minor Corporation Public Company Limited that were exchanged for 112.3 million ordinary shares in MINT as part of a merger/restructuring of the two entities in June 2009) and the receipt of bonus shares of approximately 13.3 million and approximately 28.5 million in May 2008 and April 2012, respectively. As at 30 June 2012, the market value of the Company's investment in MINT was approximately U.S.$140.4 million, representing an unrealised gain in value of approximately U.S.$73.4 million. The market value of the Company's investment in MINT as at the Latest Practicable Date is U.S.$165.0 million.

MINT is a company that is incorporated under the laws of Thailand and is listed on the Stock Exchange of Thailand. Its registered addresses are at (i) Berli Jucker House, 99 Soi Rubia, Sukhumvit 42 Road, Kwaeng Phrakanong, Khet Klongtoey, Bangkok and (ii) 218/2-4, Moo 10, Beach Road, Nongprue, Banglamung, Chanbuni, Thailand. MINT is a diversified consumer business and is one of the largest hospitality and restaurant companies in the Asia-Pacific region. Anil Thadani (a Director of the Company) currently serves on MINT's board of directors.

As at 30 June 2012, MINT owned 28 hotels and managed 49 other hotels and serviced suites with over 9,800 rooms under prominent brands such as the Four Seasons, St. Regis, Marriott, Anantara and Oaks operating in 10 countries including Australia, New Zealand, Thailand, Vietnam, Maldives, South Africa, Sri Lanka and the Middle East. Out of the total 9,800 rooms owned or managed by MINT, approximately one-third are in Thailand with the remaining two-thirds in other Asian countries and the Middle East. MINT also owns Anantara Vacation Club, a points-based vacation club.

As at 30 June 2012, MINT also owned and operated 1,274 restaurants (comprising 708 equity-owned outlets and 566 franchised outlets) under the brands The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Thai Express and The Coffee Club. Approximately two-thirds of these outlets are in Thailand with the remaining number in other Asian countries and the Middle East.

MINT's operations also include contract manufacturing and an international lifestyle consumer brand distribution business in Thailand focusing on fashion, cosmetics through retail (247 outlets), wholesale and direct marketing channels under brands that include GAP, Esprit, Bossini, Red Earth, Bloom, Tumi and Zwilling Henckels, amongst others.

MINT plans to grow its portfolio to 140 hotels, 2,700 restaurants and 300 retail outlets by 2016.

In February 2012, MINT declared a stock dividend at the ratio of one new common share for 10 existing shares and a cash dividend of THB0.15 per share, which provided the Company with gross cash proceeds of approximately U.S.$1.3 million as well as an additional 28.5 million MINT shares.

Further information on MINT is set out in an Annex at the end of this document, which forms part of this document, in accordance with paragraph 2.2 of Annex XV which forms part of Appendix 3 to the Prospectus Rules.

P-REIT

The Company invested approximately U.S.$30.2 million in the initial public offer of P-REIT units in August 2007 acquiring approximately 35.8 million units. In February 2012, the Company acquired approximately a further 2.7 million units in P-REIT for approximately U.S.$3.7 million such that, as at the Latest Practicable Date, the Company owned approximately 38.5 million units in P-REIT equating to approximately a 6.36 per cent. interest at an aggregate cost of approximately $33.8 million. The market value of the Company's investment was approximately U.S.$56.7 million as at 30 June 2012 and was approximately U.S.$62.9 million as at the Latest Practicable Date, representing an unrealised gain in value of approximately U.S.$22.9 million and approximately U.S.$29.2 million, respectively.

P-REIT is one of Asia's largest listed healthcare real estate investment trusts by asset size. It is listed on the SGX. P-REIT was established by Parkway to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Japan and Singapore) that is/are used primarily for healthcare and/or healthcare-related purposes. As at 30 June 2012, P-REIT's total portfolio size stood at 36 properties with a value of approximately S$1.4 billion. P-REIT owns the leasehold (ranging from 67 to 75 years) to three Singapore hospitals, which are leased to Parkway Hospitals Singapore Pte Ltd on long-term leases, and a mixture of leasehold and freehold ownership of 33 properties in Japan (comprising 32 private nursing homes and one pharmaceutical product distribution and manufacturing unit)[6]. On 1 August 2012, P-REIT completed the acquisition of strata titled units/lots within Gleneagles Medical Centre, Kuala Lumpur, Malaysia, which was P-REIT's first foray into Malaysia.

P-REIT has stated that it remains cautious about its near-term to medium-term acquisition prospects. However, it believes that the long-term prospects of the regional healthcare industry in Asia will continue to be robust due to rising demand for better quality healthcare services driven by fast-growing ageing populations. P-REIT believes that its portfolio of healthcare-related assets places it in a good position to benefit from the resilient growth of the healthcare industry in the Asia-Pacific region. In addition, P-REIT has stated that it is supported by favourable rental lease structures, where at least 89 per cent. of its Singapore and Japan portfolios have downside revenue protection and 63 per cent. of the total portfolio is pegged to CPI-linked revision formulae, ensuring steady future rental growth whilst protecting revenue stability amid uncertain market conditions.[7]

6 P-REIT has stated in its presentations dated 27 March 2012 and 2 August 2012 that: (i) its nursing home properties are strategically located in dense residential districts in major cities; and (ii) there is an acute aging population in Japan, with one in three Japanese expected to be over 65 years old by 2050.

7 Q2 2012 Unaudited Financial Statement and Distribution Announcement dated 2 August 2012.

P-REIT generates an inflation-linked yield of approximately 5 per cent. based on current valuations and historic distributions. P-REIT's distribution has increased by 56 per cent. since P-REIT's IPO in 2007, was approximately 10 per cent. higher in 2011 compared to 2010 and was 6.7 per cent. higher (on an annualised basis) for the first half of 2012 compared to same period in 2011. According to P-REIT[8], it puts in place ample funding from diversified sources to support future acquisitions and growth opportunities, which includes expansion into other countries.

Minuet

In July 2008, the Company entered into a joint venture agreement with a Thai partner and at that time invested approximately U.S.$78.3 million by way of an equity investment and interest-bearing shareholder loan for a 49 per cent. direct interest in Minuet[9]. Following the sale of land to SC Asset (see below), the Company received U.S.$12.4 million from Minuet by way of a partial return of the shareholder loan described above. Minuet does not have any indebtedness with any banks. The Company's investment cost (net of shareholder loan repayments) at the Latest Practicable Date is approximately U.S.$66.3 million. As at 30 June 2012, the fair value of the Company's interest in Minuet was approximately U.S.$88.0 million, based on an independent third-party valuation of the land owned by Minuet as at the same date and was approximately U.S.$90.5 as at the Latest Practicable Date.

The Company is currently considering several development and/or sale options for the land owned by Minuet, which is located in close proximity to central Bangkok, Thailand.

On 13 January 2012, the Company announced that Minuet had completed the sale of approximately 69.2 rai (approximately 11.1 hectares) of land in Bangkok, Thailand to SC Asset. The land sold represented approximately 14.1 per cent. of Minuet's total land holding at the time of completion of the sale. The land plot was one of the largest recently sold in the area. The sale price, based on exchange rates prevailing at that time, was over 20 per cent. above Minuet's average land cost, but provided a basis on which to value Minuet's residual land going forward. As at the Latest Practicable Date, Minuet holds approximately 423.0 rai (approximately 67.7 hectares) of land in Bangkok, Thailand.

Desaru

In January 2012, the Company invested RM90 million (approximately U.S.$29 million) in Desaru for a 49 per cent. interest in redeemable preference shares in Desaru. The Company is also entitled to subscribe for 49 per cent. of the ordinary shares in Desaru (see below). Its joint venture partner, a Malaysian affiliate of Destination Resorts and Hotels Sdn Bhd, a hotel and destination resort investment subsidiary of Khazanah, holds the balance of the Desaru's redeemable preference shares and 100 per cent. of its ordinary shares. The fair value of the Company's interest in Desaru as at 30 June 2012 was approximately U.S.$28.3 million and was approximately U.S.$29.5 as at the Latest Practicable Date.

Desaru is developing a beachfront country club and over 50 private villas on the south eastern coast of Malaysia. The development is connected to a championship golf course, and the club and villas will be branded and managed by Amanresorts. The villas are expected to be sold to corporate and individual buyers interested in acquiring a vacation property within a short drive from Singapore and southern Malaysia. The Senai-Desaru Highway which opened in June 2011 has reduced the journey time from Singapore to southern Malaysia significantly and the Company believes that this will make southern Malaysia more attractive to Singaporean residents. Design plans have been finalised and site preparation work has already begun for this project.

The process for registration of Desaru's legal title to the land with the relevant Malaysian authorities and completion under the relevant land acquisition agreement is currently in progress. Following completion of that process, the Company has an obligation to subscribe for 49 per cent. of the ordinary the nominal value of the shares. If, among other matters, the necessary consents cannot be obtained

8 P-REIT, "2Q 2012 Results Presentation", 2 August 2012.

9 The Company also has a 49 per cent. shareholding in La Finta Limited, which itself holds a 2 per cent. direct interest in Minuet.

to provide the relevant legal title in a form acceptable to the Company by 31 December 2012, or such other time as may be agreed between the parties, the Company has the right to require its joint venture partner to purchase the Company's holding of redeemable preference shares at cost plus an amount equal to a 5 per cent. per annum interest accrual.

IHT/IHH

In February 2012, the Company invested approximately U.S.$50.1 million to acquire a 6.35 per cent. interest in the ordinary shares of Integrated Healthcare Hastaneler Turkey Sdn Bhd ("IHT"). This interest was subsequently diluted to approximately 6.2 per cent. due to the capitalisation of shareholder loans made to IHT by the other shareholders. The remainder of IHT was owned by IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Sdn Bhd) ("IHH"), the healthcare subsidiary of Khazanah. IHT is the controlling shareholder of Acibadem Saglik Yatirimlari Holdings A.S. ("ASYH"), a leading private healthcare group in Turkey, holding 60 per cent. of its shares.

The fair value of the Company's interest in IHT was approximately U.S.$50.1 million as at 30 June 2012 based on the cost of investment. Following the conversion described below, the market value of the Company's investment in IHH as at the Latest Practicable Date was U.S.$58.6.

At the time of the initial investment, the Company agreed to convert its investment in IHT into a minority interest of equivalent value in ordinary shares in IHH at the time of an initial public offering of IHH's shares. IHH published a prospectus on 2 July 2012 in respect of its proposed initial public offering on the SGX and Bursa Malaysia Securities Berhad which completed on 25 July 2012. The conversion of the Company's shares in IHT into IHH shares was implemented by the Company transferring its shares in IHT to the IHH group in consideration for which IHH issued shares in IHH and allotted them to the Company. The conversion ratio was based on the original acquisition price paid by the Company for the IHT shares, being RM1.00 per IHT share, adjusted for the Company's pro-rata share of the transaction costs associated with the acquisition by IHT of 60 per cent. of ASYH (U.S.$450,492) and the institutional price to be paid for IHH shares (RM2.80) at the time of the initial public offering. The applicable foreign exchange rate that was applied to the conversion was the rate of U.S.$1.00 to RM3.1760. The number of shares in IHH allotted and issued to the Company pursuant to the conversion was 56,203,299 IHH shares. The Company is obliged not to sell, transfer or dispose of the IHH shares pursuant to the above conversion for a period of 180 days from the date on which they are allotted and issued to the Company.

Approximately 62 per cent. of the initial public offering of IHH was taken up by cornerstone investors that include the International Finance Corporation, BlackRock Investment Management, Capital Research Global Investors, the Government of Singapore Investment Corporation Pte Ltd, Kuwait Investment Authority, Eastspring Investments Berhad (a part of Prudential plc) and Och Ziff Capital Management.

IHH is one of the largest listed healthcare providers in the world by market capitalisation. Its portfolio of healthcare assets includes Parkway Holdings Limited, Pantai Holdings Berhad, International Medical University, ASYH and a significant shareholding in Apollo Hospitals Enterprises Limited. IHH has a broad footprint of assets in Turkey, Malaysia, Singapore, India and a presence in China, Brunei, Abu Dhabi, as well as Central and Eastern Europe. The IHH group employs more than 24,000 people and operates over 4,900 licensed beds across 30 hospitals worldwide.

The Company's interest in IHH gives it further exposure to the fast growing private healthcare sector in Asia and certain other emerging markets.

6.2 ***Non-Material Investments***

In addition to the Material Investments discussed above, the Company has a number of additional Non-Material Investments, being those which constitute less than 5 per cent. of the NAV as at the Latest Practicable Date and as at the time the investment was made. The Company has representation on the board of each of its Non-Material Investments. Details on the Company's Non-Material Investments are detailed below:

SG Land

In April 2008, the Company acquired approximately a 49.9 per cent. interest in SG Land and entered into a joint venture agreement with Thai Factory Development Pcl, a Thai property developer that is listed on the Stock Exchange of Thailand. The Company's shares in SG Land are subject to a pledge which was granted to the third-party lender from which a subsidiary of the Company borrowed funds to be used in the investment of SG Land. The Company has also made interest-bearing shareholder loans to SG Land.

SG Land owns the leasehold rights over two office buildings in downtown Bangkok, Thailand – SG Tower and Millenia Tower. The two buildings in SG Land's portfolio have high occupancy rates and offer attractive rental yields. SG Land continues to generate stable performance from rental income from its two office towers. Through SG Land, the Company continues to explore redevelopment and asset-enhancement approaches in relation to these buildings. The value of SG Land at 30 June 2012 was approximately U.S.$16.3 million, and at the Latest Practicable Date was approximately U.S.$16.8 million, both valuations being based on an independent third-party valuation undertaken as at 30 June 2012.

AFC

In May 2008, the Company invested in AFC. The Company has increased its holding in AFC since the time of its initial investment by taking up its entitlements in a number of rights issues carried out by AFC (AFC's most recent rights issue completed in June 2012). AFC is a 24-hour TV channel broadcasting food and lifestyle programming tailored to audiences in the Asia-Pacific region. This channel began broadcasting in July 2005 and currently airs in Singapore, Hong Kong, Malaysia, Indonesia, Thailand, Brunei, Mongolia, South Korea and the Philippines. The business is performing well with revenue growth being driven by advertising income. AFC's management is exploring strategic options for the business and expects to continue to see double-digit revenue growth in 2012.

C Larsen

Prior loans made by the Company to the C Larsen group were restructured so as to provide it with both an equity investment (in ordinary and redeemable convertible preference shares) and debt interest (through the provision of shareholder loans). C Larsen operates in Thailand under the brand name "Chanintr Living" as an importer and distributor of high-end U.S. and European furniture brands including Baker, Thomasville, Martha Stewart, Barbara Barry, Minotti, Christian Liaigre and Herman Miller. The business primarily services the Thai market, but the intention is to grow the business gradually into other parts of Asia. The business continues to evaluate a number of new ventures that include shop openings in Vietnam, Singapore and Hong Kong. C Larsen established three new outlets that officially launched in Bangkok in March 2012 to house the Bulthaup, Minotti and Craft brands.

One Central Residences, Macau

In 2006, the Company made an initial investment in four high-end residential apartments in a new development in Macau, One Central Residences. The units were held through one of the Company's subsidiaries[10]. By investing in the project at an early stage, the Company believes that it was able to secure high floor units at relatively attractive prices. The Company has recently completed the sale of all four of the apartments and the gross proceeds attributable to the Company were approximately U.S.$9.0 million. This translated into a gain of approximately 53.8 per cent. over the Company's cost

10 A 7.9 per cent. interest in the relevant subsidiary is held by a third-party.

of investment. The sale of the final apartment completed on 13 September 2012. The Company, therefore, currently has no investments in Macau.

Niseko Property JV

In March 2011, the Company acquired a 30 per cent. interest in Niseko Property JV, which indirectly owns a property in Niseko, an internationally renowned winter sports destination in Hokkaido, Japan. In January 2012, the Company increased its shareholding in Niseko Property JV to 37.5 per cent., and, in March 2012, the Company advanced an amount to Niseko Property JV to assist its acquisition of a second property adjacent to its first property. In August 2012, the Company made an additional investment in Niseko Property JV in the form of a shareholder loan. It is intended that the two properties will be redeveloped into an upmarket ski-resort development. Niseko is increasingly becoming a premium vacation destination that provides all-year-round activities.

Maison Takuya

In January 2012, the Company subscribed for convertible preference shares in Privée Holdings Pte. Ltd., a company which has businesses that produce and market luxury leather accessories under the Maison Takuya brand name. Since the initial subscription, the Company has invested additional amounts in Maison Takuya and may do so further in the future. Maison Takuya products are available at selected high-end stores globally. It has distribution channels that include over 60 retailers in nine countries such as the United States, France, Australia, Switzerland, Japan, Thailand and Singapore.

6.3 ***Temporary Investments***

In addition to the investments identified above, pending the Company's investment in suitable investment opportunities, the Company has placed funds in certain temporary investments. As at 30 June 2012, cash and cash equivalents that predominantly comprised bank deposits, net of working capital, amounted to approximately U.S.$16.40 million. Further, given the amount of the proceeds from the Rights Issue, it may take time to fully invest the Company's Capital following the Rights Issue and the Company anticipates that such proceeds, after deducting fees and other expenses, will also need to be temporarily invested by the Investment Manager in liquid investments and managed by a third-party investment manager of international repute or held on deposit with commercial banks before they are invested.

Temporary investments could include government securities, certificates of deposit, commercial paper, floating rate notes, short- and medium-term obligations, repurchase agreements, supranational bonds, asset-backed securities and other investment grade securities.

The Company's investment policies and procedures do not impose any fixed requirements relating to the allocation of its excess capital among various types of temporary investments, including the currencies in which the investments are made. Historically, the Company has typically kept funds in bank deposits that are predominantly in U.S. Dollars, Hong Kong Dollars and Singapore Dollars pending investment. As the base currency of the Company is the U.S. Dollar, the Company is subject to foreign exchange translation risks if it holds temporary investments in other currencies.

6.4 ***Cost, Unrealised Gains (losses) and Cash Net of Working Capital***

Below is a breakdown of the Company's investment portfolio by cost, unrealised gains (losses) and cash net of working capital[11].

11 All information in this paragraph 6.4 is sourced from unaudited financial information from the Company.

The following table shows the segmentation of the Company's investment portfolio by cost, unrealised gains (losses) and cash net of working capital as at 31 December 2007, 2008, 2009, 2010 and 2011, 31 March 2012 and 30 June 2012:

Date	Cost of investments	Unrealised gain	Cash net of working capital	NAV per Share
	(U.S.$ million)	*(U.S.$ million)*	*(U.S.$ million)*	*(U.S.$)*
31/12/2007	94.91	58.46	206.94	1.07
31/12/2008	237.79	(41.09)	57.76	0.75
31/12/2009	245.29	49.02	42.36	1.00
31/12/2010	193.17	91.78	115.22	1.16
31/12/2011	205.28	89.98	94.17	1.12
31/03/2012	285.30	114.03	14.22	1.19
30/06/2012	282.86	130.89	16.40	1.24

6.5 ***Sectorial, Geographical and Currency Analysis***

Below is a breakdown of the Company's investment portfolio by sector, geography and currency[12]:

Sectoral Analysis

The following table shows the composition, by sector, of the Company's portfolio as at 30 June 2012 and as at the Latest Practicable Date:

Sector	NAV % (as at 30 June 2012)	NAV % (as at the Latest Practicable Date)
Healthcare	24.88	25.77
Hospitality	32.63	34.92
Lifestyle	3.70	3.38
Lifestyle/Real estate	34.98	32.79
Cash and cash equivalents, net of working capital	3.81	3.15

Geographical Analysis

The following table shows the composition, by geography, of the Company's assets as at 30 June 2012 and as at the Latest Practicable Date:

Country	Assets % (as at 30 June 2012)	Assets % (as at the Latest Practicable Date)
Thailand	57.68	58.27
Singapore	19.42	19.32
Macau	2.11	1.17
Japan	2.68	2.49
Malaysia	17.51	17.95
Other	0.60	0.81

Note:

IHT is included under Malaysia, the domicile of its incorporation.

12 All information in this paragraph 6.5 is sourced from unaudited information from the Company.

Currency Analysis

The following table shows the composition, by currency, of the Company's portfolio as at 30 June 2012 and as at the Latest Practicable Date:

Currency	**Assets % (as at 30 June 2012)**	**Assets % (as at the Latest Practicable Date)**
Thai Baht	54.60	55.47
Singapore Dollar	17.94	17.31
Japanese Yen	2.68	2.49
Malaysian Ringgit	17.51	17.95
United States Dollar	4.51	4.15
Hong Kong Dollar	2.76	2.61
Other	0.00	0.01

7. Future Investment Opportunity

The Company will continue to focus on investments in consumer-related companies, particularly in the HH&L sectors (including branded real estate developments), in the Asia-Pacific region. The Investment Manager is in early and advanced-stage discussions regarding a number of investment opportunities in these sectors and the Investment Manager has identified a number of other potential opportunities. The Company will fund further investments from existing resources and the proceeds of the Rights Issue.

In relation to its existing investments, there are a number of additional opportunities that the Company may pursue, including incrementally investing approximately a further U.S.$8.0 million in three existing portfolio companies. The Investment Manager is currently exploring 15 potential investments in the HH&L sectors (including branded real estate developments) with an aggregate investment value of up to approximately U.S.$1.28 billion, broken down as follows:

Sector	**Estimated approximate investment value**
Healthcare	U.S.$650 million
Hospitality	U.S.$100 million
Lifestyle	U.S.$300 million – U.S.$500 million
Real Estate	U.S.$30 million

The Investment Manager believes that the investment opportunities should be able to generate attractive returns for the Company. Nevertheless, the Company cannot guarantee Investors or Shareholders that any or all of these prospective investments will take place in the future.

8. The Investment Manager

The Company's Investment Manager is Symphony Investment Managers Limited. Symphony Asia Holdings Pte. Ltd. is the Company's Singapore Advisor and Symphony Asia Limited is the Investment Manager's Hong Kong Consultant. On 10 July 2007, the Company entered into the Investment Management and Advisory Agreement with the Investment Manager and the Singapore Advisor, pursuant to which the Investment Manager provides investment management services exclusively to the Company with respect to its investments (subject to the completion of existing investment advisory commitments by certain members of the Investment Management Team), and the Singapore Advisor provides investment advisory services exclusively to the Company. See paragraph 18.2 ("Investment Management and Advisory Agreement") of "Part 14 – Additional Information" for further details. The Investment Management Team is led by Anil Thadani and Sunil Chandiramani, who have more than 30 and 22 years' experience, respectively, in the Asian private equity industry.

Please see "Part 3 – The Investment Manager Group" for further details in respect of the Investment Manager.

9. Competitive Strengths

The Company believes that its structure presents a number of competitive strengths that include:

9.1 *Disciplined and Analytically Focused Investment Approach*

The Company believes that the Investment Management Team has a disciplined and analytically focused investment approach, depth of sector expertise, historical success in partnering with corporations, and expertise and experience in the HH&L sectors and in branded real estate developments. See "Part 3 – The Investment Manager Group" for further details in respect of the Investment Manager Team.

9.2 *Considerable Expertise in the HH&L Sectors in the Asia-Pacific Region*

The Company believes that the success of the Investment Management Team is the result of relationships with vendors, entrepreneurs, financial institutions, other fund managers and professional advisors (such as investment bankers, accountants and lawyers) and the deal generation strategies that the Investment Management Team has developed and implemented. The Company believes that the Investment Management Team is one of the most stable and experienced investment teams in Asian private equity-type investments, having in the past managed or advised one investment company and three significant private equity vehicles, including two funds raised under the Schroder Ventures umbrella.

The Company has been able to position itself to capitalise on the investment opportunities offered by branded real estate developments where the Company believes it can add value by utilising its knowledge, experience and vast network of relationships with land-owning families and institutions, as well as developers, architects, design firms and other specialists in this area.

Rising disposable incomes and increasing consumption are projected to be sustainable long-term trends in the Asia-Pacific region, which is expected to grow faster than most other parts of the world. These trends are expected to favour the HH&L sectors (including branded real estate developments) in which it intends to invest. The Investment Management Team has developed significant expertise in analysing, developing and managing businesses in these sectors across countries in the region.

9.3 *Exclusive Commitment*

Pursuant to the Investment Management and Advisory Agreement, the Investment Manager will, among other things, (i) provide day-to-day management and administrative services on an exclusive and discretionary basis in order to manage the Company's investments in accordance with the provisions of the agreement and having regard to the Company's investment objectives, policy and strategy and (ii) manage the Company's business with a view to achieving the Company's investment objective.

The Investment Manager is required to identify to the Company certain Key Persons (currently being Anil Thadani, Sunil Chandiramani and Rajgopal Rajkumar) and has agreed to ensure that the Key Persons will be employed by and work exclusively (subject to certain existing commitments) for the Investment Manager Group so long as they are involved with the Investment Manager or its affiliates. In addition, the Investment Manager has agreed to ensure that the Key Persons will (subject to certain existing commitments) (i) devote substantially all of their business time (as employees and on behalf of the Investment Manager Group) to assist the Investment Manager in its fulfilment of the investment objectives of the Company and (ii) actually be involved in the management of the business activities of the Investment Manager Group.

This compares favourably with private equity vehicles, where the manager is often not exclusively committed to advising and managing that particular vehicle. The Investment Management Team currently advises the Schroder Ventures Funds, which are currently in their end stage (i.e. APT and APF II are in liquidation and SVAPF may enter into liquidation in the near future) and do not, and will not, compete with the Company for investment opportunities.

9.4 ***Alignment of Investment Manager and Shareholder Interests***

In addition to the Management Fee payable to the Investment Manager each quarter, the Investment Manager is compensated through the issuance of Share Options and Management Shares. The value of these Share Options and Shares issued will be dependent on the Investment Manager's ability to increase the NAV and/or the price of the Company's Shares. Through this compensation structure, the Investment Manager participates directly in the performance of the Company. Consequently, the interests of the Investment Manager will be aligned to a certain extent with the interests of Shareholders. For example, as the Initial Share Options are currently exercisable only at the exercise price of U.S.$1.00, they will have no value for so long as the price of the Company's Shares remains below that price. As the Future Share Options are currently exercisable only at U.S.$1.25, they will have no value if the price of the Company's Shares are below that price. As the Rights Issue Share Options are exercisable only at the Issue Price, they will have no value if the price of the Company's Shares declines below the Issue Price. In each case, the number and exercise price of the Share Options may be adjusted pursuant to the Share Options Terms following the publication of this document (including as a result of the Rights Issue).

As a result, and in contrast to the carried interest payment on net realised gains paid in a typical private equity vehicle, the Investment Manager will be penalised for any reduction in the price of the Company's Shares and the NAV by virtue of the adverse effect such reductions would have on the value of the Investment Manager's Share Options and Management Shares. The Investment Manager is also disincentivised from "cashing out" its Shares, because it would then forgo its share of any future gains both in the NAV, and the price of the Company's Shares, but would still be required to work exclusively for the Company.

Please see paragraph 5 ("Investment Manager's Remuneration") of "Part 3 – The Investment Manager Group" and paragraphs 3.4 ("Warrants, Share Options and Management Shares") and 3.5 ("Terms of the Share Options") of "Part 14 – Additional Information") for further information in respect of the remuneration to which the Investment Manager is entitled under the Investment Management and Advisory Agreement.

9.5 ***The Company's Structure Allows Access to a Private Equity-Style Investment Strategy with Certain Additional Benefits***

The Company believes that its structure allows Shareholders to participate in a private equity-style investment strategy, while presenting certain benefits compared to traditional unlisted private equity vehicles, such as:

- the IPO gave Shareholders a market in which to sell their Shares and thereby made the Shares relatively liquid investments and the Company anticipates that the Shares will have greater liquidity following the proposed Rights Issue. Private equity investors usually have limited ability to sell their interests in an unlisted fund as the market for such interests is illiquid and therefore they generally have to wait until the end of a period which can range from five to 10 years for the private equity vehicle to be liquidated and a final distribution to be made;

- the Company is a permanent capital vehicle and is not constrained by limited time frames or requirements to divest investments in portfolio companies because the term of the fund is coming to an end, notwithstanding that considerable upside may still remain in the investment. Likewise, the Company believes that not having a defined lifespan allows the Investment Manager to resist pressure to make investments over a defined period because of a limited investment period in circumstances where the investment environment may not be the most attractive in terms of valuations and negotiating leverage;

- the Company will be able to use listed Shares to make acquisitions. While the Company has not issued Shares to make acquisitions since the IPO, the Company believes this gives it an advantage over those competitors which may not have access to such acquisition currencies;

- the Company enjoys the advantage of being able to position itself as a long-term strategic partner/investor when faced with a competitive situation in potential acquisitions. From the point of view of the company being acquired, the Company believes this positioning is generally preferable over that of a private equity vehicle or other financial investor, which will usually be looking for an exit from the investment within a relatively short time frame, thus giving the Company a potential advantage in competitive bids; and
- in a traditional unlisted private equity vehicle structure, management spends a substantial portion of its time on fundraising. With access to public capital markets as a listed company, the Company believes that being a listed vehicle simplifies the fundraising process, leaving the Investment Manager more time to focus on further investment business opportunities.

10. Competitors

The Company believes that a number of other entities will compete with it to make the types of investments that it plans to make. With respect to its longer-term investments, the Company expects to face competition primarily from private equity vehicles, strategic buyers and hedge funds. With respect to the Company's investments in branded real estate developments, the Company expects to face competition primarily from real estate funds, hedge funds, private investors, and hotel and hospitality groups. With respect to the Company's investments in special situations and structured transactions, depending on the investment, the Company expects to face competition primarily from hedge funds, public funds and commercial finance companies.

Many of these competitors may be substantially larger and have considerably greater financial, technical and marketing resources than are available to the Company. Several of these competitors have recently raised, or are expected to raise, significant amounts of capital, and may have similar investment objectives, which may create additional competition for investment opportunities. Some of these competitors may also have a lower cost of capital and access to funding sources that are not available to the Company, which may create competitive disadvantages for the Company with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish a broader network of business relationships. For additional information concerning the competitive risks that the Company faces, see the section entitled "Risk Factors – Risks Relating to the Company and its Investment Strategy – The Company operates in a highly competitive market for investment opportunities".

11. The Company's Board and Corporate Governance

11.1 *The Board*

The Board has the responsibility for the strategic and corporate governance of the Company and will be required to perform duties diligently and in the best interests of the Company as a whole. The Board therefore monitors the Company's compliance with its regulatory and contractual obligations.

The Board is entrusted with responsibility for the overall management of the Company. The Board meets usually not less than four times per annum, and more frequently as required, to review and monitor the Company's financial condition and operations. Currently, the Board consists of five members: Pierangelo Bottinelli (Chairman and Independent Non-executive Director), Georges Gagnebin (Independent Non-executive Director), Rajiv K. Luthra (Independent Non-executive Director), Anil Thadani and Sunil Chandiramani. The details of the Directors are as follows:

Pierangelo Pierre Bottinelli *(Independent Non-executive Chairman)*

Mr. Bottinelli is based in Geneva, Switzerland and is the Chairman of the Company. He was appointed to the Board of the Company on 31 December 2005. Mr. Bottinelli started his career as a merchant banker with AG Becker (now part of Merrill Lynch) in 1970, after which he spent four years between 1985 and 1989 at Wertheim Schroder. He was a Managing Director at Schroder Securities in 1991 where he remained for nine years before becoming the Managing Director of Quaker Securities in 2000, which position he held until 2005. Mr. Bottinelli currently sits on the boards of several companies in Singapore and Switzerland and he is currently the Chairman of Lansdowne Partners International Limited.

Georges Gagnebin *(Independent Non-executive Director)*

Mr. Gagnebin is based in Geneva and was appointed to the Board of the Company on 8 July 2007. He was the Chairman of the board of Banque Pâris Bertrand Sturdza S.A., Geneva. In 2005, he joined the Julius Baer Group Ltd. where he was a Vice-Chairman of Julius Baer Holding Ltd and Bank Julius Baer & Co Ltd and, more recently, Chairman of the board of directors of Infidar Investment Advisory Ltd., member company of Julius Baer Group Ltd. Prior to joining the Julius Baer Group in 2005, Mr. Gagnebin held several executive positions at UBS AG, including Head of International Clients Europe, Middle East and Africa in the private banking division, a member of the Group Managing Board, a member of the Group Executive Board, Chief Executive Officer of Private Banking, Chairman of Wealth Management and Business Banking, and the Vice-Chairman of SBC Wealth Management AG. From 1969 to 1998, Mr. Gagnebin held various positions at the Swiss Bank Corporation, including serving as member of the management committee. He was awarded an official diploma as Swiss certified Banking Expert in 1972.

Rajiv K. Luthra *(Independent Non-executive Director)*

Mr. Luthra is based in New Delhi and was appointed to the Board of the Company on 8 July 2007. He is the founder and managing partner of Luthra & Luthra Law Offices, a law firm in New Delhi, India, which has won a number of accolades that include "National Law Firm of the Year 2011" by the International Financial Law Review amongst other awards. For over three decades, Mr. Luthra has been advising in the practice areas of capital markets and corporate finance, securitisation and structured finance, construction and property, and IT, telecommunications and media. Mr. Luthra serves on a number of high-level committees that include the Advisory Board to the Competition Commission of India, is Convener of the committee formed to advise the Government of India on the liberalisation of legal services between India and the UK, and is a Member of the Round Table on Legal Education for the Ministry of Human Resource Development. In addition, Mr. Luthra also serves on the board of HSBC's Corporate Governance and Audit committees in India.

Anil Thadani *(Director)*

Mr. Thadani is based in Singapore and was appointed to the Board of the Company on 16 February 2004. He is also the Chairman of the Investment Manager. He has worked in the Asia-Pacific region since 1975 and has been involved in Asian private equity since 1981 through Arral & Partners, which he co-founded and which was one of the first privately-owned private equity investment companies in Asia, and, subsequently, Schroder Capital Partners. Before entering private equity in 1981, Mr. Thadani began his career as a research engineer with Chevron Chemical Company in California. Mr. Thadani subsequently worked for Bank of America in the United States, Japan, the Philippines and Hong Kong. He has previously served on the boards of several companies in Asia, Europe and North America and continues to represent the Company on the boards of its portfolio companies. He is also a member of the board of trustees of the Singapore Management University ("SMU") in addition to being the Chairman of SMU's Institute of Innovation and Entrepreneurship. Mr. Thadani has a B Tech in Chemical Engineering from the Indian Institute of Technology, Madras, an MS in Chemical Engineering from the University of Wisconsin, Madison, and an MBA from the University of California at Berkeley. Mr. Thadani is currently employed by the Singapore Advisor.

Sunil Chandiramani *(Director)*

Mr. Chandiramani is based in Hong Kong and was appointed to the Board of the Company on 16 February 2004. He is involved with all aspects of the Company's business. He is also a Partner and Country Head of the Hong Kong Consultant. Mr. Chandiramani has over 24 years' experience in private equity and related investment experience across multiple industry sectors in Asia and the United States. Mr. Chandiramani's experience in Asian private equity was initially as a partner with Arral & Partners and subsequently with Schroder Capital Partners. Prior to that, he worked on leveraged buy-outs and acquisitions for the Structured Finance Group at Bankers Trust Company in

New York. Mr. Chandiramani has a BCom (Hons) from the Shri Ram College of Commerce, Delhi University, and an MBA from the Wharton School of the University of Pennsylvania. Mr. Chandiramani is currently employed by the Hong Kong Consultant.

11.2 *Corporate Governance*

There is no corporate governance regime in the British Virgin Islands equivalent to the UK Corporate Governance Code published by the Financial Reporting Council. In addition, as a "standard" listed company, there is no requirement for the Company to comply with the UK Corporate Governance Code or the Model Code. Notwithstanding this fact, the Board recognises the importance of sound corporate governance. Please see "Part 5 – Consequences of a Standard Listing" for further details of the Company's voluntary compliance with certain provisions of the Listing Rules.

The Board understands its responsibility for ensuring that there are sufficient, appropriate and effective systems, procedures, policies and processes for internal control of financial, operational, compliance and risk management matters. To that end, the Directors have put in place a framework of controls to ensure ongoing financial performance is monitored in a timely and corrective manner and that risk is identified and mitigated to the extent practicably possible.

The Board has five members, of which the majority, including the Chairman, are independent directors. The Board members are aware of their obligation to act in the best interests of the Company. Each Committee and each Director has the authority to seek independent advice where necessary to discharge their respective duties, in each case, at the Company's expense.

11.3 *Board Committees*

The Board has three committees – the Nominations Committee, the Audit Committee and the Share Options Terms Committee. Each of the committees meet periodically; the Audit Committee met four times (one of these meetings was by way of written resolution) and the Nominations Committee met twice during 2011.

Nominations Committee

The Company's Nominations Committee has the duty of assessing the suitability of candidates nominated by our Shareholders as replacement Directors. The Nominations Committee comprises a majority of independent Directors. The Chairman of the Nominations Committee is Georges Gagnebin and the other members are Anil Thadani, Pierangelo Bottinelli and Rajiv K. Luthra. If a member of the Nominations Committee has an interest in a matter being deliberated upon, he shall be required to abstain from participating in the review and approval process in relation to that matter. If more than one member of the Nominations Committee has an interest in a matter being deliberated, then non-interested Directors who are not members of the Nominations Committee will participate in the review and approval process in relation to that matter.

Audit Committee

The Company's Audit Committee assists the Board in overseeing the risk management framework by reviewing any matters of significance affecting financial reporting and internal controls of the Company, and has the duty of, among other things:

- assisting the Board in its oversight of the integrity of the Company's financial statements, the qualifications, independence and performance of its independent auditors and its compliance with relevant legal and regulatory requirements;
- reviewing and approving with the external auditors their audit plan, the evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss without the presence of Board members and ensuring compliance with relevant legal and regulatory requirements;

- overseeing the safeguarding of the assets of the Company and engaging the Auditor to report on such safeguarding mechanisms from time to time;
- making recommendations to the Board on the appointment or reappointment of external auditors, the audit fee and resignation or dismissal of the Company's external auditors; and
- pre-approving any non-audit services provided by the Company's external auditors.

The Audit Committee comprises a majority of independent Directors. The Chairman of the Audit Committee is Rajiv K. Luthra and the other members are Sunil Chandiramani, Pierangelo Bottinelli and Georges Gagnebin. If a member of the Audit Committee has an interest in a matter being deliberated upon, he shall be required to abstain from participating in the review and approval process in relation to that matter. If more than one member of the Audit Committee has an interest in a matter being deliberated, then non-interested Directors who are not members of the Audit Committee will participate in the review and approval process in relation to that matter.

Share Options Terms Committee

The Board has established a committee, consisting of two independent Directors and one Key Person, to administer the Share Options Terms (the "Share Options Terms Committee"). The Share Options Terms Committee has the power to carry out and decide upon all activities with respect to the Share Options Terms including, but not limited to:

- the performance of its obligations pursuant to the Share Options Terms;
- the exercise of its rights pursuant to the Share Options Terms;
- the power, from time to time, to make and vary the Share Option Terms (not in a manner that is inconsistent with the Share Option Terms) for the implementation and administration of the Share Option Terms as it thinks fit; and
- the power to determine (acting reasonably) any matter pertaining or pursuant to the Share Options Terms and any dispute and uncertainty as to the interpretation of the Share Options Terms.

The current members of the Share Options Terms Committee are Pierangelo Bottinelli, Georges Gagnebin and Sunil Chandiramani.

12. The Company's Operating Expenses

The Company's main expense is the remuneration paid to the Investment Manager – please see paragraph 5 ("Investment Manager's Remuneration") of "Part 3 – The Investment Manager Group" for more details. The Company bears all its other normal operating costs, including (but not limited to):

- the fees and expenses of its auditors and tax, legal and other professional advisors;
- all stamp and other duties, taxes, governmental or regulatory fees and charges, exchanges' costs and commissions, bank charges, transfer expenses, proxy expenses, errors and omissions insurance, and directors' and officers' insurance, and all expenses payable in respect of the acquisition, holding, administration or realisation of any investment; and
- all costs of preparing and distributing all reports to the Company or Shareholders, all expenses of holding meetings of, and of giving notices to, Shareholders and any other relevant administrative expenses.

Although the Company will bear all expenses payable in respect of completed acquisitions, in circumstances where an investment is aborted, the Investment Manager and the members of the Investment Manager Group will bear their own costs and expenses in relation to the services they have rendered and the Company shall bear all third-party costs and expenses.

PART 2

THE INVESTMENT STRATEGY

1. Overview

The Company intends to invest no less than 70 per cent. of its total assets, as determined at the time of each investment, predominantly in longer-term investments in consumer-related businesses primarily in the HH&L sectors (including branded real estate developments), and a portion of its total assets (not more than 30 per cent. as determined at the time of each investment) in special situations and structured transactions which, although not typical longer-term investments, have the potential to generate attractive returns and enhance its NAV. Following the Company's investments, it may be that the proportion of its total assets invested in longer-term investments falls below 70 per cent. and the proportion of its total assets invested in special situations and structured transactions exceeds 30 per cent. due to changes in the valuations of the assets, over which the Company has no control.

1.1 *Longer-term Investments*

The Company makes longer-term investments predominantly in listed and unlisted companies (including branded real estate developments) where investments are characterised by long holding periods and where there is scope for the Investment Manager or the Investment Manager Group to play a role in the development of the portfolio company or asset and, in certain situations, to be involved in the management and/or operations of the portfolio company. The Company closely monitors the performance of its portfolio companies and assets with the objective of optimising value for Investors and Shareholders over the long-term. These longer-term investments are predominantly in the form of private equity-type opportunities such as the provision of later-stage development and expansion capital, management buy-outs/buy-ins and restructurings.

1.2 *Special Situations and Structured Transactions*

Investment opportunities in special situations and structured transactions generally arise from the network of relationships that the members of the Investment Management Team have developed with vendors, entrepreneurs, financial institutions, other fund managers and professional advisors (such as investment bankers, accountants and lawyers) in the course of transaction generation and execution. These investment opportunities do not strictly fit into the category of longer-term investments (described in paragraph 1.1 ("Longer-term Investments") above) or temporary investments (as described in paragraph 1.3 ("Temporary Investments") below). Investments that fall into this category tend to have relatively short holding periods and entail little or no participation on the boards of the companies in which such investments are made. None of the Company's existing investments constitutes special situations and/or structured transactions.

1.3 *Temporary Investments*

The Company's investment policies and procedures provide that, pending the investment of its Capital, it should be temporarily invested by the Investment Manager in liquid investments and managed by a third-party investment manager of international repute or held on deposit with commercial banks. Temporary investments could include government securities, certificates of deposit, commercial paper, floating rate notes, short- and medium-term obligations, repurchase agreements, supranational bonds, asset-backed securities and other investment grade securities. The Company's investment policies and procedures do not impose any fixed requirements relating to the allocation of its excess Capital among various types of temporary investments. Historically, the Company has typically kept funds in bank deposits that were predominantly in U.S. Dollars, Hong Kong Dollars and Singapore Dollars pending investment.

2. Investment Strategy

The Company attempts to preserve many of the positive aspects of private equity-type investments, including due diligence discipline, downside risk mitigation, hands-on involvement and proprietary deal flow access with limited reliance on auctions. The Company combines these positive aspects with the added advantages of an unlimited investment period, alignment of Investment Manager and Shareholder interests through the distinctive compensation structure and the ability to use leverage and its Shares in acquisitions and for transaction structuring. The Company seeks to enhance returns by leveraging the members of the Investment Management Team's knowledge of the HH&L sectors (including investment in branded real estate developments), taking significant or controlling stakes in portfolio companies and through active participation by the Investment Manager at the board and board committee levels of its portfolio companies. The Company invests and intends to continue to invest in a range of companies in the HH&L sectors (including investment in branded real estate developments) that have a broad exposure to the Asia-Pacific region, with the goal of achieving superior rates of return and increasing its NAV.

The Company's investment strategy is to:

- build a portfolio focused on the Asia-Pacific region, and the key growth sectors the Company has identified;
- maintain the flexibility to invest whenever the market conditions and risk/reward profiles are most favourable. No target weightings by country are proposed, however, as the Investment Management Team has significant expertise in making investments in the HH&L sectors (including branded real estate developments) in the Asia-Pacific region, it is expected that a significant portion of its investment opportunities will be made in businesses operating or based in the Asia-Pacific region;
- target a range of transaction sizes, typically requiring equity investment of U.S.$10 million to U.S.$50 million. Both larger and smaller transactions will be considered;
- invest principally in expansion or late-stage development capital situations, management buy-outs and buy-ins, and special situations and structured transactions;
- motivate management of portfolio companies with equity participation in their companies; and
- generally take a lead investor position in portfolio companies.

3. Investment Approach

The Company's Investment Manager and the Investment Manager Group seek to increase the NAV by selecting quality investments that may be made at attractive prices, implementing strategic and operational initiatives that increase the value of investments and making informed decisions relating to the timing and manner in which investments are exited. The Company believes that the Investment Management Team has achieved a leading position amongst the private equity and similarly focused investors in the HH&L sectors (including branded real estate developments) in Asia by applying stringent standards to its investment approach and by building strong partnerships with highly motivated management teams who have their own capital at risk. When making investments, the Investment Manager and the Investment Manager Group seek companies that they believe have strong business franchises, attractive growth prospects, sustainable competitive advantages, defensible market positions and the ability to generate attractive returns on investment. The Investment Manager and the Investment Manager Group apply rigorous standards at all stages of their investment process, i.e. the sourcing and evaluation of investment opportunities, investment approval, structuring of transactions, monitoring and exit planning.

Investment Origination

The Investment Manager and the Investment Manager Group believe that the quality of their expected deal flow will continue to provide them with a competitive advantage. In a large proportion of the transactions completed by the Investment Manager and the Investment Manager Group, they have had either no competition or an "inside track" as a result of their relationships with a portfolio company's management team or knowledge of the industry. This is largely a result of the Investment Management Team's many years of experience in the region and the network of contacts it has established. Deal sources include vendors, entrepreneurs, financial institutions, other fund managers and professional advisors (such as investment bankers, accountants and lawyers).

The Company targets longer-term investments that the Investment Manager expects to yield a superior risk-adjusted rate of return. The Company generally invests and expects to continue to invest in portfolio companies with some or all of the following characteristics:

- an experienced management team;
- a strong position in an established or niche market, or an early position in a rapidly growing market;
- a stable or predictable level of cash flow and earnings;
- a distinctive product or a recognised brand name providing a competitive advantage;
- an attractive entry valuation;
- the ability to make a significant capital gain on invested capital; and
- a clear exit strategy through a public listing or trade sale.

As a consequence of the relationships that the Investment Management Team has developed, its transactions usually take the following forms, including, but not limited to:

- a management buy-out of a family-owned business or of a subsidiary of a larger Asian or multi-national corporation. These transactions are becoming more common as owners of companies are forced to sell their businesses to fund other financing requirements. Regional government privatisation programmes may also give rise to additional buy-out opportunities;
- a management buy-in where a management team backed by the Company replaces or strengthens the incumbent management group. Backing proven management teams in successive transactions can reduce investment risk;
- an investment in a family-owned or entrepreneur-owned business which shows potential for strong growth and needs capital to finance its expansion. When traditional sources of financing are scarce, businesses may increasingly turn to direct investors for expansion funding;
- an investment in a joint venture with an established multi-national corporation seeking to establish a presence in the region. Multi-nationals may be attracted to the region to tap into the huge consumer base or to establish manufacturing facilities that take advantage of the lower cost base and production efficiencies;
- an investment in the franchise operations of established branded-products companies. A joint venture company between the Company and an operating partner will typically own these investments;
- an investment in a company listed on a securities exchange where such investment has the characteristics of a private equity-type transaction;
- an investment in connection with a financial restructuring in situations where an otherwise fundamentally sound company needs to restructure an excessive debt burden or replace senior lenders who are seeking to reduce bank debt;
- an investment in a property development venture with local and/or like-minded partners where there is an opportunity to significantly enhance value by using its extensive network of relationships to add a “brand” to such developments; and
- an investment in a joint venture with institutional investors who look to partner with the Company due to its extensive knowledge of the sectors it participates in.

Due Diligence and the Investment Recommendation

Once an investment opportunity is identified, the team of investment professionals within the Investment Manager and the Investment Manager Group that is responsible for the investment introduces the opportunity to the Investment Manager's and the Investment Manager Group's team as a whole during one of the Investment Manager's and the Investment Manager Group's regular telephone conference calls. These calls provide a forum in which investment teams within the Investment Manager and the Investment Manager Group may leverage the collective skills, experience and resources of all of their investment professionals in connection with the investment decision process. When an investment team determines that an investment proposal is worth serious consideration, the due diligence process commences and is discussed by the Investment Manager and the Investment Manager Group at subsequent meetings or telephone conference calls. The objective of the Investment Manager's and the Investment Manager Group's due diligence process is to evaluate attractive investment opportunities based upon the facts and circumstances surrounding an investment and to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation.

Every active transaction generally has a minimum team of two senior professionals allocated to it by the Investment Manager or the Investment Manager Group. As the workload intensifies and the likelihood of completion increases, the team is expected to expand to include additional members considered necessary to analyse the relevant commercial, financial and technical issues.

When conducting due diligence, the Investment Manager's and the Investment Manager Group's investment team evaluates a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. External consultants may provide the Investment Manager and the Investment Manager Group with additional assessments of a particular market and any competitive or operational issues relating to the investment target that may have a meaningful impact on revenues and cash flow generation. External accountants and financial and legal advisors are also generally involved in the process to supplement the skills of the Investment Manager's and the Investment Manager Group's team.

For selected opportunities, a preliminary investment recommendation will be prepared and presented to the Investment Manager's investment committee. If approved, further work is undertaken by the Investment Manager and the Investment Manager Group, and a final investment recommendation is presented to the investment committee. The Investment Manager's investment committee has full authority and discretion over investment recommendations. The Investment Manager's investment committee, in reviewing the preliminary and final investment recommendations, monitors due diligence practices to seek to ensure that standards are consistently applied to all investments.

The Investment Manager's investment committee includes at least two Key Persons at all times and may include such additional representatives of the Investment Manager as the Investment Manager may deem necessary. The two regular members of the Investment Manager's investment committee are two of the current three Key Persons, Anil Thadani and Sunil Chandiramani. Other members of the Investment Management Team, depending on the relevance of their experience or expertise, may also form part of the Investment Manager's investment committee which evaluates each investment.

The Board is regularly kept informed of potential material investment opportunities, the performance of all the Company's existing investments and the status of any proposed disposals during Board meetings that convene at least four times a year. While the investment committee's current members are two members of the Investment Manager who are also members of the Board, Anil Thadani and Sunil Chandiramani, the Board itself does not approve the making or disposing of investments, save where the Investment Manager has disclosed to the Board a potential conflict of interest of the members of the Investment Manager Group or the Investment Management Team in any entity in which it is evaluating an investment and the Board determines that there is a potential conflict of interest.

The Company's investment policies and procedures require that the Investment Manager notify the Board promptly upon becoming aware of a violation of an investment policy or procedure. The Board will independently review the Investment Manager's compliance with the Company's investment policies and procedures on at least a quarterly basis. Please see paragraph 4 ("Investment Policies and Procedures – Monitoring and Compliance") below for further details.

Building a Successful Business

A central part of the Company's investment philosophy is to take a close and supportive interest in portfolio companies. Working closely with each portfolio company's management, the Investment Manager and the Investment Manager Group can add value and often generate substantial capital growth through activities such as:

- optimising the portfolio company's capital structure;
- making introductions to regional or global strategic partners or acquirers;
- identifying and assisting with synergistic mergers or acquisitions; and
- advising on corporate strategy, business development and systems.

Once an investment is made in a portfolio company, the Company expects the Investment Manager and the Investment Manager Group to work closely with the portfolio company's management to monitor its performance with the objective of driving growth, enhancing profitability and optimising value for Investors and Shareholders over the long-term. The Company intends for the Investment Manager and the Investment Manager Group to work closely with the portfolio company's management to develop operating budgets that support research and development, capital spending and acquisitions that facilitate growth. The Company expects the Investment Manager and the Investment Manager Group to establish clear monitoring guidelines and frequently meet with the management of a portfolio company to actively review and monitor financial and operating performance and strategic priorities. Although the Investment Manager and the Investment Manager Group do not engage in the day-to-day management of portfolio companies, the Company expects the Investment Manager and the Investment Manager Group to seek to influence business strategy and decision-making through the exercise of shareholders' rights, including the right to appoint board members.

The Company and the Investment Manager require, and intend to continue to require, every portfolio company to report its operating results on a regular basis. Annual audits and business plans are also expected to be required of every investment. Through various committee and board meetings and meetings with portfolio company personnel, as well as with industry experts, the Company expects the Investment Manager and the Investment Manager Group to monitor each investment and its operating environment.

In connection with its investments, the Company also requires and intends to continue to require the Investment Manager and the Investment Manager Group to pay strict attention to management and governance procedures. The Company expects the Investment Manager and the Investment Manager Group to aim to assume an active role on the board of directors and may frequently seek to fill board positions with members of the Investment Manager's and the Investment Manager Group's investment teams or seasoned executives who have relevant operational experience. The Investment Manager and the Investment Manager Group are also expected to implement formal governance measures and arrangements with members of the portfolio company's management that conform to local and international standards.

Exiting Investments

The Company believes that the Investment Management Team has substantial expertise in exiting investments in portfolio companies. An in-depth analysis of the exit options of a portfolio company or real estate assets, frequently including discussions with brokers and investment bankers, and real estate agents and consultants in respect of its real estate investments, is a fundamental part of the Investment Manager's and the Investment Manager Group's investment evaluation process. Exits are expected to be typically by way of trade sale or public flotation or sale of shares to other investors. In respect of the Company's real estate investments, exits may be achieved by the sale of the Company holding the real estate assets or by sale of the individual real estate assets. The Company expects the Investment Manager and the Investment Manager Group to closely monitor the progress of portfolio companies and review the exit plan. Since the Company seeks to make investments where, in most cases, it is the deal leader or sole financial investor, the Investment Manager and the Investment Manager Group should be well placed to influence the exit strategy.

The Company believes that the Investment Manager's and the Investment Manager Group's ability to successfully exit their prior investments is attributable to their knowledge of the HH&L sectors (including branded real estate developments), detailed exit analysis at the time of investment as well as evaluation of exit opportunities during the investment period and its strong relationships with the investment banking community. When exiting investments, the Company's and the Investment Manager's objective is to optimise returns for Shareholders and, in the case of partial divestments of publicly traded portfolio companies, to minimise the impact of an exit on the portfolio company's stock price.

The Company's first divestment since the IPO was its interest in 98.5 million shares in Minor Corporation Public Company Limited which it divested in exchange for MINT shares on 12 June 2009. The divestment was made as a result of the merger between Minor Corporation Public Company Limited and MINT. As consideration for the divestment, the Company received 112.3 million shares in MINT which, at the time of divestment, resulted in a U.S.$21.9 million gain over the investment cost taking into account the market value of the MINT shares at the time of divestment and distributions received from Minor Corporation Public Company Limited during the investment period. This translated to 3.6 times the investment cost and a 43.3 per cent. annualised return over a period of approximately four years.

The Company's second divestment since the IPO was its interest in Parkway, of which Mr. Anil Thadani is a former chairman, which it sold in the third quarter of 2010 to a subsidiary of Khazanah as part of Khazanah's public takeover of Parkway. The investment provided the Company with gross proceeds of U.S.$80.7 million, and resulted in a U.S.$26.6 million gain over investment cost. This translated to 1.5 times the investment cost and a 21.6 per cent. annualised return over a period of less than three years.

Minuet, one of the Company's Material Investments, also successfully sold approximately 69.2 rai (approximately 11.1 hectares) of the land owned by it in Bangkok, Thailand to SC Asset in January 2012 at a sale price, based on exchange rates prevailing at that time, of over 20 per cent. above Minuet's average land cost. As a result, and as at the Latest Practicable Date, the Company had received U.S.$12.4 million from Minuet by way of partial return of a shareholder loan.

The Company has recently completed the sale of all four of its apartments in One Central Residence, Macau and the gross proceeds attributable to the Company were approximately U.S.$9.0 million. This translated into a gain of approximately 53.8 per cent. over the Company's cost of investment.

Club Investments with Other Private Equity Sponsors

Under certain circumstances, the Company may make investments in transactions in which it and one or more other private equity investors agree to serve, together or collectively, as equity sponsors. These investments are commonly referred to as "club investments".

While the Company generally prefers to make investments where it acts as the sole equity sponsor, it recognises that in certain instances it may be necessary or desirable for the Investment Manager to structure an investment as a club investment. When the Investment Manager and the Investment Manager Group evaluate whether to structure an investment as a club investment or to participate in a club investment that has been proposed by another private equity firm, the Company expects the Investment Manager and the Investment Manager Group to consider the extent to which they will be able to maintain an active or leading role in the management, governance and operations of the portfolio company, the relationship with and the quality and strengths of the other private equity investors involved in the investment, other benefits that may be obtained from using a club investment structure and the manner in which decisions relating to the investment and the relationship among equity sponsors will be governed.

Investments in Special Situations and Structured Transactions

In connection with their traditional investment activities, the Investment Manager and the Investment Manager Group may identify opportunities which are in the nature of "special situations and structured transactions". The Company does not, and does not intend to, invest more than 30 per cent. of its total assets (as determined at the time of each investment) in special situations and structured transactions. These investment opportunities do not necessarily strictly fit into the category of longer-term investments as described in this document. Opportunities in special situations and structured transactions generally arise from the network of relationships that the members of the Investment Management Team have developed with vendors, entrepreneurs, financial institutions, other fund managers and professional advisors (such as investment bankers, accountants and lawyers) in the course of transaction generation and execution. The Company and the Investment Manager believe that these transactions present opportunities to generate attractive returns and enhance its NAV.

Often these investments in special situations and structured transactions differ from typical longer-term investments. A determination as to whether an investment is to be categorised by the Company as an investment in a special situation and structured transaction will be made at the time of each such investment. Investments that fall into this category tend to have relatively short holding periods and entail little or no participation in the board of the company in which such investments have been made.

When making investments in special situations and structured transactions on behalf of the Company, the Company expects that the Investment Manager and the Investment Manager Group will seek to build upon the successful investment approach that they have developed for their longer-term investments and to leverage their skills when identifying, selecting, diligencing, negotiating, consummating and exiting such investments. In particular, the Company will require the Investment Manager and the Investment Manager Group to apply, and to continue to apply, the same investment selection, due diligence and investment committee processes that they have applied to longer-term investments when making investments in special situations and structured transactions. The Company expects that such investments are actively monitored by the Investment Manager and the Investment Manager Group, which includes regularly reviewing the investments' performance against the objectives established for the investments. As with its longer-term investments, when exiting investments in special situations and structured transactions, the Investment Manager and the Investment Manager Group are expected to focus on optimising returns and, in the case of investments in publicly traded securities, minimising the impact of partial divestments of publicly traded securities on the securities' trading price. The Company does not intend that the Investment Manager follows an active trading strategy when making investments in special situations and structured transactions.

4. Investment Policies and Procedures

The Company's investment policies and procedures are applicable to investments that are made with share capital or with cash generated by investments and borrowings. These investment policies and procedures may be modified from time to time by the Board in conjunction with the Investment Manager. The following is a summary of the investment policies and procedures that the Company has adopted for the Company's investments.

Eligible Investments

The Company's investment policies and procedures provide that it may make investments in common equity securities, preferred securities, limited partner interests, derivative instruments, debt securities and loans, money market securities, cash, cash equivalents, money market instruments, government securities and any other type of security, loan or financial instrument, provided that the investments otherwise comply with the Company's investment policies and procedures.

The Company's investment policies and procedures do not impose any requirements relating to the currencies in which investments are made. As the base currency of the Company is the U.S. Dollar, the Company is subject to foreign exchange risks in respect of investments denominated in other currencies.

Investment Approvals by the Investment Manager's Investment Committee

The Company's investment policies and procedures provide that all of the Company's investments must be reviewed and approved by the Investment Manager's investment committee except that, with respect to temporary investments only, the Investment Manager may appoint a third-party investment manager of international repute to make such temporary investments or hold them on deposit with commercial banks.

The Investment Manager's investment committee's current members are two members of the Investment Manager who are also members of the Board, Anil Thadani and Sunil Chandiramani. The Board is regularly kept informed of potential material investment opportunities, the performance of all the Company's existing investments and the status of any proposed disposals during Board meetings that convene at least four times a year. The Board itself does not approve the making or disposing of investments, save where the Investment Manager has disclosed to the Board a potential conflict of interest of any member of the Investment Manager Group or any of the Investment Management Team in any entity in which it is evaluating an investment and the Board determines that there is a potential conflict of interest.

Investment Diversification

The Company's investment policies and procedures provide that it is the Company's intention to invest an amount equivalent to at least 70 per cent. of its total assets (as determined at the time of each investment) in longer-term investments in the HH&L sectors (including branded real estate developments) in the Asia-Pacific region, and an amount equivalent to no more than 30 per cent. of its total assets (as determined at the time of each investment) in special situations and structured transactions.

The Company's investment policies and procedures do not contain any other fixed requirements for investment diversification, including any requirements relating to the number or types of companies in which investments should be made, the number or types of industries or geographic regions that should be covered by investments or the range of credit ratings, if any, that should be accorded to investments. The Company's investments could therefore be concentrated in a relatively small number of companies in the HH&L sectors (including branded real estate developments) within the Asia-Pacific region. The Company's investments could also be focused on a few specific types of investment.

The Company's investments in special situations could involve investments in options or warrants. The Investment Manager may advise the Company to also use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates. Other than for such purposes, the Company does not intend to make investments in futures contracts or to invest in commodities or precious metals. The Company's investment policies permit investments in listed and unlisted securities. The Company's investment policies and procedures permit the use of derivative transactions to seek to hedge an investment, but they do not permit the use of hedging or derivative transactions for speculative purposes.

Cash Management Activities

The Company's investment policies and procedures provide that, pending the investment of its Capital, it should be temporarily invested by the Investment Manager in liquid investments and managed by a third-party investment manager of international repute or held on deposit with commercial banks. Temporary investments could include government securities, certificates of deposit, commercial paper, floating rate notes, short- and medium-term obligations, repurchase agreements, supranational bonds, asset-backed securities and other investment grade securities. There are no restrictions regarding the currencies in which temporary investments may be made. As the base currency of the Company is the U.S. Dollar, the Company is subject to translational foreign exchange risks in respect of investments denominated in other currencies.

Use of Leverage

The Company's investment policies and procedures do not require or prohibit the use of leverage or impose limits on the amount of indebtedness that may be incurred in connection with an investment. The Investment Manager will consider the use of leverage on an investment-by-investment basis. With respect to late-stage development capital transactions, the Company does not expect to use leverage, since a number of these portfolio companies often have a prudent amount of leverage.

Although the Company's investment policies and procedures do not limit the amount of leverage incurred by its subsidiaries in respect of particular investments, it is not the Company's current intention to increase the leverage incurred directly by it beyond 35 per cent. of its total assets.

Risk Management Activities

The Company's investment policies and procedures recognise that the Company's investments may be subject to a number of market risks, including risks relating to changes in the value of publicly traded securities, movements in prevailing interest rates and changes in currency exchange rates that may impact the returns on the Company's investments. See paragraph 7 ("Disclosure about Financial Risks") of "Part 9 – Operating and Financial Review". The Investment Manager may take measures to mitigate such risks through the use of hedging arrangements, derivative instruments and other risk management strategies as the Company deems necessary or appropriate. The Company's investment policies and procedures do not permit the use of hedging or derivative transactions for speculative purposes.

Exiting of Investments

The Company's investment policies and procedures do not require investments to be exited within any fixed periods of time or include specific provisions governing the manner in which investments should be exited.

Valuations

The Company's investment policies and procedures provide that the Company's investments must be valued on a quarterly basis (with the exception of the investments related to branded real estate developments, which are valued by independent third parties on a half-yearly basis on 30 June and 31 December of each year). The valuations of the Company's investments that are carried as assets in its financial statements will be made by the Investment Manager based on valuation principles relevant to the specific facts and circumstances of the Company's investments. Calculations prepared by the Investment Manager and the Investment Manager Group will be provided to the Company's Auditor who performs certain procedures on the Calculation. See the section entitled "Important Information – Valuations".

Reinvestment of Capital

The Company's investment policies and procedures provide that dividends generated by the Company's investments and the proceeds from realisations will be reinvested by the Investment Manager in accordance with the Company's investment policies and procedures to the extent that the cash is not needed to pay its expenses. Accordingly, the Company is not able to provide any indication of whether or not distributions will be made. The Company's reinvestment policy reflects its judgement that the continuous reinvestment of its Capital in accordance with the Company's investment policies and procedures will best position the Company to build a strong investment base, increase its NAV and create long-term value for its Shareholders.

Monitoring and Compliance

The Company's investment policies and procedures require that the Investment Manager notify the Board promptly upon becoming aware of a violation of an investment policy or procedure. Any notice of a violation of an investment policy or procedure must identify the policy or procedure that has been violated, describe any known facts and circumstances giving rise to the violation, describe whether the violation is continuing and specify any action that has been taken or that is proposed to be taken to remedy the violation. The Board will independently review the Investment Manager's compliance with the Company's investment policies and procedures on at least a quarterly basis.

The Company's investment policies and procedures provide that the Investment Manager may take any action consistent with such policies and procedures that it determines necessary or appropriate to remedy a violation of an investment policy or procedure within 20 days of delivering or receiving a notice of the violation. If the non-compliance is not remedied within such period of time, the Investment Manager will be required to receive the approval of the Board to continue operating under an exception to the policy (subject as provided below under "– Amendments") or procedure or to effect one or more transactions to remedy the ongoing violation.

Amendments

The Company’s investment policies and procedures provide that the Investment Manager should review the Company’s investment policies and procedures (which incorporates the Company’s investment strategy) on a regular basis and, if necessary, propose changes to the Board when it believes that those changes would further assist the Company in achieving its objective of building a strong investment base and creating long-term value for its Shareholders. The ability to amend the Company’s investment policies and procedures rests with the Board in conjunction with the Investment Manager. The approval of the Shareholders is not required in order to make any amendments to the Company’s investment policies and procedures (even where such amendments are material in nature).

PART 3

THE INVESTMENT MANAGER GROUP

1. The Investment Manager Group

The Company's Investment Manager is Symphony Investment Managers Limited. Symphony Asia Holdings Pte. Ltd. is its Singapore Advisor and Symphony Asia Limited is the Investment Manager's Hong Kong Consultant.

The Investment Manager

On 10 July 2007, the Company entered into an Investment Management and Advisory Agreement with the Investment Manager and the Singapore Advisor, pursuant to which the Investment Manager will provide investment management services exclusively to the Company with respect to the Company's investments (subject to the completion of existing investment advisory commitments by certain members of the Investment Management Team), and the Singapore Advisor will provide investment advisory services exclusively to the Company. See paragraph 18.2 ("Investment Management and Advisory Agreement") of "Part 14 – Additional Information" for further details.

The Investment Manager was incorporated on 26 March 2007 with limited liability and for unlimited duration in the British Virgin Islands. The Investment Manager's registration number is 1394473. The registered office of the Investment Manager is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. On 23 May 2012, the Investment Manager was granted an Investment Business Licence by the British Virgin Islands Financial Services Commission. The principal legislation under which the Investment Manager operates is the BVI Companies Act 2004 and the BVI Securities and Investment Business Act 2010.

Singapore Advisor

The Singapore Advisor was incorporated on 5 May 2005 with limited liability and for unlimited duration in Singapore and its registration number is 200506087M. The Singapore Advisor is not regulated by the FSA, the Monetary Authority of Singapore or any other financial services regulator. The Singapore Advisor is a party to the Investment Management and Advisory Agreement and is the Company's Singapore Advisor in accordance with the terms of the Investment Management and Advisory Agreement. See paragraph 18.2 ("Investment Management and Advisory Agreement") of "Part 14 – Additional Information" for further details.

Hong Kong Consultant

The Hong Kong Consultant was incorporated on 2 March 2004 with limited liability and for unlimited duration in Hong Kong and its registration number is 885885. The Hong Kong Consultant is not regulated by the FSA, the Hong Kong Securities and Futures Commission or any other financial services regulator. The Hong Kong Consultant has entered into a consultancy arrangement with the Investment Manager (the "Investment Consultancy Agreement") wherein it assists the Investment Manager in providing investment management services to the Company. See paragraph 18.3 ("Investment Consultancy Agreement") of "Part 14 – Additional Information" for further details.

2. The Investment Management Team

The Directors believe that the Investment Manager, together with the Singapore Advisor and the Hong Kong Consultant, has one of the most stable and experienced investment teams in Asia. The Investment Management Team is led by Anil Thadani and Sunil Chandiramani, who have more than 30 years' and 22 years' investment experience in Asia-Pacific, respectively. From 1981 to 1992, Mr. Thadani directed investments in Arral & Partners, one of the first privately owned private equity investment companies in Asia. From 1992 to 2005, Mr. Thadani and Mr. Chandiramani acted as investment advisors to Schroder Ventures, the managers of Asia-Pacific Trust ("APT") and the Schroder Ventures Funds. Certain members of the

Investment Management Team have advised on the management and disposal of the Schroder Ventures Funds. The Investment Manager has advised that these funds are at their end stage (i.e. APT and Asia Pacific Fund II ("APF II") are in liquidation and SVAPF may enter into liquidation in the near future) and so will not be making any new investments.

The ability of the Investment Manager to build a strong investment base and generate attractive rates of return on the Company's investments will depend largely on its ability to identify quality investment opportunities that have the potential to increase in value and to then consummate and dispose of those investments at attractive prices. The Company believes that the established investment expertise and experience of the Investment Management Team enhances its ability to achieve these objectives. The Company believes that the Investment Management Team has achieved several milestones in the investment industry in Asia-Pacific since 1981, including:

- in 1981, in Hong Kong, co-founding one of Asia's first privately owned private equity investment companies, Arral & Partners, with initial capital of U.S.$12 million;
- in 1982, identifying a young entrepreneur in Thailand, William Heinecke, and co-investing with him to build one of South-East Asia's leading hospitality, food and retail groups, Minor Corporation Public Company Limited;
- in 1983, accomplishing the first ever U.S. IPO of an Asian company, Universal Furniture Limited;
- in 1986, raising the first funds with outside/institutional capital;
- in 1987, co-founding the Amanresorts chain of ultra-luxury resorts;
- in 1988, completing the buy-out of Southern Pacific Hotel Corporation, at that time one of the largest ever Asia-Pacific private equity buy-outs;
- in 1990, closing APT and raising U.S.$170 million, which was, at that time, one of the largest Asia-Pacific private equity funds;
- in 1993, the majority of the Arral & Partners team joining Schroder Capital Partners, which was a member of Schroder Ventures Worldwide organisation;
- in 1994, raising a third regional fund APF II of U.S.$225 million;
- in 1995, making one of the first healthcare investments in the Asia-Pacific region and one of the first private equity investments in India by acquiring a strategic stake in the Apollo Group, the largest healthcare business in South Asia at that time;
- in 1996, completing the management buy-in of the Kentucky Fried Chicken (otherwise known as "KFC") quick service restaurant chain in Taiwan and Hong Kong and the Pizza Hut restaurant chain in Indonesia;
- in 1997, acquiring a significant shareholding in Strides Arcolab Limited and, in 1999, acquiring a significant shareholding in Orchid Chemicals and Pharmaceuticals Limited, both Indian generic pharmaceutical businesses;
- in 1999, raising a fourth fund with a regional focus SVAPF of U.S.$498 million;
- in December 1999, acquiring what was, at the time, the largest stake and effective control of South-East Asia's largest healthcare player, Parkway Holdings;
- in 2004, establishing the Company;
- in October 2005, the Company making an investment in Minor Corporation Public Company Limited which was its first investment;

- in August 2007, completing the initial public offering of the Company, one of the first Asian-based investment companies focusing on transactions in the Asia-Pacific region on the London Stock Exchange, and a concurrent share placing raising in total U.S.$203 million;
- in August 2007, investing in P-REIT;
- in November 2007, exiting SVAPF's investment in the Amanresorts with a sale to DLF Limited;
- in June 2008, selling the Parkway stake held by SVAPF and APF II to Khazanah;
- in 2008, acquiring a 49 per cent. direct interest in Minuet, a company which holds significant development land in Bangkok;
- in August 2010, selling the Company's stake in Parkway for a 21.6 per cent. IRR;
- in October 2010, selling interest held by SVAPF in Strides Arcolab Limited;
- in November 2010, selling remaining interest held by SVAPF in Orchid Chemicals and Pharmaceuticals Limited; and
- in 2012, investing in IHT alongside IHH, the healthcare subsidiary of Khazanah, the investment holding arm of the Government of Malaysia.

The Investment Management Team, in addition to its geographic focus, has developed specific industry expertise in the HH&L sectors, including branded real estate developments.

The Company believes that the Investment Management Team comprises individuals with a blend of professional skills (including industrial, consulting, financial and accounting backgrounds) and experience across a broad range of industries. This is especially useful in complex deals which require a combination of industry knowledge and creative deal structuring. The Investment Management Team has an established reputation in the Asia-Pacific region and an extensive network of personal and professional contacts.

The Investment Manager, subject to the commitment of certain members of the Investment Management Team to advise the manager of the Schroder Ventures Funds on the management and disposal of the Schroder Ventures Funds' remaining investments, the participation by any Key Persons as members of the Board of the Company and the engagement of a Key Person by the Investment Manager Group in any capacity that the Investment Manager deems necessary in order to fulfil its obligations under the Investment Management and Advisory Agreement, will be exclusively committed to directing and implementing the Company's investment policies and procedures and carrying out the day-to-day management and operations of its business.

3. Key Persons

Pursuant to the Investment Management and Advisory Agreement, the Investment Manager is required to identify to the Company certain Key Persons, being key persons of the Investment Management Team. The Key Persons are currently Anil Thadani, Sunil Chandiramani and Rajgopal Rajkumar. The Investment Management and Advisory Agreement has certain provisions relating to the Key Persons. See paragraph 18.2 ("Investment Management and Advisory Agreement") of "Part 14 – Additional Information" for further information.

4. Members of the Investment Management Team

The Company's Investment Management Team comprises the directors and executive officers of the Investment Manager and the Investment Manager Group. The following are the details of the other members of the Investment Management Team (other than Anil Thadani and Sunil Chandiramani who are Directors of the Company and the Investment Manager and whose details have been provided in paragraph 11.1 ("The Board") of "Part 1 – The Business and the Investment Portfolio" as at the date of this document).

Rajgopal (Raj) Rajkumar, Partner

Mr. Rajkumar is based in Singapore and is involved in evaluating and executing new transactions as well as working with portfolio companies, as a board member, to provide operational support. Prior to joining the Investment Management Team in 1999, Mr. Rajkumar was a member of General Electric's Corporate Initiatives Group based in Hong Kong where he was responsible for facilitating Six Sigma initiatives across Asia. Mr. Rajkumar has also worked with Symmetrix, a Boston-based management consulting firm, and in line management at Mitsubishi Electric Corporation in Japan and the United States. Mr. Rajkumar has a BSc in Electrical Engineering from the University of Kerala, India, an MSc in Electrical Engineering from Virginia Tech and an MBA from the University of North Carolina at Chapel Hill. Mr. Rajkumar is currently employed by the Singapore Advisor.

Ramon Lo, Jr., Partner

Mr. Lo is based in Hong Kong. He was one of the original members of the Investment Management Team and has been working with Anil Thadani since 1981. He supervises business administration and also assists in the execution and structuring of deals. Prior to his experience with Arral & Partners and Schroder Capital Partners, Mr. Lo worked with KPMG Peat Marwick, Sun Hung Kai Securities and Sun Hung Kai Properties in a variety of financial roles. Mr. Lo is a fellow of the Institute of Chartered Accountants in England and Wales. Mr. Lo is currently employed by the Hong Kong Consultant.

David LaRue, Partner

Mr. LaRue is based in Singapore and works with portfolio companies to provide operational support in areas such as sales and marketing, strategic planning and efficiency improvement. Prior to joining the Investment Management Team in 1997, Mr. LaRue was a General Manager with Comcast and Western Communications in the United States, and prior to that was Vice-President of Asian operations at Cincinnati Millicron and Director of Strategic Planning. He has also worked with McKinsey as a management consultant and with Caterpillar in production and operations management. Mr. LaRue has a BSc in Civil Engineering from the Rose Hullman Institute of Technology and an MBA from the University of California at Berkeley. Mr. LaRue is currently employed by the Singapore Advisor.

Lee Kian Huat (Peter Lee), Group Legal Counsel

Mr. Lee joined the Singapore Advisor in July 2007 as group legal counsel. Mr. Lee was a vice-president, group legal counsel and company secretary of Hup Soon Global Corporation Limited (formerly Twinwood Engineering Limited), a company listed in Singapore. He was also previously engaged as a regional legal attorney for PepsiCo Foods International and Tricon Global Restaurants. Mr. Lee was also a lawyer with the Singapore law firm of Shook Lin & Bok, where he was a partner when he left the firm. Mr. Lee has a Bachelor of Laws Honours degree from the National University of Singapore. Mr. Lee is currently employed by the Singapore Advisor.

Jagdish (Jay) Parmanand, Vice President

Mr. Parmanand joined the Hong Kong Consultant in August 2007 and is involved in new transactions as well as working with portfolio companies to provide operational support. Prior to joining the Investment Management Team, Mr. Parmanand was the Vice President, Business Development Asia for the BCBGMAXAZRIA Group, a Los Angeles-based fashion company. Mr. Parmanand has also worked as a Senior Associate in the Mergers and Acquisitions and Equity Capital Markets team at ABN AMRO in Hong Kong, where he focused on transactions in the retail, infrastructure and financial institutions sectors across Asia. Prior to that, Mr. Parmanand worked for Fox-Pitt, Kelton in Hong Kong, a financial institutions specialist investment bank. Mr. Parmanand has a Bachelor of Arts in Economics and History (cum laude) from New York University. Mr. Parmanand is currently employed by the Hong Kong Consultant.

Chris Leo, Senior Associate

Ms. Leo joined the Singapore Advisor in 2011 and is involved in evaluating and executing new transactions as well as working with portfolio companies to provide operational support. Prior to joining the Investment Management Team in 2011, Ms. Leo was an Investment Manager at Pramerica Real Estate Investors with a focus on Asia funds. Previously, she was an Associate Director at SolidBau Real Estate in the UK. Ms. Leo has also worked as an International Media Planner at McCann Erickson World Group in the UK covering Europe, the Middle East and Africa. Ms. Leo received a BA (Hons) Degree in International Marketing with German from the University of Greenwich in the UK. She is fluent in German, Danish, Swedish and Chinese in addition to English. Ms. Leo is currently enrolled in the EMBA – Global Asia programme run by Columbia Business School, HKU Business School and the London Business School. Ms. Leo is currently employed by the Singapore Advisor.

5. Investment Manager's Remuneration

In consideration for its services, pursuant to the Investment Management and Advisory Agreement, the Investment Manager is entitled to a management fee, Share Options and Management Shares as described below:

5.1 ***Management Fee***

Under the terms of the Investment Management and Advisory Agreement, the Company pays the Investment Manager a management fee at a rate of 2.25 per cent. per annum of its NAV, payable quarterly in advance on the NAV Approval Date (the "Management Fee"). The Management Fee is based on the NAV as at the prior Quarter End Date. The Management Fee is at least U.S.$8 million per annum and at most U.S.$15 million per annum.

5.2 ***Share Options***

The Share Options are intended to compensate the Investment Manager for its services and are in lieu of the traditional carried interest typically paid to managers of private equity vehicles. The Investment Manager (together with any assignee of the Investment Manager) has the right to be granted options representing Shares equal to 20 per cent. of the issued share capital of the Company (excluding Management Shares (which, for the purpose of this calculation, includes the 7,129,209 Management Shares issued to the Investment Manager prior to the IPO) and assuming the exercise of all of the issued Share Options) at any given time, subject to certain adjustments as referred to below. Please see paragraph 9.4 ("Alignment of Investment Manager and Shareholder Interests") of "Part 1 – The Business and the Investment Portfolio") for more information in respect of the alignment of the interests of the Investment Manager and Shareholders.

Pursuant to the Investment Management and Advisory Agreement, on 3 August 2008 (deferred from the date of the IPO) the Investment Manager was granted the Initial Share Options, being share options to subscribe for 82,782,691 Shares, with an exercise price (subject to any adjustment) of U.S.$1.00. All of the Initial Share Options have vested, and none have to date been exercised. If unexercised, the Initial Share Options will expire in August 2018. The Initial Share Options may be adjusted in accordance with the Share Options Terms as a result of the Rights Issue.

Pursuant to the Share Options Terms, following the Rights Issue the Company intends to grant the Rights Issue Share Options to the Investment Manager, being share options with an exercise price equal to the Issue Price, in order to provide the Investment Manager (together with any assignee of the Investment Manager) with the right to be issued Shares equal to, in aggregate with existing Share Options, 20 per cent. of the enlarged issued share capital of the Company (excluding Management Shares (which, for the purpose of this calculation, includes the 7,129,209 Management Shares issued to the Investment Manager prior to the IPO) and assuming the exercise of all the issued Share Options). The Rights Issue Share Options will be granted following the date of the Rights Issue. The Rights Issue Share Options will vest in five equal tranches over a period of five years from the date of grant. The first tranche will vest on the first anniversary of their date of grant, and each subsequent tranche will vest on the following anniversaries. The Rights Issue Share Options will be exercisable up to the 10th anniversary of the date of grant.

In addition, the Investment Management and Advisory Agreement provides that on the issuance of Shares pursuant to exercise of Warrants in accordance with the terms and conditions of the Warrants, future Share Options, with an exercise price (subject to any adjustment) of U.S.$1.25 per share will be granted to the Investment Manager.

The number and exercise price of the Share Options may be adjusted as a result of the Rights Issue in accordance with a mechanism which is substantially the same as the formulae that apply to the Warrants, as summarised in "Part 10 – Summary of the Terms of the Warrants", save that the process is applied by the Share Options Terms Committee rather than an "Approved Bank", although the Share Options Terms Committee may, if it deems fit, appoint any commercial bank or investment bank of international repute to assist it in its determination.

The Investment Manager has the right to determine the allocation of the benefit of the Share Options amongst the Investment Management Team (including the Key Persons) at its sole discretion.

Please see paragraphs 3.4 ("Warrants, Share Options and Management Shares") and 3.5 ("Terms of the Share Options") of "Part 14 – Additional Information" for further details in respect of the Share Options and the Share Options Terms.

5.3 ***Management Shares***

Following the IPO, pursuant to the Investment Management and Advisory Agreement, the Investment Manager was entitled to be issued Management Shares of an amount equal to 5 per cent. of the Company's issued share capital (but not including the 7,129,209 Management Shares issued to the Investment Manager prior to the IPO), for which the Investment Manager was not required to make any payment to the Company. As at the date of this document, 8,238,980 Management Shares have been issued to the Investment Manager on this basis, in addition to the 7,129,209 Management Shares held by the Investment Manager prior to the IPO.

These IPO Management Shares became eligible to be issued in five equal tranches of 20 per cent. each at the end of the first quarter following each anniversary of the IPO, and if eligible to be issued may be issued on any subsequent NAV Approval Date. In determining the maximum number of Management Shares that may be issued on each NAV Approval Date, the Board is required to have regard to the NAV after the proposed issue of Management Shares, and the number of Management Shares issued is the maximum number that can be issued such that the NAV per Share does not decrease below the IPO offering price of U.S.$1.00, in order to minimise the impact on the NAV per Share. The balance of Management Shares not issued may then be issued on any of the subsequent NAV Approval Dates (provided, in each case, that its NAV following each issue will be at or above the IPO offering price of U.S.$1.00). This procedure will continue until the remaining Management Shares are issued.

On this basis, the Investment Manager may therefore be eligible to receive the final tranche of 2,059,746 Management Shares on any NAV Approval Date after 30 September 2012 if, following the calculation of the NAV per Share at the relevant Quarter End Date, the NAV per Share is greater than U.S.$1.00 (taking into account the potential issuance of the 2,059,746 Management Shares). No further Management Shares shall be issued as a result of the Rights Issue.

In addition, on the issuance of Shares pursuant to exercise of Warrants, in accordance with the terms and conditions of the Warrants, additional Management Shares will be granted to the Investment Manager in order to maintain the proportion of the share capital held by the Investment Manager prior to the exercise of the Warrants. The Management Shares to be issued will not exceed 5 per cent. of the increase in the Company's issued share capital (including the Management Shares thus issued but excluding the 7,129,209 Management Shares held by the Investment Manager prior to the IPO) as a result of the exercise of the Warrants.

The Investment Manager will determine the allocation of the benefit of the Management Shares amongst the Investment Management Team (including the Key Persons) at its sole discretion. It is anticipated that the Management Shares will be distributed by the Investment Manager amongst the Investment Manager's team members.

PART 4

THE HEALTHCARE, HOSPITALITY & LIFESTYLE SECTORS

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1. Overview

Consumer-related demand in Asia continues to accelerate and is being driven by rising disposable incomes, changing demographics and evolving demand for goods and services. This has contributed to a higher propensity to consume in Asia and an unprecedented push by businesses to cater to developing needs that remain relatively underprovided for compared with more developed countries. The Company invests in businesses in the HH&L sectors in Asia, which include branded real estate developments. The businesses that operate in the HH&L sectors (including branded real estate developments) are direct beneficiaries of the growing and evolving consumer demand in Asia.

Economic growth in Asia is amongst the highest in the world and is expected to remain persistently strong in coming years compared to more developed countries. Increasingly, Asian countries are being viewed as a key engine of global growth in the future. The economies of India and China combined are forecast to grow from the size of the U.S. economy in 2010 to more than four times that size on a purchasing power parity basis by 2050[13]. With increasing disposable income, countries in Asia are seeing more people transition to the middle and upper classes. By 2030, two-thirds of the world's middle class (per capita income ranging from U.S.$10 to U.S.$100 per day in purchasing power parity terms) will be in Asia[14]. High Net Worth Individuals ("HNWI") in Asia grew by 9.7 per cent. in 2010 to 3.3 million with aggregate wealth of U.S.$10.8 trillion, exceeding the wealth of HNWI in Europe that had U.S.$10.2 trillion[15].

Comparative GDP Growth 2012–2016

	Average Annual GDP 2012-2016
	(%)
Country	
China	8.6
India	7.4
Indonesia	6.7
Malaysia	4.8
Philippines	4.8
Hong Kong SAR	4.0
Thailand	5.4
Singapore	3.5
Pakistan	4.8
Korea	3.8
Australia	3.4
New Zealand	2.7
United States	2.8

13 Global Growth Generators, *Citi Investment Research and Analysis*, 2011.

14 OECD Development Centre – Working Paper No. 285: *The Emerging Middle Class in Developing Countries*, by Homi Kharas, January 2010.

15 Capgemini/Merrill Lynch Wealth Management: *World Wealth Report* 2011.

Country	Average Annual GDP 2012–2016 (%)
United Kingdom	2.1
France	1.4
Japan	1.8
Germany	1.2

Source: IMF, World Economic Outlook Database April 2012

The World's Largest Economies 2010 and 2050

Country 2010	GDP (U.S.$ tn)
United States	14.12
China	9.98
Japan	4.33
India	3.92
Germany	2.91
Russia	2.2
Brazil	2.16
United Kingdom	2.16
France	2.12
Italy	1.75

Source: Global Growth Generators, Citi Investment Research and Analysis, 2011

Country 2050	GDP (U.S.$ tn)
India	85.97
China	80.02
United States	39.07
Indonesia	13.93
Brazil	11.58
Nigeria	9.51
Russia	7.77
Mexico	6.57
Japan	6.48
Egypt	6.02

Source: Global Growth Generators, Citi Investment Research and Analysis, 2011

More affluent consumers in Asia are becoming more aspirational and demanding higher-quality goods and services. In particular, discretionary spending is evolving and driving demand for better healthcare, increased intraregional and international travel, and leisure-related activities and expenditures, as well as high-quality residential and vacation properties. An indicator of growth in discretionary spending is retail sales. According to the Economist Intelligence Unit (the "EIU"), retail sales in Asia and Australasia are expected to grow at an annualised rate of 12.2 per cent. from 2008 to 2015. This compares to 5.5 per cent., 3.7 per cent. and 0.9 per cent. in Latin America, North America and Western Europe, respectively. In 2011, retail sales in Asia and Australasia are forecast to be U.S.$6.6 trillion, which is already higher than North America and Western Europe combined (U.S.$6.5 trillion).

Global Retail Sales (U.S.$ trillion)

Region	2008	2009	2010	2011	2012	2013	2014	2015
Asia and Australasia	4.50	4.84	5.75	6.61	7.40	8.28	9.32	10.47
Latin America	1.11	1.06	1.21	1.42	1.51	1.60	1.68	1.76
North America	3.40	3.21	3.45	3.62	3.73	3.87	4.02	4.18
Western Europe	2.96	2.71	2.68	2.89	2.80	2.75	2.80	3.00

Source: Economist Intelligence Unit

1.1 ***Healthcare***

Demographic changes and rising incomes are creating strong demand for healthcare services and pharmaceuticals. There has been significant investment to meet these demands by both the private and public sector; however, Asia remains relatively underdeveloped compared to countries in Europe and North America. For example, the EIU estimates the number of doctors per thousand in China and India are 1.1 and 0.6 in 2011, respectively. This compares with the U.S. and Germany that have 3.3 and 3.8 per thousand, respectively[16].

Hospital Beds and Doctors per Thousand

Country	Hospital beds per '000	Country	Doctors per '000
Indonesia	0.6	Indonesia	0.3
Pakistan	0.6	Thailand	0.3
India	0.7	India	0.6
Philippines	0.9	Malaysia	0.8
Malaysia	1.8	Pakistan	0.8
Thailand	2.1	China	1.1
Singapore	2.5	Philippines	1.2
China	2.6	Hong Kong	1.5
United States	2.9	Singapore	1.6
UK	3.1	South Korea	2.0
Australia	4.0	New Zealand	2.1
Hong Kong	5.0	Japan	2.2
New Zealand	6.0	UK	2.2
France	6.7	Australia	2.8
Germany	7.5	France	3.1
South Korea	8.4	United States	3.3
Japan	12.7	Germany	3.8

Source: EIU

Urbanisation and increased wealth are contributing to lifestyle changes (poorer diets, less exercise, dense housing) and more pollution which are causing higher instances of non-communicable diseases, such as diabetes and cancer[17]. The World Health Organisation ("WHO") estimates that India and China make up 60 per cent. of the world's fatalities from air pollution. In 2008 in China alone, cancer killed 2.1 million people or 1.6 people out of every thousand[18]. The number of people living in urban areas in Asia[19] has increased from 193.4 million in 1950 to over 1.4 billion in 2010 or from 15.9 per cent. of the population in 1950 to 41.2 per cent. of the population in 2010. The United Nations Population Division forecasts that this number will increase to over 1.9 billion by 2030 or 52.1 per cent. of Asia's population.

16 2011 estimates, EIU: *Healthcare and Pharmaceutical Report (China, India, U.S., Germany).*

17 EIU: *Side effects: Challenges facing healthcare in Asia,* 2010.

18 EIU: *China: Healthcare and Pharmaceutical Report,* 4 January 2011.

19 Asia includes the following countries: China, Hong Kong, India, Indonesia, Japan, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Thailand and Vietnam.

Increasing life expectancy in Asia is also leading to more cases of chronic illness. By 2030, Asia's population aged 60 years or more is to increase from an estimated 400 million in 2010 to 800 million or from 11.5 per cent. of the region's population in 2010 to 19.8 per cent. in 2030[20]. The increasing hospital and pharmaceutical usage with age and growing population will further increase demand in the region.

Rising disposable income continues to drive demand for quality healthcare services. There has been substantial private sector investment to develop healthcare infrastructure in Asia; however, the market remains relatively underdeveloped and fragmented with few large players. Private healthcare expenditure as a percentage of total healthcare expenditure is generally higher in most Asian countries due to the lack of universal healthcare systems currently in place. For this reason, the demand for healthcare services in Asia has a strong correlation with household income. Overall healthcare spend per capita remains comparatively small compared to more developed countries in the West and a "catch-up" is expected as incomes continue to rise in the region, which will require more investment in the sector.

Government and Private Healthcare Spend (%)

Country	Government	Private
	(%)	
United Kingdom	82.6	17.4
Japan	80.5	18.0
France	75.9	21.4
Germany	74.6	22.0
Thailand	74.3	25.7
South Korea	53.9	40.2
Indonesia	54.4	45.6
United States	47.8	52.2
China	47.3	52.7
Malaysia	44.1	55.9
Vietnam	38.5	61.5
Philippines	34.7	65.3
Singapore	34.1	65.9
India	32.4	67.6
Pakistan	32.3	67.7

Source: WHO, World Health Statistics 2011

GDP (PPP) and Healthcare Spend per Capita (%)

Country	GDP per capita PPP (U.S.$)	Healthcare spend per capita (U.S.$)
Hong Kong	49,272	2,115
United States	48,767	9,298
Singapore	46,687	1,598
Australia	40,629	7,546
Germany	36,914	4,758
UK	35,275	3,573
France	34,600	5,037

20 Source: *United Nations Population Division, World Population Prospects: 2010 Revision.*

	GDP per capita PPP (U.S.$)	Healthcare spend per capita (U.S.$)
Japan	34,314	3,376
South Korea	31,415	1,577
New Zealand	28,815	3,111
Malaysia	15,477	463
Thailand	9,111	172
China	8,575	237
Indonesia	4,531	98
India	3,809	82
Philippines	3,680	96
Pakistan	2,542	24

Source: EIU

In addition to increasing domestic demand for private healthcare services, there has been growth in medical tourism in Asia. The lower cost of medical procedures in Asia compared to that of Europe and the U.S. has given rise to patients electing to complete procedures in countries such as Singapore, India and Thailand. This has ensured the employment of cutting-edge equipment and healthcare service delivery that are at least equivalent to that of world-class hospitals.

The Company's investments in this sector aim to cater to the fast-rising demand for quality healthcare and associated services in the region in addition to medical tourism. Currently, the Company's investments in the sector have exposure to healthcare-related assets in Singapore, Japan and Malaysia. In addition, the Company completed an investment that will potentially provide exposure to a pan-Asian healthcare platform that has operations in India, Malaysia, Singapore, Turkey and India and with a presence in China, Brunei, Abu Dhabi, as well as Central and Eastern Europe.

1.2 ***Hospitality***

The hospitality industry in Asia is expanding rapidly and is being driven by domestic and intraregional leisure and business travel. Historically, most hotel brands have focused on expansion for international leisure and business travellers in Asia, but this has been changing to cater to the large populations in domestic and regional markets. The growing middle class in Asia has an increasing appetite for travel, particularly those in India and China, whose domestic traveller numbers far exceed their international arrivals. India has over 563 million domestic travellers, compared to inbound arrivals of 5 million[21]. In China, there are 1.9 billion domestic travellers compared to inbound travellers of 52 million[22].

Travel and Tourism GDP average annual growth from 2009–2015 (%)

Country	Growth *(%)*
China	11
India	8
South-East Asia	7
Brazil	5
United States	4
Japan	2
United Kingdom	2
France	2

Source: World Travel and Tourism Counsel, Tourism impact data

21 Deloitte: Hospitality 2015: *Game changers or spectators* (2010).

22 Deloitte: Hospitality 2015: *Game changers or spectators* (2010).

Although there is rapid relative growth in Asia compared with the U.S. and Europe, India and China will only account for 9 per cent. of the global travel and leisure GDP by 2015. However, by 2015, China and India will have absolute growth comparable to the United Kingdom, France and Japan. By 2019, China's absolute industry growth is forecast to exceed that of the United States[23].

Travel and Tourism GDP annual growth from 2009–2015 (%)

	2005	**2015**
Country		
France, Japan, UK & U.S.	54%	50%
Brazil	1%	2%
China	4%	7%
India	2%	2%
Gulf States	1%	1%
Rest of World	38%	38%

Source: World Travel and Tourism Counsel, Tourism impact data March 2010

Approximately 76 per cent. of all outbound flights from Asian destinations are to countries within Asia. Japan and China are the largest outbound travellers to other Asian markets with approximately 17.5 million and 13.1 million trips made in 2009, respectively. Total intra-regional trips in Asia increased by approximately 17 per cent. in 2010[24]. Intraregional travel is a key driver going forward for the hospitality industry in Asia. Chinese nationals alone are expected to spend approximately U.S.$57 billion on accommodation domestically and abroad in 2011, which is behind only Germany and the U.S. This is expected to increase to U.S.$67 billion in 2015 to surpass Germany[25].

The Company invests in business in the hospitality industry with operations predominantly in Asia in order to benefit from the growing domestic and intraregional travel from the emerging middle and upper classes in Asia. Currently, the Company's investments in this sector have operations in Australia, New Zealand, Thailand, Vietnam, Maldives, South Africa, Sri Lanka and the Middle East.

1.3 *Lifestyle and Branded Real Estate Developments*

In the past decade, emerging markets have become increasingly important to the global retail sector. Consumer goods companies source and manufacture low-cost goods from the region and in more recent years have begun to target the fast-growing Asian consumer market. The anticipated weaker growth in the economies of North America and Europe for the foreseeable future has made Asia a more important driver of global retail growth, particularly China. The EIU forecasts retail sales in Asia and Australasia to increase at an annualised growth rate of 12.2 per cent. from 2008 to 2015, which compares to 3.7 per cent. and 0.9 per cent. in the United States and Western Europe, respectively.

Asia's growing middle and upper classes are increasingly aspirational with rising disposable incomes demanding wider and higher-quality options for spending. The Boston Consulting Group estimates that 125 million households will enter the middle class (incomes of between U.S.$5,000 and U.S.$10,000) between 2010 and 2015, which will drive growth in a number of retail and consumer product segments. In particular, innovative businesses linked to shopping, dining, recreation and luxury are well positioned to benefit from these trends.

23 Deloitte: Hospitality 2015: *Game changers or spectators* (2010).

24 *ITB World Travel Trends Report* 2010/2011.

25 *World Travel Market Global Trends Report* 2011 (in association with Euromonitor International).

Retail sales by Asian Country (U.S.$ bn)

Country	2010	2011	2012	2013	2014	2015
Australia	218	251	247	244	249	258
China	2,283	2,755	3,251	3,903	4,670	5,553
Hong Kong	36	39	41	43	46	49
India	666	765	869	967	1,097	1,241
Indonesia	292	342	379	418	461	510
Japan	1,544	1,648	1,703	1,714	1,724	1,700
Malaysia	67	77	86	94	104	114
New Zealand	32	35	35	35	36	37
Philippines	82	92	99	108	119	131
Singapore	27	31	34	36	38	41
South Korea	221	248	267	283	301	319
Taiwan	99	113	120	125	131	138
Thailand	102	115	126	138	152	166
Vietnam	46	52	59	67	78	89

Source: EIU

The growing upper and middle classes in Asia are also demanding high-quality residential and leisure properties, which are in short supply. Property as an asset class has been increasing and accounted for 31 per cent. of the aggregate portfolio of HNWI in Asia in 2010. This compares with 28 per cent. in 2009 and the global average of 19 per cent. of HNWI portfolios[26]. Demand for unique and luxury-related properties in Asia is expected to continue to grow as disposable incomes continue to rise.

The Company's investments in this sector predominantly focus on luxury consumer goods, entertainment, restaurants and branded real estate developments. The Company is increasingly looking to capitalise on the growing demand for distinctive luxury real estate and currently has direct investments in Japan, Malaysia and Thailand.

2. Asia Regional Outlook

The outlook for Asia remains positive, however growth is expected to slow due to weakness in the global recovery and a deceleration in domestic demand over the past year. The continued volatility in the financial markets and the flight to safe assets by investors (i.e. US government bonds) will likely continue to weigh on Asian currencies.

The IMF reported in its World Economic Outlook Update in July 2012 that it revised downward its growth forecast for World output in 2012 to 3.5 per cent., 0.1 per cent. lower than the forecast in April 2012. Despite better growth than forecast during the first quarter, continued high unemployment in many advanced economies and sovereign financial stress in the Euro area periphery are expected to impact growth and global trade. According to the IMF, Asia appears to be better shielded from the euro area crisis, reflecting limited direct financial linkages and strong foreign exchange buffers but the slowdown in China's growth is weighing on markets across the region.

Developing Asia's output growth is also expected to slow with the IMF forecasting 7.1 per cent. full year 2012 growth in its most recent update versus 7.4 per cent. previously in April 2012. The Company does not expect slower growth to materially impact the operations of its portfolio companies, but there are likely to be some consequences to slowing trade and industrial production that could spillover and affect consumer demand in the Asia region.

Rising uncertainty has increased demand for safe assets (i.e. US government bonds), which has weakened some Asian currencies during the second quarter of 2012. This has had some negative impact on the Company's reported U.S. Dollar valuation of certain investments, particularly those portfolio companies

26 Capgemini/Merrill Lynch Wealth Management: *World Wealth Report,* 2011.

with base operating currencies in Thai Baht, Singapore Dollars and Malaysian Ringgit. The Company expects this weakness to persist as long as volatility in the financial markets continue.

Although cautious over the global economic environment, the Company remains optimistic that our investments will continue to benefit from long-term economic growth in Asia.

PART 5

CONSEQUENCES OF A STANDARD LISTING

1. Overview

The Company's Shares and Warrants in issue at the date of this document are currently listed under Chapter 14 of the Listing Rules by way of a "standard" listing and the New Ordinary Shares will also similarly be admitted to the "standard" listing segment of the Official List pursuant to Chapter 14 of the Listing Rules. A "standard" listing affords Investors and Shareholders in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the "premium" listing segment of the Official List, which are subject to additional obligations under the Listing Rules. For example, a company with a "premium" listing is subject to the listing principles set out in Chapter 7 of the Listing Rules. The purpose of the listing principles is to ensure that issuers pay due regard to the fundamental role they play in maintaining market confidence and ensuring fair and orderly markets. They are designed to assist listed companies in identifying their obligations and responsibilities under the Listing Rules. The Company is not subject to such listing principles and will not be required to comply with them even though the Company intends to comply with such listing principles where it believes and considers it appropriate.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules and/or any provision of the Model Code or those aspects of the Disclosure and Transparency Rules that the Company has indicated herein that it has, or intends to, comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

2. Summary of Non-applicable Listing Rules (By Virtue of the Company Having a "Standard" Listing)

2.1. *Listing Rules Relevant to All Companies*

By virtue of its "standard" listing, the Company is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. In particular, the Company is not required to appoint a sponsor in relation to the publication of this document or the Rights Issue;
- Chapter 9 of the Listing Rules relating to the continuing obligations of a listed company with a "premium" listing (which includes, but is not limited to, the requirement to "comply or explain" against the UK Corporate Governance Code, to comply with the Model Code and to offer pre-emption rights to existing shareholders);
- Chapter 10 of the Listing Rules relating to significant transactions which requires shareholder consent for certain acquisitions;
- Chapter 11 and Listing Rules 15.5.3 to 15.5.5 of the Listing Rules regarding related party transactions. Nonetheless, the Investment Manager shall disclose to the Board any conflict of interest of the Investment Manager or any of its directors in an entity in which it is evaluating an investment. If the Board determines that there is a material conflict of interest, the Board shall decide whether such investment decision shall be made by the Board instead of the Investment Manager. Further, to avoid potential conflicts of interest, members of the Investment Management Team are not permitted to make direct co-investments in individual unlisted portfolio companies that are sponsored by the Company;

- Chapter 12 of the Listing Rules regarding repurchases by the Company of its Shares. In 2009, the Company established a Share purchase programme that is consistent with Listing Rule 12.4 of the Listing Rules. Shareholders gave the Company the authority to continue with this Share purchase programme at the Company's 2012 Annual General Meeting until the Company's Annual General Meeting in 2013; and

- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

2.2. ***Listing Rules Relevant to Closed-Ended Investment Funds ("CEIFs")***

The Company is not obliged to comply with Chapter 15 of the Listing Rules which relates to, *inter alia*, the continuing obligations of CEIFs with a "premium" listing. Below is a brief summary of some of the continuing obligations that a CEIF with a "premium" listing would be required to comply with. The Company does not intend to voluntarily comply with these continuing obligations, save where indicated below.

- *Compliance with Chapter 9 of the Listing Rules (LR 15.4.1)*

  A CEIF is required to comply with the requirements of Chapter 9 of the Listing Rules regarding the continuing obligations of a "premium" listed company (as modified by the provisions of Listing Rule 15.4).

- *Published investment policy (LR 15.4.1A)*

  A CEIF must, at all times, have a published investment policy that contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing (including maximum exposures).

- *Investment activity (LR 15.4.2)*

  A CEIF is obliged to invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy.

  Other than the Company's intention to invest not less than 70 per cent. of its total assets (as determined at the time of each investment) in longer-term investments in businesses in the HH&L sectors (including branded real estate developments) and not more than 30 per cent. of its total assets (as determined at the time of each investment) in special situations and structured transactions, its investment policies and procedures do not contain any fixed requirements for investment diversification, including any requirements relating to the number or types of companies in which investments should be made, the number or types of industries or geographic regions that should be covered by investments or the range of credit ratings, if any, that should be accorded to investments.

- *Trading activity (LR 15.4.3A)*

  A CEIF and its subsidiaries must not conduct any trading activity which is significant in the context of its group as a whole. The rule does not prevent the business forming part of the investment portfolio of the CEIF from conducting trading activities themselves.

- *Cross holdings (LR 15.2.5)*

  A CEIF must, when making an acquisition of a constituent investment, observe the principle that not more than 10 per cent. in aggregate of the value of total assets of a CEIF may be invested in other listed CEIFs. This restriction does not apply to investments in CEIFs which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed investment funds.

- *Independence (LR 15.4.7)*

  The board of a CEIF is required to act independently of its investment managers and requires that the chairman and a majority of the board are independent.

  Directors of a CEIF, who are deemed by the Listing Rules not to be independent, must be subject to annual re-election by the fund's shareholders.

  As at the date of this document, the Board has five members, of which the majority, including the Chairman, are independent Directors, and it is intended that this will remain so. The Investment Manager and the Board meet regularly during the year in relation to the Company's investment activities and performance. The Investment Manager will disclose to the Board any conflict of interest of the Investment Manager or any of its directors in any entity in which it is evaluating an investment. If the Board determines that there is a potential conflict of interest, the Board shall decide whether such investment decision shall be made by the Board instead of the Investment Manager.

- *Shareholder approval of material changes to investment policy (LR 15.4.8 & 15.4.9)*

  A CEIF must obtain the prior approval of its shareholders to any material change to its published investment policy.

- *Conversion of existing listed class of shares or equity shares (LR 15.4.10)*

  An existing listed class of shares of a CEIF may not be converted into a new class of shares unless the prior approval has been given by the shareholders of that existing class of shares.

  Pursuant to the Memorandum and Articles of Association, the Company is authorised to issue an unlimited number of shares of a single class. If, at any time, the shares are divided into different classes, the rights attached to any class may only be varied with the written consent of the holders of 75 per cent. of the nominal value of the issued shares in that class or if a Special Resolution is passed at a special meeting of the holders of the shares in that class.

- *Further issues (LR 15.4.11)*

  Unless authorised by its shareholders, a CEIF may not issue further shares of the same class as existing shares (including treasury shares) for cash at a price below the NAV per share of those shares unless they are first offered *pro rata* to existing holders of shares of that class. Treasury shares are not to be taken into account when calculating the NAV per share.

  The only restrictions on the Company's ability to issue new Shares are:

  (i) a requirement that no Shares be issued to create a controlling interest in the Company without a Special Resolution of the Shareholders approving such issuance; and

  (ii) a requirement to seek a Resolution from the Shareholders for any increase in its issued share capital if, at the date that the Board resolves to issue such Shares, more than 30 per cent. of the Company's Capital is held in temporary investments or on deposit with commercial banks or if the Shares to be issued would exceed 50 per cent. in value of the Company's Capital, save for certain exceptions specified in this document (see the section entitled "Risk Factors – Risks Relating to the Shares – There are only limited restrictions on the issue of new Shares").

- *Compliance with the Model Code (LR 15.5.1(1))*

  A CEIF is obliged to comply with the Model Code which is set out in Chapter 9 of the Listing Rules. However, the Company has adopted a share dealing code for dealing in Shares by the Directors, the Company itself and members of the Group which is based on the Model Code. The Company's share dealing code does not apply to the Share Options and Management Shares granted or to be granted (as the case may be) to the Investment Manager.

- *Significant transactions (LR 15.5.2)*

  A CEIF must comply with this rule which compels CEIFs to comply with Chapter 10 of the Listing Rules in relation to significant transactions.

- *Related party transactions (LR 15.5.3 to 15.5.5)*

  A CEIF is required to comply with Chapter 11 of the Listing Rules regarding related party transactions. The definition of a related party includes any investment manager of the CEIF. There are additional exemptions from related party requirements set out in Listing Rule 15.5.5 that are applicable to CEIFs.

- *Change to tax status (LR 15.6.1)*

  A CEIF is required to disclose any change in its tax status.

- *Annual financial and half-yearly reports (LR 15.6.2 & 15.6.7)*

  A CEIF is obliged to make certain specific disclosures in its annual financial report, such as a statement (including quantitative analysis) explaining how it has invested its assets with a view to spreading investment risk and in accordance with its published investment policy; details in respect of the appointment of its investment managers; and a comprehensive and meaningful analysis of its portfolio. A CEIF is also required to include information in its half-yearly reports and preliminary statements of annual results (if applicable) showing the split between (i) dividend and interest received and (ii) other forms of income.

  The Company prepares its annual and semi-annual financial statements in accordance with IFRS. At the time of an equity investment in an unlisted privately held company, the Company shall only disclose the name and a brief description of the relevant company where such investment constitutes less than 5 per cent. of NAV. The Company also announces, on a quarterly basis, its NAV and provides Shareholders with an update on its investment portfolio.

- *Additional annual report requirements for property investment entities (LR 15.6.3 to 15.6.5)*

  A CEIF that, as at the end of its financial year, has invested more than 20 per cent. of its assets in property must include in its annual financial report a summary of the valuation of its portfolio in accordance with Listing Rules 15.6.4 and 15.6.5.

- *Statement regarding compliance with the UK Corporate Governance Code (LR 15.6.6)*

  A CEIF that has executive directors is not required to include details about Principles D.1 and D.2 of the UK Corporate Governance Code in its statement required by Listing Rule 9.8.6(6).

- *Notification of cross holdings (LR 15.6.8)*

  A CEIF must notify a Regulatory Information Service within five business days of the end of each quarter of a list of all its investments in other listed CEIFs as at the last business day of that quarter, which themselves do not have stated investment policies to invest no more than 15 per cent. of their total assets in other listed CEIFs.

PART 6

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Introduction

The Company is proposing to raise proceeds of approximately U.S.$93.0 million (net of expenses) by way of a rights issue of 166,665,997 New Ordinary Shares. Subject to the fulfilment of the conditions of the Underwriting Agreement, the New Ordinary Shares will be offered by way of Nil Paid Rights at 60 cents per New Ordinary Share, payable in full on acceptance by Qualifying Shareholders other than, subject to certain exceptions as set out in paragraph 2.5 below, Qualifying Shareholders with a registered address, or resident, in the Restricted Jurisdictions on the basis of:

0.481 New Ordinary Shares for every 1 Existing Share

held and registered in their name on the Record Date (and so in proportion for any other number of Existing Shares then held) and otherwise on the terms and conditions as set out in this document and, in the case of Qualifying Non-CREST Shareholders (subject to certain exclusions and restrictions), the Provisional Allotment Letter.

The Depositary holds Existing Shares and accordingly will receive a provisional allotment of New Ordinary Shares on behalf of Qualifying Depositary Interest Holders. The Depositary will pass on the provisional allotment made in its favour to Qualifying Depositary Interest Holders other than, subject to certain exceptions as set out in paragraph 2.5 below, Qualifying Depositary Interest Holders with a registered address, or resident, in the Restricted Jurisdictions and otherwise in accordance with the terms and conditions set out in this document and in accordance with the Deed Poll.

With the exclusion (subject to certain exceptions) of Qualifying Shareholders with a registered address, or resident, in the Restricted Jurisdictions, Qualifying Shareholders will be entitled to take up the New Ordinary Shares represented by their entitlements to Nil Paid Rights. Subject to certain exceptions, Nil Paid Rights to which Qualifying Shareholders with registered addresses in the Restricted Jurisdictions would otherwise be entitled will be aggregated with entitlements to Nil Paid Rights which have not been taken up by other Qualifying Shareholders and, if possible, sold as described in paragraph 2.3.1 below.

Timetable dates in this "Part 6 – Terms and Conditions of the Rights Issue" have been included on the basis of the expected timetable set out in the section entitled "Expected Timetable of Key Events".

The Issue Price of 60 cents per New Ordinary Share represents a 6.94 per cent. discount to the theoretical ex-rights price based on the closing middle-market price of a Share as derived from the Official List of 64.473 cents per Existing Share on 3 October 2012 (the last Business Day prior to the date of announcement of the terms of the Rights Issue). The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares.

Qualifying Shareholders who do not take up entitlements to New Ordinary Shares (whether directly or through New Depositary Interests) will have their proportionate shareholdings in the Company diluted by approximately 32.48 per cent. Those Qualifying Shareholders who take up their rights in full will, subject to fractions, have the same proportionate voting and distribution rights as held on the Record Date. Qualifying Shareholders who apply for their Excess Entitlements will, if successful, increase their proportionate voting and distribution rights as a result. With the exclusion (subject to certain exceptions) of Qualifying Shareholders with a registered address, or resident, in the Restricted Jurisdictions, Qualifying Shareholders will be entitled to apply for Excess Securities up to a maximum number equal to their Excess Entitlement, which is 0.481 Excess Securities for every 1 Existing Share held in that Qualifying Shareholder's name as at the Record Date. The Depositary will pass on the provisional allotment made in its favour to Qualifying Depositary Interest Holders other than, subject to certain exceptions as set out in paragraph 2.5 below, Qualifying Depositary Interest Holders with a registered address, or resident, in the Restricted Jurisdictions and otherwise in accordance with the terms and conditions set out in this document and in accordance with the Deed Poll.

The Nil Paid Rights, also described as New Ordinary Shares (nil paid), are entitlements to acquire the New Ordinary Shares subject to payment of the Issue Price. The Fully Paid Rights are entitlements to receive the New Ordinary Shares, for which a subscription and payment has already been made.

Holdings of Existing Shares in certificated form and holdings of Existing Depositary Interests will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Entitlements to New Ordinary Shares and New Depositary Interests will be rounded down to the next lowest whole number and fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders (and the Depositary will not make available fractions of New Depositary Interests to Qualifying Depositary Interest Holders).

Such fractions will be aggregated and, if possible, sold as soon as practicable after the commencement of dealings in the Nil Paid Rights. The net proceeds of such sales (after deduction of expenses) will be aggregated and will ultimately accrue for the benefit of the Company and, in the case of New Depositary Interests, donated to charity as per the provisions of the Deed Poll.

Qualifying Shareholders with fewer than 3 Existing Shares will not have a Rights Issue Entitlement and will not be entitled to subscribe for any New Ordinary Shares. Qualifying Shareholders with fewer than 3 Existing Shares will not have an Excess Entitlement and will not be entitled to apply or subscribe for any Excess Securities.

This document constitutes the offer of New Depositary Interests to all Qualifying Depositary Interest Shareholders, other than, subject to certain exceptions as set out in paragraph 2.5 below, Qualifying Depositary Interest Holders with a registered address, or resident, in the Restricted Jurisdictions, and all Qualifying Non-CREST Shareholders, other than, subject to certain exceptions as set out in paragraph 2.5 below, Qualifying Non-CREST Shareholders with a registered address, or resident, in the Restricted Jurisdictions, to whom Provisional Allotment Letters and Excess Application Forms are dispatched. The crediting of Nil Paid Rights to a stock account in CREST does not constitute an offer to Shareholders in any jurisdiction.

The attention of Overseas Shareholders or any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 2.5 below. The offer of New Ordinary Shares, New Depositary Interests and the Rights Issue will not be made into certain territories. Subject to the provisions of paragraph 2.5 below, Qualifying Shareholders with a registered address in the Restricted Jurisdictions are not being sent this document and will not be sent Provisional Allotment Letters or Excess Application Forms.

Application has been made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares (nil paid and fully paid) to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective on 5 October 2012 and that dealings in the Nil Paid Rights will commence on the London Stock Exchange by 8.00 a.m. on that date. The New Ordinary Shares and the Existing Shares are in registered form and can be held in certificated form. The New Depositary Interests and the Existing Depositary Interests are in uncertificated form and are held via CREST.

The Existing Depositary Interests are already admitted to CREST. No further application for admission to CREST is required for the New Depositary Interests and all of the New Depositary Interests when issued and fully paid may be held and transferred by means of CREST.

Application has been made for the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions (imposed by the CREST Manual) are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied, in respect of the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements, on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

The ISIN for the New Depositary Interests will be the same as that of the Existing Depositary Interests, being VGG548121059. The ISIN code for the Nil Paid Rights is VGG548121398, for the Fully Paid Rights is VGG548121216 and for the Excess Securities representing New Depositary Interests under the Excess Application Facility is VGG548121471.

None of the New Ordinary Shares nor the New Depositary Interests has been marketed or will be made available in whole or in part to the public other than in connection with the Rights Issue.

The Rights Issue has been fully underwritten by Panmure Gordon and is conditional, *inter alia*, upon:

(i) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and

(ii) Admission becoming effective by not later than 8.00 a.m. on 12 October 2012 (or such later date as the Company and Panmure Gordon may agree).

The Underwriting Agreement is conditional upon certain matters being satisfied or not breached prior to Admission and may be terminated by Panmure Gordon prior to Admission upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. The Underwriting Agreement is not capable of termination following Admission. Panmure Gordon may arrange sub-underwriting for some, all or none of the New Ordinary Shares. A summary of certain terms and conditions of the Underwriting Agreement is contained in paragraph 18.1 ("Underwriting Agreement") of Part 14 "Additional Information".

Panmure Gordon and any of its respective affiliates may engage in trading activity in connection with Panmure Gordon's role under the Underwriting Agreement and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Shares, Depositary Interests, Nil Paid Rights and Fully Paid Rights), subject to the provisions of the Underwriting Agreement. Except as required by applicable law or regulation, Panmure Gordon does not propose to make any public disclosure in relation to such transactions.

The Company will not proceed with the Rights Issue if the Underwriting Agreement is terminated at any time prior to Admission and commencement of dealings in the Nil Paid Rights.

Subject, *inter alia*, to the conditions referred to above being satisfied (other than the condition relating to Admission) and save as provided in paragraph 2.5 below, it is intended that:

(i) Provisional Allotment Letters and Excess Application Forms in respect of Nil Paid Rights will be dispatched to Qualifying Non-CREST Shareholders on 4 October 2012 (other than, subject to certain exceptions, a Qualifying Shareholder who has a registered address, or is resident, in the Restricted Jurisdictions);

(ii) the Depositary will instruct Euroclear to credit the appropriate stock accounts of Qualifying Depositary Interest Holders (other than, subject to certain exceptions, a Qualifying Depositary Interest Holder who has a registered address, or is resident, in the Restricted Jurisdictions) with such Qualifying Depositary Interest Holders' entitlements to Nil Paid Rights and Excess Entitlements as soon as practicable after 8.00 a.m. on 5 October 2012;

(iii) the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements will be enabled for settlement by Euroclear by 8.00 a.m. on 5 October 2012 or as soon as practicable after the Company has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied;

(iv) New Depositary Interests will be credited to the stock accounts in CREST of relevant accepting Qualifying Depositary Interest Holders or their renouncees who have validly taken up their rights as soon as practicable after 8.00 a.m. on 22 October 2012; and

(v) definitive share certificates in respect of New Ordinary Shares to be held in certificated form are expected to be dispatched by post by no later than 29 October 2012 to accepting Qualifying Shareholders or their renouncees at their registered address (unless lodging agent details have been completed on the Provisional Allotment Letter or Excess Application Form).

If the Rights Issue is delayed so that Provisional Allotment Letters and Excess Application Forms cannot be dispatched on 4 October 2012, the section of this document entitled "Expected Timetable of Key Events" will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letters and Excess Application Forms and announced through a Regulatory Information Service. All references in this "Part 6 – Terms and Conditions of the Rights Issue" should be read as being subject to such adjustment.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares.

All documents including Provisional Allotment Letters (which constitute temporary documents of title) and Excess Application Forms and cheques and certificates posted to, by or from Qualifying Shareholders and/or their transferees or renouncees (or their agents, as appropriate) will be posted at their own risk.

2. Action to be taken

The action to be taken by Qualifying Shareholders, in respect of New Ordinary Shares, and Qualifying Depositary Interest Holders, in respect of New Depositary Interests, differs.

If you are a Qualifying Non-CREST Shareholder other than, subject to certain exceptions, a Qualifying Shareholder who has a registered address, or is resident, in the Restricted Jurisdictions, please refer to paragraph 2.1 and paragraphs 2.3 to 2.8 below.

If you are a Qualifying Depositary Interest Holder other than, subject to certain exceptions, a Qualifying Shareholder who has a registered address, or is resident, in the Restricted Jurisdictions, please refer to paragraphs 2.2 to 2.8 below and to the CREST Manual for further information on the CREST procedures referred to below.

If you are a Qualifying Depositary Interest Holder or a Qualifying Non-CREST Shareholder who has a registered address, or is resident, in the Restricted Jurisdictions, please refer to paragraph 2.5 below.

CREST Sponsored Members should refer to their CREST Sponsors, as only their CREST Sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements of CREST Sponsored Members.

All enquiries in relation to the Provisional Allotment Letters or Excess Application Forms should be addressed to the Shareholder Helpline on 0871 664 0321 from within the United Kingdom (+44 208 639 3399 if you are calling from outside the United Kingdom) between 9.00 a.m. and 5.30 p.m. on any Business Day.

Calls to the 0871 664 0321 number are charged at 10 pence per minute from a BT landline. Other telephone providers' costs may vary. Calls to the +44 208 639 3399 number from outside the United Kingdom are charged at applicable international rates. For legal reasons, the Shareholder Helpline will be unable to give advice on the merits of the Rights Issue or to provide financial, investment, legal or tax advice.

Qualifying Non-CREST Shareholders (other than the Depositary) taking up their rights by completing a Provisional Allotment Letter and/or an Excess Application Form will be deemed to have given the representations and warranties to the Company and Panmure Gordon set out in paragraph 2.5.6 below.

Qualifying Depositary Interest Holders taking up their rights by sending an MTM instruction to the Receiving Agent (on behalf of the Depositary) will be deemed to have given the representations and warranties to the Company and Panmure Gordon set out in paragraph 2.5.6 below.

2.1 *Action to be taken by Qualifying Non-CREST Shareholders in relation to the Nil Paid Rights represented by Provisional Allotment Letters and in relation to the Excess Application Forms*

2.1.1 *General*

Provisional Allotment Letters and Excess Application Forms are expected to be dispatched to Qualifying Non-CREST Shareholders other than, subject to certain exceptions, Shareholders with a registered address, or resident, in one of the Restricted Jurisdictions on 4 October 2012. Each Provisional Allotment Letter will set out:

(i) the holding at the Record Date of Existing Shares in certificated form on which a Qualifying Non-CREST Shareholder's entitlement to New Ordinary Shares has been based;

(ii) the aggregate number of New Ordinary Shares which have been provisionally allotted to that Qualifying Non-CREST Shareholder;

(iii) the amount payable on acceptance of New Ordinary Shares provisionally allotted to such Qualifying Non-CREST Shareholder at the Issue Price;

(iv) the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement into Depositary Interests in uncertificated form; and

(v) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation.

Each Excess Application Form will set out the maximum number of Excess Securities for which that Qualifying Non-CREST Shareholder may apply for (in excess of his Rights Issue Entitlement) pursuant to the Excess Application Facility, as further described in paragraph 2.1.3 below.

On the basis that Provisional Allotment Letters and Excess Application Forms are posted on 4 October 2012, and that dealings in Nil Paid Rights commence on 5 October 2012, the latest time and date for acceptance and payment in full will be 11.00 a.m. on 19 October 2012.

If the Rights Issue is delayed so that Provisional Allotment Letters and Excess Application Forms cannot be dispatched on 4 October 2012, the expected timetable, as set out in the section entitled "Expected Timetable of Key Events", will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letters and Excess Application Forms and announced through a Regulatory Information Service. All references in this "Part 6 – Terms and Conditions of the Rights Issue" should be read as being subject to such adjustment.

Any fractional entitlements to New Ordinary Shares will be disregarded in calculating *pro rata* entitlements and any Qualifying Non-CREST Shareholders with fewer than 3 Existing Shares will not have or receive a Rights Issue Entitlement and will not be entitled to subscribe for any New Ordinary Shares. Qualifying Non-CREST Shareholders with fewer than 3 Existing Shares will not have an Excess Entitlement and will not be entitled to apply or subscribe for Excess Securities.

2.1.2 *Bona fide market claims*

Applications to subscribe for New Ordinary Shares may only be made through the Provisional Allotment Letter (and Excess Application Form) and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Shares through the market prior to 8.00 a.m. on 5 October 2012, the date upon which the Shares will be marked "ex" the entitlement to participate in the Rights Issue.

A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Shares prior to the date upon which the Existing Shares were marked "ex" the entitlement to participate in the Rights Issue, being 8.00 a.m. on 5 October 2012, should consult his broker or other professional advisor as soon as possible, as the invitation to acquire New Ordinary Shares under the Rights Issue may be a benefit that should be claimed by the transferee.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred all of their registered Existing Shares as shown in the Provisional Allotment Letter prior to 8.00 a.m. 5 October 2012 should, if the market claim is to be settled outside CREST, and immediately send the Provisional Allotment Letter with this document and the Excess Application Form to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee, or directly to the purchaser or transferee, although it should not be forwarded to or transmitted in or into any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2.1.4(i) below. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2.1.11 below.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred part only of their Existing Shares as shown on their Provisional Allotment Letter prior to 8.00 a.m. on 5 October 2012 should, if the market claim is to be settled outside CREST, follow the procedure set out in paragraph 2.1.4(ii) below. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2.1.11 below.

2.1.3 *The Excess Application Facility*

The Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Securities up to a maximum number equal to his Excess Entitlement, which will be 0.481 Excess Securities for every 1 Existing Share held in such Qualifying Non-CREST Shareholder's name as at the Record Date.

Qualifying Non-CREST Shareholders who wish to apply for their Excess Entitlement must complete and return the Excess Application Form in accordance with the instructions set out therein and as set out in paragraph 2.1.4(iii) below.

If applications under the Excess Application Facility are received for more than the total number of New Ordinary Shares available following take-up of Rights Issue Entitlements, such applications will be scaled back *pro rata* to the number of Excess Securities applied for by Qualifying Shareholders under the Excess Application Facility, and each Qualifying Non-CREST Shareholder who has made a valid application for Excess Securities under the Excess Application Facility, and from whom payment in full for Excess Securities has been received, will receive a U.S. Dollar amount equal to the number of New Ordinary Shares applied and paid for, but not allocated to, the relevant Qualifying Non-CREST Shareholder, multiplied by the issue price of 60 cents per New Ordinary Share. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

The Excess Entitlements (and Excess Application Forms) may not be transferred, and therefore the Excess Entitlements shall lapse if not taken up by the Qualifying Non-CREST Shareholder to whom the Excess Application Form was addressed (subject to paragraph 2.1.2 above).

Fractions of New Ordinary Shares will not be issued under the Excess Application Facility and fractions of New Ordinary Shares will be rounded down to the nearest whole number.

2.1.4 *Procedure for acceptance and payment*

(i) Qualifying Non-CREST Shareholders who wish to accept in full

Holders of Provisional Allotment Letters who wish to take up all of their Rights Issue Entitlement must return the Provisional Allotment Letter, together with a cheque or banker's draft in U.S. Dollars, made payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only", for the full amount payable on acceptance, in accordance with the instructions printed on the Provisional Allotment Letter, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event so as to be received by not later than 11.00 a.m. on 19 October 2012. A reply-paid envelope will be enclosed with the Provisional Allotment Letter for this purpose and for use in the United Kingdom only. If you post your Provisional Allotment Letter within the United Kingdom by first-class post, it is recommended that you allow at least four Business Days for delivery.

(ii) Qualifying Non-CREST Shareholders who wish to accept in part

Holders of Provisional Allotment Letters who wish to take up some but not all of their Rights Issue Entitlement and wish to sell some or all of those Nil Paid Rights which they do not want to take up should first apply for split Provisional Allotment Letters by completing Form X on the Provisional Allotment Letter and returning it, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights or Fully Paid Rights (if appropriate) to be comprised in each split Provisional Allotment Letter, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 3.00 p.m. on 17 October 2012, the last date and time for splitting Nil Paid Rights or Fully Paid Rights. The Provisional Allotment Letter will then be cancelled and exchanged for the split Provisional Allotment Letters required. Such holders of Provisional Allotment Letters should then deliver the split Provisional Allotment Letter representing the New Ordinary Shares they wish to take up together with a cheque or banker's draft for the appropriate amount in U.S. Dollars, payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only" to arrive by 11.00 a.m. on 19 October 2012, the last date and time for acceptance. The further split Provisional Allotment Letters (representing the New Ordinary Shares such Qualifying Shareholders do not wish to take up) should be delivered to such transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to such transferee, and will be required in order to sell those rights not being taken up.

Alternatively, Qualifying Non-CREST Shareholders who only wish to take up some of their Rights Issue Entitlement (but not sell the remainder) should complete Form X on the original Provisional Allotment Letter and return it together with a cheque or banker's draft in U.S. Dollars to pay for this number of New Ordinary Shares, payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only", by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In this case, the Provisional Allotment Letter and payment must be received by Capita Registrars by 11.00 a.m. on 19 October 2012, the last date and time for splitting Nil Paid Rights or Fully Paid Rights.

Nil Paid Rights may only be transferred in compliance with applicable securities laws and regulations of all relevant jurisdictions.

(iii) Qualifying Non-CREST Shareholders who wish to apply for their Excess Entitlement

Qualifying Non-CREST Shareholders may apply for New Ordinary Shares in excess of their Rights Issue Entitlement pursuant to the Excess Application Facility (see paragraph 2.1.3 above. Each Provisional Allotment Letter will be accompanied by an Excess Application Form, which will indicate how many Excess Securities may be applied for under the Excess Application Facility. The maximum number of New Ordinary Shares that a Qualifying Non-CREST Shareholder may apply for is his Rights Issue Entitlement plus their Excess Entitlement, each of which will be indicated on his Provisional Allotment Letter and Excess Application Form respectively. A Qualifying Non-CREST Shareholder may apply for all or some of their Excess Entitlement. Any fractional entitlements to New Ordinary Shares will be disregarded in calculating *pro rata* entitlements. The Excess Application Form should be completed and returned, in accordance with the instructions printed on the Excess Application Form, together with a cheque or banker's draft in U.S. Dollars, made payable to "Capita Registrars

Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only", for the full amount payable in respect of the Excess Securities applied for, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event so as to be received by not later than 11.00 a.m. on 19 October 2012. A reply-paid envelope will be enclosed with the Provisional Allotment Letter for this purpose and for use in the United Kingdom only. If you post your Excess Application Form within the United Kingdom by first-class post, it is recommended that you allow at least four Business Days for delivery. Paragraph 2.1.3 above sets out the process for the return of any payment in the event that an application for Excess Securities is scaled back. Excess Entitlements may not be sold or otherwise transferred.

(iv) Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights

Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights should refer to paragraph 2.1.8 below.

(v) Company's discretion as to validity of acceptances

If payment is not received in full by 11.00 a.m. on 19 October 2012, the provisional allotment will (unless the Company has exercised its right to treat as valid an acceptance as set out below) be deemed to have been declined and will lapse. The Company may elect, with the agreement of Panmure Gordon (not to be unreasonably withheld or delayed), but shall not be obliged, to treat as valid Provisional Allotment Letters and Excess Application Forms and accompanying remittances for the full amount due which are not received through the post prior to 11.00 a.m. on 19 October 2012.

The Company may elect, with the agreement of Panmure Gordon, but shall not be obliged, to treat as a valid acceptance, the receipt of an appropriate remittance by 11.00 a.m. on 19 October 2012 from an authorised person (as defined in FSMA) specifying the number of New Ordinary Shares (and Excess Securities, if applicable) to be acquired and containing an undertaking by that person to lodge the relevant Provisional Allotment Letter and Excess Application Form (if applicable), duly completed, in due course (and by no later than 11.00 a.m. on 19 October 2012). In particular, the Company and Panmure Gordon may treat as valid an acceptance by means of a duly completed Provisional Allotment Letter and Excess Application Form (if applicable), and in respect of which remittance is received in full, from the Depositary after such time due to the fact that the Depositary will need to calculate the aggregate number of New Depositary Interests which the Qualifying Depositary Interest Holders wish to take up and complete its own Provisional Allotment Letter and Excess Application Form (if applicable), accordingly before returning it to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

The Company may also (in its sole discretion) treat a Provisional Allotment Letter or Excess Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the New Ordinary Shares that appears to the Company to have been executed in, dispatched from or that provided an address for delivery of definitive share certificates for New Ordinary Shares in, the Restricted Jurisdictions unless the Company is satisfied that such act could not result in a contravention of any registration or other legal requirement in any jurisdiction.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph 2.1.4 is deemed to request that the New Ordinary Shares (and Excess Securities, if applicable) to which they will become entitled be issued to them on the terms set out in this document and subject to the Memorandum and Articles of Association. By completing and delivering a Provisional Allotment Letter and Excess Application Form (if applicable), a Qualifying Non-CREST Shareholder will be deemed to have represented and agreed certain matters as set out in paragraph 2.5.6 below, and agrees and acknowledges that (i) Panmure Gordon is acting exclusively for the Company and no one else in connection with the Rights Issue and the listing of the New Ordinary Shares and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in connection with the Rights Issue, Admission or the contents of this document; and (ii) apart from the responsibilities and liabilities, if any, which may be imposed on Panmure Gordon by FSMA, Panmure Gordon does not have any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by Panmure Gordon, or on behalf of Panmure Gordon, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the New Depositary Interests or the Rights Issue. Panmure Gordon shall not have any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

(vi) Payments

All payments must be in U.S. Dollars and made by cheque or banker's draft made payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only" drawn on an account where the Shareholder has sole or joint title to the funds. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third-party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. Panmure Gordon and the Company reserve the right to instruct Capita Registrars to seek special clearance of cheques and banker's drafts to allow value to be obtained for remittances at the earliest opportunity. No interest will be paid on payments made before they are due and any interest on such payments ultimately will accrue for the benefit of the Company. It is a term of the Rights Issue, and returning the Provisional Allotment Letter and/or Excess Application Form with a remittance in the form of a cheque will constitute a warranty, that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If the New Ordinary Shares have already been allotted to a Qualifying Non-CREST Shareholder prior to any payment not being so honoured upon first presentation or such acceptances being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of such Qualifying Non-CREST Shareholders and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the same and of the expenses of the sale, including, without limitation, any stamp duty or stamp duty reserve tax ("SDRT") or similar transfer taxes payable on the transfer of such New Ordinary Shares, and of all amounts payable by such Qualifying Non-CREST

Shareholders pursuant to the terms of the Rights Issue in respect of the acquisition of such New Ordinary Shares) on behalf of such Qualifying Non-CREST Shareholders. Neither the Company nor Panmure Gordon or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders as a result.

All enquiries in relation to Provisional Allotment Letters and/or the Excess Application Form should be addressed to Capita Registrars, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU, the Receiving Agent on 0871 664 0321 from within the UK or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.30 p.m. on any Business Day. Calls to the Receiving Agent's 0871 664 0321 number are charged at 10 pence per minute from a BT landline plus any of your service provider's network extras. Calls to the Receiving Agent's +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

2.1.5 *Money Laundering Regulations*

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent, Capita Registrars Limited, may require verification of the identity of the person by whom or on whose behalf a Provisional Allotment Letter and/or Excess Application Form (as applicable) is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). The person(s) (in this paragraph 2.1.5, the "acceptor") who, by lodging a Provisional Allotment Letter and/or Excess Application Form (as applicable) with payment, as described above, accept(s) the allotment of the New Ordinary Shares (in this paragraph 2.1.5, the "relevant shares") comprised in such Provisional Allotment Letter (being the provisional allottee or, in the case of renunciation, the person named in such Provisional Allotment Letter) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to an acceptance of an allotment and the verification of identity requirements have not been satisfied (which the Receiving Agent shall, in its absolute discretion, determine) by 11.00 a.m. on 19 October 2012, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid or may confirm the allotment of the relevant shares to the acceptor but (notwithstanding any other term of the Rights Issue) such shares will not be issued to him or registered in his name until the verification of identity requirements have been satisfied (which the Receiving Agent shall, in its absolute discretion, determine). If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is dispatched to the acceptor, as the Company may, in its absolute discretion, allow, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor, subject to the requirements of the Money Laundering Regulations. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

Return of a Provisional Allotment Letter and/or Excess Application Form (as applicable) with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance and an undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in the acceptor's acceptance being treated as invalid or in delays in the dispatch of a receipted fully paid Provisional Allotment Letter and/or Excess Application Form (as applicable) or a share certificate.

The verification of identity requirements will not usually apply:

(i) if the acceptor is an organisation required to comply with the Money Laundering Directive 2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; or

(ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or

(iii) if the acceptor (not being an acceptor who delivers his acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or

(iv) if the aggregate subscription price for the relevant shares is less than €15,000 (approximately £13,000).

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of the verification of identity requirements may be facilitated in the following ways:

(a) if payment is made by cheque or banker's draft in U.S. Dollars drawn on a branch in the United Kingdom of a bank or building society and bears a UK bank sort code number in the top right-hand corner, the following applies. Cheques should be made payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only". Third-party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. The account name should be the same as that shown on the Provisional Allotment Letter and/or Excess Application Form;

(b) if the Provisional Allotment Letter and/or Excess Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation with the Provisional Allotment Letter and/or Excess Application Form that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Registrar or the relevant authority; or

(c) if a Provisional Allotment Letter and/or Excess Application Form is lodged by hand by the acceptor in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address (for example, a utility bill).

In order to confirm the acceptability of any written assurance referred to in paragraph (c) above or any other case, the acceptor should contact the Receiving Agent.

2.1.6 *Dealings in Nil Paid Rights*

Assuming that the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. on 5 October 2012. A transfer of Nil Paid Rights can be made (in the case of Qualifying Non-CREST Shareholders) by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it and delivery of the Provisional Allotment Letter to the transferee. The latest time and date for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters is expected to be 11.00 a.m. on 19 October 2012. The Excess Entitlements (and Excess Application Form) may not be transferred, and therefore there will not be any dealing in Nil Paid Rights in respect of the Excess Securities. A Qualifying Non-CREST Shareholder who transfers his Nil Paid Rights in respect of his Rights Issue Entitlement may still apply for his Excess Entitlement through completing and returning the Excess Application Form.

2.1.7 *Dealings in Fully Paid Rights*

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant Provisional Allotment Letter and delivering it, by post or (during normal business hours only) by hand, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 11.00 a.m. on 19 October 2012. To do this, Qualifying Non-CREST Shareholders will need to have their fully paid Provisional Allotment Letters returned to them after acceptance has been effected by the Receiving Agent. However, fully paid Provisional Allotment Letters will not be returned to Shareholders unless their return is requested by ticking the appropriate box on the Provisional Allotment Letter. After 22 October 2012, the New Ordinary Shares will be in registered form and transferable in the usual way (see paragraph 2.1.12 below).

The Excess Entitlements (and Excess Application Forms) may not be transferred, and therefore there will not be any dealing in Fully Paid Rights in respect of Excess Securities. A Qualifying Non-CREST Shareholder who transfers his Nil Paid Rights in respect of his Rights Issue Entitlement may still apply for his Excess Entitlement through completing and returning the Excess Application Form.

2.1.8 *Renunciation and splitting of Provisional Allotment Letters*

Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter in respect of their Rights Issue Entitlement (but not their Excess Entitlement, which is not transferable) may (save as required by the laws of certain overseas jurisdictions) renounce such allotment in favour of one person (or several persons as joint holders) by completing and signing Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial advisor or to the transferee. Once a Provisional Allotment Letter has been renounced, the letter will become a negotiable instrument in bearer form and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in the Provisional Allotment Letter may be transferred by delivery of the Provisional Allotment Letter to the transferee. The transferee may then register the transfer by completing Form Y on page 4 of the Provisional Allotment Letter and delivering the Provisional Allotment Letter together, in the case of a transferee of Nil Paid Rights, with a cheque or banker's draft for the full amount payable on acceptance by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The latest time and date for registration of renunciation of Provisional Allotment Letters, fully paid, is 11.00 a.m. on 19 October 2012.

If a holder of a Provisional Allotment Letter wishes to have only some of the New Ordinary Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights or (if appropriate) Fully Paid Rights in respect of their Rights Issue Entitlement (but not their Excess Entitlement, which is not transferable) but to different persons, he may have the Provisional Allotment Letter split, for which purpose he must complete and sign Form X on the Provisional Allotment Letter. The Provisional Allotment Letter and covering letter must then be delivered by post or (during normal business hours only) by hand to Capita Registrars Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in each case so as to be received as soon as possible and by not later than 3.00 p.m. on 17 October 2012, to be cancelled and exchanged for the split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split letter should be stated in an accompanying letter. Form X on split Provisional Allotment Letters will be marked "Original Duly Renounced" before issue. Any split Provisional Allotment Letters representing the New Ordinary Shares which a holder wishes to accept should be delivered together with the cheque or banker's draft in U.S. Dollars for the appropriate amount, in either case made payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only" by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by 11.00 a.m. on 19 October 2012, the latest time and date for acceptance.

The Company reserves the right to refuse to register any renunciation in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements in any jurisdiction, including (without limitation) any renunciation in the name of any person with an address outside the United Kingdom.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their rights, without transferring the remainder, should complete Form X on the original Provisional Allotment Letter and return it, together with a cheque or banker's draft in U.S. Dollars made payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only" and with the Shareholder Reference Number, which appears on page 1 of the Provisional Allotment Letter, written on the reverse of the cheque or banker's draft to pay for this number of New Ordinary Shares, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In this case, the Provisional Allotment Letter and payment must be received by Capita Registrars by 11.00 a.m. on 19 October 2012.

The Nil Paid Rights in respect of a Qualifying Non-CREST Shareholder's Excess Entitlement may not be transferred. The Excess Application Form is non-tradeable.

2.1.9 *Registration in names of Qualifying Shareholders*

A Qualifying Shareholder who wishes to have all the New Ordinary Shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this document and the Provisional Allotment Letter but need take no further action. A share certificate is expected to be dispatched to such Qualifying Shareholders by no later than 29 October 2012.

2.1.10 *Registration in names of persons other than Qualifying Shareholders originally entitled*

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying Shareholders(s) originally entitled, provided that neither the Qualifying Shareholder nor any renouncee has a registered address, or is resident, in a Restricted Jurisdiction, the renouncee or his agent(s) must complete Form Y on the Provisional Allotment Letter (unless the renouncee is a CREST member who wishes to convert some or all of such New Ordinary Shares into New Depositary Interests, in which case Form X and the CREST Deposit Form must be completed (see paragraph 2.2 below)) and deliver the entire Provisional

Allotment Letter, when fully paid, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and not later than the latest time for registration of renunciations, which is 11.00 a.m. on 19 October 2012. Registration cannot be effected unless and until the New Ordinary Shares comprised in a Provisional Allotment Letter are fully paid.

The New Ordinary Shares comprised in several renounced Provisional Allotment Letters may be registered in the name of one holder (or joint holders) if Form Y on the Provisional Allotment Letter is completed on one Provisional Allotment Letter (the "Principal Letter") and all the Provisional Allotment Letters are delivered in one batch. Details of each Provisional Allotment Letter (including the Principal Letter) should be listed in the Consolidated Listing Form (as defined in the Regulations) adjacent to Forms X and Y of the Principal Letter and the allotment number of the Principal Letter should be entered in the space provided on each of the other Provisional Allotment Letters.

2.1.11 *Deposit of Nil Paid Rights or Fully Paid Rights into CREST*

The Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be converted into Nil Paid Rights or Fully Paid Rights in respect of New Depositary Interests, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Subject as provided in the next following paragraph or in the Provisional Allotment Letter, normal CREST procedures and timings and the timings and provisions of the Deed Poll apply in relation to any such conversion. Qualifying Shareholders are recommended to refer to the CREST Manual for details of such procedures.

The procedure for converting the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter into Nil Paid Rights or the Fully Paid Rights in respect of New Depositary Interests deposited in CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address appear(s) on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form (both on the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited with the CREST Courier and Sorting Service (the "CCSS"). In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the whole of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. Shareholders wishing to convert some only of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter into Nil Paid Rights or Fully Paid Rights in respect of New Depositary Interests deposited in CREST must first apply for split Provisional Allotment Letters, bearing in mind the latest time for converting the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letters into Nil Paid Rights or Fully Paid Rights in respect of New Depositary Interests deposited in CREST. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited. The Consolidation Listing Form (as defined in the Regulations) must not be used.

A holder of the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) represented by a Provisional Allotment Letter who is proposing to convert those rights into Nil Paid Rights or Fully Paid Rights in respect of New Depositary Interests (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 19 October 2012.

In particular, having regard to processing times in CREST and on the part of Capita Registrars, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form on the Provisional Allotment Letter duly completed) with the CCSS in order to enable the person acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST in respect of the New Depositary Interest as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 19 October 2012 is 3.00 p.m. on 16 October 2012.

When Form X and the CREST Deposit Form (both in the Provisional Allotment Letter) have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letters will cease to be renounceable or transferable by delivery, and for the avoidance of doubt any entries in Form Y will not subsequently be recognised or acted upon by Capita Registrars. All renunciations or transfers of Nil Paid Rights or Fully Paid Rights must be effected through the CREST system once such Nil Paid Rights or Fully Paid Rights have been deposited into CREST.

Qualifying Depositary Interest Holders who are CREST Sponsored Members should contact their CREST Sponsor as only their CREST Sponsor will be able to take the necessary action to take up the entitlement or otherwise to deal with the Nil Paid Rights of the CREST Sponsored Member.

2.1.12 *Issue of share certificates in respect of New Ordinary Shares in definitive form*

Definitive share certificates in respect of the New Ordinary Shares in respect of Nil Paid Rights validly taken up to be held in certificated form are expected to be dispatched by post by no later than 29 October 2012, at the risk of the persons entitled thereto, to Qualifying Non-CREST Shareholders validly taking up such Nil Paid Rights or to the persons otherwise entitled thereto, or, in the case of joint holdings, to the first-named shareholder, at their registered address (unless lodging agent details have been completed on the Provisional Allotment Letter or Excess Application Form). After dispatch of the definitive share certificates, Provisional Allotment Letters and Excess Application Forms will cease to be valid for any purpose whatsoever. Pending dispatch of definitive share certificates, instruments of transfer of the New Ordinary Shares will be certified by Capita Registrars, Corporate Actions against the register and/or, in the case of renounced Provisional Allotment Letters, against the registration receipt, Form Y, bearing the stamp of the Registrars.

2.2 ***Action to be taken by Qualifying Depositary Interest Holders in relation to Nil Paid Rights in CREST***

2.2.1 *General*

Subject as provided in paragraph 2.5 below in relation to certain Overseas Shareholders, each Qualifying Depositary Interest Holder is expected to receive a credit on 5 October 2012 of Nil Paid Rights to his CREST stock account equal to his Rights Issue Entitlement, plus a number of Excess Entitlements which shall be allocated to Qualifying Depositary Interest Holders by the Depositary in accordance with the terms of the Deed Poll. It is expected that such rights will be enabled by 8.00 a.m. on 5 October 2012. The CREST stock account to be credited will be an account under the Participant ID and Member Account ID that apply to the Existing Depositary Interests held on the Record Date by the Qualifying Depositary Interest Holders in respect of which the Nil Paid Rights are credited.

The Nil Paid Rights will constitute a separate security for the purposes of CREST. The Nil Paid Rights can be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST. Excess Entitlements may not be transferred in whole or part. Excess Entitlements shall lapse if not taken up by the relevant Qualifying Shareholder.

If, for any reason, it is impracticable to credit the Nil Paid Rights and/or Excess Entitlements to the stock accounts of Qualifying Depositary Interest Holders or to enable the Nil Paid Rights and/or Excess Entitlements by 5 October 2012, Provisional Allotment Letters and Excess Application Forms shall, unless the Company otherwise determines, be sent by the Depositary in substitution for the Nil Paid Rights and/or Excess Entitlements which have not been so credited or enabled and the expected timetable as set out in this document will be adjusted as appropriate. References to dates and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying Depositary Interest Holders may not receive any further written communication.

Qualifying Depositary Interest Holders who wish to take up all or part of their entitlements in respect of all or part of the Nil Paid Rights and/or Excess Entitlements held by them in CREST, or otherwise transfer all or part of their Nil Paid Rights, should refer to the CREST Manual for further information on the CREST procedures referred to below. Qualifying Depositary Interest Holders who are CREST Sponsored Members should consult their CREST Sponsor if they wish to take up their entitlements as only their CREST Sponsor will be able to take the necessary action to take up their entitlements or otherwise to deal with their Nil Paid Rights and/or Excess Entitlements.

The Nil Paid Rights will constitute a separate security for the purposes of CREST and will be admitted to CREST and enabled for settlement. Applications in respect of Nil Paid Rights may only be made by the Qualifying Depositary Interest Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Transactions identified by the CREST Claims Processing Unit as "cum" the Rights Issue Entitlement will generate an appropriate market claim transaction and the relevant Rights Issue Entitlement(s) will thereafter be transferred accordingly (and Excess Entitlements will be treated as set out in paragraph 2.2.2 below).

2.2.2 *Excess Application Facility*

The Excess Application Facility enables Qualifying Shareholders to apply for Excess Securities up to their Excess Entitlement, which will be 0.481 Excess Securities for every 1 Existing Share held in their name as at the Record Date. Any fractional entitlements to New Ordinary Shares will be disregarded in calculating Qualifying Shareholders' *pro rata* entitlements to Excess Securities. Qualifying Shareholders with fewer than 3 Existing Shares will not have an Excess Entitlement and will not be entitled to apply or subscribe for any Excess Securities.

The Depositary holds Existing Shares and accordingly will receive a provisional allotment of Excess Entitlements on behalf of Qualifying Depositary Interest Holders. The Depositary will pass on the provisional allotment made in its favour to Qualifying Depositary Interest Holders other than, subject to certain exceptions as set out in this document, Qualifying Depositary Interest Holders with a registered address, or resident, in the Restricted Jurisdictions and otherwise in accordance with the terms and conditions set out in this document and in accordance with the Deed Poll.

If applications under the Excess Application Facility are received for more than the total number of Excess Securities available following take-up of the New Ordinary Shares, such applications will be scaled back *pro rata* to the number of Excess Securities applied for by Qualifying Depositary Interest Holders under the Excess Application Facility.

An Excess Entitlement may not be sold or otherwise transferred and shall lapse if not taken up. Subject as provided in paragraph 2.5 below in relation to certain Overseas Shareholders, the CREST accounts of Qualifying Depositary Interest Holders will be credited, where applicable, with an Excess Entitlement in order for any applications for Excess Securities to be settled through CREST. The credit of such Excess Entitlement does not in any way give Qualifying Depositary Interest Holders a right to the Excess Securities attributable to the Excess

Entitlement, since an Excess Entitlement is subject to scaling back in accordance with the terms of this document.

To apply for Excess Securities, Qualifying Depositary Interest Holders should follow the instructions below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Rights Issue Entitlement, and the Nil Paid Rights be transferred, the Excess Entitlement(s) will not automatically transfer with the Nil Paid Rights claim. Should a Qualifying Depositary Interest Holder cease to hold all of his Existing Depositary Interests as a result of one or more *bona fide* market claims, the Excess Entitlement credited in CREST to that Qualifying Depositary Interest Holder, will not be transferred to the purchaser.

Should applications for Excess Securities by Qualifying Depositary Interest Holders under the Rights Issue result in a scale-back of applications under the Excess Application Facility, each Qualifying Depositary Interest Holder who has made a valid application for Excess Securities under the Excess Application Facility, and from whom payment in full for the Excess Securities has been received, will receive a U.S. Dollar amount equal to the number of Excess Securities validly applied and paid for but which are not allocated to the relevant Qualifying Depositary Interest Holder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest, and at the applicant's sole risk.

Fractions of New Ordinary Shares will not be issued under the Excess Application Facility and fractions of New Ordinary Shares will be rounded down to the nearest whole number.

All enquiries in connection with the procedure for application of the Excess Application Facility and your Excess Entitlements should be addressed to the Registrar on 0871 664 0321 or, if telephoning from outside the UK, on +44 208 639 3399 between 9.00 a.m. and 5.30 p.m. (London time) on any Business Day. Calls to the 0871 664 0321 number are charged at 10 pence per minute from a BT landline; other telephone provider costs may vary and calls to +44 208 639 3399 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Please note that, for legal reasons, the Registrar will only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or to provide financial, legal, tax or investment advice.

2.2.3 *Procedure for acceptance and payment – in respect of the Nil Paid Rights*

(i) MTM instructions

Qualifying Depositary Interest Holders who wish to take up all or part of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST Sponsored Members, procure that their CREST sponsor sends) an MTM instruction to Euroclear which, on its settlement, will have the following effect:

(a) the crediting of a stock account of the Receiving Agent under the Participant ID and Member Account ID specified below, with the number of Nil Paid Rights to be taken up; and

(b) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank of the Receiving Agent (on behalf of the Depositary) in respect of the full amount payable on the take-up of the Nil Paid Rights.

(ii) Contents of MTM instructions in respect of Nil Paid Rights

The MTM instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(a) the number of Nil Paid Rights to which the acceptance relates;

(b) the Participant ID of the accepting Qualifying Depositary Interest Holder;

(c) the Member Account ID of the accepting Qualifying Depositary Interest Holder from which the Nil Paid Rights are to be debited;

(d) the Participant ID of the Receiving Agent (on behalf of the Depositary). This is 9RA01;

(e) the Member Account ID of the Receiving Agent (on behalf of the Depositary). This is 27690SY1;

(f) the amount payable by means of the CREST assured payment arrangements on settlement of the USE instruction. This must be the full amount payable on take-up of the number of Nil Paid Rights to which the acceptance relates;

(g) the number of Fully Paid Rights that the CREST Member is expecting to receive, which should be the same as the number of Nil Paid Rights;

(h) the intended settlement date (which must be on or before 11.00 a.m. on 19 October 2012);

(i) the ISIN Number of the Nil Paid Rights, which is VGG548121398;

(j) the ISIN Number of the Fully Paid Rights, which is VGG548121216;

(k) the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;

(l) a contact name and telephone number (in the free format shared note field); and

(m) a priority of at least 80.

An MTM instruction should only be given in respect of Nil Paid Rights representing the Rights Issue Entitlement (and not the Excess Entitlement).

(iii) Contents of USE instructions in respect of Excess Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(a) the number of Excess Entitlements for which application is being made;

(b) the Participant ID of the accepting Qualifying Depositary Interest Holder;

(c) the Member Account ID of the accepting Qualifying Depositary Interest Holder from which the Excess Entitlements are to be debited;

(d) the Participant ID of the Receiving Agent (on behalf of the Depositary). This is 9RA01;

(e) the Member Account ID of the Receiving Agent (on behalf of the Depositary). This is 27690SY1;

(f) the amount payable by means of the CREST assured payment arrangements on settlement of the USE instruction. This must be the full amount payable on take up of the maximum number of Excess Securities referred to in paragraph (a) above;

(g) the intended settlement date (which must be on or before 11.00 a.m. on 19 October 2012);

(h) the ISIN Number of the Excess Entitlements, which is VGG548121471;

(i) the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;

(j) a contact name and telephone number (in the free format shared note field); and

(k) a priority of at least 80.

An USE instruction should only be given in respect of the Excess Entitlement (and not the Nil Paid Rights representing the Rights Issue Entitlement).

(iv) Valid acceptance

An MTM and/or a USE instruction complying with each of the requirements as to authentication and contents set out in paragraphs 2.2.3(ii) or 2.2.3(iii) above will constitute a valid acceptance where either:

(a) the MTM and/or USE instruction settles by not later than 11.00 a.m. on 19 October 2012; or

(b) at the discretion of the Company (as exercised by the Depositary):

(I) the MTM and/or USE instruction is received by Euroclear by not later than 11.00 a.m. on 19 October 2012;

(II) the number of Nil Paid Rights or Excess Entitlements (as applicable) inserted in the MTM and/or USE instruction is credited to the CREST stock member account of the accepting Qualifying Depositary Interest Holder specified in the MTM and/or USE instruction at 11.00 a.m. on 19 October 2012; and

(III) the relevant MTM and/or USE instruction settles by 2.00 p.m. on 19 October 2012 (or such later date as the Company has determined).

An MTM and/or USE instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Provider's Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the Qualifying Depositary Interest Holder (or by his CREST Sponsor as the case may be). This will be conclusively determined by the input time stamp applied to the USE instruction by the Network Provider's Communications Host.

As soon as practicable after 11.00 a.m. on 19 October 2012, the Receiving Agent (on behalf of the Depositary) will calculate the number of Nil Paid Rights and Excess Entitlements which the Qualifying Depositary Interest Holders have indicated (pursuant to their respective MTM and/or USE instructions) that they wish to take up and the Depositary will complete and submit its Provisional Allotment Letter and Excess Application Form (if applicable) to the Receiving Agent reflecting such instructions, together with two cheques drawn for the appropriate amounts (in respect of Nil Paid Rights and Excess Entitlements), in accordance with the procedure set out in this paragraph 2.2.3.

(v) Representations, warranties and undertakings of CREST members

A Qualifying Depositary Interest Holder who makes a valid acceptance in accordance with this paragraph 2.2.3 represents, warrants and undertakes to the Depositary and the Company that he has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him or by his CREST Sponsor (as appropriate) to ensure that the MTM or USE instruction concerned is capable of settlement at 11.00 a.m. on 19 October 2012 and remains capable of settlement at all times after that until 2.00 p.m. on 19 October 2012 (or until such later time and date as the Company may determine). In particular, the Qualifying Depositary Interest Holder represents, warrants and undertakes that at 11.00 a.m. on 19 October 2012 and at all times thereafter until 2.00 p.m. on 19 October 2012 (or until such later time and date as the Company may determine), there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM or USE instruction to settle. Qualifying Depositary Interest Holders who are CREST Sponsored Members should contact their CREST Sponsor if they are in any doubt.

If there is insufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a Qualifying Depositary Interest Holder for such amount to be debited or the Qualifying Depositary Interest Holder's acceptance is otherwise treated as invalid and the New Depositary Interests and/or Excess Securities have already been allotted to such Qualifying Depositary Interest Holder, the Company and the Depositary may (in their absolute discretion as to the manner, timing and terms) make arrangements for the sale of such New Depositary Interests on behalf of that Qualifying Depositary Interest Holder and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Depositary Interests and/or Excess Securities or underlying shares, and of all amounts payable by the Qualifying Depositary Interest Holder pursuant to the provisions of this "Part 6 – Terms and Conditions of the Rights Issue" in respect of the acquisition of such shares) on behalf of such Qualifying Depositary Interest Holder. None of the Depositary, the Company nor Panmure Gordon nor any other persons shall be responsible for, or have any liability for, any loss, expense or damage suffered by the Qualifying Depositary Interest Holder as a result.

(vi) CREST procedures and timings

Qualifying Depositary Interest Holders should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an MTM or USE instruction and its settlement in connection with the Rights Issue. It will be the responsibility of the Qualifying Depositary Interest Holder concerned to take (or, if the Qualifying Depositary Interest Holder is a CREST Sponsored Member, to procure that his CREST Sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 19 October 2012. In this connection, Qualifying Depositary Interest Holders and (where applicable) CREST Sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vii) Qualifying Depositary Interest Holders' undertaking to pay

A Qualifying Depositary Interest Holder, who makes a valid acceptance in accordance with the procedures set out in this paragraph 2.2.3, (a) undertakes to pay to the Receiving Agent (on behalf of the Depositary), or procure the payment to the Receiving Agent (on behalf of the Depositary) of, the amount payable in U.S. Dollars on acceptance in accordance with the above procedures or in such other manner as the Company may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual), the creation of an RTGS settlement bank payment obligation in U.S. Dollars in favour of Capita Registrars, Corporate Actions RTGS settlement bank (as defined in the CREST Manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the Qualifying Depositary Interest Holders to pay to the Receiving Agent (on behalf of the Depositary) the amount payable on acceptance), and (b) requests that the New Depositary Interests and (if applicable) Excess Securities, to which they will become entitled, be issued to them on the terms set out in this document and subject to the Deed Poll.

If the payment obligations of the Qualifying Depositary Interest Holder in relation to such New Depositary Interests and (if applicable) Excess Securities are not discharged in full and such New Depositary Interests and (if applicable) Excess Securities have already been allotted to the Qualifying Depositary Interest Holder, Panmure Gordon may (in its absolute discretion as to the manner, timing and terms) sell them or the underlying shares on behalf of the Qualifying Depositary Interest Holder and hold the proceeds of sale (net of expenses, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Depositary Interests and (if applicable) Excess Securities or underlying shares, and of all amounts payable by the Qualifying Depositary Interest Holder pursuant to the provisions of this "Part 6 – Terms and Conditions of the Rights Issue" in respect of the acquisition of such New Depositary Interests and (if applicable) Excess Securities or underlying shares) or an amount equal to the original payment of the Qualifying Depositary Interest Holder (whichever is lower) on trust for such Qualifying Depositary Interest Holder. None of the Depositary, the Company nor Panmure Gordon nor any other persons shall be responsible for, or have any liability for, any loss, expense or damage suffered by the Qualifying Depositary Interest Holder as a result.

(viii) Discretion as to rejection and validity of acceptances

The Company (after consultation with Panmure Gordon and as exercised by the Depositary) may:

(a) reject any acceptance constituted by an MTM and/or USE instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 2.2.3. Where an acceptance is made as described in this paragraph 2.2.3 which is otherwise valid, and the USE instruction concerned fails to settle by 2.00 p.m. on 19 October 2012 (or by such later time and date as the Company and Panmure Gordon may determine), the Company shall be entitled to assume, for the purposes of its right to reject an acceptance as described in this paragraph 2.2.3, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 2.2.3 unless the Company is aware of any reason outside the control of the Qualifying Depositary Interest Holder (as appropriate) concerned for the USE instruction not to settle;

(b) treat as valid (and binding on the Qualifying Depositary Interest Holder concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 2.2.3;

(c) accept an alternative properly authenticated dematerialised instruction from a Qualifying Depositary Interest Holder as constituting a valid acceptance in substitution for, or in addition to, an MTM and/or USE instruction and subject to such further terms and conditions as the Company and Panmure Gordon may determine;

(d) treat a properly authenticated dematerialised instruction (in this paragraph (d), the "first instruction") as not constituting a valid acceptance if, at the time at which the Receiving Agent (on behalf of the Depositary) receives a properly authenticated dematerialised instruction giving details of the first instruction, the Receiving Agent (on behalf of the Depositary) has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(e) accept an alternative instruction or notification from a CREST Member or (where applicable) a CREST Sponsor, or extend the time for acceptance and/or settlement of a USE instruction or any alternative instruction or notification, if, for reasons or due to circumstances outside the control of any Qualifying Depositary Interest Holder or (where applicable) CREST Sponsor, the Qualifying Depositary Interest Holder is unable validly to take up all or part of his Nil Paid Rights and (if applicable) Excess Securities by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by the Receiving Agent (on behalf of the Depositary) in connection with CREST.

2.2.4 *Money Laundering Regulations*

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a bank, a broker or another UK financial institution), then, irrespective of the value of the application, the Receiving Agent is entitled to take reasonable measures to establish the identity of the person or persons (or the ultimate controller of such person or persons) on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM and/or USE instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent (on behalf of the Depositary) any information the Receiving Agent (on behalf of the Depositary) may specify as being required for the purposes of the verification of identity requirements of the Money Laundering Regulations or the FSMA. Pending the provision of evidence satisfactory to the Receiving Agent (on behalf of the Depositary) as to identity, the Receiving Agent (on behalf of the Depositary), having consulted with the Company and Panmure Gordon and having taken into account their comments and requests, may take, or omit to take, such action as it may determine to prevent or delay settlement of the USE instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then the Receiving Agent (on behalf of the Depositary) will not permit the USE instruction concerned to proceed to settlement but without prejudice to the right of the Company and/or Panmure Gordon to take proceedings to recover any loss suffered as a result of failure by the applicant to provide satisfactory evidence.

2.2.5 *Dealings in Nil Paid Rights in CREST*

Dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. (London time) on 5 October 2012. A transfer (in whole or in part) of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 19 October 2012.

Excess Entitlements may not be transferred in whole or part, and shall lapse if not taken up by the relevant Qualifying Shareholder.

2.2.6 *Dealings in Fully Paid Rights in CREST*

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document, the Fully Paid Rights may be transferred by means of CREST in the same manner as any other security that is admitted to CREST. The last time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 11.00 a.m. on 19 October 2012. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 19 October 2012. After 19 October 2012, the New Depositary Interests will be registered in the name(s) of the person(s) entitled to them in the Depositary's register of Depositary Interest holders and will be transferable in the usual way.

Excess Entitlements may not be transferred in whole or part, and shall lapse if not taken up by the relevant Qualifying Shareholder.

2.2.7 *Withdrawal of Nil Paid Rights and (if applicable) Excess Securities from CREST*

Nil Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights and (if applicable) Excess Securities from CREST is 4.30 p.m. on 15 October 2012, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights following the conversion into certificated form to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 19 October 2012.

Qualifying Depositary Interest Holders are recommended to refer to the CREST Manual and the Deed Poll for details of such procedures.

2.2.8 *Issue of New Depositary Interests and Excess Securities in CREST*

Nil Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 19 October 2012 (being the latest date for settlement of transfers of Nil Paid Rights in CREST). New Depositary Interests (including those representing Excess Securities) will, subject as provided below, be issued in uncertificated form to those persons who have validly taken up Nil Paid Rights and Excess Securities at the close of business on that date. The Receiving Agent (on behalf of the Depositary) will instruct Euroclear to credit the appropriate stock accounts of those Qualifying Depositary Interest Holders (under the same Participant ID and Member Account ID) who have returned an MTM and/or USE instruction in accordance with this "Part 6 – Terms and Conditions of the Rights Issue") with their entitlements to New Depositary Interests and (if applicable) Excess Securities with effect from the next business day (expected to be 22 October 2012).

The New Depositary Interests will be created and issued pursuant to the Deed Poll entered into by the Depositary, which governs the relationship between the Depositary and the holders of Depositary Interests. A summary of the Deed Poll is set out in "Part 12 – Depositary Interests".

2.2.9 *Right to allot/issue in certificated form*

Despite any other provision of this document, the Company reserves the right to allot and to issue any Nil Paid Rights, New Ordinary Shares, New Depositary Interests or Excess Securities in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by Capita Registrars, Corporate Actions in connection with CREST.

2.3 ***Procedure in respect of rights not taken up and withdrawal rights***

2.3.1 *Procedure in respect of rights not taken up*

If an entitlement to New Ordinary Shares is not validly taken up by 11.00 a.m. on 19 October 2012, in accordance with the procedure laid down for acceptance and payment, then that provisional allotment will be deemed to have been declined and will lapse. Panmure Gordon will endeavour to procure, by not later than 4.30 p.m. on the second business day after 19 October 2012, subscribers for all of those New Ordinary Shares not taken up at a price per New Ordinary Share which is at least equal to the aggregate of the Issue Price and the expenses of procuring such subscribers (including any applicable brokerage and commissions and amounts in respect of VAT).

Notwithstanding the above, Panmure Gordon may cease to endeavour to procure any such subscribers if, in its opinion, it is unlikely that any such subscribers can be procured at such a price and by such a time. If and to the extent that subscribers for New Ordinary Shares cannot be procured on the basis outlined above, the relevant New Ordinary Shares will be subscribed by Panmure Gordon or its sub-underwriters, if any, at the Issue Price pursuant to the terms of the Underwriting Agreement.

Any premium over the aggregate of the Issue Price and the expenses of procuring subscribers (including any applicable brokerage and commissions and amounts in respect of VAT) shall be paid (subject as provided in this paragraph 2.3):

(i) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter;

(ii) where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and

(iii) where an entitlement to New Ordinary Shares was not taken up by an Overseas Shareholder, to that Overseas Shareholder outside of any restricted jurisdiction.

New Ordinary Shares for which subscribers are procured on this basis will be reallotted to the subscribers and the aggregate of any premiums (being the amount paid by the subscribers after deducting the Issue Price and the expenses of procuring the subscribers, including any applicable brokerage and commissions and amounts in respect of VAT), if any, will be paid (without interest) to those persons entitled (as referred to above) *pro rata* to the relevant lapsed provisional allotments, save that amounts of less than U.S.$5.00 per holding will not be so paid but will be aggregated and retained for the benefit of the Company. Cheques for the amounts due will be sent by post, at the risk of the person(s) entitled, to their registered address (the registered address of the first-named holder in the case of joint holders), provided that, where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the creation of an assured payment obligation in favour of the relevant CREST Member's (or CREST Sponsored Member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

Any transactions undertaken pursuant to this paragraph 2.3 or paragraph 2.5.1 below shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments or other entitlements and none of the Company or Panmure Gordon or any other person procuring subscribers shall be responsible for any loss or damage (whether actual or alleged) arising from the terms or timing of any such acquisition, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis so described. Panmure Gordon will be entitled to retain any brokerage fees, commissions or other benefits received in connection with these arrangements.

2.3.2 *Withdrawal rights*

Persons who have the right to withdraw their acceptances under Section 87Q(4) of FSMA after a supplementary prospectus (if any) has been published and who wish to exercise such right of withdrawal must do so by lodging a written notice of withdrawal (which shall not include a notice sent by any form of electronic communication other than by facsimile), which must include the full name and address of the person wishing to exercise such statutory withdrawal rights and, if such person is a CREST Member, the Participant ID and the Member Account ID of such CREST Member, by post or by hand (during normal business hours only) with Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by email to withdraw@capitaregistrars.com, so as to be received no later than two Business

Days after the date on which the supplementary prospectus was published, withdrawal being effective as at receipt of the written notice of withdrawal. Notice of withdrawal given by any other means or which is deposited with or received by Capita Registrars after the expiry of such period will not constitute a valid withdrawal. Furthermore, the Company will not permit the exercise of withdrawal rights after payment by the relevant Shareholder of its acquisition in full and the allotment of the New Ordinary Shares to such Shareholder becoming unconditional, save as required by statute. In such circumstances, Shareholders are advised to consult their professional advisors, including their legal advisors, as this may be a matter of law.

Provisional allotments of entitlements to New Ordinary Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Ordinary Shares will be subject to the provisions of paragraph 2.3.1 above as if the entitlement had not been validly taken up.

Following the valid exercise of statutory withdrawal rights, application monies will be returned by post to relevant Qualifying Shareholders at their own risk and without interest to the address set out in the Provisional Allotment Letter (or Excess Application Form, if applicable) and/or the Receiving Agent will refund the amount paid by a Qualifying Depositary Interest Holder by way of a CREST payment, without interest, as applicable within 14 days of such exercise of statutory withdrawal rights. The provisions of this paragraph 2.3.2 are without prejudice to the statutory rights of Qualifying Shareholders. In such event, Shareholders are advised to seek independent legal advice.

2.4 ***Taxation***

The information contained in "Part 13 – Taxation" is intended only as a general guide to the current tax position in the United Kingdom and the British Virgin Islands and Qualifying Shareholders and Qualifying Depositary Interest Holders should consult their own tax advisors regarding the tax treatment of the Rights Issue in light of their own circumstances. Qualifying Shareholders or other Investors who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate advisor immediately.

2.5 ***Overseas Shareholders***

This document has been approved by the FSA, being the competent authority in the United Kingdom. It is expected that Qualifying Shareholders in each member state of the European Economic Area will be able to participate in the Rights Issue.

Accordingly, the making of the proposed offer of New Ordinary Shares and/or New Depositary Interests to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. Any Shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

2.5.1 *General*

The making or acceptance of the proposed offer of Nil Paid Rights, Fully Paid Rights, New Depositary Interests and/or New Ordinary Shares to persons who have registered addresses outside the United Kingdom, or who are resident, or located, in, or citizens of, countries other than the United Kingdom, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for New Ordinary Shares and/or New Depositary Interests or otherwise deal in their rights to such New Ordinary Shares and/or New Depositary Interests.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the United Kingdom wishing to subscribe for New Ordinary Shares and/or

New Depositary Interests or otherwise deal in his rights to such New Ordinary Shares and/or New Depositary Interests to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. The comments set out in this paragraph 2.5 are intended as a general guide only and any Qualifying Non-CREST Shareholder or Qualifying Depositary Interest Holder who is in doubt as to his position should consult his professional advisor without delay.

Receipt of this document and/or a Provisional Allotment Letter and/or an Excess Application Form or the crediting of Nil Paid Rights or Excess Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter and/or an Excess Application Form must be treated as sent for information only and should not be copied or redistributed.

New Ordinary Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. However, Provisional Allotment Letters will not be sent to Shareholders with registered addresses in the Restricted Jurisdictions or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or a Provisional Allotment Letter and/or an Excess Application Form and/or receiving a credit of Nil Paid Rights or Excess Entitlements to a stock account in CREST in any jurisdiction other than the United Kingdom may treat the same as constituting an invitation or offer to him nor should he in any event use the Provisional Allotment Letter or Excess Application Form or deal with Nil Paid Rights or Fully Paid Rights or Excess Entitlements in CREST unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to him or the Provisional Allotment Letter or Excess Application Form could lawfully be used or dealt with without contravention of any registration or other legal requirements. In such circumstances, this document, the Provisional Allotment Letter and the Excess Application Form are to be treated as sent for information only and should not be copied or redistributed.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this document and/or a Provisional Allotment Letter and/or an Excess Application Form or whose stock account is credited with Nil Paid Rights or Fully Paid Rights or Excess Entitlements should not, in connection with the Rights Issue, distribute or send the same or transfer Nil Paid Rights or Fully Paid Rights or Excess Entitlements in or into any jurisdiction where to do so would or might contravene local security laws or regulations. If a Provisional Allotment Letter or an Excess Application Form or a credit of Nil Paid Rights or Fully Paid Rights or Excess Entitlements is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the rights referred to in the Provisional Allotment Letter or the Excess Application Form or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights unless such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this document or a Provisional Allotment Letter or the Excess Application Form or transfer Nil Paid Rights or Fully Paid Rights into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 2.5.

The Company reserves the right to treat as invalid and will not be bound to allot or issue any New Ordinary Shares or New Depositary Interests in respect of any acceptance or purported acceptance of the offer of New Ordinary Shares or New Depositary Interests which:

(i) appears to the Company, the Receiving Agent, Panmure Gordon or their respective agents to have been executed in, effected in or dispatched from one of the Restricted Jurisdictions;

(ii) in the case of a Provisional Allotment Letter and/or an Excess Application Form, provides an address for delivery of the share certificates in or, in the case of a credit of New Depositary Interests in CREST, to a CREST Member or CREST Sponsored Member whose registered address would be in one of the Restricted Jurisdictions or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit; or

(iii) purports to exclude the warranties required by paragraph 2.5.6 below.

The attention of Overseas Shareholders with registered addresses in the Restricted Jurisdictions is drawn to paragraphs 2.5.2 to 2.5.7 below.

Nil Paid Rights to which Qualifying Shareholders with registered addresses in the Restricted Jurisdictions would otherwise be entitled will be aggregated with entitlements to Nil Paid Rights which have not been taken up by other Qualifying Shareholders and, if possible, sold as described in paragraph 2.3.1 above. The net proceeds of such sales (after deduction of expenses) will be paid to the relevant Qualifying Shareholders pro-rated to their holdings of Existing Shares at the Record Date as soon as practicable after receipt, except that (i) individual amounts of less than U.S.$5.00 per holding and (ii) amounts in respect of fractions will not be distributed but will be retained for the benefit of the Company. None of the Company, Panmure Gordon or any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the acquisition or the procuring of it or any failure to procure subscribers.

New Ordinary Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders on the register on the Record Date, including Overseas Shareholders. However, Provisional Allotment Letters will not be sent to, and Nil Paid Rights will not be credited to, CREST accounts of Qualifying Depositary Interest Holders with registered addresses in the Restricted Jurisdictions or their agents or intermediaries, except that, despite any other provision of this document or a Provisional Allotment Letter, the Company reserves the right to permit any Qualifying Shareholder or Qualifying Depositary Interest Holder to take up or deal in his rights on the terms and conditions set out in this document if the Company (or, in the case of Depositary Interest Holders, the Depositary in consultation with the Company) in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Those Qualifying Non-CREST Shareholders and Qualifying Depositary Interest Holders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraphs 2.1.2 and 2.2.2 above. The provisions of this paragraph 2.5 will apply generally to Excluded Overseas Shareholders who do not or are unable to take up New Ordinary Shares provisionally allotted to them or Nil Paid Rights credited to their CREST accounts.

Qualifying Non-CREST Shareholders who are overseas should note that all subscription monies must be paid in U.S. Dollars by cheque or banker's draft and should be drawn on a bank in the United Kingdom, made payable to "Capita Registrars Limited re: Symphony Holdings – Rights Issue Acceptance" and crossed "A/C payee only".

2.5.2 *Member States of the European Economic Area (other than the United Kingdom)*

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (except the UK) (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), none of the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements may be offered or sold to the public in that Relevant Member State prior to the publication of this document in relation to the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, other than the offers contemplated in this document in a Relevant Member State after the date of such publication or notification, and except that an offer of such Nil Paid Rights, Fully Paid Rights, Excess Entitlements, the New Depositary Interests or New Ordinary Shares may be made to the public in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of Panmure Gordon for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Ordinary Shares, New Depositary Interests, the Nil Paid Rights or the Fully Paid Rights shall require the Company or Panmure Gordon to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this selling restriction, the expression an "offer of New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements to the public" in relation to any New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements to be offered so as to enable an Investor to decide to acquire the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

In the case of any New Ordinary Shares, New Depositary Interests, Nil Paid Rights, Fully Paid Rights or the Excess Entitlements being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Ordinary Shares, New Depositary Interests, Nil Paid Rights, Fully Paid Rights or the Excess Entitlements to the public other than their offer or resale in a Relevant Member State to "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive. The

Company, Panmure Gordon and their respective affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

2.5.3 *United States*

For the Rights Issue, the Company is relying upon the exemption from registration provided by Regulation S under the Securities Act. The New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States and may be offered, sold, resold, granted, delivered, allotted, taken up, exercised, pledged, transferred or renounced only outside the United States to non-U.S. persons as defined in and in accordance with Regulation S under the Securities Act. Shareholders acting on a non-discretionary basis for the account or benefit of a person located in the United States or a U.S. person may not take up or purchase the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements. Distribution of this document or a Provisional Allotment Letter or an Excess Application Form in the United States or to a U.S. person is not authorised, and any person in the United States or a U.S. person outside the United States who obtains a copy of this document or a Provisional Allotment Letter or an Excess Application Form is requested to disregard the contents of those documents.

Each recipient or purchaser of the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements will be deemed to have represented and agreed as follows (terms used in this paragraph 2.5.3 that are defined in Regulation S under the Securities Act are used herein as defined therein):

(i) the recipient or purchaser (a) is, and the person, if any, for whose account it is acquiring such New Ordinary Shares, New Depositary Interests, Nil Paid Rights, Fully Paid Rights or Excess Entitlements is, outside the United States and is not a U.S. person (as defined in Regulation S under the Securities Act) and (b) is acquiring the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements in an offshore transaction meeting the requirements of Regulation S under the Securities Act;

(ii) the recipient or purchaser is aware that the New Ordinary Shares, the New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights and the Excess Entitlements have not been and will not be registered under the Securities Act and are being distributed and offered only outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act; and

(iii) the recipient or purchaser acknowledges that the Company, Panmure Gordon, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

Such recipients or purchasers may also be required to observe the selling restrictions set out below.

Procedures for Exercising the Rights by QIBs that are Qualified Purchasers

If you are a QIB that is a Qualified Purchaser:

(i) you may receive this document and its accompanying documents from the Company by completing and delivering to the Company, on or prior to 8 October 2012, a duly executed Investor representation letter in the form provided to you;

(ii) you may exercise your Nil Paid Rights or Fully Paid Rights, subscribe for New Ordinary Shares or New Depositary Interests and apply for Excess Entitlements by instructing your depository agent, financial intermediary or nominee that you have been invited by the Company to participate in the Rights Issue, and that the depository agent, financial intermediary or nominee should contact the Registrar if such depository agent, financial intermediary or nominee wishes to confirm you have been invited to participate; and

(iii) in order to participate in the Rights Issue, you must forward to your depository agent, financial intermediary or nominee prior to or at the time of such instruction to such depository agent, financial intermediary or nominee, as the case may be, a copy of the properly completed and executed Investor representation letter you have previously delivered to the Company.

The Company and its Receiving Agent have the discretion to refuse any Provisional Allotment Letter and/or Excess Application Form or other request to exercise Nil Paid Rights or Fully Paid Rights, subscribe for New Ordinary Shares or New Depositary Interests or apply for Excess Entitlements that is incomplete, unexecuted or not accompanied by any required documentation or that otherwise does not comply with the terms and conditions of the Rights Issue, including the receipt by the Company of an executed Investor representation letter in the form provided to you.

India

No invitation, offer or sale to purchase or subscribe to the New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights is made or intended to be made to the public in India through this document or any amendment or supplement thereto. Neither this document, nor any amendment or supplement thereto, is a prospectus, offer document or advertisement, nor has it been or will be submitted or registered as a prospectus or offer document, under any applicable law or regulation in India. None of this document, the Provisional Allotment Letter or the Excess Application Form, nor any amendment or supplement thereto, has been reviewed, approved, or recommended by any Registrar of Companies in India, the Securities and Exchange Board of India, the Reserve Bank of India, any stock exchange in India or any other Indian regulatory authority.

Accordingly, no person may make any invitation, offer or sale of any New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights, nor may this document, the Provisional Allotment Letter or the Excess Application Form, nor any amendment or supplement thereto nor any other document, material, notice or circular in connection with the invitation, offer or sale for subscription or purchase of any New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights (the "Offer") be circulated or distributed, whether directly or indirectly, to, or for the account or benefit of, any person resident in India, other than strictly on a private and confidential basis, and so long as any such Offer is not calculated to result, directly or indirectly, in the Securities becoming available for subscription or purchase by persons other than those receiving such offer or invitation. Notwithstanding the foregoing, in no event shall the Offer be made, directly or indirectly, in any circumstances which would constitute an offer to the public in India within the meaning of any applicable law or regulation.

Any Offer of New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights to a person in India shall be made subject to compliance with all applicable Indian laws, including, without limitation, the Foreign Exchange Management Act, 1999, as amended, and any guidelines, rules, regulations, circulars or notifications issued by the Reserve Bank of India, the Securities and Exchange Board of India and any other Indian regulatory authority.

Each Investor in the New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights acknowledges, represents and agrees that it is eligible to invest in the Company and the New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights under applicable laws and regulations in India and that it is not prohibited or debarred under any law or regulation from acquiring, owning or selling the New Ordinary Shares, the New Depositary Interests, the Excess Entitlements, the Nil Paid Rights or the Fully Paid Rights.

2.5.4 *Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions, and subject to certain exemptions, no Provisional Allotment Letters or Excess Application Forms in relation to the New Ordinary Shares will be sent to Qualifying Shareholders or Qualifying Depositary Interest Holders with registered addresses in the Restricted Jurisdictions. Subject to certain exceptions, the Provisional Allotment Letters, the Excess Application Forms, the Nil Paid Rights, the Fully Paid Rights, the Excess Entitlements, the New Depositary Interests and the New Ordinary Shares may not be transferred or sold to, or renounced or delivered in, the Restricted Jurisdictions. No offer of New Ordinary Shares is being made by virtue of this document or the Provisional Allotment Letters or the Excess Application Forms into the Restricted Jurisdictions.

Although Nil Paid Rights and Excess Entitlements may be credited to the CREST accounts of all Qualifying Depositary Interest Shareholders, such crediting of Nil Paid Rights and Excess Entitlements does not constitute an offer to Shareholders and such Shareholders will not be entitled to take up or transfer rights in the Rights Issue or acquire New Ordinary Shares in the Rights Issue, unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction, and their entitlements will be sold if possible in accordance with the provisions of paragraph 2.3.1 above.

2.5.5 *Overseas territories other than member states of the European Economic Area, the United States and the Restricted Jurisdictions*

Provisional Allotment Letters and Excess Application Forms are expected to be dispatched to Qualifying Non-CREST Shareholders other than to Qualifying Shareholders with a registered address, or resident, in one of the Restricted Jurisdictions. Such Qualifying Shareholders may, subject to the laws of the relevant jurisdictions, accept their rights under the Rights Issue in accordance with the instructions set out in this document and, if relevant, the Provisional Allotment Letter and Excess Application Form. Although Nil Paid Rights and Excess Entitlements may be credited to the CREST accounts of all Qualifying Depositary Interest Shareholders, the crediting of Nil Paid Rights and Excess Entitlements does not constitute an offer to Shareholders. Such Shareholders will not be entitled to take up or transfer rights in the Rights Issue or acquire New Ordinary Shares in the Rights Issue if to do so would result in the contravention of any registration or other legal requirement in any jurisdiction. In cases where Overseas Shareholders are not able to, or do not, take up Nil Paid Rights, their entitlements will be sold, if possible, in accordance with the provisions of paragraph 2.3.1 above.

Qualifying Shareholders who have registered addresses in or who are resident in countries other than the United Kingdom should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

2.5.6 *Representations and warranties relating to Overseas Shareholders*

(i) Qualifying Non-CREST Shareholders

Any person accepting a Provisional Allotment Letter and/or Excess Application Form, or renouncing a Provisional Allotment Letter or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company and Panmure Gordon that, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter (and Excess Application Form, if applicable) will not result in the contravention of any applicable legal requirement in any jurisdiction: (a) such person is not accepting the Provisional Allotment Letter or Excess Application Form, if applicable, and/or renouncing a

Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares, from within the Restricted Jurisdictions; (b) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares or to use the Provisional Allotment Letter or Excess Application Form in any manner in which such person has used or will use it; (c) such person is not acting on a non-discretionary basis for a person located within the Restricted Jurisdictions at the time the instruction to accept or renounce was given; and (d) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the Restricted Jurisdictions. The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in a Provisional Allotment Letter or Excess Application Form, or renunciation or purported renunciation of, a Provisional Allotment Letter if it: (i) appears to the Company to have been executed in or dispatched from the Restricted Jurisdictions or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement; (ii) provides an address in the Restricted Jurisdictions for delivery of definitive share certificates for New Ordinary Shares (or any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates); or (iii) purports to exclude the warranty required by this paragraph 2.5.6.

(ii) Qualifying Depositary Interest Holders

A Qualifying Depositary Interest Holder who makes a valid acceptance in accordance with the procedures set out in this "Part 6 – Terms and Conditions of the Rights Issue" represents and warrants to the Company and Panmure Gordon that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (a) he is not within the Restricted Jurisdictions; (b) he is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Depositary Interests; (c) he is not accepting on a non-discretionary basis for a person located within the Restricted Jurisdictions; and (d) he is not acquiring New Depositary Interests with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the Restricted Jurisdictions.

2.5.7 *Waiver*

The provisions of this paragraph 2.5 and of any other terms of the Rights Issue relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 2.5 supersede any terms of the Rights Issue inconsistent herewith. References in this paragraph 2.5 to Shareholders shall include references to the person or persons executing a Provisional Allotment Letter and/or Excess Application Form and, in the event of more than one person executing a Provisional Allotment Letter and/or Excess Application Form, the provisions of this paragraph 2.5 shall apply to them jointly and to each of them.

2.6 ***Times and dates***

The Company shall, in its discretion and after consultation with its financial and legal advisors, be entitled to amend the dates that Provisional Allotment Letters and/or Excess Application Forms are dispatched or dealings in Nil Paid Rights commence or amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall notify the UK Listing Authority, and make an announcement via a Regulatory Information Service approved by the UK Listing Authority and, if appropriate, to Shareholders but Qualifying Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Rights Issue specified in this document (or such later date as may be agreed between the Company and Panmure Gordon), the latest date for acceptance under the Rights Issue shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

2.7 ***Governing law***

The terms and conditions of the Rights Issue and any non-contractual obligation arising out of or in relation to the Rights Issue as set out in this document, the Provisional Allotment Letter and Excess Application Form shall be governed by, and construed in accordance with, the laws of England and Wales.

2.8 ***Jurisdiction***

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document, the Provisional Allotment Letter or the Excess Application Form. By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter and Excess Application Form (if applicable), Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 7

QUESTIONS AND ANSWERS ABOUT THE RIGHTS ISSUE

The questions and answers set out in this "Part 7 – Questions and Answers about the Rights Issue" are intended to be in general terms only and, as such, you should read "Part 6 – Terms and Conditions of the Rights Issue" for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor, duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.

This "Part 7 – Questions and Answers about the Rights Issue" deals with general questions relating to the Rights Issue and more specific questions relating to Existing Shares held by persons resident in the United Kingdom who hold their Existing Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 2.5 ("Overseas Shareholders") of "Part 6 – Terms and Conditions of the Rights Issue" and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your rights. If you hold your Existing Depositary Interests in uncertificated form (that is, through CREST) you should read "Part 6 – Terms and Conditions of the Rights Issue" for full details of what action you should take. If you are a CREST Sponsored Member, you should also consult your CREST Sponsor.

If you do not know whether you hold Existing Shares in certificated form or Existing Depositary Interests in uncertificated form (that is, through CREST), please call the Shareholder Helpline on 0871 664 0321 (from inside the United Kingdom) or +44 208 639 3399 (from outside the United Kingdom) between 9.00 a.m. and 5.30 p.m. on any weekday (excluding UK bank holidays). For legal reasons, the Shareholder Helpline will be unable to give advice on the merits of the Rights Issue or provide financial, investment, legal or tax advice. Calls to the 0871 664 0321 number are charged at 10 pence per minute, if calling from a BT landline. Other telephone providers' charges may vary. Calls to the +44 208 639 3399 number from outside the UK are charged at applicable international rates.

1. What are the reasons for the Rights Issue?

Since the IPO, the Company has invested U.S.$314.5 million (including reinvestment of dividends and other distributions received and proceeds from the sale of investments but excluding cost reductions from principal loan repayments), equivalent to 100 per cent. of its Capital. The Group currently holds 13 investments. Cash and cash equivalents (net of working capital) was U.S.$16.40 million and accounted for 3.81 per cent. of the NAV as at 30 June 2012. Cash and cash equivalents (net of working capital) accounted for 3.1 per cent. of the NAV as at the Latest Practicable Date.

The Company considers there to be a number of potential benefits to Shareholders by issuing further Shares and increasing the Company's available Capital to make further investments. The Company believes that the Rights Issue will have the following benefits to Shareholders:

- providing additional capital will enable the Company to benefit from the continued investment opportunities in the market;
- having a greater number of Shares in issue is likely to provide the Shares with additional liquidity;
- increasing the size of the Company will help make the Company more attractive to a wider shareholder base; and
- the Company's fixed running costs will be spread across a wider shareholder base, thereby reducing the total expense ratio.

2. What is the Rights Issue?

A rights issue is a way for companies to raise money by giving their existing shareholders a right to buy further shares in proportion to their existing shareholdings.

This Rights Issue is an offer by the Company of 166,665,997 New Ordinary Shares at a price of U.S.$0.60 per New Ordinary Share. If you hold Existing Shares or Existing Depositary Interests on the Record Date, you will be a "Qualifying Shareholder". Qualifying Shareholders, other than, subject to certain exceptions, those who have a registered address, or are resident in, the Restricted Jurisdictions, will be entitled to buy New Ordinary Shares or New Depositary Interests under the Rights Issue. If you hold Existing Shares (i.e. in certificated form), your entitlement will be set out in your Provisional Allotment Letter.

The Issue Price of 60 cents per New Ordinary Share represents a 6.94 per cent. discount to the theoretical ex-rights price based on the closing middle-market price quotation as derived from the Official List of 64.473 cents per Share on 3 October 2012 (the last Business Day prior to the date of announcement of the Rights Issue). Because of this discount and while the market value of the Existing Shares exceeds the Issue Price, the right to buy the New Ordinary Shares is potentially valuable. The New Ordinary Shares and New Depositary Interests, when fully paid, will rank *pari passu* in all respects with the Existing Shares and Existing Depositary Interests, respectively.

The Rights Issue is on the basis of 0.481 New Ordinary Shares for every 1 Existing Share held by Qualifying Non-CREST Shareholders on the Record Date and the Depositary holds Existing Shares and accordingly will receive a provision allotment of New Ordinary Shares on behalf of Qualifying Depositary Interest Holders.

If you are a Qualifying Shareholder other than, subject to certain exceptions, a Shareholder with a registered address, or resident, in any of the Restricted Jurisdictions, and you do not want to buy the New Ordinary Shares to which you are entitled, you can instead sell or transfer your rights (called "Nil Paid Rights") to those New Ordinary Shares and receive the net proceeds, if any, of the sale or transfer in cash. This is referred to as dealing "nil paid".

3. I hold my Existing Shares in certificated form. How do I know if I am able to acquire New Ordinary Shares under the Rights Issue?

If you receive a Provisional Allotment Letter and are not a Qualifying Shareholder with a registered address in any of the Restricted Jurisdictions, then you should be eligible to participate in the Rights Issue (as long as you have not sold all of your Existing Shares before 8.00 a.m. on 5 October 2012 (the time when the Existing Shares are expected to be marked "ex-rights" by the London Stock Exchange)).

You will also be entitled to apply for Excess Securities pursuant to the Excess Application Facility. The Excess Application Facility has been arranged so that Shareholders are not restricted to applying only for their Rights Issue Entitlement, represented by Nil Paid Rights (which is calculated on a *pro-rata* basis of Existing Shares held by a Shareholder against issued Existing Shares). The Excess Application Facility enables Shareholders to apply for Excess Securities, in addition to their Rights Issue Entitlement, up to a maximum number equal to their Excess Entitlement, which is 0.481 Existing Shares for every 1 Existing Share held in such Qualifying Shareholder's name as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of New Ordinary Shares available following take-up of Rights Issue Entitlements, such applications will be scaled back *pro rata* to the number of Excess Securities applied for by Qualifying Shareholders under the Excess Application Facility.

The rights to an Excess Entitlement are non-transferable. This means that they cannot be transferred and will lapse if not taken up by the Shareholder to whom the Excess Application Form is addressed (subject to *bona fide* market claims).

4. I hold my Existing Shares in certificated form. What do I need to do in relation to the Rights Issue?

If you hold your Existing Shares in certificated form at the Record Date and do not have a registered address in the Restricted Jurisdictions, you will be sent a Provisional Allotment Letter that shows:

- how many Existing Shares you held at the close of business on 2 October 2012 (the Record Date for the Rights Issue);

- how many New Ordinary Shares you are entitled to buy; and
- how much you need to pay if you want to take up your right to buy all the New Ordinary Shares provisionally allotted to you in full.

You will also receive an Excess Application Form, which will show the maximum number of Excess Securities you can apply for pursuant to your Excess Entitlement.

Subject to certain exceptions, if you have a registered address in the Restricted Jurisdictions, you will not receive a Provisional Allotment Letter or Excess Application Form.

5. I am a Qualifying Shareholder with a registered address in the United Kingdom and I hold my Existing Shares in certificated form. What are my choices and what should I do with the Provisional Allotment Letter and Excess Application Form?

(a) ***If you want to take up all of your rights***

If you want to take up all of your rights to subscribe for the New Ordinary Shares to which you are entitled, all you need to do is send the Provisional Allotment Letter, together with your U.S. Dollar cheque or banker's draft for the full amount, payable to Capita Registrars Limited re: Symphony Holdings Rights Issue acceptance a/c and crossed "A/C payee only", by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, to arrive by no later than 11.00 a.m. on 19 October 2012. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Provisional Allotment Letter. Full instructions are set out in "Part 6 – Terms and Conditions of the Rights Issue" and will be set out in the Provisional Allotment Letter. A definitive share certificate will then be sent to you for the New Ordinary Shares that you take up. Your definitive share certificate for New Ordinary Shares is expected to be dispatched to you by no later than 29 October 2012.

Cheques must be in U.S. Dollars and drawn on a UK account. Third-party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Provisional Allotment Letter. Post-dated cheques will not be accepted.

(b) ***If you do not want to take up your rights at all***

If you do not want to take up your rights, you do not need to do anything. If you do not return your Provisional Allotment Letter subscribing for the New Ordinary Shares to which you are entitled by 11.00 a.m. on 19 October 2012, the Company has made arrangements under which Panmure Gordon will try to find Investors to take up your rights and the rights of others who have not taken them up. If Panmure Gordon finds Investors who agree to pay a premium above the Issue Price and the related expenses of procuring those Investors (including any applicable brokerage and commissions and amounts in respect of VAT), you will be sent a cheque for your share of the amount of that premium provided that this is U.S.$5.00 or more. Cheques are expected to be dispatched by 29 October 2012 and will be sent to your existing address appearing on the Company's register of members (or to the first-named holder if you hold your Existing Shares jointly). If Panmure Gordon cannot find Investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be U.S.$5.00 or more, you will not receive any payment. Alternatively, if you do not want to take up your rights, you can sell or transfer your Nil Paid Rights (see paragraph 5(d) below).

(c) ***If you want to take up some but not all of your rights***

If you want to take up some but not all of your rights and wish to sell some or all of those you do not want to take up, you should first apply to have your Provisional Allotment Letter split by completing Form X (the form of renunciation) on the Provisional Allotment Letter, and returning it by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by 3.00 p.m. on 17 October 2012, together with confirmation of the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter. You should then deliver the split Provisional Allotment Letter(s) representing the New Ordinary Shares that you wish to accept together with your cheque or banker's draft to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (see paragraph 5(a) above) to be received by 11.00 a.m. on 19 October 2012, while the split Provisional Allotment Letter(s) relating to the rights you wish to sell should be forwarded to your agent undertaking the sale.

Further details are set out in "Part 6 – Terms and Conditions of the Rights Issue" and will be set out in the Provisional Allotment Letter.

(d) ***If you want to sell some of your rights***

If you want to sell some of your rights, you will first need to apply to have your Provisional Allotment Letter split (see paragraph 5(c) above). Please note that the ability to sell your rights is dependent on demand for such rights and that the price of Nil Paid Rights will fluctuate.

(e) ***If you want to apply for additional rights under the Excess Application Facility***

If you want to apply to subscribe for additional shares as part of the Excess Application Facility, you may also apply to subscribe for additional rights up to the maximum number set out in the Excess Application Form which you will receive. To do so, you should complete the Excess Application Form to indicate whether you want to take up some or all of your entitlement to excess rights under the Excess Application Facility, and including the amount payable for such rights in your cheque or banker's draft.

If applications under the Excess Application Facility are received for more than the total number of rights available following take-up of rights, such applications will be scaled back *pro rata* to the number of Excess Securities applied for. If you validly apply and pay for Excess Securities but have your application scaled back, you will receive a U.S. Dollar refund cheque for any unutilised sum. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

6. I acquired my Existing Shares prior to the "Ex-Rights Date" and hold my Existing Shares in certificated form. What if I do not receive a Provisional Allotment Letter or Excess Application Form?

If you do not receive a Provisional Allotment Letter or Excess Application Form but hold your Existing Shares in certificated form, this probably means that you are not eligible to participate in the Rights Issue. Some Non-CREST Shareholders, however, will not receive a Provisional Allotment Letter but may still be eligible to participate in the Rights Issue, namely:

- Qualifying Depositary Interest Holders who held their Existing Shares in uncertificated form on 2 October 2012 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Shares but were not registered as the holders of those Existing Shares at the close of business on 2 October 2012; and
- certain Overseas Shareholders.

If you do not receive a Provisional Allotment Letter or Excess Application Form but think that you should have received one, please contact the Shareholder Helpline on 0871 664 0321 or, if telephoning from outside the United Kingdom, on +44 208 639 3399 between 9.00 a.m. and 5.30 p.m. on any weekday (except UK bank holidays). Calls to the 0871 664 0321 number are charged at 10 pence per minute if calling from a BT landline. Other telephone providers' charges may vary. Calls to the +44 208 639 3399 number from outside the United Kingdom are charged at applicable international rates. Capita Registrars (Guernsey) Limited cannot provide advice on the merits of the Rights Issue nor give any financial, investment, legal or tax advice.

7. If I buy Shares after the Record Date (2 October 2012), will I be eligible to participate in the Rights Issue?

If you bought Shares after the Record Date but prior to 8.00 a.m. on 5 October 2012 (the time when the Existing Shares are expected to start trading ex-rights on the London Stock Exchange), you may be eligible to participate in the Rights Issue.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial advisor, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Shares at or after 8.00 a.m. on 5 October 2012 (the "Ex-Rights Date"), you will not be eligible to participate in the Rights Issue in respect of those Shares.

8. I hold my Existing Shares in certificated form. If I take up my rights, when will I receive the certificate representing my New Ordinary Shares?

If you take up your rights under the Rights Issue, share certificates for the New Ordinary Shares (including Excess Securities, if applicable) are expected to be posted by no later than 29 October 2012.

9. What if the number of New Ordinary Shares to which I am entitled is not a whole number: am I entitled to fractions of New Ordinary Shares?

Your entitlement to New Ordinary Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive a fraction of a New Ordinary Share and your entitlement will be rounded down to the nearest whole number. The New Ordinary Shares representing the aggregated fractions that would otherwise be allotted to Shareholders will be sold in the market nil paid for the benefit of the Company.

10. Will I be taxed if I take up or sell my rights or if my rights are sold on my behalf?

Certain information about taxation in the United Kingdom and the British Virgin Islands is contained in "Part 13 – Taxation". If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom or the British Virgin Islands, you should consult an appropriate professional advisor as soon as possible. Please note the Shareholder Helpline will not be able to assist you with taxation issues.

11. I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you do not want to buy the New Ordinary Shares being offered to you under the Rights Issue, you can instead sell or transfer your rights (called "Nil Paid Rights") to those New Ordinary Shares and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing "nil paid". This means that, during the Rights Issue offer period, a person can either purchase Shares (which will not carry any entitlement to participate in the Rights Issue) or can trade in the Nil Paid Rights.

12. What should I do if I live outside the United Kingdom?

Your ability to take up rights to New Ordinary Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your rights. Qualifying Shareholders with registered addresses in the Restricted Jurisdictions are, subject to certain exceptions, not eligible to participate in the Rights Issue. Your attention is drawn to the information in paragraph 2.5 ("Overseas Shareholders") of "Part 6 – Terms and Conditions of the Rights Issue".

The Company has made arrangements under which Panmure Gordon will try to find Investors to take up your rights and those of other Qualifying Shareholders who have not taken up their rights. If Panmure Gordon finds Investors who agree to pay a premium above the Issue Price and the related expenses of procuring those Investors (including any applicable brokerage and commissions and amounts in respect of VAT), you will be sent a cheque for your share of the amount of that premium provided that this is U.S.$5.00 or more. Cheques are expected to be dispatched by 29 October 2012 and will be sent to your address appearing on the

Company's register of members (or to the first-named holder if you hold your Shares jointly). If Panmure Gordon cannot find Investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be U.S.$5.00 or more, you will not receive any payment.

13. What should I do if I think my holding of Shares is incorrect?

If you have bought or sold Shares shortly before 2 October 2012, your transaction may not be entered on the register of members in time to appear on the register at the Record Date. If you are concerned about the figure in the Provisional Allotment Letter or otherwise concerned that your holding of Shares is incorrect, please contact the Shareholder Helpline on 0871 664 0321 (from inside the United Kingdom) or +44 208 639 3399 (from outside the United Kingdom) between 9.00 a.m. and 5.30 p.m. on any weekday (except UK bank holidays). Calls to the 0871 664 0321 number cost 10 pence per minute if calling from a BT landline. Other telephone providers' charges may vary. Calls to the +44 208 639 3399 number from outside the United Kingdom are charged at applicable international rates. For legal reasons, the Shareholder Helpline will only be able to provide information contained in this document (and, in addition, information relating to the Company's register of members) and will be unable to give advice on the merits of the Rights Issue or to provide financial, investment, legal or tax advice.

14. Where can I find further information on the Rights Issue?

For further information on the Rights Issue, please contact the Shareholder Helpline on 0871 664 0321 (from inside the United Kingdom) or +44 208 639 3399 (from outside the United Kingdom) between 9.00 a.m. and 5.30 p.m. on any weekday (excluding UK bank holidays). Calls to the 0871 664 0321 number are charged at 10 pence per minute if calling from a BT landline. Other telephone providers' costs may vary. Calls to the +44 208 639 3399 number from outside the United Kingdom are charged at applicable international rates. For legal reasons, the Shareholder Helpline will only be able to provide information contained in this document (and, in addition, information relating to the Company's register of members) and will be unable to give advice on the merits of the Rights Issue or to provide financial, investment, legal or tax advice.

PART 8

SELECTED FINANCIAL INFORMATION AND PRO-FORMA FINANCIAL INFORMATION

1. Selected Financial Information on the Group

The following selected financial information for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the six-month period ended 30 June 2012 has been extracted without material adjustment from or derived from the Company's audited financial statements for the years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the Company's unaudited interim financial statements for the period ended 30 June 2012 ("2012 Interim Results"). You should read the following selected financial information in conjunction with (i) "Part 9 – Operating and Financial Review"; (ii) the Company's audited financial statements for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and related notes which have been prepared in accordance with IFRS and have been audited by KPMG LLP (Singapore); and (iii) the Company's unaudited financial statements for the period ended 30 June 2012 and related notes.

The consolidated financial statements of the Company and its subsidiaries and their associated unqualified audit reports issued by KPMG LLP (Singapore), both of which are included in the 2009 Annual Report, 2010 Annual Report and 2011 Annual Report are incorporated by reference into this document. KPMG LLP (Singapore), a member of the Institute of Certified Public Accountants of Singapore, has issued unqualified audit opinions on the consolidated financial statements of the Company and its subsidiaries included in the Annual Report and Accounts of the Company for each of the financial years ended 31 December 2009, 2010 and 2011. The Independent Auditor's Report for the financial year ended 31 December 2009 is set out on page 28 of the 2009 Annual Report. The Independent Auditor's Report for the year ended 31 December 2010 is set out on page 34 of the 2010 Annual Report. The Independent Auditor's Report for the year ended 31 December 2011 is set out on page 32 of the 2011 Annual Report. See "Part 15 – Information Incorporated by Reference" for further details about information that has been incorporated by reference into this document. The 2012 Interim Results have not been audited by the Company's Auditor.

	12 months ended 31 December			6 months ended 30 June	
Group	**2009**	**2010**	**2011**	**2012**	**2011**
			(U.S.$'000)		
Revenue	3,494	3,727	4,000	3,778	2,630
Other operating income	13,261	18,823	14,357	8,404	10,712
Gain on disposal of financial assets at fair value through profit or loss	20,666[(1)]	23,065[(2)]	–	–	–
Profit/(loss) after tax[(3)]	68,488	42,812	(10,519)	39,736	(1,663)

Notes:

(1) Relates to the profit on sales of listed investment of U.S.$20.7 million, which relates to an accounting gain from the exchange of Minor Corporation Public Company Limited shares for MINT shares that was completed on 12 June 2009 as part of a merger/restructuring.

(2) Includes profit on sales of listed investment of U.S.$23.1 million, which relates mainly to an accounting gain from the sale of shares in Parkway.

(3) Profit (loss) after tax for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the six-month period ended 30 June 2012 includes expenses for Management Shares (2009: U.S.$0.9 million, 2010: U.S.$0.9 million, 2011: U.S.$0.6 million, six-month period ended 30 June 2012: U.S.$0.1 million) and Share Options not yet exercised (2009: U.S.$10.2 million, 2010: U.S.$5.8 million, 2011: U.S.$4.2 million, six-month period ended 30 June 2012: U.S.$1.0 million). Share Options have an exercise price of U.S.$1.00.

Group	As at 31 December 2009	2010	2011	As at 30 June 2012
		(U.S.$ '000)[1]		
Total assets	342,605	408,557	399,061	447,772
Total liabilities	5,757	8,170	10,065	17,363
Total shareholders' equity	336,848	400,387	388,996	430,409
NAV[2]	336,680	400,172	389,429	430,145
Number of Shares outstanding *('000s)*	338,260	344,439	346,499	346,499
NAV per Share *(U.S.$)*	1.00	1.16	1.12	1.24

Notes:

(1) Save where indicated otherwise.

(2) NAV is based on the sum of the Company's cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities.

2. Unaudited Pro-Forma Statement of Net Assets

The unaudited pro-forma statement of net assets set out below has been prepared:

- to illustrate the impact of the Rights Issue on the consolidated net assets of the Group;
- for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not and will not represent the Group's actual financial position or results; and
- on a basis that is consistent with the accounting policies adopted by the Company in preparing its consolidated financial statements for the six-month period ended 30 June 2012.

The unaudited pro-forma statement of net assets is based on the consolidated net assets of the Group as at 30 June 2012 and has been prepared on the basis that the settlement of the Rights Issue took place on that date. The unaudited pro-forma statement of net assets takes no account of the results of the Group for the period subsequent to 30 June 2012, or of any other changes in its financial position in that period.

	Group historical[1]	Adjustment to net assets for Rights Issue[2]	Pro-forma for the Group
		(U.S.$ '000)	
Non-current assets			
Interests in joint ventures	159,404	–	159,404
Investment properties	5,408	–	5,408
Financial assets at fair value through profit or loss	247,197	–	247,197
Other receivables and prepayments	1,077	–	1,077
Current assets			
Other receivables and prepayments	1,618	–	1,618
Financial assets at fair value through profit and loss	–	–	–
Cash and cash equivalents	33,068	93,000	126,068
Current liabilities			
Amounts due to non-controlling interest (non-trade)	504	–	504
Interest-bearing borrowings (secured)	6,932	–	6,932
Other payables	8,405	–	8,405
Current tax payable	91	–	91
Non-current liabilities			
Interest-bearing borrowings (secured)	784	–	784
Deferred tax liabilities	647	–	647
Net assets	430,409	93,000	523,409

Notes:

(1) The financial information in respect of the Group has been extracted without material adjustment from the unaudited interim financial statements of the Group for the six-month period ended 30 June 2012, which are incorporated by reference in this document.

(2) The net proceeds of the Rights Issue are calculated on the basis that the Company issues 166,665,997 New Ordinary Shares at a price of U.S.$0.60 per Share, net of estimated expenses in connection with the Rights Issue of approximately U.S.$7.0 million.

(3) Save for the adjustment for the net proceeds of the Rights Issue as described in note (2) above, no adjustment has been made to reflect any trading or other transactions undertaken by the Group since 30 June 2012.

3. Unaudited Pro-Forma Impact of Rights Issue on Earnings

Had the Rights Issue been undertaken on 1 January 2012, the date of the commencement of the Company's latest financial statements, the earnings of the Company would have been enhanced by the interest received on the net proceeds of the Rights Issue received by the Company on an after-tax basis. However, this does not mean that the future earnings of the Company will necessarily match, exceed or fall short of its historical published earnings.

REPORT OF KPMG LLP (UK) ON THE UNAUDITED PRO-FORMA STATEMENT OF NET ASSETS

KPMG LLP
Transaction Services
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

The Directors
Symphony International Holdings Limited
Offshore Incorporations Centre
P.O. Box 957
Road Town
Tortola
British Virgin Islands

4 October 2012

Dear Sirs,

Symphony International Holdings Limited

We report on the unaudited Pro forma statement of net assets set out in paragraph 2 ("Unaudited Pro-Forma Statement of Net Assets") of "Part 8 – Selected Financial Information and Pro-Forma Financial Information" of the prospectus dated 4 October 2012 (the "Prospectus"), which has been prepared on the basis described in notes 1 to 3, for illustrative purposes only, to provide information about how the Rights Issue might have affected the financial information presented on the basis of the accounting policies adopted by Symphony International Holdings Limited in preparing the financial statements for the period ended 31 December 2011. This report is required by paragraph 20.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of Symphony International Holdings Limited to prepare the unaudited Pro forma statement of net assets in accordance with paragraph 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the unaudited Pro forma statement of net assets and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited Pro forma statement of net assets with the directors of Symphony International Holdings Limited.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited Pro forma statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Symphony International Holdings Limited.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- the unaudited Pro forma statement of net assets has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Symphony International Holdings Limited.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully,

KPMG LLP

PART 9

OPERATING AND FINANCIAL REVIEW

The following discussion of the Company's financial position and results of operations should be read in conjunction with "Part 1 – The Business and the Investment Portfolio", "Part 2 – The Investment Strategy", "Part 4 – The Healthcare, Hospitality & Lifestyle Sectors" and "Part 8 – Selected Financial Information and Pro-Forma Financial Information". Investors and Shareholders should read the whole of this document and not rely on summarised information.

1. Introduction

The Company is a BVI Business Company whose Shares and Warrants are admitted to the Official List of the UK Listing Authority under Chapter 14 of the Listing Rules. The Company invests predominantly in investments in the Asia-Pacific region primarily in HH&L sectors (including branded real estate developments) and also through opportunities which are in the nature of "special situations and structured transactions". The Company's investment objective is to increase its NAV through the making of investments. The Company's current investment policies and procedures provide that it may invest an amount equivalent to not less than 70 per cent. of its total assets predominantly in longer-term investments in the HH&L sectors (including branded real estate developments) in the Asia-Pacific region and no more than 30 per cent. of its total assets in special situations and structured transactions. The Company believes that, by pursuing the Company's investment objectives, it will be able to build a strong investment base, increase its NAV and thereby create long-term value for its Shareholders.

The Company's Investment Manager is Symphony Investment Managers Limited. Symphony Asia Holdings Pte. Ltd. is its Singapore Advisor and Symphony Asia Limited is the Investment Manager's Hong Kong Consultant. The directors and executive officers of the Investment Manager, the Singapore Advisor and the Hong Kong Consultant constitute the Investment Management Team and are responsible for implementing the investment strategy.

2. Key Factors Affecting Financial Performance

The primary measure of the Company's financial performance and the performance of its subsidiaries has been, and the Company expects that it will continue to be, the change in the NAV per Share resulting from operating activities (including the change in the fair value of the Company's investments) during an accounting period. The NAV is the sum of its cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities. The Company calculates its NAV and NAV per Share on a quarterly basis as at 31 March, 30 June, 30 September and 31 December of every year. The NAV may not be comparable to the net asset value in the audited financial statements of the Company on the basis that the audited financial statements may not account for the fair value of certain unrealised investments and may consolidate assets and liabilities of certain investments.

The following are the most significant factors that have affected the Company's financial performance during the periods under review and are expected to affect the Company's financial performance in the future. The Company's financial performance has been, and will continue to be, affected by many factors, some of which are beyond the Company's control.

2.1 *Composition of the Investment Portfolio*

As a general matter, the Company's financial performance is directly related to how effective the Investment Management Team is at selecting, implementing and managing the Company's investments and funding.

The Company has invested an aggregate of U.S.$314.5 million (including reinvestment of dividends and other distributions and proceeds from the sale of investments but excluding cost reductions from principal loan repayments) since the IPO. The Company currently has 13 investments in its portfolio.

Please see paragraph 6 ("Existing Portfolio") of "Part 1 – The Business and the Investment Portfolio" for further details on these investments.

The Company's investment strategy (please see "Part 2 – The Investment Strategy") allows it to invest in a combination of:

- Longer-term investments – investments predominantly in listed and unlisted companies where investments are characterised by long holding periods and where there is scope for the Investment Manager or the Investment Manager Group to play a role in the development of the portfolio company or asset and, in certain circumstances, in the management and/or operations of the portfolio company;
- Special situations and structured transactions – investments that fall into this category will tend to have relatively short holding periods and entail little or no participation in the boards of the companies in which such investments are made. None of the Company's existing investments falls within this category; and
- Temporary investments – pending investment of the Company's Capital in either of the above categories of investment, Capital is temporarily invested by the Investment Manager in liquid investments held by a third-party investment manager of international repute or held on deposit with commercial banks. The returns that temporary investments are expected to generate and the interest earned on deposits will be substantially lower than the returns the Company expects to receive from either of the other two categories of investment.

As at 30 June 2012, investments represented 96.19 per cent. of the NAV and cash net of working capital represented 3.81 per cent. of the NAV. As at the Latest Practicable Date, investments represented 96.9 per cent. of the NAV and cash net of working capital represented 3.1 per cent. of the NAV.

Immediately following the Rights Issue, the proportion of the NAV attributable to temporary investments is expected (based on the value of the temporary investments as at 30 June 2012) to increase to approximately 19.1 per cent. (compared to the value of the temporary investments as at 30 June 2012). While the Investment Manager has identified investment opportunities as well as incremental investments in several of its portfolio companies to be funded by the net proceeds of the Rights Issue (please see paragraph 7 ("Future Investment Opportunity") of "Part 1 – The Business and the Investment Portfolio"), there can be no guarantee as to the time period in which investments will be made.

Under the Company's investment policies, it aims to invest not less than 70 per cent. of its total assets in the HH&L sectors (including branded real estate developments). As at 30 June 2012 and the Latest Practicable Date, breakdown of the Company's investment portfolio by sector was as follows:

Sector	**NAV % (as at 30 June 2012)**	**NAV % (as at the Latest Practicable Date)**
Healthcare	24.88	25.77
Hospitality	32.63	34.92
Lifestyle	3.70	3.38
Lifestyle/Real estate	34.98	32.79
Cash and equivalents, net of working capital	3.81	3.15

The financial performance of the Company may be affected by investor or market sentiment towards these sectors and the attractiveness of these sectors as against other potential investment classes/sectors.

2.2 ***Changes in the Valuation of the Company's Investment Portfolio***

The investments made by the Company in portfolio companies are carried as assets in the Company's consolidated financial statements and are valued on a quarterly basis. Unrealised appreciation or depreciation in the fair value of those investments will have an impact on the net assets of the

Company and its subsidiaries during the period and, as changes in the fair value of investments are recognised in the income statement, on the financial performance of the Group.

Depending on the nature of the investment, these investments either have a readily available market, in which case the investments will be valued using the quoted bid prices, or are unlisted, in which case the investments will be valued at their fair value by using valuation techniques as described in the section entitled "Important Information – Valuations".

When market prices are used, they will not take into account various factors which may affect the value that the Company would actually be able to realise in the future, such as the possible illiquidity associated with a large ownership position, subsequent illiquidity in a market for a company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance.

When fair value pricing is used, the Company expects that the value attributed to an equity investment will be based on the enterprise value at which the portfolio company could be sold in an orderly divestment over a reasonable period of time between willing parties other than in a forced or liquidation sale.

Where the Company's investment comprises solely or substantially non-equity instruments (such as debt or mezzanine debt instruments), the fair value will be derived mainly from the expected cash flows and associated risk attaching to the instruments, and methodologies such as discounted cash flow analysis (applied to the cash flow on the relevant investment, for example, any interest on debt, rather than operating cash flows of any underlying portfolio company) are likely to be more appropriate. In the case of mezzanine debt instruments where, for example, equity warrants are included, the components (in the case of mezzanine debt, the debt and the warrants) will be valued separately.

If the debt instrument has an equity component, the equity component will be valued separately by applying the main methods of valuing equity instruments (i.e. multiples, recent investment and so on).

For other non-equity instruments or other asset classes (for example, preference shares or investments in the limited partnership interests of funds), each instrument will be valued on a case-by-case basis using judgement as to the most appropriate valuation technique, including using appropriate third-party valuations.

The Board is responsible for reviewing and approving valuations of investments that are carried as assets in the Company's consolidated financial statements. Because valuing investments requires the application of valuation principles to the specific facts and circumstances of the investments, in satisfying its responsibilities, the Board uses the services of the Investment Manager. The Investment Manager will make calculations as to investment values which will be provided to the Company's Auditor who performs certain procedures on the Calculation. The Board relies on the Investment Manager with respect to such Calculations in the absence of manifest error.

2.3 ***Funding and Degree of Leverage***

The Company expects to incur indebtedness, including leveraging certain investments, to fund its liquidity needs. Acquisition vehicles established by the Company may also incur indebtedness in buy-out or buy-in transactions. The entry into debt financing arrangements will subject the Company and its subsidiaries to contractual obligations relating to the periodic payment of interest, the repayment of borrowed principal and, if repurchase agreements are used, obligations to repurchase investments at a specified price plus an interest factor. Although the Company's investment policies and procedures do not limit the amount of leverage incurred by its subsidiaries in respect of particular investments, it is not the Company's current intention to increase the leverage incurred directly by it beyond 35 per cent. of its total assets.

The nature of the Company's funding could have a significant impact on its financial performance. Depending on the cost of funds (and assuming the Company is able to service any ongoing interest or other payments to the lenders), the use of leverage by the Company could increase returns on equity. In addition, the Company's financial performance could be affected by the applicable interest rate and, whether the rate is floating or fixed, the maturity of any borrowings and the currency in which such borrowings are denominated.

2.4 ***Investment Returns and Income***

Some of the Company's investments will generate investment income. Equity investments may generate income in the form of distributions and/or dividends. Debt-like investments may generate income in the form of interest payments. The Company's current intention is to re-invest any income generated by its investment portfolio.

2.5 ***Operating Expenses***

The Company bears all its normal operating costs, including (but not limited to):

- payment to the Investment Manager of a Management Fee at a rate of 2.25 per cent. per annum of the NAV, quarterly in advance on the NAV Approval Date. The Management Fee is at least U.S.$8 million per annum and at most U.S.$15 million per annum;
- the fees and expenses of the Company's auditors and tax, legal and other professional advisors;
- all stamp and other duties, taxes, governmental or regulatory fees and charges, exchanges' costs and commissions, bank charges, transfer expenses, proxy expenses, errors and omissions insurance, directors' and officers' insurance and all expenses payable in respect of the acquisition, holding, administration or realisation of any investment; and
- all costs of preparing and distributing all reports to the Company or Shareholders, all expenses of holding meetings of, and of giving notices to, Shareholders and any other relevant administrative expenses.

Although the Company will bear all expenses payable in respect of completed investment transactions, in circumstances where a transaction is aborted, the Investment Manager and the members of the Investment Manager Group will bear their own costs and expenses in relation to the services they have rendered and the Company shall bear all third-party costs and expenses.

3. Review of Financial Performance

The following selected financial information for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the six-month period ended 30 June 2012 has been extracted without material adjustment from or derived from the Company's audited financial statements for the years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the Company's unaudited interim financial statements for the six-month period ended 30 June 2012 ("2012 Interim Results"). You should read the following selected financial information in conjunction with (i) "Part 9 – Operating and Financial Review"; (ii) the Company's audited financial statements for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and related notes which have been prepared in accordance with IFRS and have been audited by KPMG LLP (Singapore); and (iii) the Company's unaudited financial statements for the six-month period ended 30 June 2012 and related notes.

	12 months ended 31 December			**6 months ended 30 June**	
Group	**2009**	**2010**	**2011**	**2012**	**2011**
			(U.S.$ '000)		
Revenue	3,494	3,727	4,000	3,778	2,630
Other operating income	13,261	18,823	14,357	8,404	10,712
Gain on disposal of financial assets at fair value through profit or loss	20,666(1)	23,065(2)	–	–	–
Profit/(loss) after tax(3)	68,488	42,812	(10,519)	39,736	(1,663)

Notes:

(1) Relates to the profit on sales of listed investment of U.S.$20.7 million, which relates to an accounting gain from the exchange of Minor Corporation Public Company Limited shares for MINT shares that was completed on 12 June 2009 as part of a merger/restructuring.

(2) Includes profit on sales of listed investment of U.S.$23.1 million, which relates mainly to an accounting gain from the sale of shares in Parkway.

(3) Profit (loss) after tax for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the six-month period ended 30 June 2012 includes expenses for Management Shares (2009: U.S.$0.9 million, 2010: U.S.$0.9 million, 2011: U.S.$0.6 million, six-month period ended 30 June 2012: U.S.$0.1 million) and Share Options not yet exercised (2009: U.S.$10.2 million, 2010: U.S.$5.8 million, 2011: U.S.$4.2 million, six-month period ended 30 June 2012: U.S.$1.0 million). Share Options have an exercise price of U.S.$1.00.

	As at 31 December			As at 30 June
Group	**2009**	**2010**	**2011**	**2012**
		(U.S.$ ’000)[1]		
Total assets	342,605	408,557	399,061	447,772
Total liabilities	5,757	8,170	10,065	17,363
Total shareholders’ equity	336,848	400,387	388,996	430,409
NAV[2]	336,680	400,172	389,429	430,145
Number of shares outstanding (*’000*)	338,260	344,439	346,499	346,499
NAV per Share (*U.S.$*)	1.00	1.16	1.12	1.24

Notes:

(1) Save where indicated otherwise.

(2) NAV is based on the sum of the Company’s cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities.

A description of changes in the performance of the Company, both capital and revenue, and changes to the Company’s portfolio of investments for the period from 1 January 2009 to 31 December 2011 are set out in the sections headed “Chairmen’s Statement” and “Investment Manager’s Report” in the published statutory accounts of the Company as follows and are expressly incorporated by reference into this document.

	Statutory accounts for period ended		
	31 December 2009	**31 December 2010**	**31 December 2011**
	Page no.	*Page no.*	*Page no.*
Nature of information			
Chairmen’s Statement	10-13	10-13	9-11
Investment Manager’s Report	16-23	16-25	14-23

Please see the 2012 Interim Results, which are incorporated by reference into this document, for information in respect of the activities and performance of the Company during the six-month period ended 30 June 2012. Subsequent to 30 June 2012, the following events have taken place:

(i) the conversion of the Company’s shares in IHT into IHH shares was implemented by the Company transferring its shares in IHT to the IHH group in consideration for which IHH issued shares in IHH and allotted them to the Company. The conversion ratio was based on the original acquisition price paid by the Company for the IHT shares, being RM1.00 per IHT share, adjusted for the Company’s pro-rata share of the transaction costs associated with the acquisition by IHT of 60 per cent. of ASYH (U.S.$450,492) and the institutional price to be paid for IHH shares (RM2.80) at the time of IHH’s initial public offering. The applicable foreign exchange rate that was applied to the conversion was the rate of U.S.$1.00 to RM3.1760. The number of shares in IHH allotted and issued to the Company pursuant to the conversion was 56,203,299 IHH shares. On 25 July 2012, the shares of IHH commenced trading on the main market of the Bursa Malaysia Securities Berhad and the SGX;

(ii) the Company received offers and deposits for the remaining two apartments owned by it in One Central Residences, Macau on 30 June 2012 and 27 July 2012, respectively;

(iii) on 16 August 2012, the Company completed a further investment in Maison Takuya;

(iv) on 17 August 2012, the Company completed a further investment in Niseko Property JV which was funded by an additional JPY bank loan entered into by the Company; and

(v) on 31 August 2012 and 13 September 2012, respectively, the Company completed the sale of the two apartments in One Central Residence, Macau referred to in paragraph (ii) above.

4. Liquidity and Capital Resources

Liquidity

It is expected that the Company's sources of liquidity will be:

- the subscription amounts that the Company receives in connection with the Rights Issue, based on an Issue Price of U.S.$0.60 per New Ordinary Share and assuming that the Company issues 166,665,997 New Ordinary Shares, it is anticipated that the Company will have approximately U.S.$93.0 million of available cash from the Rights Issue after deducting the relevant fees and expenses. The Company intends to use substantially all of this cash in connection with its investments;
- cash distributions or dividends received by virtue of the Company's equity investments;
- interest payments and principal amounts received on fixed income investments;
- capital contributions received in connection with the issuance of additional Shares or other securities, including cash received on exercise of the Share Options and the Warrants;
- borrowings – the Group may enter into one or more credit facilities and/or utilise other financial instruments from time to time with the objective of increasing the amount of cash that the Company has available for working capital or for making opportunistic or temporary investments. As at 31 August 2012, the Company had total interest-bearing borrowings of U.S.$8.2 million associated with its investments in SG Land and Niseko Property JV, which constitutes less than 5 per cent. of the NAV; and
- securities or cash consideration received on the sale by the Company of assets and the disposal of any of the Company's investments.

The Company holds part of its cash in the form of temporary investments to provide a more regular source of cash than the less liquid longer-term investments or investments in special situations and structured transactions. Subject to the need to maintain cash for working capital requirements, there are no restrictions on the ability of the Company's subsidiaries to transfer cash funds to their parent company.

Capital Resources

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group seeks to maintain a balance between higher returns that might be achievable with higher levels of borrowing and the advantages afforded by a sound capital position.

As at 31 August 2012 (being the latest practicable date prior to the publication of this document for the purposes of calculating the cash and cash equivalents), the Company had U.S.$30.7 million of cash and cash equivalents. This will be supplemented by the U.S.$93.0 million of available cash from the net proceeds of the Rights Issue. As at 31 August 2012, the Company had bank borrowings of U.S.$8.2 million. Certain of the Company's portfolio companies also have bank and other borrowings, although the Company has not provided any form of guarantees over any of these borrowings.

Uses of Cash

The Company's primary uses of cash are to fund investments and to pay operating expenses. Cash may also be used to make distributions to Shareholders in accordance with its dividend policy (see "Part 11 – Dividend Policy") if and when declared by the Company's Board, although the Company currently intends to reinvest the net returns generated by its realised investments and income received from investments.

The Group's cash and cash equivalents meet its current liquidity requirements. The Company has entered into certain future contingent commitments to make further investments, totalling approximately U.S.$3.0 million which the Company expects to meet.

5. Cash Flows

The following table sets out certain information with respect to the cash flows for the years ended 31 December 2009, 2010 and 2011 and the six-month period ended 30 June 2012:

	For the financial periods ended			
	31 December			30 June
	2009	2010	2011	2012
	(U.S.$'000)			
Net cash inflow (outflow) from operating activities	(6,479)	(1,448)	(7,075)	(964)
Net cash inflow (outflow) from investing activities	(6,538)	76,963	(14,861)	(72,476)
Net cash outflow from financing activities	(58)	(450)	(461)	6,399
Net increase (decrease) in cash and cash equivalents	(13,075)	75,065	(22,397)	(67,041)
Cash and cash equivalents at the end of the period....	47,412	122,639	100,118	33,068

(i) ***Net cash inflow (outflow) from operating activities***

The Company's net cash inflow (outflow) from operating activities for the six-month period ended 30 June 2012 was U.S.$(1.0) million and for the year ended 31 December 2011 was U.S.$(7.1) million, 2010: U.S.$(1.5) million and 2009: U.S.$(6.5) million. This outflow was primarily due to management fees paid to the Investment Manager, other operating expenses (which include among other items: audit fees, legal expenses, non-executive board of director fees and insurance expenses), foreign exchange losses predominantly associated with cash balances, which have been partially offset by dividend and interest income.

(ii) ***Net cash inflow (outflow) from investing activities***

The Company had a U.S.$72.5 million net cash outflow from investing activities for the six-month period ended 30 June 2012. This net cash outflow was predominantly due to the Company's ongoing investment programme, including investments in IHT and Desaru that amounted to approximately U.S.$50.1 million and U.S.$29.0 million, respectively, which was primarily offset by proceeds from the sale of two apartments in One Central Residences, Macau, and shareholder loan repayments from Minuet and SG Land.

The Company had a U.S.$14.9 million net cash outflow from investing activities for the year ended 31 December 2011. This net cash outflow was primarily due to an incremental investment in MINT, an investment in Niseko Property JV as well as other investments made.

The Company had a U.S.$77.0 million net cash inflow from investing activities for the year ended 31 December 2010. This net cash inflow was primarily from sales proceeds relating to the sale of the Company's investment in Parkway, which generated proceeds of U.S.$80.6 million, which was offset by other investments made.

The Company had a U.S.$6.5 million net cash outflow from investing activities in the year ended 31 December 2009. This net cash outflow was primarily due to the Company's ongoing investment programme, including acquisition of investment properties of U.S.$4.5 million, an incremental investment in Parkway as well as other investments made.

(iii) ***Net cash outflow from financing activities***

The Company had a net cash inflow of U.S.$6.4 million from financing activities for the six-month period ended 30 June 2012. The net cash inflow was predominantly due to additional debt related to the Niseko Property JV, which was partially offset by repayment of bank borrowings related to SG Land.

The Company's net cash outflow from financing activities for the year ended 31 December 2011 was U.S.$0.46 million. The net cash outflow in 2011 resulted predominantly from the repayment of principal and interest on loans associated with SG Land.

The net cash outflow for the year ended 31 December 2010 was U.S.$0.45 million which resulted predominantly from the repayment of principal and interest on loans associated with SG Land.

The net cash outflow for the year ended 31 December 2009 was U.S.$0.06 million which resulted predominantly from the repayment of principal and interest on loans associated with SG Land, partially offset by receipts from non-controlling interests.

Since 30 June 2012, there were no material cash outflows related to the further investments made by the Company.

6. Capitalisation and Indebtedness of the Group

6.1 *Capitalisation*

The following table sets out the Group's total capitalisation as at 30 June 2012 (unaudited):

	U.S.$ million
Paid-up share capital	307.0
Total capitalisation as at 30 June 2012	307.0

Total capitalisation excludes the equity compensation reserve, foreign currency translation reserve, non-controlling interests and accumulated profits, which together amounted to U.S.$123.4 million as at 30 June 2012.

There has been no material change in the capitalisation of the Group since 30 June 2012.

6.2 *Indebtedness*

The following table sets out the indebtedness of the Group as at 31 August 2012 (unaudited):

	U.S.$ million
Current debt	
Guaranteed	–
Secured	7.4
Unguaranteed/unsecured	–
Total current financial indebtedness	7.4
Non-current debt	
Guaranteed	–
Secured	0.7
Unguaranteed/unsecured	–
Total non-current financial indebtedness	0.7
Total indebtedness as at 31 August 2012	8.2

The following table shows the Group's net indebtedness as at 31 August 2012 (unaudited):

	U.S.$ million
Cash and cash equivalent	30.7
Trading securities	–
Liquidity	30.7
Current bank debt	7.0
Current portion of non-current debt	0.4
Other current financial debt	–
Current financial indebtedness	7.4
Net current liquidity	23.3
Non-current bank loans	0.7
Bonds issued	–
Other non-current loans	–
Non-current financial indebtedness	0.7
Net financial indebtedness	22.6
Indirect indebtedness	–
Contingent indebtedness	1.1

The Group has incurred indebtedness in respect of its investment in Niseko Property JV. As at 31 August 2012, the total outstanding amount of the loan to the Group was JPY552.8 million (equivalent to approximately U.S.$7.0 million).

Schubert Holdings Pte. Ltd. (one of the Company's wholly-owned subsidiaries) and a joint venture partner have entered into a banking facility under which both parties are jointly and severally liable for all amounts owing by the borrowers to a bank in respect of Schubert Holdings Pte. Ltd.'s investment in SG Land, with such indebtedness being secured on Schubert Holdings Pte. Ltd.'s interest in SG Land (with no recourse to the Company). As at 31 August 2012, the total outstanding loans amounted to THB69.8 million (equivalent to U.S.$2.2 million), of which THB34.9 million (equivalent to U.S.$1.1 million) has been recognised as financial liabilities by the Group.

There has been no material change in the indebtedness of the Group since 31 August 2012.

All information in the tables in this paragraph 6.2 is sourced from unaudited information from the Group.

7. Disclosure about Financial Risks

The Company is, and expects to continue to be, exposed to a number of financial risks due to the types of investments that it will make and the manner in which it raises capital. The key financial risks are summarised below.

7.1 *Price Risk*

The valuation of the Group's investments is dependent on prevailing market conditions and the performance of the underlying assets. In particular, the Company's investments involve and may continue to involve investments in portfolio companies whose securities are publicly traded or offered to the public in connection with the process of exiting an investment. The market prices and values of publicly traded securities of companies in which the Company has invested may be volatile and are likely to fluctuate due to a number of factors beyond its control, including the illiquidity of some such securities compared to other publicly traded securities, actual or anticipated fluctuations in the quarterly and annual results of the companies in which investments are made and other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions and changes in government regulation.

7.2 ***Interest Rate Risk***

The Company may incur indebtedness and acquisition vehicles established by it may also incur indebtedness in buy-out or buy-in transactions. Due to the foregoing, the Company believes that it will be exposed to risks associated with movements in prevailing interest rates. An increase in interest rates could make it more difficult or expensive for the Company to obtain debt financing, could negatively impact the values of fixed-income investments and could decrease the returns that its investments generate.

The Company believes that it will be subject to risks associated with changes in prevailing interest rates due to the fact that its Capital will be invested in portfolio companies whose capital structures may have a significant degree of indebtedness. Investments in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if money had not been borrowed. As a result, the risk of loss associated with an investment in a leveraged company is generally greater than for companies with comparatively less debt.

7.3 ***Foreign Exchange Risk***

The Company's functional currency is currently the U.S. Dollar. The Company is exposed to transactional foreign exchange risk when transactions are denominated in currencies other than the U.S. Dollar. The Company is also exposed to translational foreign exchange risk from its subsidiaries and jointly controlled entities with non-U.S. Dollar functional currencies. When valuing investments that are denominated in currencies other than the U.S. Dollar, the Company is, and will be, required to revalue such investments into U.S. Dollars based on prevailing exchange rates as at the end of the applicable accounting period. Due to the foregoing, changes in exchange rates between the U.S. Dollar and other currencies could lead to significant changes in the NAVs that the Company reports from one quarter to another.

7.4 ***Credit Risk***

The Company may make advances or provide loans to portfolio companies. As a result, the Company is exposed to a failure by portfolio companies to comply with its contractual obligations to repay such advances or loans. Credit risk exposure is managed on an asset-specific basis by the Investment Manager.

7.5 ***Liquidity Risk***

The Company faces the risk that it may not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, under both normal and stressed conditions. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Investment Manager to finance the Company's operations and to mitigate the effect of fluctuations in cash flows.

7.6 ***Hedging Arrangements and Risk Management***

Although historically the Investment Management Team has not used such risk management products, when managing the Company's exposure to market risks, the Company may enter into forward contracts, options, swaps, caps, collars and floors or the Investment Manager may advise the Company to pursue other strategies or use other forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates. The Company anticipates that the scope of risk management activities undertaken by it will vary based on the level and volatility of interest rates, prevailing foreign currency exchange rates, the types of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines.

However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

The success of any hedging or other derivative transactions that the Company enters into generally will depend on the Investment Manager's ability to correctly predict market changes. As a result, while the Company may enter into such transactions in order to reduce its exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Investment Manager may not seek or be successful in establishing a perfect correlation between the instruments used in a hedging or other derivative transaction and the position being hedged. An imperfect correlation could prevent the Company from achieving the intended result and could give rise to a loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the value of its investments, because the value of investments is likely to fluctuate as a result of a number of factors, some of which will be beyond its control.

The Company's investment guidelines do not permit the use of hedging or derivative transactions for speculative purposes.

PART 10

SUMMARY OF THE TERMS OF THE WARRANTS

The Warrants to subscribe for Shares in the capital of the Company were issued as part of the IPO, and have been issued subject to and with the benefit of a Warrant Instrument (the "Warrant Instrument") dated 31 July 2007. The Company has entered into an offshore registrar agreement dated 24 July 2007 with the Warrant Registrar, which expression shall include any successor appointed under these terms and conditions (the "Conditions") and the Warrant Instrument. The issue of the Warrants was authorised by resolutions of the shareholders of the Company passed on 9 July 2007 and by resolutions of the Board of the Company passed on 31 July 2007. The Warrants were issued in registered form and were represented upon issue by certificates (the "Warrant Certificates"). Copies of the Warrant Instrument are available for inspection at the specified office of the Warrant Registrar and the Warrantholders are entitled to the benefit of and are bound by all the provisions of the Warrant Instrument.

At the Company's 2012 Annual General Meeting, the Shareholders resolved to extend the term for the exercise period for the Warrants by an additional three years, such that the unexercised Warrants shall expire on the eighth anniversary of the date of the issue of the Warrants, being 3 August 2015.

1. Definitions

For the purposes of these Conditions and subject as otherwise provided herein:

"Approved Bank" means any bank or merchant bank in London of international repute and selected by the Directors.

"Business Day" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks in London, the London Stock Exchange, the Warrant Depositary, the Warrant Depositary Interest Registrar and the Warrant Registrar are open for business.

"Calculation" means the calculation of the NAV of the Company on a quarterly basis which will be reviewed by the auditors of the Company (based on certain agreed-upon procedures with the Company).

"Conditions" means these terms and conditions of the Warrants.

"CREST Manual" means the document entitled the "CREST Manual" issued by the Operator, but excluding the CREST International Manual.

"CREST Rules" means the rules within the meaning of the Regulations and/or FSMA made by the Operator.

"Exercise Date" means, in relation to the exercise of a Warrant, the Business Day on which the applicable conditions referred to in Condition 4.1 are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that, if any such day falls during a period when the Warrant Depositary Interest Register is closed, the "Exercise Date" shall be the next following Business Day on which the Warrant Depositary Interest Register is open.

"Exercise Notice" means a notice (for the time being current) for the exercise of the Warrants, copies of which may be obtained from the Warrant Registrar.

"Exercise Period" means the periods during which the Warrants may be exercised, commencing on and including each NAV Approval Date and ending on the date falling 10 days after such NAV Approval Date, unless such date is a date on which the Warrant Depositary Interest Register is closed or is not a Market Day, in which event the period shall end on the Market Day prior to the closure of the Warrant Depositary Interest Register or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Warrant Depositary Interest Register may be closed pursuant to Condition 4.6.

"Exercise Price" means, in respect of each Warrant, U.S.$1.25 for each Share, subject to adjustment in accordance with Condition 5.

"Expiration Date" means the date falling on the fifth anniversary of the date of issue of the Warrants. This date has been extended by three years by virtue of the Resolution passed at the Company's 2012 Annual General Meeting, such that the Expiration Date is now the eighth anniversary of the date of issue of the Warrants.

"Last Dealt Price" means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on the London Stock Exchange.

"Market Day" means a day on which the London Stock Exchange is open for securities trading.

"Operator" means Euroclear UK & Ireland Limited or such other person who is for the time being the Operator of the CREST system for the purposes of the Regulations.

"Quarter" means each three-month period or such shorter period of time, commencing on the calendar day following the Quarter End Date, as the case may be, and ending on the nearest Quarter End Date.

"Quarter End Date" means each 31 March, 30 June, 30 September and 31 December.

"Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and such other regulations under Section 207 of the Companies Act 1989 as are applicable to the Operator and/or the CREST relevant system and are from time to time in force.

"Securities Account" means a securities account maintained by a Warrantholder with the Warrant Depositary.

"Special Account" means the account maintained by the Company with a bank in London for the purpose of crediting monies paid by exercising Warrantholders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warrantholders.

"Warrant Depositary" means Capita IRG Trustees Limited.

"Warrant Depositary Interest Register" means the register of Warrant Depositary Interests representing Warrantholders maintained in the United Kingdom on behalf of the Warrant Depositary by the Warrant Depositary Interest Registrar.

"Warrant Depositary Interest Registrar" means Capita Registrars (Guernsey) Limited or such other registrar who for the time being maintains the Warrant Depositary Interest Register.

"Warrantholders" means the persons whose Securities Accounts with the Warrant Depositary are credited with Warrants and provided that, for the purposes of Schedule 3 of the Warrant Instrument relating to meetings of Warrantholders, such Warrantholders shall mean those depositors having Warrants credited to their Securities Accounts as shown in the records of the Warrants Depositary as at a time not earlier than 48 hours prior to the time of a meeting of Warrantholders supplied by the Warrants Depositary to the Company. The word "holder" or "holders" in relation to Warrants shall (where appropriate) be construed accordingly.

Words and phrases defined in the Regulations, the CREST Rules and the CREST Manual which are not defined herein shall have the same meanings where used herein unless the context otherwise requires.

2. Form and Title

2.1 The Warrants are issued in registered form. Title to the Warrants will be transferable in accordance with Condition 9. The Warrant Depositary Interest Registrar will maintain the Warrant Depositary Interest Register on behalf of the Company and, except as required by law:

2.1.1 the registered holder of Warrants (other than the Warrant Depositary); and

2.1.2 (where the registered holder of Warrants is the Warrant Depositary) each Warrantholder for the time being appearing in the records maintained by the Warrant Depositary as having Warrants credited to its Securities Account(s), will be deemed to be and be treated as the absolute owner thereof (whether or not the Company shall be in default in respect of the Warrants or its covenants contained in the Warrant Instrument and notwithstanding any notice of ownership or writing hereon for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes).

2.2 The executors and administrators of a deceased Warrantholder shall be the only persons recognised by the Company and the Warrant Depositary Interest Registrar as having title to Warrants registered in the name of a deceased Warrantholder. Such persons shall, on producing to the Warrant Depositary Interest Registrar such evidence as may be reasonably required by the Warrant Depositary Interest Registrar to prove their title and on the payment of such fees and expenses referred to in Condition 9, be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warrantholder could have made.

3. Exercise Rights

3.1 Each Warrantholder shall have the right, by way of exercise of a Warrant, at any time during normal business hours on any Business Day during an Exercise Period in the manner set out in Condition 4 and otherwise on the terms and subject to the Conditions set out below, to subscribe for one Share at the Exercise Price, subject to adjustments in accordance with Condition 5, on the Exercise Date applicable to such Warrant.

3.2 On the Expiration Date, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

3.3 Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Registrar on or before 5.00 p.m. on the Expiration Date shall become void.

4. Procedure for Exercise of Warrants

4.1 ***Lodgement Conditions***

In order to exercise one or more Warrants, a Warrantholder must fulfil all the following conditions:

4.1.1 lodgement at the specified office of the Warrant Registrar during normal business hours of the Exercise Notice in respect of the Warrants represented thereby in the form (for the time being current) obtainable from the Warrant Registrar, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty;

4.1.2 the furnishing of such evidence (if any) as the Warrant Registrar may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any);

4.1.3 the payment or satisfaction of the Exercise Price in accordance with the provisions of Condition 4.2; and

4.1.4 the payment of a deposit or other fees for the time being chargeable by, and payable to, the Warrant Depositary (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Warrants as the Warrant Registrar may require.

Once all the above-mentioned conditions (where applicable) have been fulfilled, the relevant Exercise Notice and any monies tendered in or towards payment of the Exercise Price in accordance with Condition 4.2 may not be withdrawn without the consent in writing of the Company.

4.2 ***Payment of Exercise Price***

Payment of the Exercise Price shall be made:

4.2.1 to the specified office of the Warrant Registrar by way of a remittance in U.S. Dollars by banker's draft or cashier's order drawn on a bank operating in London, for the credit of the Special Account for the full amount of the Exercise Price payable in respect of the Warrants exercised, provided that any such remittance shall be accompanied by the delivery to the Warrant Registrar of the payment advice referred to in Condition 4.2.2; and

4.2.2 free of any foreign exchange commissions, remittance charges or any other deductions and shall be accompanied by a payment advice containing:

(a) the name of the exercising Warrantholder; and

(b) the Securities Account(s) of the exercising Warrantholder which is to be debited with the Warrants being exercised.

If the payment advice fails to comply with the provisions in Conditions 4.2.1 and 4.2.2, the Warrant Registrar may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may accordingly be delayed or treated as invalid. If the relevant payment received by the Warrant Registrar in respect of an exercising Warrantholder's purported payment of the Exercise Price relating to all the relevant Warrants lodged with the Warrant Registrar is less than the full amount of such Exercise Price, the Warrant Registrar shall not treat the relevant payment so received or any part thereof as payment of the Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Special Account (subject to Condition 4.4) unless and until a further payment is made in accordance with the requirements set out above in this Condition 4.2 in an amount sufficient to cover the deficiency.

4.3 ***Exercise Date***

A Warrant shall be treated as exercised on the Exercise Date relating to that Warrant.

4.4 ***Special Account***

4.4.1 Payment of the Exercise Price received by the Warrant Registrar for credit to the Special Account will be available for release to the Company on the Business Day after the Exercise Date relating to the relevant Warrants in payment for the Shares to be delivered in consequence of the exercise of such Warrants.

4.4.2 If such payment is made to the Warrant Registrar and such payment is not recognised by the Warrant Registrar as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount of the Exercise Price, or the conditions set out in Condition 4.1 have not then all been fulfilled in relation to the exercise of such Warrants, such payment will remain in the Special Account pending recognition of such payment or full payment or fulfilment of the lodgement conditions, as the case may be, but, on whichever is the earlier of the 14th day after receipt of such Exercise Notice by the Warrant Registrar and the Expiration Date, such payment will (if the Exercise Date in respect of such Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment. The Warrant Registrar will, if it is possible to relate the payment so returned to the Exercise Notice previously lodged with the Warrant Registrar, return such Exercise Notice to the exercising Warrantholder at the risk and expense of such Warrantholder. The Company will be entitled to deduct or otherwise recover any applicable handling charges and out-of-pocket expenses of the Warrant Registrar. So long as any particular payment remains credited to the Special Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrantholder, but it may only be withdrawn within the above-mentioned 14-day period with the consent in writing of the Company.

4.5 ***Allotment of Shares and Updating the Warrant Depositary Interest Register***

A Warrantholder exercising Warrants which are registered in the name of the Warrant Depositary must elect in the Exercise Notice to have the delivery of Shares arising from the exercise of such Warrants to be effected by crediting such Shares to the Securities Account of such Warrantholder.

Where a Warrantholder exercises part only (but not all) of the subscription rights represented by Warrants registered in his name, the Warrant Depositary Interest Registrar shall update the Warrant Depositary Interest Register to reflect the revised number of unexercised Warrants held by such Warrantholder.

For details of the procedures to be followed for the exercise of Warrants against which Warrant Depositary Interests have been created, see "Part 12 – Depositary Interests".

4.6 ***Warrant Depositary Interest Register of Warrantholders***

The Warrant Depositary Interest Registrar will maintain the Warrant Depositary Interest Register, which may be closed for any time or times. Not less than 14 days' notice of each closure of the Warrant Depositary Interest Register will be given to the Warrantholders in accordance with Condition 11.

4.7 ***Warrant Registrar***

The name of the initial Warrant Registrar and its specified office are set out below. The Warrant Depositary reserves the right at any time to vary or terminate the appointment of the Warrant Registrar and to appoint an additional or another Warrant Registrar, provided that it will at all times maintain a Warrant Registrar having a specified office in London so long as the Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Registrar will be given to the Warrantholders in accordance with Condition 11.

5. Adjustments of Exercise Price and Number of Warrants

5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank. The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Warrant Instrument in all or any of the following cases:

5.1.1 any subdivision of the Shares;

5.1.2 an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

5.1.3 a Capital Distribution (as defined in Condition 5.2.3) made by the Company to its Shareholders whether on a reduction of capital or otherwise;

5.1.4 an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights and if the Total Effective Consideration (as defined in Condition 5.2.4) for each Share is less than 90 per cent. of the Last Dealt Price for each Share (calculated as provided in Condition 5.2.4); or

5.1.5 an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under Condition 5.1.4, and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares, if the Total Effective Consideration (as defined in Condition 5.2.5) for each Share is less than 90 per cent. of the Last Dealt Price for each Share (calculated as provided in Condition 5.2.5).

5.2 Subject to these Conditions and the Warrant Instrument, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that, if the event giving rise to any such adjustment (i) shall be capable of falling within any two or more of Conditions 5.1.1 to 5.1.5, (ii) if such event is capable of giving rise to more than one adjustment or (iii) if such event is not provided for in these Conditions and is, in the opinion of the Board (acting in consultation with the Approved Bank), an event which requires an adjustment of the Exercise Price or the number of Warrants held by each Warrantholder, then the adjustment shall be made in such manner as the Approved Bank shall determine):

5.2.1 If, and whenever, subdivision of the Shares occurs, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B} \times P$$

and

$$\text{Adjusted Number of Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such subdivision;

P = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the subdivision or conversion becomes effective.

5.2.2 If, and whenever, the Company shall make any issue of Shares to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B} \times P$$

and

$$\text{Adjusted Number of Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the total number of issued Shares after any allotment to Shareholders (other than an allotment of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

P = as in P above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue.

For the purpose of this Condition 5.2.2, "record date" in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

5.2.3 If, and whenever, the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise, then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

where:

C = the Last Dealt Price on the Market Day immediately preceding the date on which the Capital Distribution is publicly announced to the Stock Exchange or (failing any such announcement) immediately preceding the date of the Capital Distribution;

D = the fair market value, as determined by an Approved Bank, of that portion of the Capital Distribution attributable to one Share; and

P = as in P above.

For the purposes of Condition 5.1.3 and this Condition 5.2.3, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash (other than dividends).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the record date for such transactions.

5.2.4 If, and whenever, the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of a rights issue and the Total Effective Consideration for each Share (as defined below) is less than 90 per cent. of the Last Dealt Price on the London Stock Exchange on the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the London Stock Exchange for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{E - F}{E} \times P$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted Number of Warrants} = \frac{E}{E - F} \times W$$

where:

E = the Last Dealt Price on the Market Day immediately preceding the date on which the offer or invitation referred to in this Condition 5.2.4 is publicly announced to the London Stock Exchange or (failing any such announcement) immediately preceding the date of the offer or invitation;

P = as in P above;

W = as in W above; and

F = the value of rights attributable to one Share, which shall be calculated in accordance with the formula:

$$\frac{E - G}{H + 1}$$

where:

E = as in E above;

G = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and

H = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

For the purpose of this Condition 5.2.4, "closing date" shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

For the purposes of this Condition 5.2.4, the "Total Effective Consideration" shall be determined by the Directors with the concurrence of an Approved Bank and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration for each Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

5.2.5 If, and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Condition 5.2.4 and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than 90 per cent. of the Last Dealt Price on the London Stock Exchange on the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the London Stock Exchange for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{K + L}{K + M} \text{ x P}$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted Number of Warrants} = \frac{K + M}{K + L} \text{ x W}$$

where:

K = the number of Shares in issue at the close of business on the London Stock Exchange on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Last Dealt Price (exclusive of expenses);

M = the aggregate number of Shares so issued;

W = as in W above; and

P = as in P above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the London Stock Exchange on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the Issue Price of such Shares.

For the purposes of this Condition 5.2.5, the "Total Effective Consideration" shall be determined by the Directors with the concurrence of an Approved Bank and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration for each Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

5.3 Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants will be required in respect of:

5.3.1 an issue by the Company of Shares to officers, including directors, or employees of the Company or any of its subsidiaries or associated companies pursuant to any purchase or option scheme approved in accordance with the Memorandum and Articles of Association of the Company;

5.3.2 an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;

5.3.3 any issue by the Company of Shares pursuant to the exercise of any of the Warrants;

5.3.4 any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares; or

5.3.5 an issue by the Company of the Shares to the Investment Manager in return for its advisory services pursuant to the Investment Management and Advisory Agreement.

5.4 Any adjustment to the Exercise Price will be rounded upwards to the nearest one cent and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Exercise Price. No adjustments to the Exercise Price shall be made unless it is in accordance with Condition 5.2. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one cent, but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.

5.5 Any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants shall be made unless it is in accordance with Condition 5.2 and approval in-principle has been granted by the London Stock Exchange for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Shares as may be issued on the exercise of any of such Warrants.

5.6 Notwithstanding the provisions referred to in this Condition 5, in any circumstances where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants should be made, notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Bank to consider whether, for any reason whatsoever, the absence of an adjustment or the adjustment to be made in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank shall consider the adjustment or absence of an adjustment to be inappropriate, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be considered by such Approved Bank to be in its opinion appropriate.

5.7 Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantholders in accordance with Condition 11 that the Exercise Price and/or the number of Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, at all times thereafter for so long as any of the Warrants remains exercisable, make available for inspection at its registered office a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Warrants, the Company will, as soon as practicable but not later than five Market Days after the effective date of such adjustment, dispatch by ordinary post definitive Warrants for the additional number of Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, at his address appearing in the Warrant Register or, in respect of Warrants registered in the name of the Warrant Depositary, to the Warrant Depositary.

5.8 If the Directors and the Approved Bank are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive.

5.9 If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for, Shares, the Company shall appoint an Approved Bank to consider whether any adjustment is appropriate and, if such Approved Bank and the Directors shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants shall be adjusted accordingly.

5.10 Any new Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Warrants constituted by the Warrant Instrument, and shall be issued subject to and with the benefit of the Warrant Instrument and on such terms and conditions as the Directors may from time to time think fit, including, but not limited to, the terms and conditions as set out herein for the Warrants.

5.11 In giving any certificate or making any adjustment hereunder, the Approved Bank shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Warrants.

5.12 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants other than in accordance with the provisions of this Condition 5 shall be subject to the approval of the London Stock Exchange and agreed to by the Company and the Approved Bank.

6. Status of Shares

Shares allotted and issued upon exercise of the Warrants shall be treated as fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant Exercise Date, and (subject as aforesaid) shall rank *pari passu* in all respects with the then existing Shares of the Company. For the purpose of this Condition 6, "Record Date" means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions.

7. Liquidation of the Company

7.1 If a resolution is passed for a shareholders' voluntary liquidation of the Company, then:

7.1.1 if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Extraordinary Resolution (as defined in the Warrant Instrument), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantholders; and

7.1.2 in any other case, every Warrantholder shall be entitled, upon and subject to the Conditions, at any time within six weeks of the passing of such resolution for a shareholders' voluntary liquidation of the Company, by delivering duly completed Exercise Notice(s), together with payment of the relevant Exercise Price, to elect to be treated as if he had, immediately prior to the commencement of such winding-up, exercised the Warrants to the extent specified in the Exercise Notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrantholders in accordance with Condition 11 of the passing of any such resolution within seven days of the passing thereof.

Subject to the foregoing, if the Company is liquidated for any reason other than a shareholders' voluntary winding-up, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

8. Further Issues

Subject to the Conditions, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire all the Shares.

9. Transfer of Warrants

9.1 In order to transfer Warrants, the Warrantholder must fulfil the following conditions:

9.1.1 lodgement during normal business hours of the relevant Warrant Certificate(s) registered in the name of the Warrantholder at the specified office of the Warrant Registrar together with an instrument of transfer in respect thereof (the "Transfer Form"), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty, provided that the Company and the Warrant Registrar may dispense with requiring the Warrant Depositary to sign as transferee any Transfer Form for the transfer of Warrants to it;

9.1.2 the furnishing of such evidence (if any) as the Warrant Registrar may require to determine the due execution of the Transfer Form by or on behalf of the Warrantholder; and

9.1.3 the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of, the new Warrant(s) to be issued in the name of the transferee.

9.2 The Warrantholder specified in the Warrant Register shall remain the registered holder of the Warrants until the name of the transferee is entered in the Warrant Register maintained by the Warrant Registrar.

For details of the procedures to be followed for the transfer of Warrants against which Warrant Depositary Interests have been created, see "Part 12 – Depositary Interests".

10. Meetings of Warrantholders and Modification

10.1 The Warrant Instrument contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Instrument) of a modification of the Warrants or the Warrant Instrument. Such a meeting may be convened by the Company or by Warrantholders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised (as defined in the Warrant Instrument). The quorum at any such meeting for passing an Extraordinary Resolution shall be two or more persons holding or representing over 50 per cent. of the Warrants for the time being unexercised or, at any adjourned meeting, two or more persons being or representing Warrantholders, whatever the number of Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Warrant Instrument (including cancelling the subscription rights constituted by the Warrants or changing the Exercise Period), the necessary quorum for passing an Extraordinary Resolution shall be two or more persons holding or representing not less than 75 per cent. or, at any adjournment of such meeting, over 50 per cent. of the Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warrantholders shall be binding on all Warrantholders, whether or not they are present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantholders.

10.2 The Company may, without the consent of the Warrantholders but in accordance with the terms of the Warrant Instrument, effect:

10.2.1 any modification to the Warrants or the Warrant Instrument which, in its opinion, is not materially prejudicial to the interests of the Warrantholders;

10.2.2 any modification to the Warrants and the Warrant Instrument which, in its opinion, is to correct a manifest error or to comply with mandatory provisions of English law; and/or

10.2.3 any modification to the Warrants or the Warrant Instrument which, in its opinion, is to vary or replace provisions relating to the transfer or exercise of the Warrants, including the issue of Shares arising from the exercise thereof or meetings of the Warrantholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Main Board of the London Stock Exchange, provided that such modification is not materially prejudicial to the interests of the Warrantholders.

10.3 Any such modification shall be binding on the Warrantholders and shall be notified to them in accordance with Condition 11 as soon as practicable thereafter.

10.4 Any alteration to the terms and/or conditions of the Warrants after the issue thereof must be approved by the London Stock Exchange, except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Warrant Instrument.

10.5 Notwithstanding any other provisions as set out in the Warrant Instrument, any material alteration to the terms and/or conditions of the Warrants after the issue thereof to the advantage of the Warrantholders and prejudicial to the shareholders of the Company must be approved by the shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.

11. Notices

11.1 All notices to Warrantholders will be valid if published in a daily English language newspaper of general circulation in the United Kingdom. If, at any time, publication in such newspaper is not practicable, notices will be valid if published in such other manner as the Company, with the approval of the Warrant Registrar, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

11.2 The Company shall, not later than one month before the Expiration Date, give notice to the Warrantholders, in accordance with this Condition 11, of the Expiration Date. The Company shall also, not later than one month before the Expiration Date, take reasonable steps to notify the Warrantholders in writing of the Expiration Date and such notice shall be delivered by post to the addresses of the Warrantholders as recorded in the Warrant Register or, in the case of Warrantholders whose Warrants are registered in the name of the Warrant Depositary, their addresses as shown in the records of the Warrant Depositary. Proof of posting or dispatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

12. Stamp Duty on Exercise of Warrants

The Company will pay all stamp duties and other similar duties or taxes payable in the United Kingdom on or in connection with the constitution and initial issue of the Warrants, the distribution of the Warrants and the execution of the Warrant Instrument, if any. Any other stamp duties, similar duties or taxes (if any) or other fees payable to the Warrants Depositary on, or arising from, the exercise of Warrants will be for the account of the relevant Warrantholder.

13. Third-party Rights

No person shall have any right to enforce any term or condition of the Warrants and the Warrant Instrument under the Contracts (Rights of Third Parties) Act 1999.

14. Governing Law

The Warrants and the Warrant Instrument are governed by, and shall be construed in accordance with, English law.

PART 11

DIVIDEND POLICY

Statements contained in this "Part 11 – Dividend Policy" are not historical facts but forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecast. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Company, the Investment Manager, Panmure Gordon or any other person. Investors and Shareholders are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date of this document. See the section entitled "Important Information – Forward-Looking Statements".

The Company has not declared or paid any dividend since the date of its incorporation on 5 January 2004.

General

The Company believes that its growth will be driven by a combination of the appreciation in value of its portfolio companies and capital gains from the realisation of investments. The Company's current strategy is to reinvest the returns generated by its realised investments as well as income received from investments in the form of dividends and interest, after expenses, in accordance with the Company's investment policies and procedures. The Company's distribution policy reflects its judgement that the continuous reinvestment of its Capital in accordance with the Company's investment policies and procedures will allow the Company to build a strong investment base, increase its NAV and create long-term value for its Shareholders. Accordingly, the Company is not able to provide any indication of whether or when distributions may be made. Any dividends that the Company decides to declare and pay will be declared and paid in U.S. Dollars.

The foregoing are statements of the Company's present intentions which may be subject to modification in the sole and absolute discretion of the Board. The declaration of any future dividend will be subject to the decision of the Board. The form, frequency and amount of future dividends (if any) on the Shares will depend on its earnings, financial position, results of operations, contractual restrictions, provisions of applicable law and other factors which the Board may deem relevant. The Company's ability to make distributions will also be subject to additional risks and uncertainties, including those set forth in the section entitled "Risk Factors" and "Part 9 – Operating and Financial Review".

Restrictions on Dividend Payments

The Company is a limited liability company and is dependent upon the ability of its investments to generate cash flows available for distribution. Changes to accounting standards may alter the basis upon which the Company's profits are computed. This may, in turn, reduce its ability to declare dividends.

Dividends will only be paid to the extent that they are covered by income received from underlying investments (including, but not limited to, the income realised from disposal of investments, the payment of dividends and interest received by the Company on loans extended by the Company) and by share of profits of associated companies which are received by the Company and are available for distribution or to the extent that the Company otherwise has available cash or retained earnings in accordance with all applicable laws. To the extent that the Company makes distributions in future, all such distributions will be made subject to all applicable laws or regulations (including compliance with section 57 of the BVI Companies Act). See paragraph 6.3 ("Dividends") of "Part 14 – Additional Information" for further information.

The amount of distributions may vary, depending on a number of factors. As the investment portfolio, portfolio companies and market conditions change, the rate of dividends on the Shares may change. The declaration and payment of any future dividends will also be subject to the solvency test in section 56 of the BVI Companies Act. See paragraph 6.3 ("Dividends") of "Part 14 – Additional Information" for further information. As such, there can be no assurance that the Company will be able to declare a dividend. No inference should or can be made from any of the foregoing statements as to its actual future profitability or its ability to pay dividends.

Payment to Share Option Holders

In the event that the Company declares a future dividend prior to the exercise of all of the Share Options, the Company will pay an amount to Share Option holders equivalent to the amount which the relevant Share Option holder would have received if all the Share Options granted to it which remain unexercised, whether or not they have vested at the time that the dividend is declared, had been exercised.

If at the date of declaration of dividend (the "Dividend Date"), the market price of the Shares is equal to or greater than the relevant exercise price for the applicable Share Options as determined in accordance with the Share Options Terms (the "Exercise Price"), at least 50 per cent. of such amounts (less any tax required to be paid in connection with the exercise of the relevant Share Options) (the "Designated Amount") will be applied by the Share Option holder towards payment of the exercise price of either (a) the total number of vested Share Options held at the Dividend Date or (b) the number of vested Share Options held at the Dividend Date which can be exercised with the Designated Amount, whichever is lower. Any balance of the Designated Amount remaining after the exercise price of all vested Share Options has been paid may be retained by the Share Option holder.

If at the time of the Dividend Date, the market price of the Shares is less than the Exercise Price, the Designated Amount will be retained by the Company and be applied by the Company, on behalf of the Share Option holder, in the following manner:

(a) if, at any time prior to the lapsing of the Share Options, the market price of the Ordinary Shares is more than the Exercise Price, the Designated Amount will be applied by the Company towards payment of the Exercise Price upon exercise of the Share Options by the Share Option holder; or

(b) if, at the time of the lapsing of the Share Options, the market price of the Ordinary Shares remains below the Exercise Price, the Designated Amount will be applied by the Company to acquire Shares on the market which will be distributed to the Share Option holder (at no consideration).

Any balance of the Designated Amount remaining after the application by the Company pursuant to paragraphs (a) and (b) above will be returned to the relevant Share Option holder.

For the avoidance of doubt, if the Company declares a future dividend, the Company will not pay an amount to any Share Option holder in respect of Share Options that have not been granted as at the date of the payment of the dividend.

Notwithstanding the processes set out above, if any dividend (or other distribution, whether in cash or in specie) is paid or made upon or in connection with (i) the shareholders of the Company passing a resolution for a members' solvent voluntary liquidation (other than for amalgamation or reconstruction) or (ii) a court of competent jurisdiction making an order for the winding-up, dissolution or judicial management or administration or analogous event of the Company or (iii) a liquidator, judicial manager, receiver, administrator, trustee-in-bankruptcy, custodian or other similar officer has been appointed in respect of the Company or (iv) any other analogous event, then the Company shall apply the principle set out in the first paragraph above (that Share Option holders receive an equivalent to the amount which the relevant Share Option holder would have received if all the Share Options granted to it which remain unexercised, whether or not they have vested at the time that the dividend is declared, had been exercised) on the terms set out in the Share Options Terms, so that Share Option holders receive the difference between the amount of the dividend (or distribution) payable per Share and the exercise price of the relevant Share Option.

PART 12

DEPOSITARY INTERESTS

The Company has entered into depositary arrangements to enable Investors to settle and pay for interests in the Shares and Warrants through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by non-UK companies, such as the Company, cannot be held electronically (i.e. in uncertificated form) or transferred in the CREST system. This means that the Shares and Warrants are not themselves admitted to CREST. However, the creation of depositary interests for the Shares and the Warrants allows these securities to be dematerialised and settled electronically.

Pursuant to arrangements put in place by the Company, Capita IRG Trustees Limited, acting as depositary (the "Warrant Depositary" and the "Share Depositary", collectively the "Depositary"), holds the Shares and the Warrants on trust for the Shareholders and the Warrantholders and issue the dematerialised depositary interests in respect of the Shares (the "Share Depositary Interests") and the Warrants (the "Warrant Depositary Interests" and together with the Share Depositary Interests, the "SW Depositary Interests") to individual shareholders' CREST accounts representing the underlying Shares or Warrants, as the case may be. The SW Depositary Interests will be held and transferred through the CREST system; however, the Shares and the Warrants themselves are not held and transferred through the CREST system.

The Share Depositary Interests are created pursuant to and issued on the terms of a deed poll executed by the Depositary in favour of the holders of the Share Depositary Interests from time to time (the "Deed Poll"). Prospective holders of Share Depositary Interests should note that they will have no rights in respect of the underlying Shares or the Share Depositary Interests representing them against Euroclear or its subsidiaries.

Shares and Warrants will be transferred to and held by the Depositary's nominated custodian (the "Custodian").

The Custodian is the holder of legal title to the Shares and the Warrants held in uncertificated form as shown in the Share Register. However, beneficial interest in the Shares and the Warrants remain with the SW Depositary Interest holder, who have the benefit of all the rights attaching to the Shares as if the SW Depositary Interest holder were itself named on the Share Register or the Warrant Register as the case may be.

Each SW Depositary Interest is treated as one Share or Warrant, as the case may be, for the purposes of determining rights of holders including eligibility for any dividends. The SW Depositary Interests do not require a separate listing on the Official List. The SW Depositary Interests can then be traded and settlement is within the CREST system in the same way as any other CREST securities.

A Warrantholder exercising Warrants which are registered in the name of the Depositary will be required to input a withdrawal message within CREST in order to receive a definitive Warrant Certificate. Upon the receipt of the definitive Warrant Certificate the Warrant holder may then exercise their Warrants, by completing the form of exercise and paying the Exercise Price (as defined in "Part 10 – Summary of the Terms of the Warrants") to the Warrant Registrar (as defined in "Part 10 – Summary of the Terms of the Warrants"). Upon the receipt of the definitive Warrant Certificate accompanied with the cheque, the Warrant Registrar will issue the according amount of Shares arising from the exercise of the Warrants. Upon receipt of the new Share certificate the Warrant holder may hold the Shares within CREST by utilising the CREST dematerialisation form.

Deed Poll

Prospective purchasers of New Ordinary Shares under the Rights Issue are referred to the Deed Poll available for inspection at the offices of the Company. In summary, the Deed Poll contains provisions to the following effect, which are binding on holders of SW Depositary Interest:

Holders of SW Depositary Interests warrant that Shares or Warrants, as the case may be, held by the Depositary or the Custodian (on behalf of the Depositary) are transferred or issued free and clear of all liens, charges, encumbrances or third-party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation and the holders of SW Depositary Interests shall indemnify the Depositary and keep it indemnified from and against any liability which it may suffer by reason of any breach of any such warranty.

The Depositary and any Custodian must pass on to SW Depositary Interest holders and, so far as they are reasonably able, exercise on behalf of SW Depositary Interest holders all rights and entitlements received or to which they are entitled in respect of the underlying Shares or Warrants, as the case may be, which are capable of being passed on or exercised. Rights and entitlements to distributions (cash or otherwise, including bonus issues and distributions arising from capital reorganisations), to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed to the SW Depositary Interest holders in the form in which they are received, together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll. If the Company makes a distribution *in specie* to the Custodian of an asset which is not readily divisible among holders of SW Depositary Interests in their due proportion, the Custodian will use reasonable endeavours to sell the relevant asset within a reasonable time at the best price reasonably obtainable in the market and to distribute the net proceeds of such sale appropriately. The Depositary shall re-allocate any securities of the Company or distributions which are allocated to the Custodian and which arise automatically out of any right or entitlement to Shares or Warrants held by the Depositary to SW Depositary Interest holders *pro-rata* to the Shares and/or Warrants held for their respective accounts provided that the Depositary shall not be required to account for any fractional entitlements arising from such re-allocation which fractional entitlements shall be aggregated and given to charity.

The Depositary will be entitled to cancel SW Depositary Interests and withdraw the underlying Shares or Warrants, as the case may be, in certain circumstances, including where a holder SW Depositary Interests has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the SW Depositary Interests.

The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any holder of SW Depositary Interests or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent. Furthermore, except in the case of personal injury or death, the Depositary's liability to a holder of SW Depositary Interests will be limited to the lesser of:

(a) the value of the Shares or Warrants, as the case may be, and other deposited property properly attributable to the SW Depositary Interests to which the liability relates; and

(b) that proportion of £10 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the holder of SW Depositary Interests bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £10 million.

The Depositary is entitled to charge holders fees and expenses for the provision of its services under the Deed Poll.

Each holder of SW Depositary Interests is liable for and must indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of, or SW Depositary Interests held by, that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent, if such Custodian or agent is a member of the

Depositary's group, or, if not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent.

The Depositary may terminate the Deed Poll by giving not less than 30 days' prior notice. During such notice period holders may cancel their SW Depositary Interests and withdraw their deposited property and, if any SW Depositary Interests remain outstanding after termination, the Depositary must as soon as reasonably practicable, among other things, deliver the deposited property in respect of the SW Depositary Interests to the relevant SW Depositary Interest holders or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their SW Depositary Interests.

The Depositary or the Custodian may require from any holder, or former or prospective holder, information as may be necessary or desirable for the purposes of the Deed Poll, including information as to the capacity in which SW Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such SW Depositary Interests or the underlying Shares and Warrants and holders are bound to provide such information requested. Furthermore, to the extent that the Company's constitutional documents or an applicable law or regulation in any jurisdiction require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever in, the Shares and Warrants, the holders of SW Depositary Interests are to comply with such provisions, laws and regulations and with the Company's instructions with respect thereto.

It should also be noted that holders of SW Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Shares or Warrants, as the case may be, in the Company, including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of SW Depositary Interests to give prompt instructions to the Depositary or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Shares as a proxy of the Depositary or its nominated Custodian.

A copy of the Deed Poll can be obtained on request in writing to the Depositary or the Company.

Depositary Agreement

The terms of the depositary agreement dated 24 July 2007 (the "Depositary Agreement") between the Company and the Depositary under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll (as outlined above), a series of Depositary Interests representing securities issued by the Company and to provide certain other services in connection with such SW Depositary Interests are summarised below.

The Depositary agrees that it will comply, and will procure certain other persons to comply, with the terms of the Deed Poll and that it and they will perform their obligations in good faith and with all reasonable skill, diligence and care. The Depositary assumes certain specific obligations, including the obligation to arrange for the SW Depositary Interests to be admitted to CREST as participating securities and to provide copies of and access to the registers of SW Depositary Interests. The Depositary warrants that it is, and, to the extent necessary, any custodian, agent or other parties appointed by it pursuant to the Deed Poll shall be, an authorised person under FSMA and is duly authorised to carry out custodial and other activities under the Deed Poll. The Company agrees to provide such assistance, information and documentation to the Depositary as is reasonably required by the Depositary for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement. In particular, the Company is to supply the Depositary with all documents it sends to its Shareholders and Warrantholders so that the Depositary can distribute the same to all holders of SW Depositary Interests. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution.

The Depositary is to indemnify the Company against claims made against the Company by any holder of SW Depositary Interests or any person having any direct or indirect interest in any such SW Depositary Interests or the underlying securities which arises out of any breach or alleged breach of the terms of the Deed Poll or any trust declared or arising thereunder except if such claim arises as a result of the fraud, negligence or wilful default of the Company. The aggregate liability of the Depositary arising out of or in connection with the Depositary Agreement (howsoever arising) shall be limited to the lesser of (a) £1,000,000 and (b) an amount equal to 10 times the total annual fee payable to the Depositary under the Depositary Agreement. The Company is to indemnify the Depositary against claims made against the Depositary by any holder of SW Depositary Interests or any person having any direct or indirect interest in any such SW Depositary Interests or the underlying securities which arises out of the Depositary's performance of its obligations under the Depositary Agreement or the Deed Poll save in respect of any loss, liability, cost and expense (including legal fees) resulting from the negligence, wilful default or fraud of the Depositary.

The agreement is to remain in force for as long as the Deed Poll remains in force. Both the Company and the Depositary may terminate the agreement on 30 days' notice in the event of material breach by the other party or the occurrence of an event of default and otherwise on 45 days' notice. The Depositary is to ensure that any custodian and any person who maintains the registers of Share Depositary Interests is a member of its group and may not assign or otherwise transfer its obligations under the Deed Poll without the Company's consent.

The Company is to pay certain fees and charges, including a set-up fee, an annual fee, a fee based on the number of SW Depositary Interests per year and certain CREST-related fees. The Depositary is also entitled to recover reasonable out-of-pocket fees and expenses.

Offshore Registrar Agreement

The terms of the offshore registrar agreement dated 24 July 2007 between the Company and the Registrar (acting in its capacity as the Share Registrar and the Warrant Registrar) under which the Company appoints the Registrar to act as the registrar of the Guernsey Offshore Registers in respect of the issued share capital of the Company and the Warrants (the "Offshore Registrar Agreement") are summarised below.

The Registrar agrees to follow all reasonable instructions given by the Company with regard to its duties as Registrar and will provide a registration and transfer office in Guernsey where it will keep the Offshore Registers and perform the services of a registrar with due diligence, reasonable skill and expertise. The Registrar assumes certain specific obligations, including, for example, to receive and register transfers and all other documents needed to maintain the Offshore Registers, to prepare and issue new share or warrant certificates and, as the case may be, to prepare and dispatch dividends and interest warrants.

The Company agrees to give such assistance to the Registrar as may be reasonably necessary to enable the Registrar to carry out its obligations under the agreement.

The Company is to indemnify the Registrar against all liabilities that may be suffered arising out of or in connection with the performance of its duties as Registrar, except such as may be due to fraud, negligence or wilful default of the Registrar or its agents. The aggregate liability of the Registrar in connection with the agreement is the lesser of £1,000,000 or an amount equal to 10 times the total annual fee payable to the Registrar under the agreement and excludes liability for indirect or consequential losses or damage, loss of profit, revenue, actual or anticipated saving and goodwill.

The Company may terminate the agreement on three months' notice to the Registrar, such notice to expire no earlier than the first anniversary of the date of the agreement. The Registrar may terminate the agreement on three months' notice to the Company. Both the Company and the Registrar may terminate the agreement immediately upon giving notice to the other party if the property of the other party being declared en désastre or that other party becoming insolvent or going into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or a receiver being appointed of any of its assets or if some event having equivalent effect occurs, or if the other party has committed a material breach and (if such breach shall be capable of remedy) the other party not making good such breach within 30 days of service upon the party in breach of notice requiring the remedy of such breach or, in the case of the Registrar, being in the opinion of the Directors guilty of fraud, wilful misconduct or gross negligence in the performance of its duties hereunder. The Company may terminate the agreement immediately upon giving notice in the event of the Registrar ceasing to be permitted to act as Registrar of the Company under any applicable law.

The Company is to pay certain fees, including a set-up charge, an annual maintenance fee, a UK Transfer Agency fee, a fee per transfer and certain CREST-related fees. The Registrar is also entitled to recover reasonable out-of-pocket expenses.

PART 13

TAXATION

1. United Kingdom

The following statements do not constitute tax advice. They are intended only as a general guide to current UK tax legislation and to what is understood to be the current practice of HM Revenue & Customs (both of which are subject to change, possibly with retrospective effect), and may not apply to certain classes of Shareholders, such as dealers in securities, or to Shareholders who are not absolute beneficial owners of their Shares.

The following statements only apply to Shareholders who are resident (and, in the case of individuals, ordinarily resident and domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment and who are the absolute beneficial owners of both the Shares and any dividends paid on them. They may not apply to certain Shareholders such as persons who acquired (or were deemed to have acquired) their Shares in connection with an office or employment, dealers in securities, insurance companies and collective investment schemes or those who hold 10 per cent. or more of the Shares. Such Shareholders may be subject to special rules, which are not covered in this note and should therefore seek separate professional advice.

Any person who is in doubt as to his tax position, or who is or may be subject to a tax in a jurisdiction other than the UK, should consult an appropriate professional advisor without delay.

1.1 *General*

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, United Kingdom taxation suffered by the Company. This will include managing and conducting the affairs of the Company so as to mitigate the risk of becoming resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein for United Kingdom taxation purposes), the Company should not be subject to United Kingdom income tax or corporation tax other than on United Kingdom source income.

1.2 *Gains*

UK Tax Resident Shareholders

The Directors understand that the Shares should not be regarded as interests in an offshore fund for the purposes of Part 8 of the United Kingdom Taxation (International and Other Provisions) Act 2010 and the Offshore Funds (Tax) Regulations 2009.

New Ordinary Shares subscribed pursuant to the Rights Issue

In accordance with HMRC's published interpretation of UK tax law, it is anticipated that the issue of New Ordinary Shares under the Rights Issue to Qualifying Shareholders would be regarded by HMRC as a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains.

To the extent that the issue of New Ordinary Shares under the Rights Issue is regarded as a reorganisation of the share capital of the Company, the New Ordinary Shares subscribed for together with the related Existing Shares should, for the purposes of UK taxation of chargeable gains, be treated as the same asset and as having been acquired at the same time as the Existing Shares. The amount paid for the New Ordinary Shares should be added to the base cost of the Existing Shares when computing any gain or loss on any subsequent disposal.

If, or to the extent that, the acquisition of New Ordinary Shares under the Rights Issue is not regarded as a reorganisation of the share capital of the Company, the New Ordinary Shares subscribed for by each Qualifying Shareholder under the Rights Issue should, for the purposes of UK taxation of chargeable gains, be treated as subscribed for as a separate acquisition of Shares.

Disposal or lapse of rights to acquire New Ordinary Shares

If a Qualifying Shareholder disposes of all or some of his rights to acquire New Ordinary Shares, or if he allows or is deemed to have allowed his rights to lapse in full or in part and receives a cash payment in exchange, depending on the Qualifying Shareholder's circumstances, this may result in a liability to tax on any chargeable gain realised. However, if the proceeds resulting from such a disposal or lapse are "small" compared with the value of the Existing Shares in respect of which the rights arose, the proceeds should instead be deducted from the base cost of the Existing Shares for the purposes of computing any chargeable gain or allowable loss on a subsequent disposal of the Existing Shares to which the rights related. HMRC will normally treat proceeds as "small" if the amount of the proceeds either does not exceed 5 per cent. of the market value of the Existing Shares held (measured immediately before disposal or lapse) or does not exceed £3,000. This treatment should not apply where the base cost of the relevant Existing Shares is less than the proceeds or the Qualifying Shareholder elects to disregard these "small disposal" rules and treat the proceeds as triggering a part disposal of his Existing Shares for chargeable gains purposes.

Existing Shareholders who do not subscribe for New Ordinary Shares pursuant to the Rights Issue

The Rights Issue should have no UK tax consequences for Shareholders who do not subscribe for New Ordinary Shares pursuant to the Rights Issue, provided that they do not receive any cash payment for the dilution of the value of their Existing Shares in consequence of the Rights Issue or a payment for their lapsed rights.

Disposal of Shares

Individual Shareholders

A disposal or deemed disposal of Shares by an individual Shareholder who is resident and/or ordinarily resident in the UK for tax purposes may give rise to a UK chargeable gain (or allowable loss) depending on their circumstances and subject to any available reliefs and exemptions.

For an individual Qualifying Shareholder, the principal factors that determine whether a chargeable gain is subject to UK capital gains tax depends on whether he has any unutilised annual exemption (the current threshold is £10,600) or allowable capital losses brought forward or realised in the same tax year. The applicable capital gains tax rates is currently 18 per cent. for a basic rate taxpayer and 28 per cent. for a higher rate and additional rate taxpayer.

Corporate Shareholders

If a UK resident Shareholder is within the charge to UK corporation, any disposal or deemed disposal of Shares realising a chargeable gain should be liable to corporation tax (at the prevailing rate) and not capital gains tax, subject to the Shareholder's circumstances and the availability of any reliefs and exemptions.

An indexation allowance may be available for the purpose of reducing any chargeable gain.

Temporary Non-UK Tax Resident Shareholders

An individual Shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five complete tax years is considered to be temporarily non-UK resident for capital gains tax purposes. A disposal of Shares during the period of temporary non-residence may be liable to UK capital gains tax in the tax year of resuming UK residency (subject to available exemptions or reliefs).

Non-UK Tax Resident Shareholders

A Shareholder who is not resident and, in the case of an individual, not ordinarily resident (and is not temporarily non-resident as described above) for tax purposes in the UK should generally not be liable for UK tax on chargeable gains realised on the disposal of his Shares. Broadly, this does not apply where such Shares are held or acquired in connection with a trade, profession or vocation carried on in the UK through a branch or agency, or, in the case of a corporate Shareholder, through a permanent establishment. Such Shareholders may be subject to foreign taxation on any gain under local law subject to the terms of any applicable double tax treaty.

1.3 ***Taxation of Dividends on Shares***

All Shareholders

The Company should not be required to withhold tax at source when paying a dividend.

UK Resident Shareholders – Individuals

A UK resident individual Shareholder should be entitled to a tax credit in respect of the dividend received and should be subject to UK income tax on the aggregate of the dividend received and related tax credit (the "gross dividend"), which should be treated as the top slice of the individual's income.

The value of the tax credit is currently an amount equal to one-ninth of the dividend received (or 10 per cent. of the gross dividend). A basic rate taxpayer should be subject to tax on the gross dividend at the rate of 10 per cent., so that the tax credit should satisfy in full such Shareholder's liability to income tax on the dividend.

An individual Shareholder who is a higher-rate taxpayer should be subject to income tax on the gross dividend at the rate of 32.5 per cent., but should be able to set the 10 per cent. tax credit against this liability. To the extent that the dividend falls within the higher rate tax threshold, the Shareholder should account for additional income tax equal to 25 per cent. of the cash dividend received.

An Individual Shareholder should be subject to income tax on his gross dividends at the additional rate of 42.5 per cent. to the extent that he has taxable income over £150,000, but should be able to set the 10 per cent. tax credit against this liability. To the extent that the dividend falls above the £150,000 threshold the Shareholder should account for additional income tax equal to 36.1 per cent. of the cash dividend received.

From 6 April 2013, the dividend rate for individual Shareholders with taxable income over £150,000 will be 37.5 per cent., but will be able to set the 10 per cent. tax credit against this liability. To the extent that the dividend falls above the £150,000 threshold, the Shareholder will have to account for additional income tax equal to 30.5 per cent. of the cash dividend received.

UK resident Shareholders whose income tax liability is less than the tax credit are not entitled to claim a repayment of any part of the tax credit associated with dividends paid by the Company.

UK Resident Shareholders – Corporate Entities

Subject to anti-avoidance rules, UK tax resident Shareholders who are within the charge to corporation tax are likely to be exempt from taxation on dividends paid by the Company. However such Shareholders should seek separate advice on this point from their professional advisors. Such Shareholders should not be entitled to reclaim repayment of tax credits attaching to dividends.

Non-UK Resident Shareholders

A non-UK resident Shareholder should not generally be entitled to a tax credit in respect of the dividend received. However, such a Shareholder may be entitled to a payment from HMRC of a proportion of the tax credit under a double tax convention or agreement between the UK and the country in which he is a resident (if applicable).

A non-UK resident Shareholder may be subject to foreign tax on the dividend received. Such a Shareholder should consult his own tax advisor on the incidence of taxation in the country in which he/she is resident, whether he is entitled to the benefit of any tax credit and the procedure for claiming any payments or reliefs due.

1.4 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

Issue of Shares

No stamp duty, and no SDRT, should be payable on the issue of the Shares pursuant to the Rights Issue.

Issue of Provisional Allotment Letters and Excess Application Form/Crediting of Rights

No stamp duty or SDRT should generally be payable on the issue of Provisional Allotment Letters or Excess Application Form or on the crediting of Nil Paid Rights or Fully Paid Rights in respect of Depositary Interests held in CREST.

Transfer of Shares, Warrants and Rights Issues

No stamp duty should be payable on an instrument of transfer of the Shares, Warrants, Nil Paid Rights or Fully Paid Rights unless such instrument of transfer is executed within, or in some circumstances brought into, the UK. Provided the Shares, Warrants, Nil Paid Rights or Fully Paid Rights are not registered in a register by or on behalf of the Company kept in the UK and the Shares, Warrants, Nil Paid Rights or Fully Paid Rights are not paired with Shares, Warrants, Nil Paid Rights or Fully Paid Rights issued by a company incorporated in the UK, an agreement to transfer the Shares, Warrants, Nil Paid Rights or Fully Paid Rights should not be subject to SDRT.

Transfer of Depositary Interests

No SDRT should be payable on an agreement to transfer Depositary Interests in respect of the underlying Shares, Warrants, Nil Paid Rights or Fully Paid Rights effected within CREST, provided the management and control of the Company is not exercised in the UK, the Shares, Warrants and Nil Paid Rights or Fully Paid Rights are not registered in a register kept in the UK by, or on behalf of, the Company and the Shares, Warrants, and Nil Paid Rights or Fully Paid Rights are listed on a recognised stock exchange.

1.5 ***Inheritance Tax***

The Shares should be regarded as assets situated in the UK for the purposes of UK inheritance tax. On the death of the individual Shareholder or his gifting of such Shares, there may be a charge to UK inheritance tax, subject to any exemptions or reliefs available at the time. This may be so even if the Shareholder is neither domiciled in the UK nor deemed to be UK domiciled under certain rules relating to long-term residence or previous domicile status. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Shareholders should consult an appropriate tax advisor if they make a gift or transfer at less than market value.

1.6 ***Other UK Tax Considerations***

Individual Shareholders who are ordinarily resident in the UK should be aware of the Transfer of Assets Abroad income tax anti-avoidance provisions of chapter 2, Part 13 of the Income Taxes Act 2007. These provisions contain anti-avoidance rules dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation on undistributed profits of the Company. The provisions apply where an individual has the power to enjoy the income of the company in a form that would otherwise not be subject to UK income tax and the relevant exemptions are not available.

More generally, the attention of Shareholders is also drawn to the provisions of Chapter 1, Part 13 of the Income Taxes Act 2007 which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

The attention of companies resident in the UK is drawn to the fact that the "controlled foreign companies provisions" contained in sections 747 to 756 of the Income and Corporation Taxes Act 1988 could be material to any resident company that holds alone, or together with certain other associated persons, 25 per cent., or more of the Shares, if at the same time the Company is controlled by companies or any other persons who are resident in the United Kingdom for taxation purposes. Persons who may be treated as "associated" with each other for these purposes include two or more companies, one of which controls the other(s) or all of which are under common control. The effect of such provisions could be to render such companies liable to United Kingdom corporation tax in respect of undistributed income profits of the Company.

In respect of the "controlled foreign company" provisions, new rules are currently proposed, and may be applicable for companies resident in the UK from the first accounting period beginning on or after 1 January 2013. At the time of writing, these rules are not yet enacted (however, the rules will come into force on or after the date of Royal Assent).

The attention of United Kingdom resident or ordinarily resident (and if an individual, resident or ordinarily resident and domiciled) Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the Company would, if UK resident, be a close company, a portion of capital gains made by the Company can be attributed to an Investor who, alone or together with associated persons, has more than a 10 per cent. interest in the Company.

2. British Virgin Islands

This summary is based on the laws and regulations now in effect and available as at the date hereof. The laws and regulations, however, may change at any time, and any change could be retroactive to the date of issuance of its Shares.

The Company is, and intends to continue to qualify for exempt status for the purposes of taxation so as to remain, exempt from tax in the British Virgin Islands.

Under the present laws of the British Virgin Islands, dividends remitted to Shareholders resident outside the British Virgin Islands will not be subject to withholding tax in the British Virgin Islands. In the British Virgin Islands, there are no taxes on profits or income, nor is there any capital gains tax, estate duty or inheritance tax applicable to Shares held by non-residents of the British Virgin Islands. The Company is not subject in the British Virgin Islands to stamp taxes or other similar duties on the issuance, transfer or redemption of its Shares.

PART 14

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 51 of this document, and the Company accept responsibility for the information contained in this document. To the best knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omissions likely to affect its import.

2. Incorporation

The Company was incorporated in the British Virgin Islands with registration number 575581 on 5 January 2004 with limited liability and of unlimited duration under the provisions of the International Business Companies Act (Cap. 291). The Company voluntarily re-registered as a BVI Business Company under the BVI Companies Act on 17 November 2006 with registration number 1064910. The registered office of the Company is Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands (telephone number care of +65 6536 6177). The Company does not intend to seek registration or licensing in any jurisdiction or with any supervisory or regulatory authority outside the British Virgin Islands. The Company does not have a principal place of business as the Company carries out its principal activities under the advice of its Investment Manager. The principal legislation under which the Company operates is the BVI Companies Act and the Company is not regulated by the Financial Services Authority or any other overseas regulator.

3. Share Capital

3.1 *Authorised*

As at the Company's date of incorporation, its authorised share capital was U.S.$50,000, divided into 50,000 shares of par value U.S.$1.00 each. On 16 February 2004, the Company's authorised share capital was amended to 50,000 shares of no par value and all issued Shares were converted to no par value status. On 6 June 2005, the Company ceased to have an authorised capital and was authorised to issue one class and one series of shares divided into 1,000,000,000 shares of no par value. The current Memorandum and Articles of Association, which were adopted on 13 July 2007, provide the Company with the ability to issue an unlimited number of no par value Shares.

3.2 *Issued*

As at the date of its initial capitalisation, the Company's issued share capital of U.S.$2.00 comprised of two ordinary shares of par value U.S.$1.00 each fully paid. Details of the Company's issued share capital as at the date of its initial capitalisation and its issued share capital at the end of each financial period prior to the date of this document are as follows:

	Number of Shares Issued	**Paid-up Share Capital (U.S.$)**
Issued share capital as at the date of the Company's initial capitalisation[1]	2	2
31 December 2004	2	2
31 December 2005	57,010,911	55,760,536
31 December 2006	94,673,775	101,369,196
31 December 2007	338,259,976	306,365,214
31 December 2008	338,259,976	302,407,529
31 December 2009	338,259,976	302,407,529
31 December 2010	344,439,211	306,498,065
31 December 2011	346,498,956	306,975,366

Note:

(1) Based on par value of U.S.$1.00 per Share. The Company's initial capital was subscribed on 15 June 2004.

3.3 ***Changes in Issued and Authorised Share Capital***

During the three financial years ended 31 December 2009, 2010 and 2011 and for the period between 1 January 2012 and the Latest Practicable Date, there have been the following changes in the issued and authorised share capital of the Company:

(i) in the financial year ended 31 December 2010, 6,179,235 Management Shares in aggregate were issued to the Investment Manager pursuant to the Investment Manager remuneration arrangements as set out in "Part 3 – The Investment Manager Group". A total of 344,439,211 Shares of no par value were in issue as at 31 December 2010; and

(ii) on 4 August 2011, 2,059,745 Management Shares were issued to the Investment Manager pursuant to the Investment Manager remuneration arrangements as set out in "Part 3 – The Investment Manager Group". A total of 346,498,956 Shares of no par value were in issue as at the Latest Practicable Date.

The following table shows the authorised and issued share capital of the Company as at the Latest Practicable Date and as it is expected to be immediately following completion of the Rights Issue. The issuance of a total of 166,665,997 New Ordinary Shares as part of the Rights Issue will result in a change in the Company's issued and paid-up share capital. The number of Shares immediately following completion of the Rights Issue assumes that no Share Options or Warrants are exercised between the date of this document and completion of the Rights Issue.

	Existing Shares		**Shares following Rights Issue**	
	Number	*Amount (U.S.$)*	*Number*	*Amount (U.S.$)*
Authorised	Unlimited	Unlimited	Unlimited	Unlimited
Issued and fully paid	346,498,956	306,975,366	513,164,953	399,975,366

3.4 ***Warrants, Share Options and Management Shares***

The Warrants and the Share Options, if exercised, would convert into Shares equal to 14.9 per cent. and 16.6 per cent., respectively, of the fully diluted issued Share capital of the Company. This figure includes: (i) the Shares to be issued in connection with the Rights Issue; and (ii) the Rights Issue Share Options to be granted (see paragraph entitled "Share Options" below). This figure excludes: (a) Shares held in treasury, if any; (b) the 2,059,746 Management Shares that may be issued after 30 September 2012 (see paragraph entitled "Management Shares" below); (c) any additional Management Shares that shall be issued on the exercise of Warrants and (d) any Warrants or Share Options whose issuance is triggered as a result of the Rights Issue (as referred to in paragraph 3.5 below).

In addition to the Management Fee payable to the Investment Manager each quarter (see paragraph 5.1 ("Management Fee") of "Part 3 – The Investment Manager Group"), and in contrast to the carried interest payment on net realised gains that is paid in a typical private equity vehicle, the Investment Manager is compensated through the issuance to it of Share Options and Management Shares (see paragraph 9.4 ("Alignment of Investment Manager and Shareholder Interests") of "Part 1 – The Business and the Investment Portfolio") for more information.

Share Options

Initial Share Options representing 82,782,691 Shares with an exercise price of U.S.$1.00 each were granted to the Investment Manager pursuant to the Investment Management and Advisory Agreement on 3 August 2008 (deferred from the date of the IPO). All of the Initial Share Options have vested, and none has to date been exercised. If unexercised, the Initial Share Options will expire in August 2018.

Following the Rights Issue, the Company intends to grant the Rights Issue Share Options with an exercise price equal to the Issue Price to the Investment Manager in accordance with the Share Options Terms. The Rights Issue Share Options will be issued as a result of the change to the Capital of the Company following the Rights Issue. The Rights Issue Share Options will vest in five equal tranches over a period of five years from the date of grant. The first tranche will vest on the first anniversary of their date of grant, and each subsequent tranche will vest on the following anniversaries. The Rights Issue Share Options will be exercisable up to the 10th anniversary of the date of grant.

The number and exercise price of the Share Options may be adjusted as a result of the Rights Issue in accordance with the mechanism which is substantially the same as the formulae that apply to the Warrants, as summarised in "Part 10 – Summary of the Terms of the Warrants", save that the process is applied by the Share Options Terms Committee rather than an "Approved Bank", although the Share Options Terms Committee may, if it deems fit, appoint any commercial bank or investment bank of international repute to assist it in its determination.

Please see paragraph 3.5 below for further information on the Share Options.

Management Shares

As at the Latest Practicable Date, an aggregate of 8,238,980 Management Shares have been issued to the Investment Manager since the IPO, in addition to the 7,129,209 Management Shares held by the Investment Manager prior to the IPO.

The Investment Manager is eligible to receive up to 2,059,746 further Management Shares on the NAV Approval Date after 30 September 2012 if, following the calculation of the NAV per Share as at the relevant Quarter End Date, the NAV per Share is greater than U.S.$1.00 (taking into account the potential issuance of the 2,059,746 Management Shares).

No additional Management Shares shall be issued as a result of the Rights Issue.

Warrants

108,565,365 Warrants were issued on 31 July 2007, none of which has been exercised as at the date of this document. The number and exercise price of the Warrants may be adjusted as a result of the Rights Issue in accordance with the relevant formulae set out in "Part 10 – Summary of the Terms of the Warrants". More details regarding the Warrants are set out in "Part 10 – Summary of the Terms of the Warrants".

Interest of Directors and Investment Manager

A total of 8,238,980 Management Shares and 82,782,691 Share Options (excluding the Rights Issue Share Options) are currently held by the Investment Manager. 6,251,497 Warrants were issued to the Investment Manager, of which 5,294,724 Warrants are now held by Anil Thadani and Sunil Chandiramani as set out in paragraph 7 below and the remainder by other members of the Investment Management Team. Anil Thadani and Sunil Chandiramani are shareholders in the Investment Manager and therefore have a deemed interest in the Management Shares and Share Options held by the Investment Manager.

Save in respect of the Share Options and the Warrants, no person (including any of the Directors) has been, or is entitled or proposed to be entitled to be, given an option to subscribe for any Shares in or debentures of the Company.

3.5 ***Terms of the Share Options***

Pursuant to the Investment Management and Advisory Agreement, the terms and conditions of the Share Options are set out in the Share Options Terms. The Share Options Terms are governed by the laws of Singapore and are administered by the Share Options Terms Committee. The Share Options Terms provide the Investment Manager (together with any assignee of the Investment Manager) with the right to be granted Share Options representing Shares equal to 20 per cent. of the issued share capital of the Company (excluding the Management Shares (which, for the purpose of this calculation, includes the 7,129,209 Management Shares issued to the Investment Manager prior to the IPO) and assuming the exercise of all of the issued Share Options) at any given time. In accordance with this principle, the Share Options Terms therefore provide that, in the event of a variation in the share capital of the Company (whether by way of a capitalisation of profits or reserves, placing or rights issue, reduction, subdivision, consolidation, distribution, issuance of Shares pursuant to any Warrants or otherwise), new Share Options shall be granted to the Investment Manager (being Future Share Options). The Rights Issue Share Options are being issued on this basis. The Share Options Terms also include an adjustment mechanism to the number and exercise price of existing Share Options (excluding any lapsed or exercised Share Options) in respect of any such capital variation. The formulae for these adjustments are substantially the same as that which applies to the Warrants, as summarised in "Part 10 – Summary of the Terms of the Warrants", save that the process is applied by the Share Options Terms Committee (acting reasonably) rather than the "Approved Bank", although the Share Options Terms Committee may, if it deems fit, appoint any commercial bank or investment bank of international repute to assist it in its determination. The Rights Issue may therefore result in an adjustment to the number of and exercise price of Share Options pursuant to this mechanism.

Pursuant to the Share Options Terms, the 82,782,691 Initial Shares Options vest in five equal tranches on an annual basis. The first tranche of Initial Share Options vested on 3 August 2008 and the second, third and fourth tranches vested on the respective anniversaries of 3 August. The fifth tranche of 16,556,539 Initial Share Options vested on 3 August 2012. The exercise price for the Initial Share Options is U.S.$1.00, subject to the adjustment mechanism set out in the Share Options Terms.

The exercise price for Future Share Options which are issued as a result of the exercise of Warrants is U.S.$1.25 and the exercise price for other Future Share Options, where the Future Share Options are granted due to a new allotment and issue of Shares, is the issue price of such new allotment and issue (and therefore, for the Rights Issue Share Options, is the Issue Price) or, if this is not applicable or would be prejudicial to any holder of the Company's securities, such price as shall be determined by the Share Options Terms Committee acting reasonably, taking into account the prevailing circumstances at the time of the exercise of each Future Share Option, and is in each case subject to the adjustment formulae set out in the Share Options Terms, as referred to above.

3.6 *Share and Loan Capital*

Save as disclosed in this document, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital and no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3.7 *Share Purchases and Buy Backs*

The Company obtained approval from its Shareholders on 12 August 2009 to establish a share purchase programme of up to 14.99 per cent. of its share capital. However, no Shares were purchased under this authority, which expired on 29 April 2010, the date of the Company's 2010 annual general meeting. At the Company's 2012 annual general meeting, the Shareholders granted the Company the authority for market purchases of its Shares until its annual general meeting in 2013. It is the Company's intention to seek authority from its Shareholders on an annual basis to repurchase Shares in the market at prices below its NAV per Share. The Company will seek to use these share repurchase powers on an opportunistic basis with a view to enhancing returns for its Shareholders.

3.8 *Treasury Shares*

As at the Latest Practicable Date, none of the share capital of the Company was held as treasury shares.

4. Significant Subsidiary

4.1 *Subsidiaries*

The Company is the parent company of the Group. The following table contains a list of the significant subsidiaries of the Company as at the Latest Practicable Date. The principal activity of all of the Company's subsidiaries is investment holding. Each of these companies is directly or indirectly, wholly or substantially, owned by the Company and the issued shares of which are fully paid and each will be included in the consolidated accounts of the Group:

Name	Country of incorporation	Proportion of ownership interest
Adema Holdings Limited	BVI	100%
Anshil Limited	BVI	100%
Bacharach Holdings Limited	BVI	100%
Britten Holdings Pte Ltd	Singapore	100%
Bublé Holdings Limited	BVI	100%
Daphon Holdings Pte. Limited.	Singapore	100%
Gabrieli Holdings Limited	BVI	100%
Groupe CL Pte. Ltd.	Singapore	100%
Haydn Holdings Pte Ltd	Singapore	100%
Lennon Holdings Limited	Mauritius	100%
Lloyd Webber Holdings Limited	BVI	100%
Maurizio Holdings Limited	BVI	100%
McCartney International Limited	Mauritius	100%
O'Sullivan Holdings Limited	BVI	100%
Pavarotti International Limited	Mauritius	100%
Rank High Limited	Hong Kong	92.1%
Ravel Holdings Pte. Ltd.	Singapore	100%
Schubert Holdings Pte. Ltd.	Singapore	100%
Symphony Capital Partners Limited	Mauritius	100%
Symphony Healthcare Holdings Limited	BVI	100%
Symphony International Limited	Mauritius	100%
Symphony Investment Management Limited	BVI	100%
Teurina Limited	BVI	100%
True United Limited	BVI	100%
True Wisdom Limited	BVI	100%

4.2 ***Joint Ventures***

Details of the joint ventures of the Group, as at the Latest Practicable Date are as follows:

Name of Joint Venture	Country of incorporation	Ordinary share equity interest (%)	Preference share equity interest (%)	Principal activity
AFC	Singapore	–	19.2	Television Broadcasting
C Larsen[(1)]	Singapore	0.1	100	Investment Holding
Desaru	Malaysia	–	49	Investment Holding
Minuet[(2)]	Thailand	49.98	–	Property Development
SG Land	Thailand	49.9	–	Real Estate
Niseko Property JV	Hong Kong	37.5	–	Investment
Maison Takuya[(3)]	Singapore	–	7.44	Holding
Sliver Prance Limited	Hong Kong	37.5	–	Investment Holding

Notes:

(1) The Company also has a 0.1 per cent. interest in Chanintr Living Limited, which is a Thai incorporated subsidiary of C Larsen. Its principal activity is the distribution of furniture.

(2) This includes the Company's 49 per cent. equity interest in a Thai incorporated company, La Finta Limited, which itself holds a 2 per cent. interest in Minuet.

(3) The Company's investment is in a company called Privée Holdings Pte. Ltd.

5. Additional Material Investment Information

Material Investment	Issued Share Capital	Reserves	Profit/loss after tax for year ended 31 December 2011	Dividends received in year ended 31 December 2011	Amount of debt owed to the Group[7]
MINT[6]	3,275,224,580 shares of THB1.00 each[10]	U.S.$6,406,804[2][3]	U.S.$96,255,726[2]	U.S.$1,165,476[4]	Nil
P-REIT[6]	604,970,000 issued units	U.S.$129,381,054[2]	U.S.$81,084,367[2]	U.S.$2,712,830[5]	Nil
Minuet[6]	50,000 shares of THB100 each[10]	Nil	(U.S.$20,488,748)[2]	Nil	U.S.$130,754,791[2]
Desaru[6]	51,000 ordinary shares of RM1.00 each and 1,835,730 redeemable preference shares of RM0.01 each[8]	N/A[1]	N/A[1]	N/A[1]	Nil
IHH[6]	8,057,080,242 shares of RM1.00 each[9]	U.S.$86,396,000	U.S.$123,547,000	Nil	Nil

Notes:

(1) As at the Latest Practicable Date, Desaru was not yet required to prepare audited accounts as a result of its recent incorporation – Desaru was incorporated on 28 September 2011. The information is therefore not available.

(2) The U.S. Dollar amounts have been calculated based on the average of the monthly average closing rates for the year. The rates are U.S.$1.00: THB30.41 (Minuet and MINT), U.S.$1.00: S$1.26 (P-REIT).

(3) This figure includes the legal reserve and other components of equity (remeasuring of available-for-sale investment, translation adjustment and actuarial gains on employee benefits).

(4) Dividends received are net of 10 per cent. withholding tax and the U.S. Dollar amount has been calculated using the monthly average closing rate for the prior month.

(5) The U.S. Dollar amount has been calculated using the average monthly closing rate for the prior month.

(6) There are no outstanding amounts to be paid up by the Group in respect of the shares held by it in this Material Investment. The Company will subscribe for 49,000 ordinary shares of RM1.00 each in Desaru when certain conditions have been satisfied.

(7) No amount is owed by the Group to the Material Investments.

(8) As at 28 September 2012.

(9) Based on IHH's enlarged issued share capital at the time of its initial public offering in July 2012.

(10) As at 31 December 2011.

6. Memorandum and Articles of Association and BVI Law

The following statements are brief summaries of the more important rights and privileges of Shareholders conferred by the laws of the British Virgin Islands and the Memorandum and Articles of Association. These statements summarise the material provisions of the Memorandum and Articles of Association (and, where appropriate, provide guidance on BVI law) but are qualified in their entirety by reference to the Memorandum and Articles of Association and the laws of the British Virgin Islands.

The Memorandum and Articles of Association state that the liability of Shareholders is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them. The Memorandum and Articles of Association also set out the objects for which the Company was formed, which are that the Company has full capacity to carry on or undertake any business or activity, do any or enter into any transaction and has full rights, powers and privileges for such purpose. In addition, the Memorandum and Articles of Association set out the powers of the Company.

6.1 *Shareholder Rights*

Under the BVI Companies Act, only persons who are registered on the Company's register of shareholders are recognised as its Shareholders. Persons whose Shares are deposited with the Depositary and who are named as depositors in the depositary register maintained by the Share Depositary Registrar will not be recognised as Shareholders under the laws of the British Virgin Islands and will hold their Shares and exercise their rights through the Depositary. Shareholders shall, subject to any other rights or restrictions attached thereto:

(i) be entitled to receive notice of, and attend, any meeting of the Company and shall be entitled to one vote per Share on all matters;

(ii) be entitled to such dividends as may be declared by the Directors from time to time; and

(iii) in the event of the liquidation or dissolution of the Company, whether voluntary or involuntary, or as part of a reorganisation or otherwise be entitled to receive an equal share in the distribution of the surplus assets of the Company.

6.2 ***Resolutions and the Voting Rights of Shareholders***

Each Shareholder is entitled to receive notice of, and attend, every Shareholders' meeting.

The general corporate law of the British Virgin Islands does not distinguish between "ordinary", "extraordinary" or "special" resolutions but the Memorandum and Articles of Association provide for two types of resolutions as follows:

(i) "Resolution" means:

(a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of the holders of a majority of in excess of 50 per cent. of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or

(b) a resolution consented to in writing by the holders of a majority of in excess of 50 per cent. of the votes of Shares entitled to vote thereon.

(ii) "Special Resolution" means a resolution that has been passed by the holders of at least 75 per cent. of the votes cast by Shareholders entitled to vote on the particular resolution before the general meeting or a resolution in writing signed by all the Shareholders (entitled to vote thereon). A Special Resolution is required for the following matters:

(a) to voluntarily wind up the affairs of the Company by the appointment of a voluntary liquidator; or

(b) to alter the Memorandum and Articles of Association.

Accordingly, save as provided by the BVI Companies Act and the Memorandum and Articles of Association and as described below, any question proposed for the consideration of the Shareholders will be decided in a general meeting by a simple majority of the votes cast, either on a show of hands or on a poll. Generally, each Shareholder present (and each person holding proxies for any Shareholder) is entitled to one vote on a show of hands or, on a poll, one vote for each fully paid Share held by the Shareholder on all matters submitted to a vote of Shareholders. If more than one joint holder of Shares is present at a meeting in person or by proxy, only the vote of the holder whose name appears first in the register of Shareholders counts. The chairman of the meeting does not have a second or casting vote. No Shareholder (who is otherwise entitled to vote) shall, unless the Directors otherwise determine, be permitted to vote at any general meeting unless all calls or other sums presently payable by the Shareholder in respect of his Shares have been paid.

Written resolutions are permitted for all Shareholder resolutions other than removal of an auditor and the level of approval required to pass them depends on whether they are a Resolution or a Special Resolution as detailed above.

6.3 ***Dividends***

The Company may, in accordance with the provisions of section 57 of the BVI Companies Act, declare a dividend to be paid, in cash or *in specie*, to its Shareholders in proportion to the number of shares held by them. The Directors may, by resolution, authorise a distribution by way of dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and it will be able to pay its debts as they fall due. The Directors may deduct from the dividend payable to any Shareholder all monies due from such Shareholder to the Company on account of calls or otherwise in respect of Shares in the Company.

Notice of any dividend that may have been declared shall be given to each Shareholder as specified in the Memorandum and Articles of Association and any dividend which has remained unclaimed for three years from the date of declaration of such dividend shall automatically be forfeited and revert to the Company. Under the laws of the British Virgin Islands, there are no express provisions prohibiting or restricting the repatriation of capital and the remittance of profits by or to the Company.

The Company's Shares rank *pari passu* between themselves for the payment of dividends and other distributions which will be paid to each Shareholder *pro rata* to their holdings.

Dividends may be paid in money, shares or other property. If dividends are declared to be paid in cash, such payments will only be made to Shareholders in U.S. Dollars.

No dividend shall bear interest as against the Company and no dividend shall be paid on treasury shares.

6.4 ***Variation of Share Rights***

Subject to the BVI Companies Act and the Listing Rules, the Memorandum and Articles of Association provide that, if at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class may, whether or not the Company is in liquidation, only be varied:

(i) in such manner (if any) as may be provided by those rights; or

(ii) in the absence of any such provision, with the consent in writing of the holders of 75 per cent. in nominal value of the issued shares in that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

The special rights conferred upon the holders of any Shares or class of Shares shall not, unless otherwise expressly provided by the rights attaching to, or the terms of issue of, such Shares, be deemed to be altered by the creation or issue of further Shares ranking *pari passu* therewith.

6.5 ***Share Issuance and Transfer***

The Company has the power to issue and redeem its Shares subject to the Memorandum and Articles of Association. The Memorandum and Articles of Association provide that the Company's unissued Shares are at the disposal of the Board, which may, subject to applicable law and provisions of the Memorandum and Articles of Association, offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine, provided always that (a) no Shares shall be issued to transfer or create a controlling interest in the Company without a Special Resolution of the Shareholders approving the same and (b) the Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of Shares or securities on such terms as it may from time to time determine, provided that such issue must be specifically approved by the Company in general meeting if required by the rules or regulations of the London Stock Exchange.

For the purposes of the paragraph above, a "controlling interest" shall mean the acquisition by one or more related persons of such number of Shares or any securities convertible or exchangeable into Shares in the Company entitling the holders thereof to exercise in excess of 50 per cent. of the total voting rights of all issued Shares in the Company and "related persons" means the persons who, for a common objective or for purposes of acquiring a controlling interest (as defined in this paragraph 6.5), pursuant to an agreement or understanding (formal or informal), directly or indirectly, co-operate by agreeing to acquire Shares or any securities convertible or exchangeable into Shares or voting rights in the Company.

The Directors may refuse to register any transfer of Shares if the registration of the transfer would result in a contravention of or failure to observe the provisions of any applicable law or the Listing Rules, or if the transfer is of Shares over which the Company has a lien or which are subject to forfeiture, or if the Directors are permitted to refuse the transfer under the Listing Rules. The decision of the Directors relating to the registration of a transfer is absolute.

Issuance and transfer of Shares to any person regarded as resident in the British Virgin Islands or between persons regarded as non-resident in the British Virgin Islands does not require any third-party approval under the laws of the British Virgin Islands.

The Memorandum and Articles of Association entitle every Shareholder to a certificate specifying the number of Shares held by him and signed on behalf of, or under the seal of, the Company.

Notwithstanding the preceding paragraph and subject to the BVI Companies Act and the rules of the London Stock Exchange, the Board without further consultation with the holders of any Shares or securities of the Company may resolve that any class or series of Shares or other securities of the Company from time to time in issue or to be issued may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form in accordance with the Regulations and practices instituted by the operator of the relevant system and no provision of the Memorandum and Articles of Association will apply to any uncertificated share or other securities of the Company to the extent that they are inconsistent with the holding of such shares or other securities in uncertificated form or the transfer of title to any such shares or other securities by means of a relevant system or any provision of the Regulations.

Conversion of Shares held in certificated form into Shares held in uncertificated form, and *vice versa*, may be made in such manner as the Board may, in its absolute discretion, think fit (subject always to the Regulations and the requirements of the relevant system concerned). The Company shall enter on the register of members how many Shares are held by each Shareholder in uncertificated form and in certificated form and shall maintain the register of members, in each case, as is required by the Regulations and the relevant system concerned. Notwithstanding any provision of the Memorandum and Articles of Association, a class or series of Shares shall not be treated as two classes by virtue only of that class or series comprising both certificated Shares and uncertificated Shares or as a result of any provision of the Memorandum and Articles of Association or the Regulations which apply only in respect of certificated or uncertificated Shares.

"Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001/3755); and

"relevant system" means a relevant system as referred to in the Regulations to include CREST.

The Directors may, subject to the BVI Companies Act and the Memorandum and Articles of Association, issue Shares or options over Shares in, and other securities of, the Company, rounded down to the nearest whole number and at such price as the Directors may determine from time to time. Fractional shares or other securities may not be issued.

6.6 ***Alterations to Share Capital***

The Memorandum and Articles of Association require a Special Resolution in circumstances where the Company wishes to issue new Shares if, at the date that the Board resolves to issue such Shares, more than 30 per cent. of the Company's Capital is held in temporary investments or on deposit with commercial banks or if the Shares to be issued would exceed 50 per cent. in value of its Capital, save, in each case, for:

(i) an issue of Shares in payment of all or part of the purchase price for an investment, provided that (a) such new Shares are issued either at no discount or at a discount of no more than 10 per cent. of the NAV (based on a NAV valuation produced specifically for the purposes of such issue), (b) the issue will not create an obligation on the subscriber or parties acting in concert with it to make a mandatory offer for the Shares and (c) when aggregated with other Shares issued in payment of all or part of the purchase price for an investment in any calendar year, the aggregate value does not exceed 50 per cent. of the aggregate of the Company's outstanding borrowings and issued share capital at the beginning of that calendar year;

(ii) an issue of Shares pursuant to the exercise of Share Options or Warrants;

(iii) the issue of Management Shares; and

(iv) the issue of Shares pursuant to the exercise of rights of conversion by the holders of convertible securities issued by the Company.

Further, at any time when less than 30 per cent. of the Company's Capital is held in temporary investments or deposited with commercial banks, the Investment Manager will be able to raise, subject to the approval of a sub-committee of the Board comprising of the Key Persons who are Directors of the Company, further finance (through the issuance of further shares and/or through other financing arrangements) in its name without the consent of Shareholders or holders of any other securities.

Subject to the provisions of the BVI Companies Act and the Memorandum and Articles of Association, and without prejudice to any special rights conferred on the holders of any issued shares, options or other securities, the Board may establish one or more classes and/or series of shares having such number of shares, designations, dividend rates, voting rights, conversion or exchange rights, liquidation rights and other relative participation, optional or other special rights, qualifications or limitations or restrictions as may be determined by the Board without any further approval by Shareholders.

6.7 ***Purchase of Shares***

The Company may, pursuant to the provisions of section 59 of the BVI Companies Act and the Memorandum and Articles of Association, purchase or redeem its Shares on such terms and in such manner and at such price as may be determined, having regard to the asset value of such Shares as ascertained in accordance with the Memorandum and Articles of Association, provided the Directors are satisfied, on reasonable grounds, that the Company will, immediately after the repurchase, satisfy the solvency test set out in section 56 of the BVI Companies Act. Shares redeemed or repurchased by the Company may be held as treasury shares.

6.8 ***Meetings of Shareholders***

The Company will hold its annual general meeting of Shareholders within four months of the fiscal year end. The annual general meeting will be convened at least once in every year and not more than 15 months after the holding of the last preceding annual general meeting.

Any Director may convene a meeting of Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the Directors consider necessary or desirable. In addition, upon the written request of Shareholders entitled to exercise 30 per cent. or more of the voting rights attaching to Shares in respect of the matter for which the meeting is requested, the Directors shall convene a general meeting.

The notice period for general meetings is set out in the Memorandum and Articles of Association and provides that a general meeting requires not less than 14 days' notice (provided that, where a Special Resolution is to be considered at the general meeting, not less than 21 days' notice must be given).

In addition, general meetings may be called upon shorter notice if Shareholders holding all of the total voting rights on all matters to be considered at the meeting have waived the requirement for notice of the meeting.

Quorum for Shareholder Meetings

Under the laws of the British Virgin Islands, the number of shareholders constituting a quorum at any general meeting of shareholders of a company is determined by the memorandum and articles of association of the company. The Memorandum and Articles of Association provide that the presence in person or by proxy of two Shareholders (who are entitled to vote at the general meeting) constitutes a quorum, provided, however, that, if the Company or a class of Shareholders should have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.

6.9 ***Directors***

Election or Removal of Directors

Under the Memorandum and Articles of Association, Directors are elected by a resolution of the Board (subject to the restrictions and procedure set out below) and serve for the term, if any, fixed by the resolution appointing them until their death, resignation or removal.

The Directors currently do not have a fixed term of office and may be removed and replaced at any time, subject to the following procedure:

(i) any proposal for the replacement or removal of one or more Directors shall be considered by the Nominations Committee who shall assess the suitability of the candidates proposed (and any Director who is the subject of the removal proposal shall not participate in such assessment); and

(ii) if the Nominations Committee approves the candidate(s) proposed, they shall convene a special meeting of the Board to vote on the removal and replacement of the relevant Director(s).

The Directors have not entered into service contracts with the Company.

Further, pursuant to the terms of the Investment Management and Advisory Agreement and the Memorandum and Articles of Association, if a Director who is also a Key Person is to be replaced, a new Director to replace such Key Person Director shall be nominated by the Investment Manager and the Board may reject such nomination by the Investment Manager only if it would be illegal to accept such nominee of the Investment Manager under any applicable law.

Directors' Interests

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine.

Limitations on Directors' Liability

Under the laws of the British Virgin Islands, a Director must observe the statutory duty of care which requires such Director to act honestly and in good faith with a view to the best interests of the Company and to exercise the same care, diligence and skill that a reasonable Director would exercise in the same circumstances, taking into account, but without limitation, (a) the nature of the company, (b) the nature of the decision and (c) the position of the Director and the nature of the responsibilities undertaken by him. Directors are also subject to common law fiduciary duties which require them to act *bona fide* in the best interests of the Company as a whole and for a proper purpose. Any provision in the Memorandum and Articles of Association or in a contract between the Company and a Director which exempts him from or indemnifies him against any liability in respect of any fraud or dishonesty of which he may be guilty in relation to the Company is void. A company's constitution can contain provisions indemnifying the directors of the company from liability as permitted under the laws of the British Virgin Islands. The Memorandum and Articles of Association include this broad indemnity for the Directors.

Indemnity of Directors

The Memorandum and Articles of Association contain provisions indemnifying the Directors from any losses, liabilities, costs or expenses in the discharge of their duties, except in the case of fraud or dishonesty. The Company has insurance policies in place and it may take up additional insurance cover as may be appropriate.

Position within the Company

A Director may hold any other office within the Company (except that of Auditor). Any number of offices may be held by the same person. Emoluments of all officers shall be determined by a resolution of Directors.

Shareholding Qualification for Directors

There is no shareholding qualification for Directors.

Conflict of Interest

A Director shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other Directors. A disclosure to all other Directors to the effect that a Director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

A Director who is interested in a transaction entered into or to be entered into by the Company may:

(i) vote on a matter relating to the transaction;

(ii) attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purposes of a quorum; and

(iii) sign a document on behalf of the Company, or do any other thing in his capacity as a Director, that relates to the transaction,

and, subject to compliance with the BVI Companies Act shall not, by reason of his office, be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

Director Remuneration

The Directors may, by resolution, determine the emoluments of Directors with respect to services to be rendered in any capacity to the Company. Notwithstanding the above, the Memorandum and Articles of Association provide that the maximum aggregate fees payable by the Company to the Company's Independent Directors in any one calendar year shall not exceed U.S.$150,000 per Independent Director or such larger amount as the Audit Committee of the Directors may decide.

Borrowings

Subject to the Memorandum and Articles of Association, the Directors may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertakings, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or of any other persons. Notwithstanding the provisions of the previous sentence, at any time when less than 30 per cent. of the Company's Capital is held in temporary investment or deposited with commercial banks, the Investment Manager will be entitled to raise, subject to the approval of a committee of the Board comprising of the Key Persons who are Directors, further finance (through the issuance of further Shares and/or through other financing arrangements) in the Company's name without the consent of the Board as a whole or the Shareholders or the holders of any other securities.

Retirement

There is no restriction on retirement or non-retirement of a Director under an age limit requirement.

Family Relationship

With the exception of Mr. Sunil Chandiramani, who is a nephew of Mr. Anil Thadani, none of the Directors has any family relationship to one another or to any of the Company's Substantial Shareholders.

Arrangement or Understanding

There are no arrangements or understandings with any of the Company's Substantial Shareholders, customers or suppliers or other persons pursuant to which any of the Directors have been appointed.

6.10 *Amendment of the Memorandum and Articles of Association*

Subject to the provisions of paragraph 6.4 above, a Special Resolution of the Shareholders is required to alter the Memorandum and Articles of Association.

6.11 **Liquidation**

Under the Memorandum and Articles of Association, in the event that the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the BVI Companies Act, divide amongst the Shareholders *in specie* or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as the liquidator deems fair upon any property to be divided and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. Within each class of Shareholders, the division of assets shall be in proportion to the number of the Shares held by each such Shareholder.

Upon the occurrence of a liquidation, the holders of Shares would be entitled to share rateably in the distribution of all of the Company's assets remaining available for distribution after satisfaction of all its liabilities.

6.12 *Miscellaneous*

Warrants

The Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine, provided that such issue must be specifically approved by the Company in general meeting if required by the rules or regulations of the London Stock Exchange.

Inspection of Books and Records

The Shareholders have a right to receive copies of audited financial statements, which must be presented at the annual general meeting of Shareholders. A British Virgin Islands company is required to maintain the original or a copy of its share register in the British Virgin Islands and companies with shares traded on an appointed exchange may choose to hold their original share register outside of the British Virgin Islands. A British Virgin Islands company is required to keep at its registered office the original or a copy of its register of Directors. The laws of the British Virgin Islands do, however, provide a general right for Shareholders to inspect or obtain copies of the Memorandum and Articles of Association, the Share Register, the register of Directors and the minutes of meetings and resolutions of shareholders of those classes of shareholders of which they are a member, but the Directors may refuse such right if they are satisfied that it would be contrary to the interests of the Company to allow it.

Share Certificates

Every Shareholder is entitled to a certificate signed by a Director or officer, or any other person authorised by resolution of Directors, or under the Company's seal specifying the number of Shares held by him.

Any Shareholder receiving a certificate shall indemnify and hold the Company and the Directors and officers harmless from any loss or liability which the Company or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost, it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by resolution of the Directors.

No Limitations on Non-BVI Residents

There are no limitations on the rights of persons regarded as non-residents of the British Virgin Islands for foreign exchange control purposes who own Shares to hold or vote their Shares. There are no restrictions on the Company's ability to transfer funds in and out of the British Virgin Islands or to pay dividends to non-residents of the British Virgin Islands who are holders of Shares.

7. Current Shareholdings of the Directors

The Directors (and persons connected with the Directors) hold and will, after Rights Issue, hold the number of Shares and Warrants set out below. Following the Rights Issue, the Directors will beneficially own, in aggregate, approximately 12.5 per cent. of the enlarged issued share capital of the Company. There is no restriction on the Directors disposing of or transferring any part of their shareholdings, subject to the Company's internal policies on dealing in Shares by the Directors.

	Shares and Warrants owned before the Rights Issue				Shares and Warrants owned after the Rights Issue(3)(4)			
	(Shares)	*(%)*	*(Warrants)*	*(%)*	*(Shares)*	*(%)*	*(Warrants)*	*(%)*
Pierangelo Bottinelli	4,792,827	1.38	343,972	0.32	8,989,992	1.75	343,972	0.32
Georges Gagnebin..........	411,990	0.12	168,495	0.16	608,158	0.12	168,495	0.16
Rajiv K. Luthra	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Anil Thadani(1)................	20,496,336	5.92	3,787,287	3.49	43,055,113	8.39	3,787,287	3.49
Sunil Chandiramani(1).....	7,619,983	2.20	1,507,437	1.39	11,334,488	2.21	1,507,437	1.39

Notes:

(1) These figures include those Shares held by the Investment Manager in which Anil Thadani and Sunil Chandiramani have a beneficial interest by virtue of their 40 per cent. and 30 per cent. shareholdings in the Investment Manager, respectively (being 3,295,592 and 2,471,694 Shares respectively). Anil Thadani holds his remaining interest through ACTA International Limited and Sunil Chandiramani holds his remaining interest through Greater Heights Incorporated. They also have a beneficial interest in the Initial Share Options currently held by the Investment Manager of up to 40 per cent. and 30 per cent., respectively, and will be deemed to have a beneficial interest in the Rights Issue Share Options and any additional Share Options issued as a result of any adjustment made due to the Rights Issue, based upon their respective shareholdings in the Investment Manager at that time. A lower figure may be applicable depending upon how the Investment Manager allocates these Share Options. The Warrants that were issued to the Investment Manager have already been fully allocated by the Investment Manager.

(2) Under the Rights Issue, Anil Thadani intends to subscribe for a total of 9,858,737 New Ordinary Shares and is sub-underwriting a further 12,700,040 New Ordinary Shares, Sunil Chandiramani intends to subscribe for a total of 3,665,211 New Ordinary Shares and is sub-underwriting a further 49,294 New Ordinary Shares, Pierangelo Bottinelli intends to subscribe for a total of 2,305,349 New Ordinary Shares and is sub-underwriting a further 1,891,816 New Ordinary Shares and Georges Gagnebin intends to subscribe for a total of 198,168 New Ordinary Shares.

(3) The number of Warrants owned by the Directors after the Rights Issue excludes any adjustments to the number of Warrants (if applicable) as a result of the Rights Issue.

(4) The number of Shares owned by the Directors after the Rights Issue assumes the full take up of their Rights Issue Entitlement, and does not include application or allocation under the Excess Application Facility and includes, where applicable, any additional sub-underwriting commitment.

Save as set out above, and in paragraph 3.4, no Director has any interest in the share capital of the Company, nor does any person connected with any Director (so far as is known, or could with reasonable diligence be ascertained by each Director) have an interest in the share capital of the Company or in any Share Option or Warrants in respect of such capital.

Anil Thadani and Sunil Chandiramani are directors of the Investment Manager. The Investment Manager held 7,129,209 Management Shares prior to the IPO which have subsequently been transferred to the members of the Investment Management Team (including Anil Thadani and Sunil Chandiramani). Save as set out in this Part 14 ("Additional Information"), including paragraph 21 below, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and his private interests and any other duties.

8. Other Directorships and Partnerships

The present directorships and partnerships, other than those held in the Company, and the past directorships and partnerships of each of the Directors (i) as at the date of this document and (ii) in the five years preceding the date of this document are as follows:

Name	Present Directorships and Partnerships	Past Directorships and Partnerships
Pierangelo Bottinelli ..	Swiss Asia Capital Suisse Asia Limited Senso Holding Pte Ltd Rasoira Holding SA PS Ventures Pte Ltd PS Ventures Lanka (Pvt) Ltd Envipure Pte Lansdowne Partners International Limited Lansdowne Investment Company Limited Lansdowne European Equity Fund Limited Lansdowne European Long Only Master Fund Limited Lansdowne European Long Only Feeder Fund Limited Lansdowne European Long Only Fund Limited Lansdowne Global Financials Fund Limited Lansdowne Global Long Only Fund Limited Lansdowne Global Long Only Master Fund Limited Lansdowne GLOF Feeder Limited Lansdowne Global Financials Master Fund Limited Lansdowne UK Equity Fund Limited Lansdowne UK Strategic Investment Master Fund Limited Lansdowne UK Strategic Investment Fund Limited	Ferrari Idea Nexatio Audemars Piguet Group Holding
Georges Gagnebin......	Affichage Holding SA Lansdowne Partners International Limited Lansdowne European Equity Fund Limited Lansdowne European Long Only Master Fund Limited Lansdowne European Long Only Feeder Fund Limited Lansdowne European Long Only Fund Limited Lansdowne Global Financials Fund Limited	Fondation de 1'Auditorium du Jura Fondation pour le Comite International de la Croix Rouge Banque Julius Baer (Lugano) SA, Lugano Julius Baer Holding Ltd. Bank Julius Baer & Co. Ltd. Banque Ehinger & Cie AG, Basel Contrade Privatbank AG Commercial Services Corporation, Zurich Ehinger & Armand von Ernst AG

Name	Present Directorships and Partnerships	Past Directorships and Partnerships
Georges Gagnebin (*continued*).............	Lansdowne Global Long Only Fund Limited Lansdowne Global Long Only Master Fund Limited Lansdowne GLOF Feeder Limited Lansdowne Global Financials Master Fund Limited Lansdowne UK Equity Fund Limited Lansdowne UK Strategic Investment Master Fund Limited Lansdowne UK Strategic Investment Fund Limited Fondation du Verbier Festival et Academic	Ferrier Lullin & Cie SA Hyposwiss Privatbank AG UBS Optimus Foundation, Basel
Rajiv K. Luthra	Ankar Capital (India) Pvt. Ltd. Avery India Limited BHW Home Finance Limited Bird International Private Limited Botil Oil Tools India Pvt Ltd C.J. International Hotels Limited Delhi Golf & Country Club Private Ltd Employee Data Consulting Private Limited Fire Capital Fund Private Limited First Circle Financial Services Ltd. First Circle Holdings Private Limited Great Offshore Limited Guardian India Private Limited Heritage Resorts Limited High Mark Credit Information Pvt. Ltd. Hotel Scopevista Limited Lex & Legal Services Pvt Ltd Luthra & Luthra Advisory Private Limited Media Scape Private Limited Pench Power Limited Perot Systems India Foundation Petrolium Helicopters India Private Limited Pillai Investment Private Limited R M Advisory Co. Pvt. Ltd. Rashmi Online Private Limited RSH Distribution (India) Pvt. Ltd. Singing Hills Country Club Private Limited Smith Co-Generation (India) Private Unlimited Suprama International Private Limited Trishakti Financial Services Private Ltd.	Asia Cellular Satellite India Private Limited Baker Oil Tools (India) Private Limited Billion Names.com Private Limited Billion People dotcom Private Limited Exl Service.Com (India) Pvt. Ltd. Field Fresh Foods Private Limited First American Financial Services Pvt. Ltd. First American Securities Private Limited G C Nanda & Sons (India) Pvt. Ltd. ICF Consulting Imation (India) Pvt. Ltd. Johnson Matthey India Private Limited Lexlegal Advisors Pvt Ltd Manor Hotels India Pvt. Ltd. Pench Power Services Private Limited Power Technologies South Asia Private Limited RTC India Pvt. Ltd. Scotia Finance Private Limited TCG Aviation Private Limited TCG Power Limited Vivendi Water (India) Private Limited

Name	Present Directorships and Partnerships	Past Directorships and Partnerships
Rajiv K. Luthra (*continued*).............	Velocient Technologies Limited Zellwegar Luwa (India) Private Limited	
Anil Thadani	ACTA International Limited (British Virgin Islands) ACTA International Limited (Hong Kong) Add Noble International Limited Adema Holdings Limited AFC Network Private Limited Amanproducts Limited Amanresorts International Pte Ltd Amanresorts Limited Amanresorts Services Limited Aradal Company N.V. Bacharach Holdings Limited Bublé Holdings Limited Credicom Asia Limited Desaru Peace Holdings Sdn. Bhd. Favourite Restaurants Ltd. Flash Rise Limited Haydn Holdings Pte. Ltd. Indo Oceanic Investments Ltd. Jovita Holdings Limited La Finta Ltd. Lodhi Property Company Limited Maison Takuya Co. Pte. Ltd. McCartney International Limited Minor International Public Co. Ltd. Minuet Ltd. O'Sullivan Holdings Limited Pavaroitti International Limited Priceless Associates Limited Privée Holdings Pte. Ltd. Ravel Holdings Pte. Ltd. Rajadamari Hotel Public Co. Ltd. Rydal Group Ltd. Schubert Holdings Pte. Ltd. SG Land Company Limited Silverlink Resorts Limited (fka Silverlink Holdings Limited) Singapore Management University SMU Ventures Pte. Ltd. Sofaer Capital Inc. Symphony Asia Holdings Pte. Ltd. Symphony Asia Limited Symphony Capital Partners Limited (British Virgin Islands) Symphony Capital Partners Limited (Mauritius) Symphony Capital Partners (Asia) Limited	Baker Oil Tools (India) Private Limited Beaufort Holdings Limited DLF Trust Management Pte. Ltd. Hup Soon Global Corporation Limited Orchid Chemicals & Pharmaceuticals Ltd Rapidcharge Limited Starion Corporation N.V.

Name	Present Directorships and Partnerships	Past Directorships and Partnerships
Anil Thadani (*continued*).............	Symphony Capital Partners (Asia) Pte. Ltd. Symphony Healthcare Holdings Limited Symphony International Limited Symphony International Holdings Limited Symphony Investment Management Limited Symphony Investment Managers Limited Telong Limited Teurina Limited True United Limited True Wisdom Limited Tsura Limited Well Round Holdings Limited White Horse Trading Limited Wybridge Holdings Limited Yamaichi International Limited	
Sunil Chandiramani...	Affluent View Investments Limited Greater Heights Incorporated ACTA International Limited (British Virgin Islands) Symphony Capital Partners Ltd. (British Virgin Island) Yamaichi International Ltd. Wybridge Holdings Limited Bublé Holdings Limited Gabrieli Holdings Limited Symphony Healthcare Holdings Limited Symphony International Holdings Limited Symphony Investment Management Limited (British Virgin Islands) Symphony Investment Managers Limited Teurina Limited True United Limited True Wisdom Limited Favorite Restaurants Ltd. Favorite Asian Restaurants Group Ltd. ACTA International Limited (Hong Kong) Symphony Capital Partners (Asia) Limited Rank High Limited Symphony Asia Limited Symphony Investment Management Limited (Hong Kong) McCartney International Limited	Programmed Maintenance Services Limited Vintage Cards & Creations Pvt Ltd U.S.A. Style & Company Limited ACTA Capital Limited Alteri Printing and Packaging Pty Ltd Tricolor Graphic Pty Ltd Everspeed Limited Kempton International Limited LX Holdings Limited Marzipan Limited Topclass Limited Fandango Assets Limited Information Technology Inv. Ltd. Sathorn Limited Goldbase Holdings Limited Poseidon Trading Limited Indraprastha Medical Corporation Ltd. Mainguard Packaging Limited Pitanco Limited Kingfield Investment Inc. Ashima Limited Nachmo Knitex Limited Pocket Data Technology Limited PrintPacific North America, Inc. Flex Pack International (Hong Kong) Limited PrintPacific Limited T.V. India Limited Ashima Dyecot Limited King Capital Investments Limited Stanhope International Limited

Name	Present Directorships and Partnerships	Past Directorships and Partnerships
Sunil Chandiramani (*continued*)........	Pavaroitti International Limited Symphony Capital Partners Limited (Mauritius) Symphony International Limited Britten Holdings Pte. Ltd. Symphony Asia Holdings Pte. Ltd.	Birdstore (Hong Kong) Limited Minor Assets Limited Netherhill Investments Limited PMS Acquisition Corp. Limited Favorite Food India Private Limited Strides Arcolab Ltd. Apollo Hospitals Enterprise Limited Indian Hospitals Corp. Ltd. VariAsian Development Ltd. VariAsian Operations (International) Ltd. VariAsian Inc. SensAsian Holdings LLC Carraig Management Limited Flex Pack International (Holdings) Ltd. Birdland (Hong Kong) Limited PDC Management Limited Flex Pack International (Taiwan) Limited Anchor Victory Limited Trefoil International Limited Parkway Holdings Limited Rapidcharge Limited Minor Corporation pcl Add Wealth Profits Limited Careful Choice Investment Limited Print Pacific Holdings Limited Pacific NetMarkets Holdings Limited Pacific NetMarkets Limited PNM Solutions Limited Food Pacific Holdings Limited PNM (HK) Limited PacificRx Holdings Limited Artisan Technologies Limited Modern Technologies Limited Suntec Business Solutions Pvt Ltd

9. Directors' Remuneration

Details of the Directors' remuneration for the years ended 31 December 2011 and 31 December 2010 are as set out below:

	Year ended 31 December	
	2011	**2010**
	(U.S.$)	
Pierangelo Bottinelli	100,000	100,000
Georges Gagnebin...	100,000	100,000
Rajiv K. Luthra	100,000	100,000
Anil Thadani	Nil	Nil
Sunil Chandiramani	Nil	Nil
Total..	300,000	300,000

No amounts have been set aside or accrued by the Company to provide for pension, retirement or similar benefits for the Directors.

The Company also reimburses Directors for all reasonable and authorised business expenses in accordance with the policies of the Company as in effect from time to time.

10. General Information on Directors

As at the date of this document:

(i) none of the Directors has any convictions in relation to fraudulent offences within the previous five years;

(ii) none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings; and

(iii) none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer within the previous five years.

11. Interests of Substantial Shareholders

As at the Latest Practicable Date, insofar as it is known to the Directors from notifications received by the Company in accordance with the provisions of the Memorandum and Articles of Association and the Disclosure and Transparency Rules, the name of each person other than a Director who, directly or indirectly, is interested in 5 per cent. or more of the voting rights attaching to the issue share capital of the Company, and the amount of such person's interest, is as follows. The BVI Companies Act imposes no requirement on Shareholders to disclose their shareholdings to any person.

	Shares		**Warrants**	
	Number	*(%)*	*Number*	*(%)*
Gunbarrel Investment Limited................	50,000,000	14.43	9,944,000	9.21
R&H Trust Co (Bermuda) Ltd as trustee of The Leonardo Trust............	33,077,555	9.55	9,083,404	8.37
Leo Fund Managers Limited..................	27,402,609	7.91	7,615,392	7.01

There are no differences between the voting rights enjoyed by the Shareholders described above and those enjoyed by other holders of Shares. To the extent known by the Company, the Company is not aware of any person or persons who, directly or indirectly, jointly or severally, exercises control of the Company. There are no relationships between the Directors and the Substantial Shareholders.

12. Reports to Shareholders

The Company prepares its financial statements in accordance with IFRS, which is a financial reporting framework adopted by the IASB and recognised internationally. The Company's annual report and accounts are made up to 31 December in each year and copies are targeted to be sent to Shareholders on or around 15 April in the following year. Shareholders also receive an unaudited interim report covering the first six months of each financial year. This is in addition to quarterly NAV reports and shareholder updates for the periods ended 31 March, 30 June, 30 September and 31 December of each year and interim management statements. The annual general meeting of the Company is usually held in April in each year. The Company's annual report and accounts are available for inspection at its registered office and on its website www.symphonyasia.com.

13. Borrowings

As described in respect of the extract of the Directors' borrowing powers under the Memorandum and Articles of Association in paragraph 6.9 above, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons. Notwithstanding the previous sentence, at any time when less than 30 per cent. of the Company's Capital is held in temporary investment or deposited with commercial banks, the Investment Manager will be entitled to raise, subject to the approval of a committee of the Board comprising the Key Persons who are Directors, further finance (through the issuance of further Shares and/or through other financing arrangements) in the Company's name without the consent of the Board as a whole or the Shareholders or the holders of any other securities.

The Company's investment policies and procedures do not require or prohibit the use of leverage or impose limits on the amount of indebtedness that may be incurred in connection with an investment. The Investment Manager will consider the use of leverage on an investment-by-investment basis. With respect to late-stage development capital transactions, the Company does not expect to use leverage, since a number of these portfolio companies often have a prudent amount of leverage.

Although the Company's investment policies and procedures do not limit the amount of leverage incurred by its subsidiaries in respect of particular investments, it is not the Company's current intention to increase the leverage incurred directly by it beyond 35 per cent. of its total assets.

14. Takeovers, Mergers or Consolidation

The UK City Code on Takeovers and Mergers does not apply to the Company, and, although the Shares trade on the Official List, the Company will not be subject to any other takeover regulation in the UK. In certain circumstances, the takeover provisions in other jurisdictions where Shareholders are residents may also not apply.

There are currently no requirements under any British Virgin Islands laws or regulations on takeover offers for the Shares that would be applicable to the Company. The British Virgin Islands does not have a takeover code or any similar regulatory code.

The laws of the British Virgin Islands permit a merger or consolidation between two or more British Virgin Islands' companies (or between one or more British Virgin Islands' companies and one or more foreign corporations), subject, unless the constitution provides for a higher vote, to obtaining the approval of a simple majority of the shareholders of each such company present and voting in person or by proxy at a meeting called for that purpose.

Under the laws of the British Virgin Islands, a dissenting shareholder of a company participating in a merger or consolidation (other than a merger or consolidation between a company and its wholly-owned subsidiary or between two or more subsidiaries of the same holding company) may, in certain circumstances, receive cash in the amount of the fair value of his shares, in lieu of the consideration he would otherwise receive in any such transactions.

15. Derivative Actions

The BVI Companies Act provides shareholders of a company with a statutory basis on which to bring derivative actions in the name and on behalf of the company before the British Virgin Islands courts. Any leave to pursue such action is granted at the discretion of the court. It is also possible for a shareholder to apply to the court for a restraining order should a company or a director of a company engage in, or propose to engage in, conduct that contravenes the BVI Companies Act or the memorandum or articles of association of the company.

16. Prejudiced Shareholders

When the affairs of a company have been, are being or are likely to be conducted in a manner that is, or any act or acts of the company have been, or are likely to be, oppressive, unfairly discriminatory or unfairly prejudicial to a shareholder in their capacity as a shareholder, one or more shareholders may apply to the British Virgin Islands' court for an order regulating the company's conduct of affairs in the future or compelling the purchase of the shares by any shareholder, by other shareholders or by the company or granting a number of other remedies, in each case if the court considers it just and equitable to do so.

17. Continuation and Discontinuation

The laws of the British Virgin Islands allow for a foreign corporation to migrate its domicile to the British Virgin Islands ("continuation"), and for a British Virgin Islands' company to migrate to certain domiciles ("discontinuation"). Such migrations require that there be a corresponding statutory regime in the domicile of exit or entry, as the case may be. Such migrations, under the laws of the British Virgin Islands, do not create a new legal entity or prejudice or affect the continuity of the body corporate being redomiciled. Evidence of solvency, acceptance by the appropriate regulatory authority, shareholder approval and no creditor prejudice may be required to be obtained in order to effect a discontinuation.

18. Material Contracts

Save for the Investment Consultancy Agreement (to which no member of the Group is a party), the following is a summary of the contracts (not being entered into in the ordinary course of business) that have been entered into by the Group within the two years immediately preceding the date of this document or which are, or may be, material to the Group at any time and contain obligations or entitlements which are, or may be, material to the Group as at the date of this document:

18.1 *Underwriting Agreement*

On 4 October 2012, the Company entered into an Underwriting Agreement with Panmure Gordon and the Investment Manager. Pursuant to the terms and conditions of the Underwriting Agreement, Panmure Gordon has agreed, subject to certain conditions, to use all reasonable endeavours to procure subscribers for, or failing which Panmure Gordon will itself procure subscribers, or, failing which, subscribe for New Ordinary Shares not taken up under, the Rights Issue, in each case, at not less than the Issue Price.

In consideration of its services under the Underwriting Agreement, and subject to its obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not being terminated, the Company has agreed to pay Panmure Gordon a commission of 2.6 per cent. of an amount equal to the Issue Price multiplied by the aggregate number of New Ordinary Shares and on behalf of the sub-underwriters, a sub-underwriting commission equal to 1.5 per cent. of the gross value of the New Ordinary Shares that are sub-underwritten for the first 30 days of such commitment and 1/8 per cent. of the gross value of such New Ordinary Shares for each seven days (or part thereof) thereafter. The Company shall, pursuant to the Underwriting Agreement, pay (whether or not the obligations of Panmure Gordon under the Underwriting Agreement become unconditional or are terminated) all costs and expenses of, or in connection with, the Rights Issue, the allotment and issue of the New Ordinary Shares and the Underwriting Agreement, including (but not limited to) the UK Listing Authority and the London Stock Exchange listing and trading fees, printing and advertising costs, postage, the Registrar's charges, its own and, subject to various restrictions, Panmure Gordon's legal and other out-of-pocket expenses, all accountancy and other professional fees and (subject to certain exceptions) all stamp duty and SDRT (if any) and other similar duties and taxes paid or payable by Panmure Gordon.

The Company has given certain customary representations and warranties to Panmure Gordon as to the accuracy of the information contained in this document and other relevant documents, and in relation to other matters relating to the Company and its business. In addition, the Company has given customary indemnities to Panmure Gordon and certain indemnified persons connected with Panmure Gordon.

The obligations of Panmure Gordon under the Underwriting Agreement are subject to certain conditions, including, amongst others:

(i) the Company having complied with all of its material obligations and undertakings under the Underwriting Agreement and under the terms and conditions of the Rights Issue to the extent that they are required to be performed or satisfied prior to Admission; and

(ii) Admission having occurred by not later than 8.00 a.m. on 12 October 2012 (or such later time and/or date as the Company may agree with Panmure Gordon).

If any of the conditions are not satisfied (or waived by Panmure Gordon acting in good faith and following consultation with the Company and the Investment Manager) or shall have become incapable of being satisfied by the required time and date therefor, the obligations of Panmure Gordon under the Underwriting Agreement shall cease and determine. Additionally, Panmure Gordon (in its absolute discretion and following consultation with the Company and the Investment Manager) may terminate the Underwriting Agreement in its entirety in certain circumstances, but only prior to Admission. After Admission, the Underwriting Agreement shall be incapable of termination by Panmure Gordon.

Investors and Shareholders who subscribe for New Ordinary Shares cannot withdraw such subscription once Admission has occurred.

18.2 ***Investment Management and Advisory Agreement***

The Company entered into the Investment Management and Advisory Agreement on 10 July 2007 with the Investment Manager and the Singapore Advisor. An addendum to the Investment Management and Advisory Agreement was executed by the same parties on 19 September 2008.

Pursuant to the Investment Management and Advisory Agreement, the Investment Manager will, among other things, (i) provide day-to-day management and administrative services on an exclusive and discretionary basis in order to manage the Company's investments in accordance with the provisions of the agreement and having regard to the Company's investment objectives, policy and strategy and (ii) manage the Company's business with a view to achieving the Company's investment objective. The Investment Manager has been authorised to issue orders and instructions with respect to the making and divestment of investments, monies and other assets, and all the Company's investments must be reviewed and approved by an investment committee which is to be appointed by the Investment Manager. The Investment Management and Advisory Agreement has no fixed term.

The Investment Manager is required to identify to the Company certain Key Persons (currently being Anil Thadani, Sunil Chandiramani and Rajgopal Rajkumar) and has agreed to ensure that the Key Persons will be employed by and work exclusively (subject to certain existing commitments) for the Investment Manager Group, so long as they are involved with the Investment Manager or its affiliates. In addition, the Investment Manager has agreed to ensure that the Key Persons will (subject to certain existing commitments) (i) devote substantially all of their business time (as employees and on behalf of the Investment Manager Group) to assist the Investment Manager in its fulfilment of the investment objectives of the Company and (ii) actually be involved in the management of the business activities of the Investment Manager Group.

If any one of the Key Persons ceases to be employed or engaged by the Investment Manager and the two remaining Key Persons nominate a replacement Key Person, the Investment Manager will use its best endeavours to appoint such person as the replacement Key Person. If two of the Key Persons cease to be employed or engaged by the Investment Manager, the sole remaining Key Person may nominate at least one (but not more than two) replacement Key Person(s) within a period of 12 calendar months following the date on which only one Key Person remains employed or engaged with the Investment Manager and such nomination is required to be approved by a majority of the Board (excluding the sole remaining Key Person, if he is a member of the Board). In the event that the Board does not approve the appointment of at least one replacement Key Person, the sole remaining Key Person shall be entitled to continue to further nominate alternative replacement Key

Person(s) until the end of the aforesaid period of 12 calendar months. If the Board approves the appointment of only one replacement Key Person, the sole remaining Key Person and the accepted replacement Key Person are entitled to nominate a third Key Person (other than the rejected replacement Key Person) and the Investment Manager shall appoint such person (without the approval of the Board or the Shareholders). If the Board does not approve the appointment of any replacement Key Persons after the aforesaid period of 12 calendar months, the Board is required to nominate two replacement Key Persons within a period of six calendar months from the end of the aforesaid period of 12 calendar months. The Company shall not be entitled to amend or terminate the Investment Management and Advisory Agreement (a) if there are two or more Key Persons at any time and (b) during the period of 18 calendar months from the date on which one Key Person remains, and the Investment Manager shall continue to provide services to the Company during this period. In the event that no replacement Key Persons are nominated by the Board after the period of 18 calendar months from the date on which only one Key Person remains, the Company shall have a further three calendar months to appoint a new investment manager and terminate the Investment Management and Advisory Agreement, failing which the Company is required to initiate the process of liquidation. If all Key Persons cease to be employed or engaged by the Investment Manager, the Board has a period of three calendar months from the date on which the last Key Person ceases to be employed or engaged by the Investment Manager to nominate up to three replacement Key Persons to be appointed by the Investment Manager or to appoint a new investment manager and terminate the Investment Management and Advisory Agreement, failing which the Company is required to initiate the process of liquidation.

In consideration for its services, pursuant to the Investment Management and Advisory Agreement, the Investment Manager is entitled to a Management Fee at a rate of 2.25 per cent. per annum of its NAV, (payable quarterly in advance on the NAV Approval Date), Share Options and Management Shares. The Management Fee shall be at least U.S.$8 million per annum and not more than U.S.$15 million per annum. See paragraph 5 ("Investment Manager's Remuneration") of "Part 3 – The Investment Manager Group" for further details. The Investment Manager is also responsible for the calculation of the NAV, the calculation of which is subject to review by its auditors (based upon certain agreed-upon procedures with the Company). The NAV thus calculated by the Investment Manager and reviewed by the auditors is binding on the Company, except if there is a manifest error or if the Board unanimously determines that such calculation was fraudulent or there was gross negligence or wilful misconduct on the part of the Investment Manager and/or the auditors in making such calculation. In such case, the Board may direct the Investment Manager to recalculate the NAV for the auditors to confirm.

The Investment Manager has the right to nominate any two Key Persons for election (by way of Board resolution) as Directors of the Company. If any of the two Key Persons who are members of the Board cease to be a Key Person or a Director, the Investment Manager shall nominate replacement(s) for such Director(s) and the Board is required to accept such nomination by the Investment Manager except if it would be illegal to accept such nomination under any applicable law.

At any time when less than 30 per cent. of the Company's Capital is held in temporary investments, the Investment Manager will be able to raise, subject to the approval of a sub-committee of the Board comprising of the Key Persons who are Directors of the Company, further finance (through the issuance of further Shares and/or through other financing arrangements) in its name without the requirement of any further consent from the Board or its Shareholders.

The Singapore Advisor will render investment advice to the Company, as a member of the Investment Manager Group, on an exclusive and non-discretionary basis in connection with the Company's investment objectives, policy and strategy and will provide information, carry out research into and provide analysis of potential investments and divestments identified by the Investment Manager. The Singapore Advisor will be entitled to an advisory fee and the reimbursement of its costs and expenses which will be paid by the Investment Manager quarterly in arrears.

The Investment Management and Advisory Agreement further provides that the Investment Manager and the Singapore Advisor will not be liable to the Company for any error of judgement or loss suffered by the Company in connection with the agreement, except for loss or disadvantage arising from gross negligence, fraud, wilful misconduct, bad faith or reckless disregard of duties in the performance or non-performance by the Investment Manager or the Singapore Advisor of their obligations or duties under the Investment Management and Advisory Agreement.

The Company has also agreed to indemnify the Investment Manager Group and their directors, officers, shareholders, employees and agents against all claims, liabilities, costs and expenses incurred by them for any good faith, act or omission on behalf of the Company. However, such indemnity shall not be provided by the Company in cases of fraud, gross negligence, wilful misconduct, bad faith or reckless disregard of duties under the Investment Management and Advisory Agreement or such other agreement between the Investment Manager and the consultant or advisor.

The Investment Manager and/or the Singapore Advisor can resign from their appointments by giving the Company three months' notice at any time, or with immediate effect by giving the Company notice in writing if it goes into liquidation or if it commits any material breach under the Investment Management and Advisory Agreement and fails to rectify such breach within 30 days of receipt of notice served by the Investment Manager or the Singapore Advisor.

The Company may terminate the Investment Management and Advisory Agreement only when:

(a) the Investment Manager is insolvent, is placed in liquidation or is wound-up; or

(b) the Investment Manager is in material breach of the Investment Management and Advisory Agreement (including certain provisions with respect to the appointment of replacement Key Persons) and fails to remedy the breach within a period of 30 days of receiving a Breach Notice in accordance with the following process,

if the Company alleges a material breach of the Investment Management and Advisory Agreement and the same is not remedied within 30 days of the date of receipt of the Breach Notice by the Investment Manager, the Arbitration Panel shall determine, within the Investigation Period, whether there has been a material breach of the Investment Management and Advisory Agreement. If the Arbitration Panel decides that such material breach, as has been alleged in the Breach Notice, has occurred and not been remedied within 30 days of the date of receipt of a Breach Notice, then the Investment Management and Advisory Agreement shall be terminated. If the Arbitration Panel decides that such material breach, as has been alleged in the Breach Notice, has not occurred or that the same has been remedied within 30 days of the date of receipt of the Breach Notice, then the Investment Management and Advisory Agreement shall not be terminated pursuant to such Breach Notice. If, within an Investigation Period, the Arbitration Panel has not been able to determine whether the material breach alleged in a Breach Notice has occurred or whether the same has been remedied within 30 days of the date of the receipt of a Breach Notice, then the Company can terminate the Investment Management and Advisory Agreement only with the approval of a Special Resolution of its Shareholders, which shall be passed within 30 days of the end of an Investigation Period.

Further, during any Investigation Period, the Investment Manager has agreed not to make any new investments, increase or decrease the investment in any existing investment, make any dividend payments or issue any further Shares or securities of the Company or do any other transaction or transactions which have the same economic effect as any of the above, provided, however, that any increase in any existing investment may be made in any Investigation Period with the prior approval of the investment committee of the Investment Manager. The Company shall continue to pay the Management Fees, grant the Share Options and issue the Management Shares to the Investment Manager in respect of any Investigation Period.

The Investment Manager shall have the right to assign or novate its rights, benefits, interests and obligations under the Investment Management and Advisory Agreement to any entity in which at least 51 per cent. of the voting and economic rights are owned, directly or indirectly, by the same persons who control the Investment Manager, with the prior approval of the Board of the Company (such approval not to be unreasonably withheld or delayed). If the Investment Manager's performance as its service provider does not meet the expectations of Investors and Shareholders, and the Company is unable to remove the Investment Manager and terminate the Investment Management and Advisory Agreement, the market price of its Shares could be adversely affected. See "Risk Factors – Risks Relating to the Investment Manager and the Investment Management Team – Shareholders have no rights to direct the Company's investments or its investment policies and procedures and the Company is only able to remove the Investment Manager in very limited circumstances, not including in the event of underperformance of the Investment Manager and/or the Company's investments, which could limit the Company's ability to improve its performance and could adversely affect the market price of the Shares and Warrants".

18.3 ***Investment Consultancy Agreement***

The Investment Consultancy Agreement is dated 10 July 2007 and was entered into between the Investment Manager and the Hong Kong Consultant pursuant to which the Hong Kong Consultant was appointed to provide consultancy services on a non-discretionary and exclusive basis to the Investment Manager. Pursuant to the terms of the Investment Consultancy Agreement, the Hong Kong Consultant is required to provide information and advice, carry out research and provide analysis to the Investment Manager whenever called upon to do so concerning the acquisition and disposal of and dealings in the investments of the Company and from time to time submit to the Investment Manager such reports and information relating thereto as the Investment Manager may reasonably require.

The Hong Kong Consultant has the power to delegate or subcontract all or any part of its functions, duties, discretion and privileges under the Investment Consultancy Agreement to any other person, firm or corporation which it selects in good faith (and to the extent permitted by any applicable laws or regulations and any relevant regulatory authority) or any of its associates, provided that the Hong Kong Consultant shall remain liable for any act or omission of any such person, firm or corporation as if such act or omission were its own, but to the extent only that it would have been liable if such act or omission had been its own act or omission under the Investment Consultancy Agreement. The Hong Kong Consultant is entitled to employ or pay an agent to perform or concur in performing any of the services required to be performed under the Investment Consultancy Agreement and may act or rely upon the opinion or advice or any information obtained from any broker, lawyer, valuer, surveyor, auctioneer or other expert whether reporting to the Company, the Investment Manager or the Hong Kong Consultant, but provided that the Hong Kong Consultant shall not be responsible for any loss caused by its own actions.

19. Litigation

There has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

20. Related Party Transactions

Save as disclosed in the financial information incorporated by reference in "Part 15 – Information Incorporated by Reference" (see note 16 to the financial statements in the 2009 Annual Report, note 17 to the financial statements in the 2010 Annual Report, note 18 to the financial statements in the 2011 Annual Report and note 11 to the 2012 Interim Results), there are no related party transactions that were entered into from 1 January 2009 up to the date of publication of this document.

21. Conflicts of Interest

The Investment Management Team and members of the Board may be involved in other financial, investment or professional activities which, until they are completed, may, on occasion, give rise to conflicts of interest with the Company. Members of its Investment Management Team have identified the following interests, as at the Latest Practicable Date, in its current investments which may cause conflicts of interest:

(i) Anil Thadani is the holder of: (a) 74,170,432 shares, constituting less than approximately 2.04 per cent. of the issued capital of MINT and 3,495,203 warrants of MINT; and (b) 859,725 units of P-REIT, constituting approximately 0.14 per cent. of the total number of units issued by P-REIT.

(ii) Sunil Chandiramani is the holder of: (a) 275,000 shares, constituting less than approximately 0.01 per cent. of the issued capital of MINT and 25,000 warrants of MINT; and (b) 473,125 units of P-REIT, constituting less than approximately 0.08 per cent. of the total number of units issued by P-REIT.

(iii) Ramon Lo is the holder of 5,935,560 shares of MINT, constituting approximately 0.16 per cent. of the issued capital of MINT.

(iv) David LaRue is the holder of 149,476 shares, constituting less than approximately 0.01 per cent. of the issued capital of MINT and 13,589 warrants of MINT.

The members of the Board will have regard to their obligations to act in the best interests of the Company when potential conflicts of interest arise.

Certain potential conflicts of interest situations may arise, for example, in respect of the directorships and shareholdings or interests that some of the Directors and/or some members of the Investment Management Team, subject to the completion of existing investment and advisory commitments, hold in companies or investment funds that carry on similar businesses to the Company's. These are summarised as follows:

Two of the Directors, Anil Thadani and Sunil Chandiramani, and some of the members of the Investment Management Team, are also directors of SCPL, SCPAPL and SCPAL. SCPL acts as an investment advisor to the managers of the Schroder Ventures Funds, while SCPAPL and SCPAL act as consultants to SCPL. The members of the Investment Management Team have advised that Schroder Ventures Funds are at their end stage (i.e. they are in the final phase of their lifecycle and will not be making any new investments). The members of the Investment Management Team and some of the Directors will continue as directors of SCPL, SCPAPL and SCPAL pending realisation of the remaining investments in the Schroder Ventures Funds' portfolios and their final liquidation.

Further, the Investment Manager or its affiliates may enter into contractual arrangements involving the portfolio companies of the Company for the purposes of the fulfilment of the Company's investment objectives. Such arrangements could involve, among other things, consulting and advising officers of the Company's portfolio companies and providing other organisational and financial guidance. The Investment Manager and its affiliates may receive fees for these services. The directors and other executive officers of the Investment Manager and its affiliates may be appointed as directors of such portfolio companies and may also receive compensation in the form of fees and/or options or other compensation from such portfolio companies for acting as directors of such portfolio companies.

The Investment Manager shall disclose to the Board any conflict of interest of the Investment Manager or any of its directors in an entity in which the Company is evaluating an investment. If the Board determines that there is a material conflict of interest, the Board shall decide whether such investment decision shall be made by the Board instead of the Investment Manager. Further, to avoid potential conflicts of interest, members of the Investment Management Team and the Directors are not permitted to make direct co-investments in individual unlisted portfolio companies that are sponsored by the Company.

Although the Company intends to institute procedures for review by the Directors of any such investments, the Company cannot assume that any such procedures will be effective and that any of the foregoing will not result in a conflict of interest that will have a material adverse effect on the Company's business, financial condition and results of operations.

Other than as set out above, none of the other Directors or any other members of the Investment Management Team is involved in any other financial, investment or professional activities which may give risk to conflicts of interest with the Company.

22. Working Capital

The Company is of the opinion, taking into account the net proceeds of the Rights Issue, that the working capital available to the Group is sufficient for the Group's present requirements, that is, for at least the next 12 months following the date of this document.

23. Significant Change

Save for (i) the increase in the unaudited NAV of the Group from U.S.$430,144,792 as at 30 June 2012 to U.S.$472,457,266 as at the Latest Practicable Date and (ii) a corresponding increase in the unaudited NAV per Share of the Group from U.S.$1.24 as at 30 June 2012 to U.S.$1.36 as at the Latest Practicable Date, there has been no significant change in the trading or financial position of the Group since 30 June 2012, being the date to which the Group's latest unaudited interim financial information has been prepared.

24. Consents

KPMG LLP (UK) is a member of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion in this document of its report on the pro-forma financial information set out in "Part 8 – Selected Financial Information and Pro-forma Financial Information" in the form and context in which it appears and has authorised the contents of that Accountants' Report for the purposes of Prospectus Rule 5.5.3R(2)(f).

25. Third-party Information

Where information contained in this document has been sourced from a third-party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this document, the source of such information has been identified.

26. Miscellaneous

26.1 The Company expects its investor base to be comprised of mainly corporates, HNWI and institutions such as insurance companies, investment management companies, pension funds, etc.

26.2 The total costs and expenses of, and incidental to, the Rights Issue payable by the Company are estimated to be U.S.$7.0 million (excluding VAT).

26.3 The Existing Shares are in registered form, are capable of being held in uncertificated form, are admitted to the Official List and are traded only on the market for listed securities of the London Stock Exchange. Application for trading of the New Ordinary Shares is not being and will not be sought on any other stock exchange other than the market for listed securities of the London Stock Exchange.

26.4 The New Ordinary Shares are in registered form and, subject to the provisions of the Regulations, the Directors may permit the holding of shares of any class in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the Regulations). Where shares are held in certificated form, share certificates will be sent to the registered members by first-class post.

26.5 Where shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

26.6 The issue of the New Ordinary Shares has been approved by a sub-committee of the Board comprising Key Persons who are Directors of the Company. No Shareholder approval is being, or is required to be, sought in relation to the Rights Issue, pursuant to the Company's Memorandum and Articles of Association and the laws of the British Virgin Islands.

26.7 KPMG LLP (Singapore) audited the consolidated financial statements of the Company for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and gave reports under International Standards on Auditing which were not modified.

26.8 The Company has no employees.

26.9 The Company owns no material tangible fixed assets other than its investments as described in paragraph 6 ("Existing Portfolio") of "Part 1 – The Business and the Investment Portfolio".

26.10 Save in respect of the Rights Issue, none of the New Ordinary Shares has been marketed to, or is available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in conjunction with the application for the New Ordinary Shares to be admitted to the Official List. This document does not constitute an offer or solicitation of an offer to the public in the United Kingdom to subscribe for or buy any securities in the Company or any other equity.

26.11 The Company will make (an) appropriate announcement(s) to a Regulatory Information Service giving details of the results of the Rights Issue.

27. Documents Available for Inspection

27.1 Copies of the following documents will be available for inspection at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), from the date of this document until the date of Admission:

(i) the Memorandum and Articles of Association;

(ii) the BVI Companies Act;

(iii) the written consent referred to on page 219;

(iv) report of KPMG on the unaudited pro-forma statement of net assets;

(v) the 2009 Annual Report;

(vi) the 2010 Annual Report;

(vii) the 2011 Annual Report;

(viii) the 2012 Interim Results; and

(ix) this document.

27.2 Copies of the following documents will be available for inspection at the offices of the Warrant Registrar being Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of not less than one year following Admission:

(i) Deed Poll dated 24 July 2007; and

(ii) Warrant Instrument dated 31 July 2007.

27.3 A copy of this document is available for inspection on the National Storage Mechanism, www.hemscott.com/nsm.do, and on the Company's website www.symphonyasia.com.

PART 15

INFORMATION INCORPORATED BY REFERENCE

The 2009 Annual Report, 2010 Annual Report, 2011 Annual Report and the 2012 Interim Results are available for inspection at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ. These documents are also available on the Company's website at www.symphonyasia.com.

The table below sets out the various sections of such documents which are incorporated by reference into this document so as to provide the information required under the Prospectus Rules and to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Company and of the New Ordinary Shares, is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

No part of the 2009 Annual Report, 2010 Annual Report, the 2011 Annual Report or the 2012 Interim Results is incorporated by reference herein except as expressly stated below. Any sections of such documents that are not specified below are either not relevant to Investors and Shareholders or the information in such sections is disclosed elsewhere in this document.

Document	**Section**	**Page(s)**
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PART 16

DEFINITIONS AND GLOSSARY

2009 Annual Report	The annual report of the Company for the year ended 31 December 2009.
2010 Annual Report	The annual report of the Company for the year ended 31 December 2010.
2010 PD Amending Directive	EU Directive 2010/73/EU.
2010 Report	MINT's annual report for the year ended 31 December 2010.
2011 Annual Report	The annual report of the Company for the year ended 31 December 2011.
2011 Report	MINT's annual report for the year ended 31 December 2011.
2012 Interim Results	The Company's unaudited interim financial results for the six-month period ended 30 June 2012.
Admission	The proposed admission of the New Ordinary Shares by the UK Listing Authority to listing on the Official List and by the London Stock Exchange to trading nil paid on the main market of the London Stock Exchange.
AFC	AFC Network Private Limited.
Alternative Investment Fund Managers Directive	Directive 2011/61/EU on Alternative Investment Fund Managers.
APF II	Asia-Pacific Fund II.
APT	Asia-Pacific Trust.
Asia-Pacific	Includes, but is not limited to, Australia, Brunei, Cambodia, China, Hong Kong, India, Indonesia, Japan, Laos, Macau, Malaysia, Mongolia, Myanmar, Nepal, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.
ASYH	Acibadem Saglik Yatirimlari Holdings A.S.
Auditor	KPMG LLP (Singapore).
BACS	BACS Payment Schemes Limited.
Board	The board of Directors.
Breach Notice	A notice sent by the Company to the Investment Manager requiring the Investment Manager to remedy a material breach of the Investment Management and Advisory Agreement.
Business Day	A day (other than a Saturday or Sunday) on which banks and financial institutions are open for business in London.
BVI	British Virgin Islands.
BVI Business Company	A company incorporated or re-registered under the BVI Companies Act.

BVI Companies Act	The BVI Business Companies Act, 2004, as amended.
C Larsen	C Larsen Singapore Pte Limited.
Calculation	The calculation of the NAV of the Company on a quarterly basis which will be provided to the Auditor of the Company who performs certain procedures on the calculation.
Capita Registrars	A trading name of Capita Registrar Limited.
Capital	All cash and funds available to the Company from the subscription of its Shares, from borrowings made by the Company, from the exercise of Share Options and Warrants and the issue of convertible or other securities.
CEIF	A closed-ended investment fund.
CHAPS	CHAPS Clearing Company Limited.
Closing Price	The closing middle-market quotation as derived from the Daily Official List of the London Stock Exchange on a particular day.
Company or **Symphony**	Symphony International Holdings Limited.
CREST	The electronic, paperless transfer and settlement mechanism to facilitate the transfer of title of Shares in uncertified form operated by Euroclear.
CREST Courier and Sorting Service or **CCSS**	The CREST courier and sorting service established by Euroclear to facilitate, amongst other things, the deposit and withdrawal of securities.
CREST Manual	The rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since).
CREST Member	A CREST participant admitted to CREST as a CREST member.
CREST Regulations	The Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended.
CREST Sponsor	A CREST participant admitted to CREST as a CREST sponsor.
CREST Sponsored Members	A CREST Member admitted to CREST as a sponsored member.
Deed Poll	A deed poll executed by the Depositary in favour of the holders of Depositary Interests from time to time.
Depositary	Capita IRG Trustees Limited.
Depositary Agreement	The depositary agreement between the Company and Capita IRG Trustees Limited (acting as the Depositary) dated 24 July 2007.
Depositary Interest Holder	A holder of Depositary Interests.
Depositary Interests	The dematerialised depositary interests in respect of the Shares issued or to be issued by the Depositary.
Desaru	Desaru Peace Holdings Sdn Bhd.

Director	Member of the Board.
Disclosure and Transparency Rules	The disclosure and transparency rules of the UK Listing Authority made in accordance with section 73A of FSMA.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
EIU	Economist Intelligence Unit.
EJIP	MINT's employee joint investment programme.
ESOP	MINT's employee stock option programme.
Euroclear	Euroclear UK & Ireland Limited, the operator (as defined in the Uncertified Regulations) of CREST or any successor thereof.
European Economic Area	The European Union, Iceland, Norway and Liechtenstein.
Excess Application Facility	The arrangement pursuant to which Qualifying Shareholders may apply for additional Excess Securities in excess of their Rights Issue Entitlements in accordance with the terms and conditions of the Rights Issue.
Excess Application Form	The form to be sent to Qualifying Non-CREST Shareholders in respect of their Excess Entitlements pursuant to the Rights Issue.
Excess Entitlement	In respect of each Qualifying Shareholder, the entitlement (in addition to their Rights Issue Entitlement) to apply, in accordance with the Excess Application Facility, for up to 0.481 Excess Securities for every 1 Existing Share registered in their names as at the Record Date.
Excess Securities	New Ordinary Shares (in the case of Qualifying Non-CREST Shareholders) and New Depositary Interests (in the case of Qualifying Depositary Interest Holders) (as the context requires) applied for by Qualifying Shareholders under the Excess Application Facility.
Exchange Information	Certain business, financial and other information required to be published in accordance with the rules and practices of the FSA and the London Stock Exchange.
Excluded Overseas Shareholder	Other than as agreed in writing by the Company, and Panmure Gordon, and as permitted by applicable law, a Shareholder who is located or has a registered address in a Restricted Jurisdiction.
Existing Depositary Interests	The Depositary Interests in issue at the Record Date.
Existing Shareholders	Holders of Existing Shares.
Existing Shares	Shares in issue as at the Record Date.
FSA	The UK Financial Services Authority or any successor body or bodies.
FSMA	The Financial Services and Markets Act 2000 of the UK, as amended from time to time.
Fully Paid Rights	Fully paid rights to subscribe for New Ordinary Shares.
Future Share Options	The share options which the Investment Manager is entitled to be granted upon the issuance of Shares pursuant to exercise of Warrants or other change to the Company's issued share capital,

	including the Rights Issue Share Options, pursuant to the Share Options Terms.
Group	The Company and its subsidiaries, which, for the avoidance of doubt, does not include any of the Company's portfolio companies.
H1	MINT's unaudited interim financial statements for the period ended 30 June 2012.
HH&L	Healthcare, hospitality and lifestyle.
HMRC	Her Majesty's Revenue & Customs.
HNWI	High net worth individuals.
Hong Kong Consultant	Symphony Asia Limited.
IASB	The International Accounting Standard Board.
IFRS	International Financial Reporting Standards.
IHH	IHH Healthcare Berhad (formerly known as Integrated Healthcare Holdings Sdn Bhd).
IHT	Integrated Healthcare Hastaneler Turkey Sdn Bhd.
Independent Directors	The independent directors of the Company as at the date of this document.
Initial Share Options	The 82,782,691 share options that were granted to the Investment Manager on 3 August 2008.
Investment Consultancy Agreement	The Investment Consultancy Agreement dated 10 July 2007 between the Investment Manager and the Hong Kong Consultant.
Investment Management and Advisory Agreement	The agreement entered into between the Company, the Singapore Advisor and the Investment Manager on 10 July 2007 pursuant to which the Investment Manager will provide investment management services and the Singapore Advisor will provide investment advisory services to the Company with respect to the Company's investments (as amended).
Investment Management Team	The Directors and executive officers of the Investment Manager, the Singapore Advisor and the Hong Kong Consultant as at the date of this document.
Investment Manager	Symphony Investment Managers Limited.
Investment Manager Group	The Singapore Advisor, the Hong Kong Consultant or any other investment advisor or consultant appointed by the Investment Manager, on an exclusive basis, for fulfilling its obligations under the Investment Management and Advisory Agreement.
Investor	A person or entity who may subscribe for or otherwise purchase or sell the New Ordinary Shares, New Depositary Interests, the Nil Paid Rights, the Fully Paid Rights or the Excess Entitlements.
IPO	Initial public offering of and admission to the Official List of 338,259,976 Shares and 108,565,365 Warrants on 3 August 2007.
IRR	Internal rate of return.
ISIN	International Securities Identification Number.
Issue Price	U.S.$0.60 per New Ordinary Share.

Key Persons	Persons identified to the Company by the Investment Manager as key persons in the Investment Management Team and in respect of which the Investment Manager has certain terms in the Investment Management and Advisory Agreement.
Khazanah	Khazanah Nasional Berhad (company registration number: 275505-K), a company incorporated in accordance with the Malaysian Companies Act, 1965, and the investment arm of the Government of Malaysia.
KPMG LLP (Singapore)	KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG LLP (UK)	KPMG LLP, a UK limited liability partnership, a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.
Latest Practicable Date	2 October 2012 (being the latest practicable date prior to the publication of this document for the purposes of certain calculations).
Listing	The listing of the Shares and Warrants pursuant to the IPO.
Listing Rules	The rules, including the listing rules, the prospectus rules and the disclosure and transparency rules, made by the UK Listing Authority pursuant to Sections 73A and 84 of the FSMA.
London Stock Exchange	London Stock Exchange plc or its domestic market (being or regulated market for listed securities), as the context may require.
Maison Takuya	Privée Holdings Private Limited.
Management Fee	The management fee payable by the Company, under the terms of the Investment Management and Advisory Agreement, to the Investment Manager at a rate of 2.25 per cent. per annum of the NAV. The Management Fee is at least U.S.$8 million per annum and at most U.S.$15 million per annum.
Management Shares	The Shares issued and to be issued to the Investment Manager in return for its investment management services pursuant to the Investment Management and Advisory Agreement.
Material Investment	An investment of the Group that individually represents more than 5 per cent. of the NAV, both as at the Latest Practicable Date and as at the time the investment was made.
MD&A	MINT's management discussion and analysis dated 8 August 2012.
Member Account ID or **CREST Member Account ID**	The identification code or number attached to any member account in CREST.
Memorandum and Articles of Association	The memorandum of association and articles of association of the Company.
MINT	Minor International Public Company Limited.

Minuet	Minuet Limited.
Model Code	The Model Code on directors' dealings in securities set out in the Annex to Chapter 9 of the Listing Rules.
Money Laundering Regulations	UK Money Laundering Regulations 2007 (SI2007/2157), as amended from time to time.
MSCI AC Asia Index	A free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of Asia.
MSCI AC World Index	A free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. It consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.
MTM	Many-To-Many.
NAV	The aggregate net asset value of the Group calculated in accordance with the Company's policies and as described in this document.
NAV Approval Date	The date on which the Board approves the Calculation for the prior Quarter.
NAV per Share	The net asset value of the Group calculated on a Share-by-Share basis.
New Depositary Interests	The Depositary Interests to be issued by the Depositary following the take-up of rights to acquire Depositary Interests by Qualifying Depositary Interest Holders in connection with the Rights Issue.
New Ordinary Shares	The New Ordinary Shares proposed to be issued by the Company pursuant to the Rights Issue.
Nil Paid Rights	Depending on the context, (a) the rights to subscribe for New Ordinary Shares provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue, or (b) the rights to subscribe for New Depositary Interests initially credited to the CREST accounts of Qualifying Depositary Interest Holders in connection with the Rights Issue.
Niseko Property JV	Well Round Holdings Limited.
Non-Crest Shareholders	Shareholders holding Shares in certificated form.
Non-Material Investment	An investment of the Group that individually represents less than 5 per cent. of NAV both as at the Latest Practicable Date and as at the time the investment was made.
Oaks	Oaks Hotels and Resorts.
Official List	The Official List of the UK Listing Authority.
Offshore Registers	The Share Register maintained in Guernsey.
Overseas Shareholders	Shareholders with registered addresses outside the UK or who are citizens or residents of, or located in, countries outside the UK.
Panmure Gordon	Panmure Gordon (UK) Limited.

Parkway	Parkway Holdings Limited.
Participant ID or **CREST Participant ID**	The identification code or membership number used in CREST to identify a particular CREST member or other CREST participant.
P-REIT	Parkway Life Real Estate Investment Trust.
Prospectus Directive	The Directive of the European Parliament and of the Council of the European Union 2003/71/EC as amended by Directive 2010/73/EU.
Prospectus Rules	The prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time.
Provisional Allotment Letter	The renounceable provisional allotment letter expected to be sent to Qualifying Non-CREST Shareholders in respect of the New Ordinary Shares to be provisionally allotted to them pursuant to the Rights Issue.
QIB	A qualified institutional buyer as defined in Rule 144A.
Qualified Purchaser or **QP**	A qualified purchaser as defined in Section 2(a)(51) of the U.S. Investment Company Act.
Qualifying Depositary Interest Holders	Depositary Interest Holders holding Existing Depositary Interests on the register of such holders maintained in the UK on behalf of the Depositary on the Record Date.
Qualifying Non-CREST Shareholder	Shareholders holding Existing Shares in certificated form on the Share Register at the Record Date including, for the avoidance of doubt, the Depositary.
Qualifying Shareholder	Qualifying Non-CREST Shareholders and Qualifying Depositary Interest Holders.
Quarter	Each three-month period or such shorter period of time, commencing on the calendar day following the Quarter End Date, as the case may be, and ending on the nearest Quarter End Date.
Quarter End Date	Each 31 March, 30 June, 30 September and 31 December.
Receiving Agent	Capita Registrars Limited.
Record Date	The close of business on 2 October 2012.
Registered Agent	Offshore Incorporations Limited.
Registrar	Capita Registrars (Guernsey) Limited.
Regulation S	Regulation S under the Securities Act.
Regulatory Information Service	One of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies.
Relevant Member State	A member state of the European Economic Area which has implemented the Prospectus Directive.
Resolution	A resolution (a) approved at a duly convened and constituted meeting of the Shareholders by the affirmative vote of the holders of a majority of in excess of 50 per cent. of the votes of the Shares entitled to vote thereon which were present at the meeting and were

	voted or (b) consented to in writing by the holders of a majority of in excess of 50 per cent. of the votes of Shares entitled to vote thereon.
Restricted Jurisdiction	United States, Australia, Canada, Japan and South Africa.
Rights	Rights to the New Ordinary Shares or New Depositary Interests pursuant to the Rights Issue.
Rights Issue	The proposed issue by way of rights of New Ordinary Shares and/or, unless the context otherwise requires, New Depositary Interests, on the basis described in this document and (where applicable) in the Provisional Allotment Letter.
Rights Issue Entitlement	The entitlement of Qualifying Non-CREST Shareholders and Qualifying Depositary Interest Holders to New Ordinary Shares and New Depositary Interests, respectively, pursuant to the Rights Issue but excluding the Excess Entitlements.
Rights Issue Share Options	The 41,666,500 new Future Share Options that the Company intends to grant to the Investment Manager in accordance with the Share Options Terms as a result of the Rights Issue.
RTGS	Real-time gross settlement.
Rule 144A	Rule 144A under the Securities Act.
S&P	S&P Syndicate Pcl.
SC Asset	SC Asset Corporation Public Company Limited.
Schroder Ventures Funds	The Asia-Pacific Fund II and Schroder Ventures Asia-Pacific Fund.
SCPAL	Symphony Capital Partners (Asia) Limited.
SCPAPL	Symphony Capital Partners (Asia) Pte. Ltd.
SCPL	Symphony Capital Partners Limited, a company incorporated in the British Virgin Islands.
SDRT	Stamp duty reserve tax.
Securities Act	U.S. Securities Act of 1933, as amended.
SG Land	SG Land Co, Ltd.
SGX	Singapore Exchange Securities Trading Limited.
Shareholder	A registered holder of Shares.
Shareholder Helpline	The helpline as set out at the front of this document.
Share Options	The Initial Share Options, the Future Share Options and the Rights Issue Share Options.
Share Options Terms	The terms of the Share Options as approved by the Board. A summary of these terms is set out in paragraph 3.5 ("Terms of the Share Options") of "Part 14 – Additional Information".
Share Options Terms Committee	The committee established to administer the Share Options Terms comprising of at least two independent Directors and one Key Person.
Share Register	The register of Shareholders held in Guernsey.

Share Registrar	Capita Registrars (Guernsey) Limited in its capacity as the registrar of the Share Register.
Shares	Ordinary shares of no par value in the Company's issued or to be issued share capital.
Share Transfer Agent	Capita Registrars (Guernsey) Limited.
SIAC	The Singapore International Arbitration Centre.
Singapore Advisor	Symphony Asia Holdings Pte. Ltd.
Special Resolution	A resolution that has been passed by the holders of at least 75 per cent. of the votes cast by Shareholders entitled to vote on the particular resolution before the general meeting or a resolution in writing signed by all the Shareholders (entitled to vote thereon).
Substantial Shareholders	Persons who are known to the Directors from notifications received by the Company in accordance with the provisions of the Memorandum and Articles of Association and the Disclosure and Transparency Rules to have an interest in Shares, the nominal amount of which is not less than 5 per cent. of the aggregate of the nominal amount of all the voting Shares of the Company.
SVAPF	Schroder Ventures Asia-Pacific Fund.
UK or **United Kingdom**	The United Kingdom of Great Britain and Northern Ireland.
UK Corporate Governance Code	The UK Corporate Governance Code issued by the Financial Reporting Council in the UK in May 2010.
UK Listing Authority	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA or any successor enactment.
Underwriting Agreement	The underwriting agreement dated 4 October 2012 between (1) the Company, (2) the Investment Manager and (3) Panmure Gordon, details of which are set out in paragraph 18.1 ("Underwriting Agreement") of "Part 14 – Additional Information".
USE instruction	Unmatched Stock Event (USE) instruction (as defined in the CREST Reference Manual).
U.S. or **United States**	The United States of America, its territories and possessions, any state of the United States and the District of Columbia.
U.S. person	Has the meaning given in Regulation S under the Securities Act.
U.S. Investment Company Act	The United States Investment Company Act of 1940, as amended.
VAT	Value Added Tax.
Warrantholder	A registered holder of Warrants.
Warrant Register	The register of Warrantholders held in Guernsey.
Warrant Registrar	Capita Registrars (Guernsey) Limited in its capacity as the registrar of the Warrant Register.
Warrants	The warrants issued by the Company as part of the IPO conferring rights on the Warrantholders to subscribe for one Share for every Warrant held at an exercise price of U.S.$1.25 per warrant.
WHO	World Health Organization.

ANNEX

INFORMATION ON MINOR INTERNATIONAL PCL.

Section A – General Information

This Annex forms part of this document.

1. Responsibility

The information in this Annex has been sourced from publicly available information published by MINT on its website www.minorinternational.com or otherwise available information and announcements made by MINT to the Stock Exchange of Thailand. No information on MINT's website has been incorporated by reference into this document. The Company confirms that this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by MINT, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2. Statutory auditors

PricewaterhouseCoopers ABAS Limited have been MINT's auditors for the period covered by the historical financial information contained in Section B of this Annex. PricewaterhouseCoopers ABAS Limited's address is 15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand.

3. Selected financial information regarding MINT

	Financial Highlights		
Group	**2011**	**2010**	**2009**
Consolidated		*(Thai Baht Million)*	
Net Sales	26,137	18,140	16,460
Total Revenues	28,332	19,089	17,244
Gross Profit	16,052	11,250	10,671
EBITDA	6,201	3,633	3,791
EBIT	4,221	2,061	2,230
Foreign Exchange (Gain) Loss	40	(3)	(15)
Net Profit	2,880	1,236	1,400
Total Assets	40,865	32,799	28,271
Total Liabilities	25,931	19,043	16,217
Interest-Bearing Debt	19,824	14,368	11,530
Total Equity	14,935	13,756	12,054
Net Cash Flow from Operating Activities	3,813	2,537	2,795
Profitability Ratio		*(Percentage)*	
Gross Profit Margin	61.41	62.02	64.83
Net Profit Margin	10.17	6.48	8.12
Return on Total Assets (ROA)	7.82	4.05	5.25
Return on Equity (ROE)	20.08	9.58	11.50
Debt to Equity Ratio		*(Times)*	
Interest-Bearing Debt/Equity Ratio	1.33	1.04	0.96
Long-Term Debt/Equity Ratio	1.16	0.94	0.79
Gearing Ratio	1.74	1.38	1.35
Per Share Data		*(Thai Baht)*	
Earnings per Share	0.88	0.38	0.43
Book Value per Share	4.56	4.22	3.71
Dividends per Share	0.25	0.15	0.15
Dividend Payout Ratio	28.39%	39.49%	35.01%

Group	Financial Highlights 2011	2010	2009
Share Capital	*(Thousand Shares)*		
Par Value	1	1	1
Registered Ordinary Shares	3,666,520	3,677,989	3,351,851
Registered Preferred Shares	–	–	–
Number of Ordinary Shares Outstanding	3,275,225	3,262,339	3,246,416
Number of Preferred Shares Outstanding	–	–	–
Number of Weighted Average Ordinary Shares Outstanding	3,270,879	3,255,950	3,268,811
Number of Weighted Average Preferred Shares Outstanding	–	–	–
Number of Warrants Outstanding			
Offered to Existing Shareholders	325,380	325,382	–
Offered to Employee Stock Option Programme	52,717	78,080	66,524

Notes:

(1) Dividend per share for the performance in the 2011 financial year consisted of a cash dividend of Thai Baht 0.15 per share and a stock dividend in the ratio of 10 existing shares to 1 new ordinary share at the price of Thai Baht 1.00 per share. The above 2011 dividend per share was made pursuant to MINT's board of directors' resolution on 21 February 2012 and the resolution of the shareholders at the annual general meeting for MINT's shareholders on 2 April 2012.

(2) The dividend payout ratio is calculated from dividend per share divided by earnings per share.

MINT's unaudited interim financial statements for the period ended 30 June 2012 (the "H1 2012") are set out in Section B.2 of this Annex.

MINT's audited financial statements for the financial years ended 31 December 2011, 31 December 2010 and 31 December 2009 are set out in Sections B.3 and B.4 of this Annex.

Selected historical unaudited and audited financial information for MINT's last three financial years is included in the operating and financial review in paragraph 7 below.

4. Risk factors

Risk factors relating to MINT are set out in Section C of this Annex.

5. Background Information

5.1 MINT is a company limited by shares that was incorporated on 1 September 1978 (under the name Royal Garden Resorts) in Thailand. It was listed on the Stock Exchange of Thailand in 1988 and registered as a public limited company under the Public Limited Companies Act of Thailand on 30 August 1993. In 2005 Royal Garden Resorts changed its name to MINT International Public Company Limited and, in 2009, MINT completed a group business merger/restructuring through the consolidation of its retail trading business, Minor Corporation Pcl. MINT's company register number is 0107536000919. It is domiciled in Thailand and its registered offices are at:

(i) 99 Berli Jucker Building, Soi Rubia, Sukhumvit 42 Road, Prakanong Sub District, Klongtoey District, Bangkok 10110 (Tel: +6623657500); and

(ii) 218/2-4, Moo 10, Beach Road, Nongprue, Banglamung, Chonburi, Thailand.

5.2 MINT is the ultimate holding company of its group. The entities over which MINT exercises control are outlined at note 10 to the H1 2012 and note 12 to MINT's 2011 annual report (the "2011 Report") on pages A-55 to A-64 and A-127 to A-145, respectively, of this document. MINT's percentage holding in each such entity is set out in the relevant note.

5.3 For the period covered by the historical financial information, the principal activities of MINT and its subsidiary entities have been focused on: (i) hotels and resorts; (ii) restaurants; and (iii) lifestyle brands distribution (retail). MINT's revenue structure, as derived from its various businesses, is set out in paragraph 6 of this Annex.

6. Summary of operations and material assets

As at 30 June 2012, MINT owned 28 hotels and managed 49 other hotels and serviced suites with 9,838 rooms (including 3,145 equity-owned and 6,693 that are managed by MINT) under prominent brands such as the Four Seasons, St. Regis, Marriott, Avani, Anantara and Oaks Hotels & Resorts ("Oaks") and operated in 10 countries, including Australia, New Zealand, Thailand, Vietnam, Maldives, South Africa, Sri Lanka and the Middle East. Out of the total 9,838 rooms owned or managed by MINT, approximately 31 per cent. (3,067 rooms) are in Thailand, with the remaining 69 per cent. (6,771 rooms) in Australia, New Zealand, Maldives, Indonesia, Sri Lanka, Vietnam, Africa and the Middle East.

As at 30 June 2012, MINT also owned and operated 1,274 restaurants (comprising 708 equity-owned outlets and 566 franchised outlets) under the brands The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Thai Express and The Coffee Club. Approximately two-thirds of these outlets are in Thailand, with the remaining number in Australia, New Zealand, China, India, Maldives, other Asian countries and the Middle East.

MINT's operations also include contract manufacturing and an international lifestyle consumer brand distribution business in Thailand focusing on fashion and cosmetics through retail (247 outlets). Of the total retail trading outlets, 79 per cent. are operated under fashion brands such as Esprit, Bossini, GAP, Charles & Keith, Tumi and Pedro, while another 15 per cent. are operated under cosmetics brands such as Red Earth and Bloom.

MINT operates a spa business under the Anantara, Mandara and Elemis brands. As at 30 June 2012, MINT owned and managed 38 spas in Thailand, China, Maldives, Tanzania, Jordan, the United Arab Emirates, India, Egypt, Turkey and Korea.

MINT's real estate business develops and sells properties in conjunction with the development of some of its hotels. The first project of this kind is called the Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Hotel in Samui, Thailand. The second project is the St. Regis Residences, with 53 residential units located above the St. Regis Hotel, Bangkok, Thailand. Another real estate development operation launched by MINT in December 2010 is MINT's points-based vacation club under its own brand, Anantara Vacation Club. As at 30 June 2012, Anantara Vacation Club has an inventory of 46 units, comprising of 20 purpose-built properties adjacent to Anatara Bophut, Samui, Thailand, two villas in Phuket, Thailand, three units in Queenstown, New Zealand, three units in Bangkok, Thailand and 18 units in Bali, Indonesia.

MINT also has a plaza and entertainment business. MINT operates six entertainment outlets and owns and operates three shopping plazas: (i) Royal Garden Pattaya, Thailand; (ii) Turtle Village Shopping Plaza Phuket, Thailand; and (iii) Royal Garden Plaza Bangkok, Thailand.

MINT has indicated that the flooding in Thailand in 2011 impacted the operations of the MINT group at note 31 to the 2011 Report on page A-180 of this document.

MINT has indicated that it plans to grow its portfolio to 140 hotels, 2,700 restaurants and 300 retail outlets by 2016.

MINT's business segments are managed on a worldwide basis and primarily operate in the following geographical areas:

	Revenues	Segment results	Total assets
	31 December 2011		
	(Thai Baht Million)		
Thailand[(1)]	21,423	11,983	49,951
Singapore[(2)]	2,200	1,657	7,377
Australia[(3)]	2,601	1,374	11,864
People's Republic of China[(4)]	495	330	292
Republic of Maldives[(5)]	749	473	2,435

	Revenues	Segment results	Total assets
	31 December 2011		
	(Thai Baht Million)		
Sri Lanka	104	62	200
The United Arab Emirates	26	23	–
Others	93	73	9,325
Eliminated	(1,554)	(1,106)	(40,219)
	26,137	14,869	40,865

Notes:

(1) Thailand is MINT's home country and it is also the main country of its operations. MINT's principal areas of operation in Thailand are hotel operations, entertainment operations, food and beverage operations, real estates sales, distribution, manufacturing, property rental business, spa services and management operations.

(2) Singapore – MINT operates food and beverage operations in this country.

(3) Australia – MINT has hotel operations and food and beverage operations in this country.

(4) People's Republic of China – MINT's predominant activity in this country is food and beverage operations and spa services.

(5) Republic of Maldives – MINT's main activities in this country are hotel operations and spa services.

(6) Others – MINT's main activities in these countries are hotel operations and spa services. Other countries in which MINT operates are Sri Lanka, The United Arab Emirates, etc.

Below is a segmental breakdown of MINT's revenue for the period covered by the historical financial information:

	Revenue		
	2011	2010	2009
	(Thai Baht Million)		
Restaurant Services	11,697	10,540	10,033
Hotel & Mixed-Use	12,657	5,870	5,832
Retail Trading & Contract Manufacturing	2,923	2,680	1,379
Gain on fair value adjustment of S&P investment	1,054	–	–
Total Revenue*	28,332	19,089	17,244

** Includes share of profits from investments in associates and joint ventures*

Below is a segmental breakdown of MINT's EBITDA for the period covered by the historical financial information:

	EBITDA		
	2011	2010	2009
	(Thai Baht Million)		
Restaurant Services	1,923	1,746	1,594
Hotel & Mixed-Use	3,313	1,735	2,078
Retail Trading & Contract Manufacturing	4	152	120
Gain on fair value adjustment of S&P investment	1,054	–	–
Goodwill impairment of China business	(93)	–	–
Total EBITDA	6,201	3,633	3,791
EBITDA Margin	22%	19%	22%

Further information in respect of MINT's business operations and results for the first half of 2012 is set out in note 5 to the H1 2012 on pages A-48 to A-49 of this document and in the management discussion and analysis dated 8 August 2012 (the "MD&A") in Section B.1 of this Annex.

7. Operating and financial review

Results

H1 2012

In the first half of 2012, MINT reported unaudited total revenues of Thai Baht 16,292 million, an increase of 26 per cent. on the same period in 2011. MINT also reported a net profit of Thai Baht 1,639 million, a growth of 49 per cent. over the same period in 2011.

The increase was primarily the result of strong performances of all business units, together with the full consolidation of Oaks in Australia. On the back of strong profitability during the hotels' peak season in the first quarter of 2012, net profit margin improved from 9 per cent. (8 per cent. excluding the one-time adjustment of fair value of the investment in Oaks) in the first half of 2011 to 10 per cent. for the same period in 2012.

MINT reported unaudited EBITDA for the first half of 2012 of Thai Baht 3,557 million, a growth of 38 per cent. over the same period in 2011 and this was largely due to its hotel and mixed-use business and its restaurant business.

2011

MINT reported its best-ever net profit, Thai Baht 2,880 million, in 2011. This was attributable to:

(i) the strong performance of the hotel and mixed-use business, as a result of:

- an improvement in 2011 occupancy rates in hotels outside of Bangkok, Thailand and overseas throughout the year;
- the consolidation of Oaks; and
- the robust performance of mixed-use businesses, where sales of both residential properties and the point-based vacation club exceeded budgets;

(ii) the steady growth of the restaurant business throughout the year, despite the floods in Thailand in the fourth quarter of 2011; and

(iii) a one-time gain on fair value adjustment of S&P Syndicate Pcl ("S&P") investment.

Note that even without gain on fair value adjustment of S&P investment and one-time expense, MINT still saw its core net profit improve significantly by 55 per cent. in 2011.

MINT reported total revenues of Thai Baht 28,332 million for 2011, an increase of 48 per cent. from 2010. The growth was due to (i) seven months consolidation of Oaks, (ii) revenues from the real estate development business, (iii) the strong performances of all business units and (iv) the gain on fair value adjustment of S&P investment.

MINT's EBITDA for 2011 grew by 71 per cent. to Thai Baht 6,201 million from 2010. Excluding gain on fair value adjustment of S&P investment of Thai Baht 1,054 million and a one-time goodwill impairment charge for an investment in a business in China of Thai Baht 93 million in the third quarter of 2011, MINT's EBITDA still increased by 44 per cent. MINT's 2011 hotel and mixed-use EBITDA increased by 91 per cent. due to MINT's efforts to expand and diversify its hotel and mixed-use portfolio through the acquisition of Oaks and the sales of real estate development. MINT's restaurant EBITDA, excluding gain on fair value adjustment of S&P investment and one-time goodwill impairment, increased by 10 per cent., in line with revenue growth. MINT's retail trading and contract manufacturing EBITDA declined by 97 per cent. as a result of the write-off related to floods in Thailand in the fourth quarter of 2011.

2010

In 2010, MINT reported total revenues of Thai Baht 19,089 million, an increase of 11 per cent., primarily from the growth of the revenues from restaurant business and the revenues from retail trading and contract manufacturing business. The growth of revenues from restaurant business was attributable to the improvement in same-store-sales growth, as well as outlet expansion. Revenue from retail trading and contract manufacturing business increased by 94 per cent. because of the consolidation of the business for the full year compared to the consolidation of 109 days in 2009. Revenue from hotel and mixed-use business increased by 2 per cent., primarily from the recognition of one unit of St. Regis condominium in the fourth quarter of 2010.

In terms of revenue breakdown, restaurant and hotel and spa businesses accounted for 55 per cent. and 31 per cent. of total revenues, respectively. Retail trading and contract manufacturing made up the remaining 14 per cent.

In 2010, MINT reported EBITDA of Thai Baht 3,633 million, a decline of 4 per cent., primarily as a result of the decline in EBITDA of hotel and mixed use business. EBITDA of the restaurant business increased by 5 per cent., in line with the increase in revenue from restaurant business. For retail trading and contract manufacturing business, EBITDA increased by 27 per cent. as a result of the full year consolidation in 2010 as mentioned above. EBITDA of hotel and mixed use business declined by 13 per cent. due to: (i) the closure of Four Seasons, Bangkok, Thailand for two months during the political riot in April to May; (ii) the absence of revenue relating to timeshare property MINT had previously held jointly with the Marriott in the fourth quarter of 2009; (iii) pre-operating expenses of two hotels, Anantara Kihavah and the St. Regis Bangkok, Thailand, which opened in the first quarter of 2011; and (iv) pre-operating expenses of Anantara Vacation Club, the new time share project under MINT's own brand.

In terms of EBITDA, the restaurant business accounted for 46 per cent. of total EBITDA in 2010 while the hotel and mixed-use business contributed a higher 50 per cent. Retail trading and the contract manufacturing business contributed a mere 4 per cent. of total EBITDA as retail trading and the contract manufacturing business typically has relatively low margin compared to other businesses.

2009

MINT reported 2009 total revenues that were up 5 per cent. to Thai Baht 17,291 million in 2009. Net income was down 26 per cent. to Thai Baht 1,400 million. The food and hotel businesses contributed 58 per cent. and 30 per cent. of total revenues, respectively, while retail trading and the contract manufacturing business contributed 8 per cent. of total revenues. In 2009, the revenues from the restaurant business increased by 13 per cent. as MINT opened 69 new outlets. 37 were equity-owned while the remaining 32 were franchised.

Capital Resources

Details in respect of MINT's borrowings and its ability to issue further debentures as at 30 June 2012 are set out at note 17 to the H1 2012 on pages A-69 to A-72 of this document. On 6 August 2012, MINT announced that it would complete the issuance of Thai Baht 4.5 billion senior unsecured debentures to institutional and major investors. The debentures comprise a five-year tranche in the amount of Thai Baht 1.8 billion with interest rate of 4.25 per cent. and a ten-year tranche in the amount of Thai Baht 2.7 billion with interest rate of 4.75 per cent. The issuance of the debentures completed on 9 August 2012, with Siam Commercial Bank Pcl and Bangkok Bank Pcl as underwriters. Part of the proceeds will be used to repay some existing debentures that are nearing maturity. The remaining proceeds will be used to finance normal operations and business expansion of MINT.

Cash flows

For the year 2011, MINT and its subsidiaries reported cash flows from their operations of Thai Baht 3,813 million, an increase of Thai Baht 1,276 million year-on-year. Cash flow used to pay for investing activities was Thai Baht 6,539 million, due primarily to (i) payments of Thai Baht 2,521 million for the acquisition of Oaks, and additional investments of Thai Baht 402 million in Thai Express, Thai Baht 380 million in S&P, Thai Baht 72 million in Tidal Swell and Thai Baht 58 million in Cyprea Lanka, (ii) payments of Thai Baht 2,778 million for projects under development in the first quarter of 2011, namely Anantara Kihavah in the Maldives and St. Regis Hotel & Residence and other fixed assets and (iii) payment of Thai Baht 156 million for software development to support the restaurant and retail trading businesses. MINT reported net cash receipts from financing activities of Thai Baht 2,670 million, comprising of (a) net proceeds from borrowings of Thai Baht 3,083 million, primarily from the issuance of a debenture and increased borrowings to finance the acquisition of Oaks, (b) net proceeds from the issuance of additional ordinary shares from the exercise of employee stock option programme ("ESOP") warrants of Thai Baht 90 million, netted off with (c) a dividend payment of Thai Baht 503 million. As a result, MINT's net cash and cash equivalents decreased by Baht 55 million in 2011.

Information in respect of MINT's cash flows during the first half of 2012 is set out in the MD&A at pages A-22 to A-23 of this document.

Dividends

At the annual general meeting of MINT's shareholders on 2 April 2012, shareholders approved a dividend payment amounting to Thai Baht 0.15 per share (2011: Thai Baht 0.15 per share) to existing shareholders and the shareholders of ordinary shares converted from convertible securities not exceeding Thai Baht 544.1 million (2011: Thai Baht 542.5 million) and approved the payment of a stock dividend at the ratio of 10 existing shares to 1 new ordinary share at the price of Thai Baht 1 per share. The stock dividend was to be paid to existing shareholders and shareholders who convert the convertible securities. The total new stock dividend shares was not to exceed 362.7 million shares. The total dividend payment made was Thai Baht 822 million which comprised a cash dividend of Thai Baht 493 million and a stock dividend amounting to Thai Baht 329 million. The dividends were paid on 30 April 2012. In addition, the meeting approved an additional Thai Baht 38.51 million of legal reserve to ensure that the legal reserve for the year 2012 meets the requirement of the applicable law and MINT's articles of association following the increase in the authorised capital for payment as stock dividend and for the adjustment of exercise ratio as a result of stock dividend payment.

On 1 April 2011, the annual general meeting of the shareholders of MINT passed a resolution to approve a dividend payment amounting to Thai Baht 0.15 per share (2010: Thai Baht 0.15 per share; 2009: Thai Baht 0.31 per share) to existing shareholders and the shareholders of ordinary shares converted from convertible securities not exceeding Thai Baht 542.5 million (2010: Thai Baht 490.9 million; 2009: Thai Baht 1,094 million). The dividend was paid on 28 April 2011.

In order to create a return for shareholders, MINT does not have a fixed dividend ratio and instead its policy on dividends is to take into account their necessity and appropriateness and to consider the growth of its business operations, investments and expansion plans, provisions under its loan agreements, any debenture's terms and conditions and the position of its subsidiaries.

Outlook

MINT's management's outlook for 2012 was included in the 2011 Report and is set out at pages A-205 to A-206 of this document.

On 8 August 2012, MINT's management stated that MINT continued to report a strong performance throughout the first half of 2012 and that each individual business unit continues to see healthy growth. Further information in respect of MINT's outlook for 2012 is set out in the MD&A on pages A-23 to A-24 of this document.

Lower Degree of Leverage

In recent years, MINT's leverage ratio gradually increased as a result of higher capital expenditure requirements in respect of new developments and investments, including the completion of two new hotels, the investment in real estate projects, the acquisition of Oaks and Ribs and Rumps, as well as increased investment in Thai Express and S&P. All of the these investments have generated sufficient cash flows since late 2011. Net interest-bearing debt to equity declined from 1.25x at the end of 2011 to 1.21x in the first half of 2012.

8. Investment

Details regarding MINT's investments are set out in notes 10 and 11 to the H1 2012 on pages A-55 to A-65 of this document, notes 12, 13, 15 and 16 to the 2011 Report on pages A-127 to A-150 and pages A-154 to A-157 of this document and notes 12 and 13 to the 2010 Report (the "2010 Report") on pages A-282 to A-301 of this document.

Details regarding MINT's commitments is set out at note 27 to the H1 2012 on page A-80 of this document.

9. Property, plant and equipment

The material property, plant and equipment owned by MINT is disclosed in note 12 to the H1 2012 on page A-65 to A-66 of this document and note 17 to the 2011 Report on pages A-158 to A-162 of this document.

10. Administration and management

10.1 Details of the names, functions and dates of appointment of MINT's directors are set out below. Each director can be contacted at MINT's registered office addresses.

- William E. Heinecke (chairman/chief executive officer) was elected as a director in 1979.
- Paul Charles Kenny (director) was elected as a director in 1997.
- Kenneth Lee White (independent director) was elected as a director in June 1998.
- Anil Thadani (director) was elected as a director in 1998.
- Khunying Jada Wattanasiritham (independent director) was elected as a director in 2008.
- Emmanuel Jude Dillipraj Rajakarier (director) was elected as a director in 2008.
- Weerawong Chittmittrapap (independent director) was elected as a director in 2011.
- Mr. Michael David Selby (director) was appointed as a director in February 2012.
- Mr. Patee Sarasin (independent director) was elected as a director in April 2012.

10.2 Further information in respect of the directors, as at 31 December 2011, is set out at pages A-229 to A-233 of this document, and details of MINT's securities held by the directors, as at 31 December 2011, is set out at page A-239 of this document (with the exception of Mr. Michael David Selby and Mr. Patee Sarasin who were appointed after 31 December 2011). The Company was unable to obtain any public information in respect of the service contracts (if any) between MINT and its directors.

10.3 Information in respect of the responsibilities of MINT's board of directors is set out at pages A-225 to A-228 of this document.

10.4 Based on publicly available information published by MINT in respect of its directors, there are no actual or potential conflicts of interest between the duties of MINT's directors owed to MINT and any of their private interests or other duties.

10.5 Details of the remuneration structure and the amount of remuneration and benefits in kind paid to each director for the years ended 31 December 2011 and 31 December 2010 are contained in the 2011 Report and the 2010 Report at page A-224 and page A-337 of this document.

10.6 Information concerning the operation and composition of MINT's Audit Committee is contained in the 2011 Report at pages A-233 to A-235 of this document. Mr. Patee Sarasin was appointed to MINT's Audit Committee on 25 May 2012.

10.7 Information concerning the operation and composition of MINT's Compensation, and Nominating and Corporate Governance Committees is contained in the 2011 Report at pages A-235 to A-236 of this document.

10.8 MINT has approved a set of Good Corporate Governance Guidelines as guidelines for its business operations for directors, management and employees. These are reviewed and modified annually in order to adapt to the changes in business operations, the regulatory environment and the applicable laws (including the Good Corporate Governance Principals specified by the Stock Exchange of Thailand, the Securities and Exchange Commission and the Thai Institute of Directors Association). MINT's Good Corporate Governance Guidelines are set out at pages A-220 to A-228 of this document.

11. Employees

MINT and its subsidiaries had 28,841 employees as at 31 December 2011. This figure was 18,036 persons as at 31 December 2010 and 16,758 persons as at 31 December 2009. The following table represents the number of employees as at December 2011:

Business	Permanent	Part time	Total
1. Hotel	9,965	1,822	11,787
2. Restaurant	5,869	9,588	15,457
3. Distribution & Production	1,381	1	1,382
4. Others	215	–	215
Total	17,430	11,411	28,841

12. Major Shareholders

Details of the shareholdings of MINT's 10 largest shareholders as at 7 February 2012 are set out at page A-240 of this document. Based upon the publicly available information published by MINT, such shareholders are not entitled by reason of their shareholding to voting rights which differ from other shareholders of MINT and MINT is not indirectly or directly owned or controlled.

13. Related Party Transactions

Information concerning (i) related party transactions is set out at note 6 to the H1 2012 at pages A-49 to A-53 of this document and at note 14 to the 2011 Report at pages A-150 to A-154 of this document and (ii) 'connected transactions' is set out at pages A-207 to A-219 of this document.

14. Share Capital

Based on the latest publicly available information, as at 12 September 2012, MINT had 3,652,522,131 shares (each with a par value of Thai Baht 1.00) admitted to trading on the Stock Exchange of Thailand and, as at 7 September 2012, there were 30,974,462 ESOP warrants and 302,110,199 warrants offered to existing shareholders outstanding.

At the 2012 annual general meeting of MINT's shareholders, which took place on 2 April 2012, shareholders approved the increase of the registered share capital of MINT in the amount of Thai Baht 396,526,654, divided into 396,526,654 ordinary shares at the par value of Thai Baht 1.00 each to be paid out as stock dividend of up to 362,717,849 shares and 33,808,805 shares to be added to the legal reserve to reflect the adjustment of exercise ratio that resulted from the issue of the stock dividend.

Information in respect of the share capital of MINT as at 30 June 2012 is set out at notes 20 and 21 to the H1 2012 at pages A-74 to A-75 of this document. A summary of MINT's share capital for the 2011, 2010 and 2009 financial years is set out below:

	2011	2010	2009
Share Capital		*(Thousand Shares)*	
Par Value *(Thai Baht)*	1	1	1
Registered Ordinary Shares	3,666,520	3,677,989	3,351,851
Registered Preferred Shares	–	–	–
Number of Ordinary Shares Outstanding	3,275,225	3,262,339	3,246,416
Number of Preferred Shares Outstanding	–	–	–
Number of Weighted Average Ordinary Shares Outstanding	3,270,879	3,255,950	3,268,811
Number of Weighted Average Preferred Shares Outstanding	–	–	–
Number of Warrants Outstanding			
Offered to Existing Shareholders	325,380	325,382	–
Offered to Employee Stock Option Programme	52,717	78,080	66,524

Warrants

Warrants are issued to existing shareholders to subscribe for ordinary shares. Certain employees and executive management of MINT are rewarded through entitlement to receive warrants to subscribe for ordinary shares (ESOP warrants).

Employee participation in MINT's share capital AI, 17.3

MINT has (i) provided the management and employees ESOP warrants with vesting terms of up to four to five years and (ii) implemented a employee joint investment programme ("EJIP"), whereby MINT matches contributions from participating employees to purchase MINT shares in accordance with the terms of the EJIP, in order to motivate management to create the long-term growth, and to facilitate the retention of key personnel. MINT's Compensation Committee determines the allocations under the ESOP and EJIP.

15. Affidavit, Memorandum and Articles of Association

MINT's objects and purposes

MINT's objects and purposes are set out in an attachment to its affidavit in accordance with Thai company law. The affidavit is a document issued by the Ministry of Commerce in Thailand and contains limited information (e.g. name, address, directors' names, registered capital, etc.) of a company incorporated in Thailand. MINT's objectives are broadly drafted and include the following:

(i) to operate hotels and other kinds of vacation resorts, to provide, renovate and refurbish all types of accommodation, including single rooms, suites, houses, apartments, portable buildings, cabins, cruises, etc., to operate food courts, restaurants, night clubs, fitness centres, massage parlours, bowling places, theatres and to provide entertainment services;

(ii) to buy and sell, import and export, goods within these objectives;

(iii) to be a shareholder in any other limited company or to be a partner with limited liability in any partnership, regardless of whether such entity has the same objectives as MINT;

(iv) to construct buildings (including department stores) and to design, calculate, and advise on all types of construction and civil works, including bidding on construction projects with official and other state enterprises;

(v) to operate restaurants, food stands, beverage and tea shops, coffee shops and other food shops; and

(vi) to conduct, consult and advise on the management and operation of hotels and resorts, and any managerial, commercial, industrial operations, including producing, marketing, and selling of products within these objectives.

Administrative, management and supervisory bodies

Number of Directors

MINT shall have a board of directors consisting of at least five directors but not more than 11 directors, at least half of whom must reside in Thailand.

Retirement of Directors

At each annual general meeting of shareholders, one-third of the directors shall retire from their office by rotation. If the total number of directors is not a multiple of three, the number closest to one-third shall retire. A director who retires from their office may be re-elected.

Assignment of Authorities

The board of directors may elect a director to be the chairman of the board and one or several directors to be vice-chairman. The vice-chairman shall have duties as stipulated in MINT's articles as entrusted by the chairman of the board.

The board of directors may authorise one or more directors or any other person to perform any acts on its behalf under its supervision. In addition, the board of directors may, as it deems appropriate, endow such person with specific authorities for within a certain period. The board of directors may cancel, revoke, or amend such authorities.

The board of directors may, as it deems appropriate, appoint a director to be the managing director for the purpose of managing the affairs of MINT under its supervision. The board of directors may grant authority to such managing director as it deems necessary and appropriate.

Authorised Directors

Any two directors are authorised to sign and affix MINT's seal. The board of directors may determine the names of the authorised directors who can bind MINT with MINT's seal affixed.

Rights, preferences and restrictions attaching to the existing MINT shares

Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share may be allotted, issued with or have attached to them such rights or restrictions as MINT may by special resolution determine.

Subject to the provisions of MINT's articles, at any general meeting, any shareholder who is present in person or by proxy shall on a show of hands have one vote or on a poll have one vote for each share of which he is the holder.

Except as otherwise provided by the rights attached to shares, all dividends shall be apportioned and paid proportionately to the number of issued shares during any portion or portions of the period in respect of which the dividend is paid.

Rights of holders of MINT shares

MINT currently has one class of ordinary share in issue. If MINT issues different classes of shares, the rights attached to shares in any class may be varied only by special resolution passed at a meeting of shareholders.

Subject to the terms of the issue of shares, the rights attached to a class of shares are not treated as having been varied by the issue of further shares of that class.

MINT's articles do not contain specific approval thresholds for changes in its share capital, and therefore the provisions of Thai law governing public limited companies and the Thailand Stock Exchange apply. An increase or decrease in MINT's registered share capital therefore must be approved by a special resolution, being a vote of not less than three-quarters of the total number of votes of the attending shareholders with the right to vote.

Meetings of shareholders

General meetings

The board of directors shall convene an annual general meeting of shareholders within four months of the last day of MINT's accounting year.

The board of directors may convene an extraordinary general meeting of shareholders whenever it deems appropriate. In addition, shareholders holding shares amounting to not less than 20 per cent. of the total issued share capital or not less than 25 shareholders holding shares amounting to not less than 10 per cent. of the total issued share capital may request that the board of directors convene an extraordinary general meeting of shareholders at any time.

Quorum

For a meeting of shareholders, a quorum shall consist of the lower of not less than 25 persons or not less than one-half of the total number of shareholders attending the meeting and in either case such shareholders must hold shares amounting to not less than one-third of the total issued shares.

Voting

Generally, a majority vote of the shareholders will be a vote by a majority of shareholders who are present at the meeting and cast their vote. In the case of a tied vote, the Chairman of the shareholders' meeting shall have the casting vote.

In addition to any changes to MINT's share capital, decisions on the following matters require a special resolution:

(i) the sale or transfer of the whole or important parts of the business of MINT to any other person;

(ii) the purchase or acceptance of a transfer of the business of other companies or private companies; and

(iii) the entry into, amendment or termination of contracts with respect to the granting of a lease of the whole or an important part of the business of MINT, the transfer of the management of MINT to any other person, or the amalgamation of MINT with another company with an aim to share profits and losses.

Transfer Restrictions

MINT's articles contain a cap on foreign ownership which might have the effect of preventing a change in ownership of MINT. The articles specify an overall aggregate foreign ownership cap of 45 per cent. of issued share capital applies to MINT. Of this ownership cap, 5 per cent. is allocated to shares acquired pursuant to public offers and private placements of shares (including those shares issued pursuant to the resolution of the extraordinary general meeting of shareholders No. 2/2542 dated 24 June 1999) and 1 per cent. is allocated to newly issued shares from the exercise of right of warrant holders under MINT's ESOP and/or its subsidiaries pursuant to the resolution of the extraordinary general meeting of shareholders No. 1/2540 dated 18 December 1997.

Ownership thresholds

MINT's articles do not specify ownership thresholds above which a shareholder must disclose its ownership levels in MINT, and therefore the disclosure obligations as set out under Thai law apply to shareholders.

16. Legal and arbitration proceedings

Based upon the publicly available information published by MINT, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) during the last 12 months which may have, or have had in the recent past, significant effects on MINT's financial position or profitability.

17. Significant change

Based upon the publicly available information published by MINT, save for (i) the issuance of the Thai Baht 4.5 billion senior unsecured debentures announced by MINT on 6 August 2012 and (ii) on 9 July 2012 and 1 August 2012, a subsidiary of MINT acquired properties totalling the equivalent of Thai Baht 390 million, there has been no significant change in the financial or trading position of the MINT group which has occurred since 30 June 2012, being the date to which the historical financial information contained in Section B of this Annex has been prepared.

18. Material contracts

The financial notes to the accounts contained in Section B of this Annex contain references to the following agreements that were entered into during the two years preceding publication of this document (but there is no indication in the documents in Section B of this Annex of the materiality of these contracts to MINT's business):

(i) on 6 August 2012, MINT announced that it would complete the issuance of Thai Baht 4.5 billion senior unsecured debentures to institutional and major investors. The debentures comprise a five-year tranche in the amount of Thai Baht 1.8 billion with interest rate of 4.25 per cent. and a ten-year tranche in the amount of Thai Baht 2.7 billion with interest rate of 4.75 per cent. Siam Commercial Bank Pcl and Bangkok Bank Pcl are the underwriters. Part of the proceeds will be used to repay some existing debentures that are nearing maturity. The remaining proceeds will be used to finance normal operations and business expansion of MINT;

(ii) the transactions referred to in notes 17, 26 and 29 to the H1 2012 on pages A-69 to A-72, pages A-78 to A-80 and page A-81 of this document;

(iii) a tender offer agreement entered into during the second quarter of 2011 pursuant to which a subsidiary of the MINT group acquired 131.1 million ordinary shares in Oaks, totalling Thai Baht 2,194 million and which represented 75.43 per cent. of Oaks' paid-up shares (referred to at paragraph (a) to note 12 to the 2011 Report at page A-135 of this document);

(iv) an agreement entered into during the fourth quarter of 2011 pursuant to which a subsidiary of the MINT Group agreed to sell its entire investment of 140,000 shares, representing a 51 per cent. holding, in Amore Pacific (Thailand) Limited to Amore Pacific Global Operations Limited, amounting to Thai Baht 12.05 million (referred to at paragraph (a) to note 12 to the 2011 Report at page A-139 of this document);

(v) a consulting agreement, effective between April 2011 and December 2031, entered into between a subsidiary of the MINT group and two companies, pursuant to which the MINT subsidiary is to be provided with hotel operating and marketing services, and rights of trade mark use, technical knowledge, and other related rights (referred to at note 36 to the 2011 Report at page A-187 of this document);

(vi) the extension of land lease agreements entered into during 2010 by a subsidiary of the MINT group for periods of 30 years, effective on 25 January 2019 (referred to at note 36 to the 2011 Report at page A-188 of this document);

(vii) a management agreement entered into pursuant to the opening of a new Anantara resort in Bangkok, Thailand in December 2010 (referred to in the section entitled "Hospitality Business" in the 2010 Report at page A-243 of this document);

(viii) a master franchise agreement entered into in 2010 for the development of outlets in Guangzhou, China (referred to in the section entitled "Restaurant Business" in the 2010 Report at page A-248 of this document);

(ix) a share purchase agreement entered into on 9 August 2010 between a subsidiary of the MINT group, Hospitality Investment International Limited, and Cyprea Lanka (Private) Limited, which operates hotel business in Sri Lanka, for 82,010,192 ordinary shares with a par value of 10 Sri Lanka Rupee, totalling U.S.$11,399,948 or Thai Baht 366.1 million and representing 80.10 per cent. of Cyprea Lanka (Private) Limited's paid-up shares;

(x) eight contracts entered into in 2010 with different groups of hotel investors relating to the management by MINT of 20 new Anantara resorts (referred to in the section entitled "Hospitality Business" in the 2010 Report at pages A-243 to A-245 of this document); and

(xi) three management contracts entered into in December 2010 to rebrand three hotels in Bangkok, Phangan Island, Thailand and Vietnam into Anantara hotels (referred to in the section entitled "Management Discussion and Analysis" in the 2010 Report at page A-335 of this document).

19. Documents on display

Copies of MINT's Affidavit, Memorandum and Articles of Association, the MD&A, the H1 2012 and MINT's annual reports and accounts for the three financial years ended 31 December 2011, 31 December 2010 and 31 December 2009 are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until Admission at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, England.

ANNEX

INFORMATION ON MINOR INTERNATIONAL PCL.

Section B.1 – MD&A

Management Discussion and Analysis

Overview

2Q12 and 1H12 Performance

Minor International Public Company Limited ("MINT") continued to report robust growth in both revenues and net profit in 2Q12. Total revenues increased by 20% y-y to Bt 7,524m, while net profit increased by a greater extent of 30% y-y to Bt 364m. In 2Q11, MINT recorded one-time fair value adjustment in revenue of Bt 203m from adjusting the first 20% investment in Oaks Hotels and Resorts, Australia ("Oaks") from AUD 0.35 per share to AUD 0.52 per share; after netting off the transaction expenses, the one-time net profit from the transaction is Bt 89m. Taking out this one-time item, 2Q12 total revenues increased by 24% and net profit increased by 91% y-y. In addition to strong organic performance of all businesses, key growth drivers were the full operations of Anantara Kihavah in the Maldives and St. Regis Hotel in Bangkok, which were only partially operational in 2Q11, as well as the full consolidation of Oaks in 2Q12 vs. one-month consolidation in 2Q11.

Revenue contribution from hotel & mixed-use business increased to 46% of total revenue in 2Q12, from 41% in 2Q11, as a result of improvement in the operations of the hotel and mixed-use businesses, together with the contribution from Oaks, which was fully consolidated in 2Q12. Restaurant business accounted for 43% while retail trading and contract manufacturing contributed the remaining 11% in 2Q12.

Revenue Breakdown

Bt million	**2Q12**	**2Q11**	**%Chg**
Restaurant Services	3,237	2,901	12%
Hotel & Mixed-Use	3,480	2,598	34%
Retail Trading & Contract Manufacturing	807	779	4%
Total Revenue*	**7,524**	**6,278**	**20%**

* Including share of profit from investments in associates and joint ventures
** Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

MINT reported 1H12 total revenues of Bt 16,292m, an increase of 26% from the same period last year. The growth was due to strong performances of all business units, together with the full consolidation of Oaks. Excluding Oaks, MINT's 1H12 revenues increased by 12% y-y.

Because of the hotel's strong performance, together with contribution from Oaks, hotel & mixed-use business accounted for 49% of total revenues in 1H12. Restaurant business contributed 41% and retail trading and contract manufacturing contributed another 10%.

Revenue Breakdown

Bt million	**1H12**	**1H11**	**%Chg**
Restaurant Services	6,688	5,864	14%
Hotel & Mixed-Use	8,007	5,474	46%
Retail Trading & Contract Manufacturing	1,596	1,619	-1%
Total Revenue	**16,292**	**12,957**	**26%**

* Including share of profit from investments in associates and joint ventures
** Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

In 2Q12, MINT reported EBITDA of Bt 1,311m, a 22% growth over the same period last year. The increase was due primarily to improved profitability of hotel and restaurant operations. Hotel & mixed-use and restaurant businesses accounted for 55% and 42% of total EBITDA in 2Q12, respectively. Retail trading & contract manufacturing, whose NMT manufacturing plant recently resumed full operations in June 2012 since the flood in 4Q11, contributed the remaining 3% of total EBITDA.

EBITDA Breakdown

Bt million	**2Q12**	**2Q11**	**%Chg**
Restaurant Services	549	483	14%
Hotel & Mixed-Use	726	533	36%
Retail Trading & Contract Manufacturing	36	57	-36%
Total EBITDA	**1,311**	**1,072**	**22%**
EBITDA Margin	**17%**	**17%**	

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

1H12 MINT EBITDA grew by 38% to Bt 3,557m with an improved EBITDA margin of 22%. Hotel & mixed-use business represented 64% of total EBITDA in 1H12, while restaurant business accounted for 32%. Retail trading and contract manufacturing business accounted for the remaining 4%.

EBITDA Breakdown

Bt million	**1H12**	**1H11**	**%Chg**
Restaurant Services	1,132	950	19%
Hotel & Mixed-Use	2,285	1,508	52%
Retail Trading & Contract Manufacturing	139	121	16%
Total EBITDA	**3,557**	**2,578**	**38%**
EBITDA Margin	**22%**	**20%**	

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

MINT reported net profit of Bt 364m in 2Q12, up 30% y-y. 2Q12 net profit margin improved slightly from 4% in 2Q11 to 5% this quarter. Excluding one-time adjustment of fair value of investment in Oaks in 2Q11 of Bt 89m, net profit from operations increased by 91% y-y, while net profit margin from operations in 2Q11 was 3%.

On the back of strong profitability during the hotel's peak season in the first quarter, 1H12 net profit margin improved significantly from 9% in 1H11 (8% excluding one-time adjustment of fair value of investment in Oaks) to 10% in 2H12.

Net Profit

Bt million	**2Q12**	**2Q11**	**%Chg**
Total net profit	364	280	30%
Net Profit Margin	**5%**	**4%**	
	1H12	**1H11**	**%Chg**
Total net profit	1,639	1,102	49%
Net Profit Margin	**10%**	**9%**	

Major Developments in 2Q12

	Developments
Restaurant	• Opened 10 outlets, net. 16 equity-owned outlets of Dairy Queen were sold to franchisees as part of the plan to promote Dairy Queen's franchising business • Strengthened Minor Food Group's position in Korea by opening additional three franchised outlets of Thai Express. As at the end of 2Q12, the Company had a total of 5 Thai Express outlets in the country • Opened the first two Swensen's equity-owned outlets in the Maldives at both domestic and international terminals of the airport
Hotel & Mixed-Use	• Invested in one of Phuket's most luxurious hotels, Bundarika Villas & Suites on the secluded Layan Beach • Soft-launched two new managed hotels; Anantara Eastern Mangroves in Abu Dhabi and Anantara Uluwatu in Bali, while Hua Hin Marriott Resort & Spa was closed as the leasehold agreement ended • Transferred and recorded 2Q12 revenues for 5% of total sellable area of St. Regis Residence • Anantara Vacation Club announced the inventory purchase of 18 units in Bali, and additional three units in Bangkok
Retail Trading	• NMT manufacturing plantresumed its full operation in June with increased order from global fast moving consumer goods (FMCG) players

Segment Performance

Restaurant Business

At the end of 2Q12, MINT's total restaurants reached 1,274 outlets, comprising 708 equity-owned outlets (56% of total), and 566 franchised outlets (44% of total). Of total, 844 food outlets (66% of total) are in Thailand, while the remaining 430 outlets (34% of total) are located in Australia, New

Zealand, China, Middle East, India, Maldives and other countries in Asia. Sixteen new outlets were opened in 2Q12, while six outlets were closed, including one The Pizza Company outlet in China and one Thai Express outlet in Singapore, as part of the continued plan to rationalize the Chinese and Thai Express's operations.

Restaurant Outlets by Owned Equity and Franchise

	2Q12	Chg q-q	Chg y-y
Owned Equity	708	-9	26
- Thailand	610	-13*	18*
- Overseas	98	4	8
Franchise	566	19	79
- Thailand	234	16*	47*
- Overseas	332	3	32
Total Outlets	**1,274**	**10**	**105**

* The change includes the 16 equity outlets of Dairy Queen which were sold to franchisees as part of Dairy Queen's domestic sub-franchise plan

Restaurant Outlets by Brand

	2Q12	Chg q-q	Chg y-y
The Pizza Company	285	0	33
Swensen's	268	2	19
Sizzler	44	0	0
Dairy Queen	266	3	18
Burger King	27	0	0
The Coffee Club*	301	1	31
Thai Express	68	4	4
Others**	15	0	0
Total Outlets	**1,274**	**10**	**105**

* The Coffee Club group includes Ribs and Rumps
** Others include restaurants at the airport under MINT's 51% JV, Select Service Partner

Brand Performance Analysis

All brands, except Thai Express, reported positive same store sales growth throughout the second quarter. Three brands saw notable increases in same store sales; The Pizza Company, Swensen's and Dairy Queen, due mainly to the successful promotions of TPC's Bt-399 set, SW's chocolate sundae and DQ's Loacker menu. Sizzler's same store sales increased only slightly, partly because the brand is in the process of adjusting its marketing plans. Thai Express' same store sales, on the other hand, declined by 8.4% partly because Xin Wang Hong Kong Cafe, Thai Express's sub-brand, went through new menu launch in May 2012, as part of the effort to continue the rationalization of Thai Express portfolio. In any case, Thai Express same store sales saw an encouraging improvement throughout the three months in 2Q12.

In 2Q12, MINT continued its international expansion with the opening of the first two equity Swensen's outlets in both domestic and international terminals of the Maldives airport, together with additional franchised outlets of The Coffee Club in Australia and Thai Express in Korea. With the outlet expansion both in Thailand and overseas, total system sales increased by 13.6% in 2Q12.

Although Thai Express experienced negative same store sales growth in 2Q12, the costs and expenses have been well under control as a result of the rationalization process. Therefore, Thai Express's net profit increased by 9% y-y in 2Q12. Note also that Thai Express's profit contribution to MINT increased by a much larger magnitude on the back of MINT's increased stake holding in Thai Express since December 2011.

Restaurant Business Performance by Brand

Same Store Sales (% chg y-y)

	2Q12	2Q11	1H12	1H11
The Pizza Company	14.9	9.7	10.7	10.4
Swensen's	10.9	8.4	12.1	2.9
Sizzler	0.8	22.3	3.1	16.3
Dairy Queen	20.8	15.6	25.9	10.6
Burger King	9.6	34.0	7.8	19.9
The Coffee Club	2.7	12.8	3.5	12.0
Thai Express	(8.4)	1.0	(3.0)	(0.4)
Average	**6.5**	**12.3**	**7.1**	**10.0**

Total System Sales (% chg y-y)

	2Q12	2Q11	1H12	1H11
The Pizza Company	25.3	13.7	21.5	13.5
Swensen's	21.2	17.5	22.9	10.1
Sizzler	2.7	24.5	6.6	18.4
Dairy Queen	29.7	21.9	36.1	15.6
Burger King	9.7	30.7	8.5	19.5
The Coffee Club	10.1	19.0	11.5	18.0
Thai Express	0.8	4.7	(2.3)	3.5
Average	**13.6**	**17.4**	**14.0**	**14.6**

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

Financial Performance Analysis

2Q12 total restaurant revenues grew by 12% y-y, mainly driven by strong operation of most brands. MINT's franchise fee grew by a healthy 25% y-y as a result of continued growth of domestic franchising business of all three brands – The Pizza Company, Swensen's and Dairy Queen. 2Q12 EBITDA grew at a faster rate of 14% y-y, as a result of effective cost control. EBITDA margin therefore was maintained at 17%.

By the same token, 1H12 total restaurant revenues grew by 14% y-y from the strong operations of the equity outlets, growth of the franchise business, together with the share of profit from the investment in S&P as opposed to the recognition of dividend income from S&P during the first 7 months of 2011. 1H12 restaurant EBITDA increased by 19% because of the efficient cost control since 1Q12. As a result, EBITDA margin improved to 17% in 1H12 against 16% in 1H11.

Revenue Breakdown

Bt million	2Q12	2Q11	%Chg
Revenues from Operation*	3,128	2,814	11%
Franchise Fee	109	87	25%
Total Revenues	3,237	2,901	12%
EBITDA	**549**	**483**	**14%**
EBITDA Margin (%)	**17%**	**17%**	
	1H12	**1H11**	**%Chg**
Revenues from Operation*	6,480	5,698	14%
Franchise Fee	209	166	26%
Total Revenues	6,688	5,864	14%
EBITDA	**1,132**	**950**	**19%**
EBITDA Margin (%)	**17%**	**16%**	

* Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 2Q12, MINT owns twenty eight hotels and manages forty-nine hotels and serviced suites in ten countries. Altogether, these properties have 9,838 hotel rooms and serviced suites, including 3,145 that are equity-owned and 6,693 that are purely-managed by the Company and its subsidiary, Oaks. Of total, 3,067 rooms in Thailand accounted for 31%, while the remaining 6,771 rooms or 69% are located in Australia, New Zealand, Maldives, Indonesia, Sri Lanka, Vietnam, Africa, and the Middle East.

During 2Q12, MINT invested in one of Phuket's most luxurious hotels, Bundarika Villas & Suites on the secluded Layan Beach. The 77-villa hotel provides MINT with a good opportunity to further strengthen its brand in Thailand's largest island, as the hotel will later be rebranded to Anantara. In addition, two new managed hotels have undergone soft launches in 2Q12, including 222-room Anantara Eastern Mangroves in the heart of Abu Dhabi and 77-villa Anantara Uluwatu in Bali. On the other hand, MINT permanently closed 145-room Hua Hin Marriott Resort & Spa at the end of June 2012 as the leasehold right ended. The number of Hua Hin Marriott rooms were more than offset by the three new hotels in 2Q12, while the revenues contributed by Hua Hin Marriott will be more than compensated by the new hotels, including St. Regis Bangkok and Anantara Kihavah which were opened in 2011, together with the recently acquired Bundarika hotel in Phuket. For the Hua Hin market, MINT still has its presence through Anantara Hua Hin Resort and Spa.

Hotel Rooms by Owned Equity and Management

	2Q12	Chg q-q	Chg y-y
Equity-owned*	3,145	-142	-151
- Thailand	2,229	-142	-151
- Overseas	916	0	0
Management	6,815	395	465
- Thailand	838	0	0
- Overseas**	5,977	395	465
Total Hotel Rooms	**9,960**	**253**	**314**

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

** Includes both properties with management contracts and service contracts

Hotel Room by Brand

	2Q12	Chg q-q	Chg y-y
Anantara*	2,776	421	828
Four Seasons	505	0	0
Marriott*	563	-219	-632
Oaks	5,137	-26	44
Avani**	195	0	195
Others**	784	77	-121
Total Hotel Rooms	**9,960**	**253**	**314**

* Bangkok Marriott has been rebranded to Anantara Bangkok Riverside since November 2011

** Hotel Serendib and Serendipity Bentota and Kani Lanka Resort & Spa have been rebranded to Avani Bentota Resort & Spa and Avani Kalutara Resort & Spa, respectively

Hotel Brand Performance Analysis

In 2Q12, Minor Hotel Group's average occupancy increased by 10% to 66%, due to significant improvement in occupancy rates of hotels in Thailand, in particular in Bangkok, Phuket, Samui, and Anantara Kihavah in the Maldives which was opened in 2Q11, together with Oaks' high occupancy rate of 76%. Average daily rates ("ADR") improved slightly by 2%, attributable to lower ADR of Oaks. Excluding Oaks, MINT's ADR increased by 9%, driven mainly by the overseas hotels. As a result of the increased occupancy coupled with increased ADR of the portfolio, the average revenues per available room ("RevPar") increase by 20% in 2Q12.

For 1H12, all brands reported improvements in average occupancies. 1H12 average daily rate ("ADR") for all groups except Anantara and Four Seasons, also showed an improvement. The reduction in average room rates of Anantara and Four Seasons groups was compensated by the increase in occupancies as a result of periodic adjustment in distribution mix since 1Q12. RevPar of Anantara and Four Seasons in 1H12, hence, expanded by 20% and 12%, respectively.

Hotel Business Performance by Brand

Occupancy (%)

	2Q12	2Q11	1H12	1H11
Marriott*	66	62	73	70
Anantara*	51	44	58	45
Four Seasons	59	47	61	53
Oaks	76	75	77	75
Others**	49	39	54	48
Average	**66**	**56**	**69**	**58**

ADR (Bt/night)

	2Q12	2Q11	1H12	1H11
Marriott*	3,462	3,241	4,203	3,798
Anantara*	5,999	6,291	6,962	7,408
Four Seasons	7,568	7,565	8,496	8,730
Oaks	4,980	5,034	5,115	5,034
Others**	6,001	4,475	6,163	4,846
Average	**5,230**	**5,112**	**5,659**	**5,752**

RevPar (Bt/night)

	2Q12	2Q11	1H12	1H11
Marriott*	2,276	2,016	3,065	2,677
Anantara*	3,050	2,755	4,029	3,360
Four Seasons	4,444	3,589	5,206	4,638
Oaks	3,760	3,782	3,941	3,782
Others**	2,970	1,750	3,330	2,335
Average	**3,432**	**2,871**	**3,928**	**3,319**

* Bangkok Marriott has been rebranded to Anantara Bangkok Riverside since November 2011
** Others include St. Regis Bangkok, Naladhu Maldives, Avani Kalutara and Harbour View Vietnam

Hotel Performance Analysis

MINT's revenues from hotel operations in 2Q12 increased by 49% due mainly to 1) increased revenues from fully operated Anantara Kihavah in the Maldives and St. Regis Hotel Bangkok, whose RevPar expanded by 59% and 82%, respectively, 2) improvement in both occupancy rates and ADR of existing hotels and 3) the consolidation of Oaks. Excluding one-time revenues of Bt 203m from fair value adjustment for the first 20% investment in Oaks from AUD 0.35 per share to AUD 0.52 per share, MINT's 2Q12 revenues from hotel operations increased by 69%.

1H12 revenues from hotel operations grew by 76% (88% excluding one-time fair value adjustment of Oaks) primarily from the full operation of the two hotels, improvement of the existing hotels since the beginning of the year after the floods incident in Thailand, as well as MINT's six months consolidation of Oaks in 1H12 compared to one month consolidation since June 2011 in 1H11. Excluding Oaks, 1H12 revenues from hotel operations still saw robust growth of 18% y-y.

Mixed-Use Business & Performance Analysis

MINT's spa business is operated under Anantara, Mandara and Elemis brands. At the end of 2Q12, MINT owns and manages 38 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, Turkey, India, Egypt and Korea. In 2Q12, MINT reported a 14% increase in revenues from spa services to Bt 80m, while its spa revenues in 1H12 increased by 8% to Bt 163m, in line with the improvement in the hotel operations.

MINT's real estate business develops and sells properties in conjunction with the development of some of its hotels. The first project is the Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Hotel in Samui. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok. Another real estate development operation launched in December 2010 is MINT's point-based vacation club under its own brand, Anantara Vacation Club. As at 2Q12, Anantara Vacation Club has total inventory of 46 units, comprising of 20 purpose-built properties adjacent to Anantara Bophut, Samui, two villas in Phuket, three units in Queenstown, New Zealand, three units in Bangkok and the recently added eighteen units in Bali. With the increased marketing efforts including the opening of sales office in Bangkok since December 2011, and new additions of sales offices in Hong Kong and Bali in 1H12 sales of Anantara Vacation Club tripled in 2Q12 compared to 2Q11. The increase in sales of Anantara Vacation Club more than offset the temporary slow down of the sales of residential units in 2Q12, as there was pent-up sales in 2011 from when the project was launched. Nevertheless, the interest in St. Regis Residences remains strong throughout the first half of 2012. As a result, the two real estate businesses, together with rental income from the Estates Samui, reported sales of Bt 602m in 2Q12, an increase of 3% y-y.

For 1H12, sales of real estate development totaled Bt 1,423m, a decline of 5% y-y, as MINT recorded higher 1Q11 revenues from sale of St. Regis Residences because of recognition of pre-sold units prior to the official launch of the project.

Another mixed-use business of MINT is plaza and entertainment business. The company owns and operates three shopping plazas, namely; (1) Royal Garden Pattaya; (2) Turtle Village Shopping Plaza Phuket and (3) Royal Garden Plaza Bangkok. In addition, MINT is the operator of six entertainment outlets, namely (1) Ripley's Believe It or Not Museum; (2) 4D Moving Theater; (3) Haunted Adventure; (4) Infinity Maze; (5) The Louis Tussaud's Waxworks; and (6) latest addition, surreal journey Scream in the Dark. In 2Q12, revenues from plaza and entertainment business increased by 3% y-y to Bt 160m. 1H12 revenues from plaza and entertainment business slightly declined by 1% because of the declining traffic of the entertainment business in Pattaya in 1Q12.

Overall Hotel & Mixed-Use Financial Performance Analysis

All hotel and mixed-use businesses reported healthy revenue growth in 2Q12. Hotel operation exhibited the strongest growth of 49% from second-year of operations of St. Regis Hotel in Bangkok and Anantara Kihavah in Maldives, improvement of the overall hotel portfolio, and the full consolidation of Oaks. Real estate development business was the second biggest revenue contributor with 3% growth, attributable to tripling of revenues of Anantara Vacation Club. Although the hotel business saw higher EBITDA margin as a result of higher operating leverage on the back of improved occupancy and ADR, real estate EBITDA margin was relatively lower in 2Q12 compared to 2Q11 because of higher portion of Anantara Vacation Club business, which is still in the initial stage of the business and therefore has relatively lower EBITDA margin. In addition, 2Q12 EBITDA was artificially high from the one-time adjustment of fair value of investment in Oaks. As a result, EBITDA margin in 2Q12 was stable y-y at 21%. Excluding one-time transaction from Oaks, 2Q11 EBITDA margin would have been 18%.

For 1H12, total hotel and mixed use revenues increased by 46% (52% excluding one-time fair value adjustment of investment in Oaks), mainly attributable to increase in revenue from hotel operations, while the revenue from real estate development slightly slowed down because of the higher sales of St. Regis Residences in 1Q11. EBITDA margin of hotel & mixed use business increased to 29% in 1H12, compared to 28% in 1H11 (27% excluding one-time fair value adjustment of investment in Oaks) because of the higher operating leverage of the hotel business, especially in 1Q12.

Revenue Breakdown

Bt million	**2Q12**	**2Q11**	**%Chg**
Hotel operations*	2,564	1,722	49%
Management fee	74	66	12%
Spa services	80	70	14%
Plaza & entertainment	160	155	3%
Real estate development**	602	585	3%
Total Revenues	3,480	2,598	34%
EBITDA	**726**	**533**	**36%**
EBITDA Margin (%)	**21%**	**21%**	

	1H12	1H11	%Chg
Hotel operations*	5,937	3,364	76%
Management fee	175	145	21%
Spa services	163	151	8%
Plaza & entertainment	309	311	-1%
Real estate development**	1,423	1,503	-5%
Total Revenues	8,007	5,474	46%
EBITDA	**2,285**	**1,508**	**52%**
EBITDA Margin (%)	**29%**	**28%**	

* Includes share of profit and other income
** Includes rental income from the Estate Samui

Retail Trading and Contract Manufacturing Business

At the end of 2Q12, MINT had 247 retail trading points of sales, an increase of 7 points of sales from 240 at the end of 1Q12. Majority of new openings was fashion outlets. Of total 247 retail trading outlets, 79% are operated under fashion brands such as Esprit, Bossini, GAP, Charles & Keith, Tumi and Pedro, while another 15% are operated under cosmetics brands such as Red Earth and Bloom.

Retail Trading's Outlet Breakdown

	2Q12	Chg q-q	Chg y-y
Fashion	196	6	28
Cosmetics	37	1	-8
Others	14	0	1
Total Outlets	**247**	**7**	**21**

In 2Q12, retail trading and contract manufacturing business reported a revenue growth of 4%, compared to the same period last year. While retail trading business saw revenue increase of 22%, revenue of contract manufacturing business decreased by 22%, as NMT manufacturing plant did not resume its full operation until June 2012. EBITDA, on the other hand, decline by 37% to Bt 33m in 2Q12. This was a result of discounted and clearance sales of fashion and cosmetic brands, together with only partial operations of NMT manufacturing plant while there were still fixed costs. EBITDA margin, hence, declined from 7% in 2Q11 to 5% in 2Q12.

Revenues from retail trading and contract manufacturing in 1H12, however, declined by 1% from only partial operation of NMT during the first five months of 2012, which resulted in a decline in revenues of 25% y-y. 1H12 EBITDA, on the other hand, increased by 15% as NMT received the insurance claim in 1Q12 to compensate for the business interruption from the flood. As a result, 1H12 EBITDA margin slightly improved to 9% in 1H12, compared to 8% in 1H11.

Retail Trading and Contract Manufacturing's Revenue Breakdown

Bt million	2Q12	2Q11	%Chg
Retail Trading	555	455	22%
Manufacturing	252	324	-22%
Total Revenues	807	779	4%
EBITDA	**36**	**57**	**-37%**
EBITDA Margin	**5%**	**7%**	
	1H12	**1H11**	**%Chg**
Retail Trading	1,091	949	15%
Manufacturing	505	670	-25%
Total Revenues	1,596	1,619	-1%
EBITDA	**139**	**121**	**15%**
EBITDA Margin	**9%**	**8%**	

Balance Sheet & Cash Flows

The Company has restated its 2011 financial statement after the calculation of the fair net asset value of Oaks Hotels and Resorts Limited, in accordance with the TFRS 3 (Revised 2009) regarding mergers and acquisition. The standard requires that the acquirer retrospectively adjusts the provisional amounts recognized at the acquisition date to reflect new information obtained on facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date and the measurement period shall not exceed one year from the acquisition date.

At the end of 2Q12, MINT reported total assets of Bt 44,021m, an increase of Bt 2,398m from Bt 41,623m at the end of 2011. The increase was primarily the result of:

1. Bt 543m increase in cash and cash equivalent mainly from improved operations and management fees received from managed properties.
2. Bt 501m increase in trade and other receivables from resumed operation of Navasri manufacturing

plant, increased receivables from sales of Anantara Vacation Club and residential units.

3. Bt 1,064m increase in property, plant and equipment, the majority is from the acquisition of Bundarika Hotels and Suites.
4. Bt 302m increase in intangible assets from Oaks' acquisition of additional Management Letting Right ("MLR").

MINT reported total liabilities of Bt 27,825m, an increase of Bt 1,137m from Bt 26,668m at the end of 2011, as a result of an increase in short term loans of Bt 1,193m together with an increase in long term loans of Bt 308m for the investment in Bundarika Hotels and Suites and the adjacent land in Phuket, netted off with partial repayments of trade payables and other short term liabilities.

Shareholders' equity increased by Bt 1,262m to Bt 16,196m from Bt 14,935m at the end of 2011 owing mainly to net profit of Bt 1,638m, the exercise of rights-offering and ESOP warrants of Bt 139m, netted off with cash dividend payment of Bt 499m.

As of 1H12, MINT and its subsidiaries reported cash flows from operations of Bt 1,900m, an increase of Bt 211m y-y. Cash flow paid for investing activities was Bt 2,425m, due primarily to (1) payment of Bt 664m for the acquisitions under Oaks (2) investment in Bundarika Hotels and Suites in Phuket of Bt 924m and (3) payment of Bt 350m as normal capital expenditures for hotel, restaurant and other businesses. The Company reported net cash received from financing activities of Bt 1,072m, comprising of (1) proceeds received loans of Bt 1,431m, the majority of which is for investment in Bundarika Hotel and Suite and Oak's Grand Hotel (2) increased capital from conversion of rights-offering and ESOP warrants of Bt 1,139m and (3) cash dividend paid of Bt 499m. As a result, MINT's net cash and cash equivalents increased by Bt 547m in 1H12.

Financial Ratio Analysis

MINT's gross profit margin declined slightly to 60.8% in 1H12 compared to 61.0% in 1H11 as Oaks's gross profit margin which is lower than MINT's gross profit margin pull down MINT's overall average gross margin. However, net profit margin improved to 10.1% in 1H12 from 8.5% in 1H11 mainly from the improved profitability of restaurant business.

Annualized return on equity increased to 21.1% in 1H12 from 15.6% in the same period last year. Correspondingly, annualized return on assets was up to 7.7% in 1H12 from 6.0% in 1H11. The increase of both ratios was a result of significantly improved net profit.

Current ratio remained at the same level as at the end of 2011 at 0.9x while net interest bearing debt/ equity slightly declined to 1.2x in 1H12 as shareholders' equity increased from the stock dividend payment and conversions of rights-offering and ESOP warrants, together with 1H12 net profit. Annualized interest coverage ratio increased to 7.5x in 1H12 from 5.8x in 1H11 due mainly to the increased cash flow from operations.

Financial Ratio Analysis

Profitability Ratio	**30-Jun-12**	**30-Jun-11**
Gross Profit Margin (%)	60.76%	60.96%
Net Profit Margin (%)	10.06%	8.50%
Return on Equity (%)*	21.06%	15.57%
Efficiency Ratio	**30-Jun-12**	**30-Jun-11**
Return on Assets (%)*	7.66%	6.04%
Collection Period (days)*	19	16
Liquidity Ratio	**30-Jun-12**	**31-Dec-11**
Current Ratio (x)	0.91	0.89
Leverage & Financial Policy	**30-Jun-12**	**31-Dec-11**
Interest Bearing Debt/Equity (x)	1.31	1.33
Net Interest Bearing Debt/Equity (x)	1.21	1.25
	30-Jun-12	**30-Jun-11**
Interest Coverage (x)*	7.51	5.79

Note: *Annualized

Management's Outlook

MINT continues to report strong performance throughout the first half of 2012. Each individual business unit continues to see healthy operations, with its own sets of growth targets. Revenue and earnings growths, however, were not the only key performance measurement of the Company. As part of the long-term plan, MINT also puts emphasis on strong integrity and business ethics. MINT was recently awarded Corporate Governance Asia Recognition Awards Class of 2012 – The Best of Asia from Corporate Governance Asia Magazine. The award was given based on MINT's initiation of best practices in promoting open and ethical values, a spirit of fairness, and continuing dialogue with all stakeholders. In addition, MINT was also named one of the 2012 Southeast Asia Challengers by the Boston Consulting Group, a global management consulting firm and the world's leading advisor on business strategy. MINT was recognized as a leader in the region with the abilities to outgrow its peers and the proven record to expand abroad. The Company continues to best serve customers' needs across 24 countries, while satisfying the interests of the remaining stakeholders; from the award for product quality, "Best Condominium Thailand, Best Luxury Condominium Development in Bangkok and Best Interior Design in South East Asia" for The Residences at St. Regis Bangkok by Thanachart Bank Thailand Property Awards, Asia's Best Brand Award for "Outstanding Consumer Products, Manufacturers and Companies focusing on the trademarks and/or brands the honorees carry" by CMO Asia, to the recognition as "Best Employers in Thailand 2011 in the Hospitality/Restaurants Industry" for Swensen's (Thai) Limited and Sizzler (SLRT Limited) from Aon Hewitt.

Innovation, differentiation and continued expansion lead to expected strong 2H12 results

While organic expansion of restaurants, hotels and retail points of sale remain the core growth engine, distinctive product offering is also another innovative way to propel the growth. Over the past few years, MINT has successfully expanded into new businesses or new territories. For instance, Anantara Vacation Club now has over 1,500 members across the region. Thai Express has expanded rapidly in Korea, and Minor Retail Group's online shopping website, www.thaisale.co.th, has climbed up on the ranking of Thailand's most visited online shopping websites. In the second half of 2012, MINT plans to officially open its first managed hotel under Anantara brand in China. The hotel, Anantara Sanya Resort & Spa, is nestled between green mountains and the beautiful South China Sea. The city of Sanya is also renowned for its tropical climate and is becoming a popular tourist destination. For restaurant business, MINT is opening its first full-dining Coffee Club restaurant in the heart of Bangkok, following the success of Coffee Club cafe at Food Stop, domestic terminal of Suvarnabhumi Airport. Apart from Bangkok, MINT also plans to expand the Coffee Club in the Maldives after launching Swensen's brand last month, and also in Egypt.

In addition, MINT announced the investment in Bundarika Resorts and Suites in Phuket for an estimated total investment of Bt 3 billion. The hotel features 77 villas and suites on 23 rai of beachfront land, together with 32 rai of adjacent hillside land with panoramic sunset views of the Andaman Sea. The hotel will undergo renovation and operational improvement program to enable it to be re-launched as Phuket's second Anantara next year, while the adjoining land will be developed into high-end residential project. Bundarika, together with the new residential project, will be an important addition to MINT's current Phuket portfolio, including the two hotels on Mai Khao beach, namely Anantara Phuket Resort & Spa and JW Marriott Phuket, the Turtle Village Shopping Plaza Phuket located adjacent to the two hotels, as well as the planned launch of the new Anantara Vacation Club Phuket, which features 100 villas worth the total sales amount of approximately Bt 4 billion, at the end of the year. This investment further echoes MINT's commitment to the clustering business model whereby synergy is created among multiple properties and projects within the same location, leading to higher profitability.

With these continued efforts, MINT is confident that the growth momentum will remain strong throughout the second half of 2012 and beyond.

………………………………………….

Ms. Trithip Sivakriskul

Corporate Chief Financial Officer

ANNEX

INFORMATION ON MINOR INTERNATIONAL PCL.

Section B.2 – MINT's H1 2012 Financial Statements (unaudited)

MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND COMPANY FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2012

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and company statements of financial position as at 30 June 2012, the related consolidated and company income statements and statements of comprehensive income for the three-month and six-month periods ended 30 June 2012, the related consolidated and company statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2012, and condensed notes to interim financial information of Minor International Public Company Limited and its subsidiaries and of Minor International Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review 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 interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Statements of financial position as at 31 December 2011 presented for comparative purpose

The consolidated (before restatement) and company financial statements for the year ended 31 December 2011 of Minor International Public Company Limited and its subsidiaries and of Minor International Public Company Limited, respectively, were audited by another auditor in the same firm as myself in accordance with Thai Standards on Auditing, whose report, dated 21 February 2012, expressed an unqualified opinion on those statements. The consolidated (before restatement) and company statements of financial position as at 31 December 2011, are part of the financial statements. I have not performed any other auditing procedures subsequent to the date of that report.

Interim financial information for the three-month and six-month periods ended 30 June 2011 presented for comparative purpose

The consolidated and company income statements and statements of comprehensive income for the three-month and six-month periods ended 30 June 2011, the related consolidated and company statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2011 of Minor International Public Company Limited and its subsidiaries and of Minor International Public Company Limited, respectively, presented for comparative purpose, were reviewed by another auditor in the same firm as myself, whose report, dated 10 August 2011, stated that nothing had come to her attention that caused her to believe that the interim consolidated and company financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
PricewaterhouseCoopers ABAS Ltd.

Bangkok
8 August 2012

		Consolidated		Company	
		(Unaudited) 30 June 2012	(Audited) 31 December 2011 Restated	(Unaudited) 30 June 2012	(Audited) 31 December 2011
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		1,688,550	1,145,782	116,189	160,384
Trade and other receivables	7	3,093,466	2,592,843	725,325	743,133
Inventories		1,579,626	1,465,953	6,637	6,420
Land and real estates project for sales		1,466,332	1,595,818	-	-
Other current assets	8	645,653	806,288	80,679	83,887
Total current assets		8,473,627	7,606,684	928,830	993,824
Non-current assets					
Available-for-sale investments	9	98,366	160,001	130	122
Investments in subsidiaries	10	-	-	5,842,828	5,658,569
Investments in associates	10	3,908,549	3,905,610	2,150,196	2,150,196
Investments in joint ventures	10	35,218	19,521	24,284	24,284
Long-term loans to related parties	6	501,107	507,374	15,849,212	14,833,186
Land and projects under development		253,762	33,098	-	-
Investment properties	11	988,761	928,788	-	-
Property, plant and equipment	12	17,977,714	16,913,936	471,600	477,523
Intangible assets	13	9,031,314	8,728,492	18,734	11,692
Leasehold rights	14	1,783,937	1,840,834	4,051	4,361
Other non-current assets	15	968,706	978,306	40,626	47,055
Total non-current assets		35,547,434	34,015,960	24,401,661	23,206,988
Total assets		44,021,061	41,622,644	25,330,491	24,200,812

Director ____________________________________

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Consolidated		Company	
		(Unaudited) 30 June 2012	(Audited) 31 December 2011 Restated	(Unaudited) 30 June 2012	(Audited) 31 December 2011
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	17	2,290,636	1,097,348	1,970,000	580,000
Trade and other payables	16	3,877,382	3,992,364	282,579	276,059
Short-term borrowings from related parties	6	-	-	1,543,054	1,549,601
Current portion of finance lease liabilities	17	100,734	141,235	-	-
Current portion of long-term borrowings	17	290,299	382,164	-	60,000
Current portion of debentures	17	1,840,000	1,840,000	1,840,000	1,840,000
Current portion of deferred income		50,993	42,675	-	-
Income tax payable		199,088	210,162	-	-
Other current liabilities	18	679,310	880,781	13,609	16,798
Total current liabilities		9,328,442	8,586,729	5,649,242	4,322,458
Non-current liabilities					
Finance lease liabilities	17	49,678	80,061	-	-
Long-term borrowings	17	6,323,786	5,923,300	-	-
Debentures	17	10,360,000	10,360,000	10,360,000	10,360,000
Employee benefits obligations	19	161,695	151,387	12,844	11,538
Other non-current liabilities		1,601,184	1,586,660	2,568	2,387
Total non-current liabilities		18,496,343	18,101,408	10,375,412	10,373,925
Total liabilities		27,824,785	26,688,137	16,024,654	14,696,383

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Consolidated		Company	
		(Unaudited) 30 June 2012	(Audited) 31 December 2011 Restated	(Unaudited) 30 June 2012	(Audited) 31 December 2011
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	20				
Authorised share capital					
4,063,046,327 ordinary shares					
at par of Baht 1 each		4,063,046	3,666,520	4,063,046	3,666,520
Issued and paid-up share capital					
3,620,678,116 ordinary shares					
paid-up of Baht 1 each		3,620,678	3,275,225	3,620,678	3,275,225
Share premium					
Ordinary shares	20	3,329,852	3,215,326	3,304,200	3,189,674
Shares subscription received in advance		8,263	-	8,263	-
Expired warrants in a subsidiary		104,789	104,789	-	-
Retained earnings					
Appropriated - legal reserve	24	406,309	367,799	406,309	367,799
Unappropriated		9,139,112	8,360,372	2,544,323	3,249,675
Other components of equity		(995,488)	(956,161)	(577,936)	(577,944)
Equity attributable to owners of the parent		15,613,515	14,367,350	9,305,837	9,504,429
Non-controlling interests		582,761	567,157	-	-
Total shareholders' equity		16,196,276	14,934,507	9,305,837	9,504,429
Total liabilities and shareholders' equity		44,021,061	41,622,644	25,330,491	24,200,812

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

	Consolidated		Company	
	2012	2011	2012	2011
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Revenues from hotel and related services operations	2,513,265	1,497,249	106,630	102,332
Rental income from property business	108,346	104,595	-	-
Revenues from entertainment operations	39,173	37,610	39,173	37,610
Revenues from spa services	79,879	70,017	-	-
Sales of food and beverage	2,944,453	2,635,890	-	-
Sales of real estates	592,534	576,943	-	-
Sales from distribution and manufacturing	805,556	779,130	-	-
Revenues from management services	74,225	66,272	43,806	40,166
Franchise fee income	108,829	86,977	-	-
Dividends income	3	51,562	154,304	233,523
Interest income	19,787	8,460	170,220	159,727
Other income	189,650	328,883	14,167	433,821
Total revenues	7,475,700	6,243,588	528,300	1,007,179
Expenses				
Direct cost of hotel and related services operations	1,443,761	881,659	49,086	46,629
Direct cost of rental from property business	55,257	52,083	-	-
Direct cost of entertainment operations	12,528	9,500	22,694	19,049
Direct cost of providing spa services	48,624	43,892	-	-
Cost of sales of food and beverage	952,202	868,632	-	-
Cost of sales of real estates	237,450	264,591	-	-
Cost of sales from distribution and manufacturing	514,759	489,179	-	-
Selling expenses	2,532,214	2,156,252	113,948	86,273
Administrative expenses	958,961	932,385	88,279	84,954
Total expenses	6,755,756	5,698,173	274,007	236,905
Operating profit	719,944	545,415	254,293	770,274
Share of profit of investments in associates and joint ventures	48,714	34,495	-	-
Profit before finance costs and income tax	768,658	579,910	254,293	770,274
Finance costs	(276,454)	(212,097)	(158,284)	(154,836)
Profit before income tax	492,204	367,813	96,009	615,438
Income tax	(137,872)	(75,056)	-	-
Profit for the period	354,332	292,757	96,009	615,438

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Consolidated		Company	
		2012	2011	2012	2011
	Note	Baht'000	Baht'000	Baht'000	Baht'000
Profit attributable to:					
Owners of the parent		363,766	279,362	96,009	615,438
Non-controlling interests		(9,434)	13,395	-	-
		354,332	292,757	96,009	615,438
		Baht	Baht	Baht	Baht
Earnings per share	23				
Basic earnings per share		0.1005	0.0776	0.0265	0.1710
Diluted earnings per share		0.0987	0.0772	0.0260	0.1701

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

	Consolidated		Company	
	2012	**2011**	**2012**	**2011**
	Baht'000	**Baht'000**	**Baht'000**	**Baht'000**
Profit for the period	354,332	292,757	96,009	615,438
Other comprehensive income:				
Gain (loss) on remeasuring of available-for-sale investments	(26,470)	(10,164)	(2)	51,562
Exchange differences on translating financial statements	72,273	43,476	-	-
Other comprehensive income for the period, net of tax	45,803	33,312	(2)	51,562
Total comprehensive income for the period	400,135	326,069	96,007	667,000
Total comprehensive income attributable to:				
Owners of the parent	409,799	305,760	96,007	667,000
Non-controlling interests	(9,664)	20,309	-	-
	400,135	326,069	96,007	667,000

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

Minor International Public Company Limited
Income Statements (Unaudited)
For the six-month periods ended 30 June 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Revenues from hotel and related services operations		5,751,403	3,062,635	234,181	231,084
Rental income from property business		220,851	219,020	-	-
Revenues from entertainment operations		75,894	79,042	75,894	79,042
Revenues from spa services		163,176	150,545	-	-
Sales of food and beverage		6,088,624	5,364,342	-	-
Sales of real estates		1,401,608	1,484,782	-	-
Sales from distribution and manufacturing		1,532,932	1,618,832	-	-
Revenues from management services		175,200	145,263	95,291	90,876
Franchise fee income		208,862	166,409	-	-
Dividends income		3	51,562	223,992	298,649
Interest income		39,346	13,875	344,099	304,961
Other income	22	446,303	464,361	28,130	451,448
Total revenues		16,104,202	12,820,668	1,001,587	1,456,060
Expenses					
Direct cost of hotel and related services operations		2,982,325	1,559,182	100,716	94,835
Direct cost of rental from property business		110,393	104,674	-	-
Direct cost of entertainment operations		24,629	18,699	44,545	38,196
Direct cost of providing spa services		96,156	91,284	-	-
Cost of sales of food and beverage		1,986,466	1,817,829	-	-
Cost of sales of real estates		599,889	730,188	-	-
Cost of sales from distribution and manufacturing		983,328	1,014,270	-	-
Selling expenses		5,119,053	4,414,750	222,243	169,772
Administrative expenses		1,908,790	1,532,567	166,122	160,484
Total expenses		13,811,029	11,283,443	533,626	463,287
Operating profit		2,293,173	1,537,225	467,961	992,773
Share of profit of investments in associates and joint ventures	10	187,705	136,342	-	-
Profit before finance costs and income tax		2,480,878	1,673,567	467,961	992,773
Finance costs		(547,022)	(341,932)	(312,739)	(300,461)
Profit before income tax		1,933,856	1,331,635	155,222	692,312
Income tax		(295,956)	(196,482)	-	-
Profit for the period		1,637,900	1,135,153	155,222	692,312

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Consolidated		Company	
		2012	2011	2012	2011
	Note	Baht'000	Baht'000	Baht'000	Baht'000
Profit attributable to:					
Owners of the parent		1,639,314	1,101,942	155,222	692,312
Non-controlling interests		(1,414)	33,211	-	-
		1,637,900	1,135,153	155,222	692,312
		Baht	Baht	Baht	Baht
Earnings per share	23				
Basic earnings per share		0.4537	0.3064	0.0430	0.1925
Diluted earnings per share		0.4473	0.3048	0.0423	0.1915

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

	Consolidated		Company	
	2012	**2011**	**2012**	**2011**
	Baht'000	**Baht'000**	**Baht'000**	**Baht'000**
Profit for the period	1,637,900	1,135,153	155,222	692,312
Other comprehensive income:				
Gain (loss) on remeasuring of available-for-sale investments	(61,636)	42,326	8	51,557
Exchange differences on translating financial statements	23,645	45,755	-	-
Other comprehensive income for the period, net of tax	(37,991)	88,081	8	51,557
Total comprehensive income for the period	1,599,909	1,223,234	155,230	743,869
Total comprehensive income attributable to:				
Owners of the parent	1,606,052	1,178,435	155,230	743,869
Non-controlling interests	(6,143)	44,799	-	-
	1,599,909	1,223,234	155,230	743,869

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

Consolidated (Baht'000)

	Note	Issued and paid-up share capital	Share premium	Shares subscription received in advance	Expired warrants in a subsidiary	Legal reserve	Retained earnings	Discount on business combination under common control	Unrealised gain on dilution of investment	Remeasuring of available-for-sale investments	Translation adjustment	Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
		Attributable to owners of the parent						Other components of equity		Other comprehensive income					
Beginning balance 1 January 2011															
- as previously reported		3,262,339	3,133,794	4,219	104,789	367,799	6,020,494	(755,413)	4,992	1,120,286	(339,220)	30,645	12,924,079	881,817	13,805,896
Retrospective adjustments	3	-	-	-	-	-	(49,851)	-	-	-	-	-	(49,851)	-	(49,851)
Beginning balance 1 January 2011															
- restated		3,262,339	3,133,794	4,219	104,789	367,799	5,970,643	(755,413)	4,992	1,120,286	(339,220)	30,645	12,874,228	881,817	13,756,045
Changes in equity for period															
Additional ordinary shares		9,764	60,122	(4,219)	-	-	-	-	-	-	-	-	65,667	-	65,667
Shares subscription received in advance		-	-	3,730	-	-	-	-	-	-	-	-	3,730	-	3,730
Dividends paid		-	-	-	-	-	(490,413)	-	-	-	-	-	(490,413)	(12,382)	(502,795)
Total comprehensive income															
for the period		-	-	-	-	-	1,101,942	-	-	42,326	34,167	76,493	1,178,435	44,799	1,223,234
Ending balance 30 June 2011		3,272,103	3,193,916	3,730	104,789	367,799	6,582,172	(755,413)	4,992	1,162,612	(305,053)	107,138	13,631,647	914,234	14,545,881

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Consolidated (Baht'000)														
		Attributable to owners of the parent														
								Other components of equity								
											Other comprehensive income					
	Notes	Issued and paid-up share capital	Share premium	Shares subscription received in advance	Expired warrants in a subsidiary	Legal reserve	Retained earnings	Discount on business combination under common control	Unrealised gain on dilution of investment	Discount on additional investment in subsidiary	Remeasuring of available-for-sale investments	Translation adjustment	Actuarial gains	Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
Beginning balance 1 January 2012		3,275,225	3,215,326	-	104,789	367,799	8,360,372	(755,413)	4,992	(32,751)	88,219	(263,821)	2,613	(956,161)	14,367,350	567,157	14,934,507
Changes in equity for period																	
Additional ordinary shares	20	16,628	114,526	-	-	-	-	-	-	-	-	-	-	-	131,154	-	131,154
Shares subscription received in advance		-	-	8,263	-	-	-	-	-	-	-	-	-	-	8,263	-	8,263
Legal reserve	24	-	-	-	-	38,510	(38,510)	-	-	-	-	-	-	-	-	-	-
Sales of investment in subsidiary		-	-	-	-	-	-	-	(4,992)	-	-	-	-	(4,992)	(4,992)	468	(4,524)
Business acquisition		-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,713	34,713
Decrease in non-controlling interests as a result of investment in subsidiary		-	-	-	-	-	-	-	-	(1,073)	-	-	-	(1,073)	(1,073)	(7,806)	(8,879)
Dividends paid	25	328,825	-	-	-	-	(822,064)	-	-	-	-	-	-	-	(493,239)	(5,628)	(498,867)
Total comprehensive income (expense) for the period		-	-	-	-	-	1,639,314	-	-	-	(61,636)	28,374	-	(33,262)	1,606,052	(6,143)	1,599,909
Ending balance 30 June 2012		3,620,678	3,329,852	8,263	104,789	406,309	9,139,112	(755,413)	-	(33,824)	26,583	(235,447)	2,613	(995,488)	15,613,515	582,761	16,196,276

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

Minor International Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the six-month periods ended 30 June 2012 and 2011

	Company (Baht'000)								
						Other component of equity			
							Other comprehensive income		
	Issued and paid-up share capital	Share premium	Shares subscription received in advance	Legal reserve	Retained earnings	Discount on business combination under common control	Remeasuring of available-for-sale investments	Total other component of equity	Total shareholders' equity
Beginning balance 1 January 2011	3,262,339	3,108,141	4,219	367,799	1,840,818	(587,398)	1,053,828	466,430	9,049,746
Changes in equity for period									
Additional ordinary shares	9,764	60,122	(4,219)	-	-	-	-	-	65,667
Shares subscription received in advance	-	-	3,730	-	-	-	-	-	3,730
Dividends paid	-	-	-	-	(490,413)	-	-	-	(490,413)
Total comprehensive income for the period	-	-	-	-	692,312	-	51,557	51,557	743,869
Ending balance 30 June 2011	3,272,103	3,168,263	3,730	367,799	2,042,717	(587,398)	1,105,385	517,987	9,372,599

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Company (Baht'000)									
							Other component of equity				
								Other comprehensive income			
	Notes	Issued and paid-up share capital	Share premium	Shares subscription received in advance	Legal reserve	Retained earnings	Discount on business combination under common control	Remeasuring of available-for-sale investments	Actuarial gains	Total other component of equity	Total shareholders' equity
Beginning balance 1 January 2012		3,275,225	3,189,674	-	367,799	3,249,675	(587,398)	16	9,438	(577,944)	9,504,429
Changes in equity for period											
Additional ordinary shares	20	16,628	114,526	-	-	-	-	-	-	-	131,154
Shares subscription received in advance		-	-	8,263	-	-	-	-	-	-	8,263
Legal reserve	24	-	-	-	38,510	(38,510)	-	-	-	-	-
Dividends paid	25	328,825	-	-	-	(822,064)	-	-	-	-	(493,239)
Total comprehensive income for the period		-	-	-	-	155,222	-	8	-	8	155,230
Ending balance 30 June 2012		3,620,678	3,304,200	8,263	406,309	2,544,323	(587,398)	24	9,438	(577,936)	9,305,837

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax		1,933,856	1,331,635	155,222	692,312
Adjustments for:					
Depreciation and amortisation	11, 12, 13, 14	1,087,320	904,586	46,128	40,877
Amortisation of other assets		15,173	22,436	6,683	11,378
Amortisation of borrowing cost	17	4,593	-	-	-
Doubtful accounts (Reversal)		17,007	(3,645)	1	(22)
Realisation of deferred income		(15,287)	(24,564)	-	-
Share of profit of investments in associates and joint ventures	10	(187,705)	(136,342)	-	-
Interest expenses		547,022	341,932	312,739	300,461
Interest income		(39,346)	(13,875)	(344,099)	(304,961)
Dividends income		(3)	(51,562)	(223,992)	(298,649)
Translation adjustment for equity loan		21,819	(67,654)	-	-
Unrealised (gain) loss on exchange rate		(8,343)	14,916	-	-
Gain from capital return from a subsidiary	22	-	-	-	(418,151)
Gain on sale of investment in subsidiary	10	(15,573)	-	-	-
Gain on fair value adjustment of investment	22	-	(203,225)	-	-
Write-off, impairment and loss (gain) on disposals of property, plant and equipment		(6,758)	11,121	(1,536)	48
Loss on disposal of intangible assets		309	-	-	-
Reversal of allowance for inventory obsolescence		(46,949)	(6,404)	-	-
Impairment charge and write-off of intangible assets		16,225	12,476	-	77
Employee benefits	19	14,983	10,405	1,306	1,642
Changes in operating assets and liabilities					
Trade and other receivables		(579,487)	165,574	(58,282)	(24,938)
Inventories		(71,589)	(249,373)	(217)	23
Land and real estates project for sales		320,414	553,602	-	-
Other current assets		44,412	(214,648)	(3,888)	(1,807)
Other non-current assets		45,789	(36,050)	(253)	(10,129)
Trade and other payables		(93,682)	158,452	1,615	(3,674)
Other current liabilities		(267,076)	(329,476)	(3,189)	(7,108)
Other non-current liabilities		3,269	11,600	181	(2,207)
Cash generated from operating activities		2,740,393	2,201,917	(111,581)	(24,828)
Interest paid		(581,418)	(312,503)	(312,801)	(280,917)
Income tax paid		(253,555)	(198,714)	(9,201)	(9,457)
Employee benefits paid	19	(4,619)	(553)	-	(63)
Net cash generated from (used in) operating activities		1,900,801	1,690,147	(433,583)	(315,265)

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Cash paid from loans to related parties	6	(15,443)	-	(1,016,026)	(1,797,018)
Cash received from settement of loans to related parties	6	23,282	16,015	-	-
Decrease (increase) in loan to other company		6,730	(44,481)	-	(316)
Cash invested in long-term investments		-	(27,798)	-	(97)
Payment for additions in investments in subsidiaries and associates		(8,878)	(66,113)	(198,878)	(63)
Net cash payment for business acquisition	26	(510,041)	(2,386,871)	-	-
Cash invested in investments in joint ventures	10	(19,682)	-	-	-
Cash received from capital return from subsidiaries	10	15,487	-	-	1,346,413
Cash received from decapitalisation of property fund	10	-	-	21,619	21,738
Interest received		42,805	7,107	344,099	304,961
Dividends received from subsidiaries, associates, related parties and other companies		188,754	131,392	300,081	255,116
Payments for land held for future development and project under development		(209,771)	(546,497)	-	-
Purchases of investment properties		(103,997)	(230)	-	-
Purchases of property, plant and equipment		(1,863,251)	(742,966)	(24,916)	(45,636)
Proceeds from disposals of property, plant and equipment		113,532	32,659	3,084	46
Proceeds from disposals of intangible assets		39,245	-	-	-
Purchases of intangible assets and leasehold rights		(124,100)	(55,353)	(9,306)	(1,886)
Net cash from (used in) investing activities		(2,425,328)	(3,683,136)	(580,243)	83,258
Cash flows from financing activities					
Receipts from borrowings	17	6,643,584	2,978,508	5,590,000	470,254
Repayments of borrowings	17	(5,135,277)	(1,701,726)	(4,266,547)	(1,176,000)
Repayment of finance lease liabilities		(76,851)	(14,355)	-	-
Receipts of debentures	17	-	1,500,000	-	1,500,000
Issue of additional ordinary shares	20	131,154	65,667	131,154	65,667
Shares subscription received in advance		8,263	3,730	8,263	3,730
Dividends paid to shareholders	25	(493,239)	(490,413)	(493,239)	(490,413)
Dividends paid to non-controlling interest		(5,628)	(12,383)	-	-
Net cash received from financing activities		1,072,006	2,329,028	969,631	373,238

The accompanying notes on page 19 to 55 are an integral part of these interim financial information.

	Consolidated		Company	
	2012	**2011**	**2012**	**2011**
	Baht'000	**Baht'000**	**Baht'000**	**Baht'000**
Net increase (decrease) in cash and cash equivalents	547,479	336,039	(44,195)	141,231
Cash and cash equivalents, opening balance	1,138,648	1,154,232	160,384	171,519
Gain (loss) on exchange rate	(2,519)	36,300	-	-
Cash and cash equivalents, closing balance	1,683,608	1,526,571	116,189	312,750
Cash and cash equivalents as at 30 June				
Cash and deposit with banks	1,688,550	1,526,571	116,189	312,750
Bank overdrafts	(4,942)	-	-	-
	1,683,608	1,526,571	116,189	312,750

Supplementary information for cash flows

Non-cash transactions

Significant non-cash activities for the six-month periods ended 30 June 2012 and 2011 are as follows:

	Consolidated		Company	
	2012	**2011**	**2012**	**2011**
	Baht'000	**Baht'000**	**Baht'000**	**Baht'000**
Acquisition of property, plant and equipment, and land held for future development and projects under development by payable	224,786	647,371	1,099	1,790
Provisions for investments in associates	-	46,121	-	-
Acquisition of investment in subsidiary by payable	-	137,176	7,000	-

The accompanying notes on page 19 to 55 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, Thailand.

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

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 Singapore, People's Republic of China, Republic of Maldives, The United Arab Emirates, Sri Lanka, and Australia, etc.

This interim consolidated and Company financial information was authorised for issue by the Audit Committee on 8 August 2012.

This interim consolidated and Company financial information has been reviewed, not audited.

2 Basis of preparation

This interim consolidated and Company financial information was prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statement of financial position, income statement and statement of comprehensive income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34, "Interim Financial Reporting" and additional notes are presented as required by the Securities and Exchange Commission 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 2011.

An English version of the interim consolidated and Company 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.

3 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 2011.

New accounting standards, amendments to accounting standards and new interpretation

The following new accounting standards, amendments to accounting standards and new interpretation are mandatory for the accounting periods beginning on or after 1 January 2013 and the Group has not early adopted them:

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

The Group’s management has determined that the new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation will not significantly impact the financial information being presented except for:

TAS 12: This deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard retrospectively with effect from 1 January 2013, with the expectation of incurring a deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

TAS 21 (Revised 2009): The revised standard requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from transaction at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit and loss. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transaction; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The Group will apply this standard with effect from 1 January 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.

TFRS 8: The standard requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes. The group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

During 2011, the adoption of Thai Accounting Standard 16 (Revised 2009) was mandatory for the accounting periods beginning on or after 1 January 2011. This impacted to the Group by decreasing in retained earnings as at 1 January 2011 of Baht 49.85 million.

4 Restatement

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

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

	Consolidated Baht'000
Statement of financial position as at 31 December 2011	
Decrease in other non-current assets (Note 15)	(176,884)
Decrease investment properties, net (Note 11)	(4,684)
Decrease in property, plant and equipment, net (Note 12)	(223,437)
Increase in intangible assets, net (Note 13) (including goodwill of Baht 619,791 thousand)	1,162,445
Increase in other non-current liabilities	757,440

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

5 Segment information

5.1 Financial information by business segments

For the six-month periods ended 30 June (Baht Million)

	Hotel and related services operations		Property rental business		Entertainment operations		Spa services		Food and beverage operations		Real estates for sales		Distribution		Manufacturing		Management operations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
External	5,752	3,062	221	219	76	79	163	151	6,297	5,531	1,402	1,485	1,073	949	460	670	175	145	15,619	12,291
Related parties	25	24	57	47	-	-	4	2	-	-	455	77	-	-	-	-	874	380	1,415	530
Eliminated	(25)	(24)	(57)	(47)	-	-	(4)	(2)	-	-	(455)	(77)	-	-	-	-	(874)	(380)	(1,415)	(530)
Net revenues	5,752	3,062	221	219	76	79	163	151	6,297	5,531	1,402	1,485	1,073	949	460	670	175	145	15,619	12,291
Segment results	2,783	1,517	159	154	31	41	51	42	4,311	3,713	787	738	517	573	33	31	1,049	525	9,721	7,334
Eliminated	(14)	(14)	(49)	(39)	20	19	16	17	-	-	15	17	-	-	-	-	(874)	(380)	(886)	(380)
Net segment results	2,769	1,503	110	115	51	60	67	59	4,311	3,713	802	755	517	573	33	31	175	145	8,835	6,954

5 Segment information (Cont'd)

5.2 Financial information by geographical segments

	For the six-month periods ended 30 June (Baht Million)			
	Revenues		**Segment results**	
	2012	**2011**	**2012**	**2011**
Thailand	12,625	10,804	7,152	5,979
Australia	2,332	336	1,059	165
Singapore	1,108	1,073	832	811
Republic of Maldives	608	249	427	136
People's Republic of China	239	247	159	165
Sri Lanka	48	52	28	29
The United Arab Emirates	24	13	23	12
Others	50	47	41	37
Eliminated	(1,415)	(530)	(886)	(380)
Total	15,619	12,291	8,835	6,954

6 Related party transactions

The Company is the ultimate parent company. The significant investments in subsidiaries, associates and joint ventures are set out in Note 10.

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 related parties of the Group.

The following material transactions were carried out with related parties:

	For the six-month periods ended 30 June			
	Consolidated		**Company**	
	2012 Baht'000	**2011 Baht'000**	**2012 Baht'000**	**2011 Baht'000**
Sales of goods and services				
Sales				
Associates	51,509	40,165	-	-
Total sales	51,509	40,165	-	-
Sales of real estates				
Related parties	-	136,457	-	-
Total sales of real estates	-	136,457	-	-

6 Related party transactions (Cont'd)

	For the six-month periods ended 30 June			
	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Sales of goods and services (Cont'd)				
Rental income				
Subsidiaries	-	-	21,696	21,874
Related parties	287	207	-	-
Total rental income	287	207	21,696	21,874
Interest income				
Subsidiaries	-	-	342,196	302,452
Associates	6,473	6,090	-	-
Total interest income	6,473	6,090	342,196	302,452
Management fee income				
Subsidiaries	-	-	91,564	86,607
Associates	85,060	54,303	-	-
Joint ventures	1,332	302	-	-
Related parties	1,819	4,070	-	600
Total management fee income	88,211	58,675	91,564	87,207
Dividends income				
Subsidiaries	-	-	139,520	247,089
Associates	188,751	79,830	84,472	-
Related parties	-	51,560	-	51,560
Total dividends income	188,751	131,390	223,992	298,649
Other income				
Subsidiaries	-	-	2,303	3,746
Associates	20	3,229	20	109
Total other income	20	3,229	2,323	3,855
Gain from capital return				
Subsidiaries	-	-	-	418,151
Total gain from capital return	-	-	-	418,151

6 Related party transactions (Cont'd)

	For the six-month periods ended 30 June			
	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
<u>Purchases of goods and services</u>				
Purchases				
Related parties	35,324	29,310	-	-
Total purchases	35,324	29,310	-	-
Rental expenses				
Subsidiaries	-	-	39,007	39,754
Related parties	3,792	6,169	-	-
Total rental expenses	3,792	6,169	39,007	39,754
Interest expenses				
Subsidiaries	-	-	18,682	11,240
Total interest expenses	-	-	18,682	11,240
Management fee expenses				
Subsidiaries	-	-	25,001	25,886
Total management fee expenses	-	-	25,001	25,886
Other expenses				
Subsidiaries	-	-	43	167
Related parties	13,084	13,902	10,971	3,083
Total other expenses	13,084	13,902	11,014	3,250

<u>Management remuneration</u>

Management benefit expenses of the Group and the Company for the six-month period ended 30 June 2012 were Baht 94.08 million and Baht 42.80 million, respectively (2011: Baht 77.66 million and Baht 43.89 million, respectively). Management remuneration comprised short-term benefits such as salaries, bonus and other allowances.

6 Related party transactions (Cont'd)

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Outstanding balances arising from sales/purchases of goods/services				
a) Receivables from:				
Subsidiaries	-	-	579,849	640,911
Associates	257,782	213,209	109,600	70,236
Joint ventures	11,259	8,376	-	1
Related parties	1,069	757	27	9
Total receivables from related parties	270,110	222,342	689,476	711,157
b) Payables to:				
Subsidiaries	-	-	22,096	4,589
Associates	5,891	19,748	-	5
Joint ventures	7,749	611	-	-
Related parties	4,375	11,088	1,985	1,995
Total payables to related parties	18,015	31,447	24,081	6,589
c) Long-term loans to related parties:				
Subsidiaries	-	-	15,849,212	14,833,186
Associates	485,664	507,374	-	-
Joint ventures	15,443	-	-	-
Total long-term loans to related parties	501,107	507,374	15,849,212	14,833,186

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Subsidiaries		
Opening amount	-	14,833,186
Additions	-	1,016,026
Closing amount	-	15,849,212
Associates		
Opening amount	507,374	-
Additions	15,443	-
Settlement	(23,282)	-
Translation adjustment	1,572	-
Closing amount	501,107	-

6 Related party transactions (Cont'd)

c) Long-term loans to related parties: (Cont'd)

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

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
d) Short-term borrowings from related parties:				
Subsidiaries	-	-	1,543,054	1,549,601
Total short-term borrowings to related parties	-	-	1,543,054	1,549,601

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Subsidiaries		
Opening amount	-	1,549,601
Settlement	-	(6,547)
Closing amount	-	1,543,054

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.

7 Trade and other receivables

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Trade receivables - third parties	1,824,194	1,519,019	15,996	18,802
Less Provision for impairment of trade receivables	(86,363)	(69,417)	(1)	-
Trade receivables - third parties, net	1,737,831	1,449,602	15,995	18,802
Amounts due from related parties (Note 6)	270,110	222,342	689,476	711,157
Prepayments	339,208	380,583	9,014	7,996
Other receivables	746,317	540,316	10,840	5,178
Trade and other receivables	3,093,466	2,592,843	725,325	743,133

8 Other current assets

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Prepaid income tax	139,069	144,980	9,201	17,493
Advance for construction	6,787	118,590	4,318	20,614
Current portion of loans to other companies	11,468	13,139	-	-
Others	488,329	529,579	67,160	45,780
Total other current assets	645,653	806,288	80,679	83,887

9 Available-for-sales investments

Available-for-sales investments comprise:

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Other companies	162	147	130	122
Related parties	98,204	159,854	-	-
Total	98,366	160,0011	130	122

a) Investments in other companies

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Opening net book amount	147	122
Change in fair value of investments	15	8
Closing net book amount	162	130

b) Investments in related parties

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Opening net book amount	159,854	-
Change in fair value of investments	(61,650)	-
Closing net book amount	98,204	-

10 Investments in subsidiaries, associates and joint ventures

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Subsidiaries	-	-	5,842,828	5,658,569
Associates	3,908,549	3,905,610	2,150,196	2,150,196
Joint ventures	35,218	19,521	24,284	24,284
Total investments in subsidiaries, associates and joint ventures	3,943,767	3,925,131	8,017,308	7,833,049

a) Investments in subsidiaries

	Company Baht'000
For the six-month period ended 30 June 2012	
Opening net book amount	5,658,569
Additions	205,878
Decapitalisation of property fund	(21,619)
Closing net book amount	5,842,828

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

a) Investments in subsidiaries (Cont'd)

The details of investments in subsidiaries at the date on the interim statements of financial position are investments in ordinary shares of subsidiaries and units in property funds as follows:

	Company			
			Investment portion (%)	
Company	Nature of business	Country of incorporation	30 June 2012	31 December 2011
Chao Phaya Resort Limited	Hotel operation and shopping mall	Thailand	81.24	81.24
Hua Hin Resort Limited	Hotel operation	Thailand	100	100
Maerim Terrace Resort Limited	Hotel operation	Thailand	45.30(1)	45.30(1)
Royal Garden Development Limited	In liquidation process	Thailand	100	100
Samui Resort and Spa Limited	Hotel operation	Thailand	100	100
Rajadamri Hotel Public Company Limited	Hotel operation	Thailand	99.22	98.91
MI Squared Limited	Hotel operation	Thailand	100	100
Hua Hin Village Limited	Hotel operation	Thailand	100	100
Baan Boran Chiangrai Limited	Hotel operation	Thailand	100	100
Samui Village Limited	Hotel operation	Thailand	100	100
Coco Palm Hotel & Resort Limited	Hotel operation	Thailand	100	100
Coco Recreation Limited	Hotel operation	Thailand	100	100
Samui Beach Club Owner Limited	Hotel operation and rent of property	Thailand	100	100
The Minor Food Group Public Company Limited ("MFG")	Sales of food and beverage	Thailand	99.72	99.72
Royal Garden Plaza Limited	Shopping mall	Thailand	100	100
M Spa International Limited ("MST")	Spa services	Thailand	51(2)	51(2)
Samui Beach Residence Limited	Sales of property	Thailand	100	100
Coco Residence Limited	Sales of property	Thailand	100	100
Minor Hotel Group Limited	Hotel management	Thailand	100	100
RNS Holding Limited	Management	Thailand	100	100
Minor Global Solutions Limited	Management	Thailand	100	100
Chao Phaya Resort and Residence Limited	Hotel operation and sales of property	Thailand	100	100
Minor Corporation Public Company Limited ("MINOR")	Distribution	Thailand	91.35(3)	91.35(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	Sales of point for right-to-use in time sharing resort	Republic of Mauritius	100	100
AVC Vacation Club Limited	Sales of point for right-to-use in time sharing resort	Republic of Mauritius	100	100
Thai Project Property Fund	Property investment	Thailand	99.90	99.90
Sub Thawee Property Fund	Property investment	Thailand	-	99.86
Thai Assets Management Property Fund	Property investment	Thailand	100	100
Phuket Beach Club Owner Limited	Management	Thailand	100	100
MHG Phuket Limited	Hotel operation	Thailand	100	-
Minor Sky Rider Limited	Entertainment operation	Thailand	100	-

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

a) Investments in subsidiaries (Cont'd)

(1) Investment portion of 45.30% represents direct holding in Maerim Terrace Resort Limited. Another 25.74% indirect holding is invested through subsidiary.
(2) Investment portion of 51% represents direct holding in MST. Another 49% indirect holding is invested through subsidiary.
(3) Investment portion of 91.35% represents direct holding in MINOR. Another 8.57% indirect holding is invested through subsidiary.

Companies under subsidiaries are as follows:

Company	Nature of business	Country of incorporation	Investment portion (%) 30 June 2012	Investment portion (%) 31 December 2011
MFG's subsidiaries				
Swensen's (Thai) Limited	Sales of food and beverage	Thailand	100	100
Minor Cheese Limited	Manufacturing and sales of cheese	Thailand	100	100
Minor Dairy Limited	Manufacturing and sales of ice-cream	Thailand	100	100
Minor DQ Limited	Sales of food and beverage	Thailand	100	100
Catering Associates Limited	Catering service	Thailand	51	51
Burger (Thailand) Limited	Sales of food and beverage	Thailand	95	95
International Franchise Holding (Labuan) Limited	Franchise owner	Malaysia	100	100
SLRT Limited	Sales of food and beverage	Thailand	100	100
Primacy Investment Limited	Holding investment	Republic of Mauritius	100	100
The Coffee Club (Thailand) Limited	Sales of food and beverage	Thailand	100	100
International Franchise Holding (Labuan) Limited's subsidiaries				
Franchise Investment Corporation of Asia Ltd.	Franchise owner	British Virgin Islands	100	100
The Minor Food Group (China) Limited	Sales of food and beverage	People's Republic of China	100	100
Primacy Investment Limited's subsidiaries				
Delicious Foodstuff (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Beverage (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Food Holding (Singapore) Pte. Ltd.	Holding investment	Singapore	100	100
ThaiExpress Concepts Pte. Ltd.	Holding investment	Singapore	100	100

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

a) Investments in subsidiaries (Cont'd)

Company	Nature of business	Country of incorporation	Investment portion (%) 30 June 2012	Investment portion (%) 31 December 2011
Delicious Food Holding (Singapore) Pte. Ltd.'s subsidiaries				
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
MHG Hotel Holding Australia Pty. Ltd.'s subsidiary				
Oaks Hotels & Resorts Limited ("OAKS")	Providing services for accommodation	Australia	100	100
M Spa International Limited's subsidiaries				
MSpa Ventures Limited	Spa services	British Virgin Islands	100	100
MSpa Enterprise Management (Shanghai) Limited	Spa services	People's Republic of China	100	100
Minor Hotel Group Limited's subsidiary				
Hospitality Investment International Limited	Holding investment	British Virgin Islands	100	100
MHG International Holding (Singapore) Pte. Ltd	Management	Singapore	100	-
MHG IP Holding (Singapore) Pte. Ltd.	Management	Singapore	100	-
Hospitality Investment International Limited's subsidiaries				
Lodging Management (Labuan) Limited	Hotel management	Malaysia	100	100
Lodging Management (Mauritius) Limited	Hotel management	Republic of Mauritius	100	100
PT Lodging Management (Indonesia) Limited	Hotel management	Indonesia	93.3	93.3
Jada Resort and Spa (Private) Limited	Hotel operation	Sri Lanka	80.1	80.1
Elewana Investment Limited	Holding investment	Republic of Mauritius	100	100
MI Squared Limited's subsidiaries				
Rajadamri Residence Limited	Hotel and property development	Thailand	100	100
Rajadamri Lodging Limited	Hotel operation	Thailand	100	100
AVC Vacation Club Limited's subsidiary				
Anantara Vacation Club (HK) Limited	Marketing services	Hong Kong	100	100
AVC Club Developer Limited's subsidiary				
PT MHG Indonesia Limited	Sales & marketing services	Indonesia	- *	-

* The Group provided loans to 2 directors of PT MHG Indonesia Limited. These 2 directors have used the company's ordinary shares as collateral and granted the share purchase option to the Group. In substance, the Group has control over this company; therefore, the company is identified as a subsidiary of the Group.

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

a) Investments in subsidiaries (Cont'd)

Company	Nature of business	Country of incorporation	Investment portion (%) 30 June 2012	Investment portion (%) 31 December 2011
ThaiExpress Concepts Pte. Ltd.'s subsidiaries				
BBZ Design International Pte. Ltd.	Sales of food and beverage	Singapore	100	100
NYS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
PS07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
TES07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
XWS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Concepts Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Heeren Pte. Ltd.	Sales of food and beverage	Singapore	100	100
The Bund Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Lotus Sky Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
ThaiExpress Concepts Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
BBZ Design International Pte. Ltd.'s subsidiary				
Element Spice Cafe Pte. Ltd.	Sales of food and beverage	Singapore	100	100
MINOR's subsidiaries				
Armin Systems Limited	Distribution - kitchen utensils, garment and shoes	Thailand	100	100
NMT Limited	Manufacturing services - consumer products	Thailand	100	100
Minor Development Limited	Property development	Thailand	100	100
Minor Consultants & Services Limited	Distribution - cosmetics and luggage	Thailand	100	100
Red Earth Thai Limited	Distribution - cosmetics and perfume	Thailand	100	100
Esmido Fashions Limited	Distribution - garments	Thailand	90.8	90.8
Amore Pacific (Thailand) Limited	Distribution - cosmetics and perfume	Thailand	-	51
Marvelous Wealth Limited	Holding investment	British Virgin Islands	100	100
MCL International Holding (Singapore) Pte. Ltd.	Holding investment	Singapore	100	-
OAKS's subsidiaries				
Boathouse Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Calypso Plaza Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Concierge Apartments Australia Pty. Ltd.	Providing services for accommodation	Australia	100	100
Goldsborough Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
IMPROPERTY Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (Qld) Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (NSW) Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (NSW) No. 1 Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (NSW) No. 2 Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (SA) Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts (VIC) Pty. Ltd.	Providing services for accommodation	Australia	100	100
Queensland Accommodation Corporation Pty. Ltd.	Providing services for accommodation	Australia	100	100

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

a) Investments in subsidiaries (Cont'd)

Company	Nature of business	Country of incorporation	Investment portion (%) 30 June 2012	Investment portion (%) 31 December 2011
<u>OAKS's subsidiaries</u> (Cont'd)				
Seaforth Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
183 on Kent Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
187 Kent Pty. Ltd.	Providing services for accommodation	Australia	100	100
361 Kent Pty. Ltd.	Providing services for accommodation	Australia	100	100
Pacific Hotel Market Street Pty. Ltd.	Providing services for accommodation	Australia	100	100
Pacific Blue Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Queen Street Property Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
The Oaks Resort & Hotel Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Furniture Services Australia Pty. Ltd.	Providing services for accommodation	Australia	100	100
Brisbane Apartment Management Pty. Ltd.	Providing services for accommodation	Australia	100	100
Housekeepers Pty. Ltd.	Providing services for accommodation	Australia	100	100
Kent Street Sydney Pty. Ltd.	Providing services for accommodation	Australia	100	100
Oaks Hotels & Resorts NZ Ltd.	Providing services for accommodation	New Zealand	100	100
187 Cashel Apartments Ltd.	Providing services for accommodation	New Zealand	100	100
Cashel Management Ltd.	Providing services for accommodation	New Zealand	100	100
Oaks Hotels & Resorts JLT Ltd.	Providing services for accommodation	The United Arab Emirates	100	100
Oaks Hotels & Resorts Investments Pty. Ltd.	Investment Holding	Australia	100	100
The Grand Hotel, Gladstone (Note 26)	Hotel operation	Australia	100	-
Oaks Broome Sanctuary Resort Pty. Ltd. (Note 26)	Providing services for accommodation	Australia	80	-
Mon Komo Management Pty. Ltd.	Providing services for accommodation	Australia	80	-

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

a) Investments in subsidiaries (Cont'd)

Changes in investments in subsidiaries for the six-month period ended 30 June 2012 comprise:

Amore Pacific (Thailand) Limited

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

Sub Thawee Property Fund

On 5 April 2012, Sub Thawee Property Fund, a subsidiary of the Company, registered to liquidate according to terms and conditions of Announcement No. Tor Nor 23/2009 from Capital Market Supervisory Board.

Rajadamri Hotel Public Company Limited

During the second quarter of 2012, the Company acquired additional shares of 138,721 shares totalling amounting to Baht 8,905,888 from minority shareholders of Rajadamri Hotel Public Company Limited. The investment portion increased from 98.91% to 99.22% and recognised discount from additional investment in this subsidiary amounting to Baht 1,072,767 in the shareholders' equity in consolidated financial information.

MHG Phuket Limited

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

Minor Sky Rider Limited

During the second quarter of 2012, the Company acquired ordinary shares of Minor Sky Rider Limited, a new established company, of 70,000 ordinary shares with a par value of Baht 100, totalling Baht 7 million, representing 100% of this company's paid-up shares. The Company has not paid for these share subscription.

MHG International Holding (Singapore) Pte. Ltd.

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

MHG IP Holding (Singapore) Pte. Ltd.

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

MCL International Holding (Singapore) Pte. Ltd.

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

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

b) Investments in associates

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Opening net book amount	3,905,610	2,150,196
Dividends received	(188,751)	-
Share of profit from investments in associates	191,690	-
Closing net book amount	3,908,549	2,150,196

The details of investments in associates are as follows:

	Consolidated		Investment portion (%)	
Company	**Nature of business**	**Country of incorporation**	**30 June 2012**	**31 December 2011**
Arabian Spa (Dubai) (LLC)	Spa services	United Arab Emirates	49	49
Eutopia Private Holding Limited	Hotel operation	Republic of Maldives	50	50
Tanzania Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	50	50
Zanzibar Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	50	50
The Coffee Club Holdings Pty. Ltd.	Holding investment	Australia	50	50
Sizzler China Pte. Limited	Franchise owner	Singapore	50	50
Select Service Partner Limited	Sales of food and beverage	Thailand	51	51
Harbour View Corporation Limited	Hotel operation	Vietnam	30.4	30.4
Zuma Bangkok Limited	Sales of food and beverage	Thailand	51[1]	51[1]
Tidal Swell Pty. Ltd.	Providing services for accommodation	Australia	25	25
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	31.3	31.3

[1] Investment portion in Zuma Bangkok Limited is 51% but the Group has voting right at 35%.

Companies under associates comprise:

	Consolidated		Investment portion (%)	
Company	**Nature of business**	**Country of incorporation**	**30 June 2012**	**31 December 2011**
<u>**Tanzania Tourism and Hospitality Investment Limited's subsidiaries**</u>				
Elewana Afrika (T) Limited	Hotel operation	United Republic of Tanzania	100	100
Elewana Afrika Limited	Holding Investment	Kenya	100	100
<u>**Zanzibar Tourism and Hospitality Investment Limited's subsidiaries**</u>				
Elewana Afrika (Z) Limited	Hotel operation	United Republic of Tanzania	100	100
The Grande Stone Town Limited	Holding Investment	United Republic of Tanzania	100	100

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

b) Investments in associates (Cont'd)

	Consolidated			
			Investment portion (%)	
Company	**Nature of business**	**Country of incorporation**	**30 June 2012**	**31 December 2011**
Elewana Afrika Limited's subsidiaries				
Flora Holding Limited	Holding investment	Kenya	100	100
Rocky Hill Limited	Hotel operation	Kenya	100	100
Sand River Eco Camp Limited	Hotel operation	Kenya	100	100
Flora Holding Limited's subsidiary				
Parrots Limited	Hotel operation	Kenya	100	100
The Grande Stone Town Limited's subsidiary				
Parachichi Limited	Hotel operation	United Republic of Tanzania	100	100
Select Service Partner Limited's subsidiary				
Select Service Partner (Cambodia) Limited	Sale of food and beverage	The Kingdom of Cambodia	100	100
The Coffee Club Holdings Pty. Ltd.'s subsidiaries				
Expresso 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
First Avenue Company Pty. Ltd.	Sale of food and beverage	Australia	100	100
Ribs and Rumps Holding Pty. Ltd.	Sale of food and beverage	Australia	100	100

	Company			
			Investment portion (%)	
Company	**Nature of business**	**Country of incorporation**	**30 June 2012**	**31 December 2011**
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	31.3	31.3

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

c) Investments in joint ventures

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Opening net book amount	19,521	24,284
Additions	19,682	-
Share of loss from investments in joint ventures	(3,985)	-
Closing net book amount	35,218	24,284

The details of investments in joint ventures are as follows:

Consolidated

Company	Nature of business	Country of incorporation	Investment portion (%) 30 June 2012	Investment portion (%) 31 December 2011
Maikhao Vacation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	50	50
Thaisale.co.th Limited	Distribution	Thailand	50.1	50.1
Harbour Residences Oaks Ltd.	Providing services for accommodation	New Zealand	50	-

Company

Company	Nature of business	Country of incorporation	Investment portion (%) 30 June 2012	Investment portion (%) 31 December 2011
Maikhao Vacation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	50	50

Changes in investments in joint ventures for the six-month period ended 30 June 2012 comprise:

Harbour Residences Oaks Ltd.

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

Thaisale.co.th Limited

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

During the second quarter of 2012, this company called for the remaining share capital of 50% ordinary shares, totalling Baht 7.5 million.

11 Investment properties

	Consolidated Baht'000
For the six-month period ended 30 June 2012	
Opening net book amount - as previously reported	933,472
Adjustment of fair value of assets from investment in OAKS (Note 4)	(4,684)
Opening net book amount - as restated	928,788
Additions	103,997
Disposals, net	(142)
Transfer to other account	(3,740)
Depreciation	(40,065)
Translation adjustment	(77)
Closing net book amount	988,761

A subsidiary of the Group has mortgaged freehold apartments amounting to AUD 4.99 million or equivalent to Baht 160 million (31 December 2011: AUD 1.8 million or equivalent to Baht 58 million) to secure loans with foreign banks (Note 17).

As at 30 June 2012, a subsidiary of the Group has commitment in respect of purchase of investment properties amounting to AUD 0.37 million or equivalent to Baht 11.73 million.

12 Property, plant and equipment

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Opening net book amount - as previously reported	17,137,373	477,523
Adjustment of fair value of assets from investment in OAKS (Note 4)	(223,437)	-
Opening net book amount - as restated	16,913,936	477,523
Additions	2,055,688	39,181
Acquisition of subsidiary	196,849	-
Disposal of subsidiary	(2,573)	-
Disposals, net	(93,581)	(1,549)
Write-offs, net	(24,291)	-
Transfer to other accounts	(175,383)	-
Depreciation	(898,845)	(43,555)
Reversal of impairment charge	11,109	-
Translation adjustment	(5,195)	-
Closing net book amount	17,977,714	471,600

During 2003, certain subsidiaries entered into sales and leaseback agreements with Thai Assets Management Property Fund with the first right of repurchase. The financial information of this property fund is consolidated in the consolidated financial information. The sales and leaseback transactions were accounted for as secured borrowings (Note 17). There was no change in the presentation of the property, plant and equipment in the consolidated financial information as a result of these transactions. As at 30 June 2012, fixed assets of subsidiaries with book values of Baht 616 million are used as collateral for these transactions (Note 17).

12 Property, plant and equipment (Cont'd)

A subsidiary of the Group has mortgaged land and building amounting to AUD 26.85 million or equivalent to Baht 863 million (31 December 2011: AUD 21 million or equivalent to Baht 687 million) to secure loans with foreign banks (Note 17).

	Consolidated		Company
	Baht Million	**AUD Million**	**Baht Million**
Commitments in respect of construction contracts and purchases of assets as at 30 June 2012	80.2	34.4	-
Commitments in respect of construction contracts and purchases of assets as at 31 December 2011	145.8	16.0	4.6

13 Intangible assets

	Consolidated (Baht'000)								
	Management letting rights	Intellectual property rights	Franchise development expenses	Initial franchise fees	Goodwill	Brand	Computer software	Computer software under installation	Total
For the six-month period ended 30 June 2012									
Opening net book amount - as previously reported	2,665,604	16,502	3,008	42,146	3,698,160	560,030	403,010	177,587	7,566,047
Adjustment of fair value of assets from investment in OAKS (Note 4)	224,051	-	-	-	619,791	318,603	-	-	1,162,445
Opening net book amount - as restated	2,889,655	16,502	3,008	42,146	4,317,951	878,633	403,010	177,587	8,728,492
Additions	51,017	4,703	-	-	-	-	22,474	46,172	124,366
Acquisition of subsidiary	77,564	-	-	-	235,628	-	-	-	313,192
Disposal of subsidiary	-	-	-	-	-	-	(183)	-	(183)
Write-offs, net	-	-	-	-	-	-	(528)	-	(528)
Disposal, net	(39,553)	-	-	-	-	-	(147)	(4,413)	(44,113)
Reclassification	-	-	-	-	-	-	24,014	(24,014)	-
Transfer from (to) other account	-	-	-	-	-	-	3,127	(1,049)	2,078
Amortisation charge	(39,496)	(161)	(89)	(2,748)	-	-	(40,923)	-	(83,417)
Reversal of impairment charge (impairment charge)	-	-	-	-	(11,292)	-	220	-	(11,072)
Translation adjustment	2,506	(63)	24	(42)	(51)	-	125	-	2,499
Closing net book amount	2,941,693	20,981	2,943	39,356	4,542,236	878,633	411,189	194,283	9,031,314

A subsidiary of the Group has mortgaged management letting rights amounting to AUD 85 million or equivalent to Baht 2,718 million (31 December 2011: AUD 83 million or equivalent to Baht 2,666 million) to secure borrowings with foreign banks (Note 17). As at 30 June 2012, the Group has commitments for acquisition of management letting rights amounting to AUD 2 million or equivalent to Baht 63 million (31 December 2011: AUD 1.91 million or equivalent to Baht 62 million).

13 Intangible assets (Cont'd)

	Company (Baht'000) Computer software
For the six-month period ended 30 June 2012	
Opening net book amount	11,692
Additions	9,305
Amortisation charge	(2,263)
Closing net book amount	18,734

14 Leasehold rights

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Opening net book amount	1,840,834	4,361
Additions	8,053	-
Write-offs, net	(64)	-
Amortisation charge	(64,993)	(310)
Translation adjustment	107	-
Closing net book amount	1,783,937	4,051

15 Other non-current assets

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Restated Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Loans to other companies	103,097	73,442	-	-
Deposits	664,722	685,022	7,672	7,549
Deferred charges	170,325	187,107	32,954	39,506
Others - as restated (Note 4)	30,562	32,735	-	-
Total other non-current assets	968,706	978,306	40,626	47,055

16 Trade and other payables

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Trade accounts payables	1,329,735	1,265,805	7,527	7,826
Amounts due to related parties (Note 6)	18,015	31,447	24,081	6,589
Accrued expenses	1,746,801	1,818,974	226,356	235,082
Accounts payables - construction	202,981	194,579	1,099	3,131
Other payables	579,850	681,559	23,516	23,431
Trade and other payables	3,877,382	3,992,364	282,579	276,059

17 Borrowings

	Consolidated		Company	
	30 June 2012 Baht'000	**31 December 2011 Baht'000**	**30 June 2012 Baht'000**	**31 December 2011 Baht'000**
Current				
Bank overdrafts	4,942	7,134	-	-
Short-term borrowings from banks	2,285,694	1,090,214	1,970,000	580,000
Sub-total	2,290,636	1,097,348	1,970,000	580,000
Borrowings from related parties (Note 6)	-	-	1,543,054	1,549,601
Current portion of long-term borrowings				
Finance lease liabilities	100,734	141,235	-	-
Bank borrowings	206,899	218,454	-	60,000
Other borrowing	83,400	163,710	-	-
Debentures	1,840,000	1,840,000	1,840,000	1,840,000
Sub-total	2,231,033	2,363,399	1,840,000	1,900,000
Total current borrowings	4,521,669	3,460,747	5,353,054	4,029,601
Non-current				
Finance lease liabilities	49,678	80,061	-	-
Bank borrowings	6,323,786	5,898,400	-	-
Other borrowing	-	24,900	-	-
Debentures	10,360,000	10,360,000	10,360,000	10,360,000
Total non-current borrowings	16,733,464	16,363,361	10,360,000	10,360,000
Total borrowings	21,255,133	19,824,108	15,713,054	14,389,601

The movements in borrowings and debentures can be analysed as below:

	Consolidated Baht'000	**Company Baht'000**
For the six-month period ended 30 June 2012		
Opening amount	19,595,678	14,389,601
Additions of borrowings	6,643,584	5,590,000
Repayments of borrowings	(5,135,277)	(4,266,547)
Amortisation of underwriting fees	4,593	-
Disposal of subsidiary	(3,000)	-
Translation adjustment	(5,799)	-
Closing amount	21,099,779	15,713,054

17 Borrowings (Cont'd)

Borrowings from banks

As at 30 June 2012, long-term borrowings from banks in the consolidated financial information totalling Baht 6,531 million comprise:

a) The Company's unsecured loan from a local bank of Baht 60 million. The borrowing carries interest rate of 12 months fixed deposit rate of a local bank plus a margin and is due for repayment in 10 semi-annual instalments of Baht 60 million per instalment with the first repayment from November 2007. The loan is subject to certain conditions which the Company has to comply throughout the loan period.

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

b) A subsidiary's unsecured loan from a foreign bank (Thailand Branch) of USD 6.7 million. The loan carries interest rate of LIBOR plus a margin and is due for repayment in 9 semi-annual installments of USD 2.22 million per installment with the first repayment in May 2009. The loan is subject to certain conditions which the subsidiary has to comply throughout the loan period.

   As at 30 June 2012, the Group has outstanding cross currency swap and interest rate swap contracts which convert the above loan of USD 6.7 million into of AUD 7.6 million with a fixed interest rate. Moreover, the Group also entered into a foreign currency forward contract to convert the AUD payment obligation into THB which has outstanding of Baht 127 million.

c) A subsidiary's unsecured loan from local bank of USD 28 million. The loan carries interest rate of 6 months SIBOR plus a margin and is due for repayment between 2012 and 2016. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

   As at 30 June 2012, the Group has outstanding interest rate swap contracts with a financial institution for the above loan of USD 20 million which converts floated interest rates of SIBOR to fixed rate and which is effective from 15 June 2010 to 15 December 2016.

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

e) A subsidiary's secured loans from local bank (Singapore Branch) of AUD 45.2 million. The loan carries interest rate of Bank Bill Swap Reference Rate plus a margin and is due for repayment in the semi-annual installments with the first repayment from December 2014. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

f) A subsidiary's secured loans from a foreign bank of AUD 67.7 million. The loans carry interest rates of Bank Bill Swap Reference Rate plus a margin and are due for repayment in the limit of AUD 2 million per quarter for 5 years. The loans are subject to certain conditions which the subsidiary has to comply with throughout the loans period and use the subsidiary's investment properties, building and management letting rights as collateral (Note 11 to 13).

   As at 30 June 2012, the Group has outstanding interest rate swap contract for the above loan from the foreign bank of AUD 30.5 million which converts Bank Bill Swap Reference Rate to fixed interest rate which is effective from 3 January 2012 to 30 August 2016.

17 Borrowings (Cont'd)

Other borrowing

Other borrowing amounting to Baht 83.4 million is long-term borrowing by a property fund, representing Class A and Class B investment units in the Thai Assets Management Property Fund being held by financial institutions with 10 years maturity until 2013. The unit holders receive interest at fixed rates and MLR less a margin as specified in the Unit Holders Agreement.

Thai Assets Management Property Fund holds sub-lease rights and legal titles in the Group's property, plant and equipment with a book value of Baht 616 million as collateral.

Debentures

Debentures comprise:

a) Debentures of Baht 1,840 million issued in September 2007 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2012.

b) Debentures of Baht 2,060 million issued in September 2007 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2014.

c) Debentures of Baht 2,000 million issued in July 2009 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2013.

d) Debentures of Baht 2,500 million issued in May 2010 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest due for payment of interest semi-annually and are due for repayment within 2015.

e) Debentures of Baht 500 million issued in December 2010 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2015.

f) Debentures of Baht 1,000 million issued in December 2010 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2017.

g) Debentures of Baht 1,500 million issued in March 2011 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2018.

h) Debentures of Baht 500 million issued in October 2011 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2018.

i) Debentures of Baht 300 million issued in October 2011 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2021.

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

17 Borrowings (Cont'd)

Debentures (Cont'd)

At the Annual General Meeting of the Shareholders of the Company held on 25 April 2008, the shareholders passed a resolution to approve issuance of no more than fifteen-year unsubordinated debentures not exceeding Baht 15,000 million, to be used for working capital, business expansion and/or refinance of existing loans and debentures of the Company. As at 30 June 2012, a total of Baht 8,300 million debentures have been issued under this shareholders' resolution.

At the Annual General Meeting of the Shareholders of the Company held on 1 April 2011, the shareholders passed a resolution to approve issuance of no more than fifteen-year unsubordinated debentures not exceeding Baht 15,000 million to be used for working capital business expansion and/or refinance of existing loans and debentures of the Company. As at 30 June 2012, a total of Baht 15,000 million debentures have not been issued under this shareholders' resolution.

Borrowing facilities

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

	30 June 2012		
	Consolidated		Company
	Baht Million	AUD Million	Baht Million
Floating interest rate			
- expiring within one year	1,000	-	1,000
- expiring beyond one year	3,000	18	3,000
	4,000	18	4,000

	31 December 2011		
	Consolidated		Company
	Baht Million	AUD Million	Baht Million
Floating interest rate			
- expiring within one year	1,000	-	1,000
- expiring beyond one year	3,000	52	3,000
	4,000	52	4,000

18 Other current liabilities

	Consolidated		Company	
	30 June 2012 Baht'000	31 December 2011 Baht'000	30 June 2012 Baht'000	31 December 2011 Baht'000
Booking deposits	195,448	261,660	3,515	6,152
Provision for onerous contracts	88,550	94,951	-	-
Provision for contingent considerations	23,870	23,768	-	-
Sales of residence received in advance	41,216	129,391	-	-
Payable from purchase of investment	-	5,171	-	-
Others	330,226	365,840	10,094	10,646
Total other current liabilities	679,310	880,781	13,609	16,798

19 Employee benefits obligations

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2012		
Opening balance	151,387	11,538
Additions	14,983	1,306
Sale of subsidiary	(56)	-
Benefit paid	(4,619)	-
Closing balance	161,695	12,844

The Group accounts for these severance liabilities on an estimated basis using the following key assumptions:

Discount rates	3.5% - 4%
Future salary increase rates	3.5% - 9%
Retirement age	60 years old

20 Share capital and share premium

	Consolidated			
	Number of ordinary shares Shares'000	**Ordinary shares Baht'000**	**Share premium Baht'000**	**Total Baht'000**
For the six-month period ended 30 June 2012				
Opening balance	3,275,225	3,275,225	3,215,326	6,490,551
Issue of shares (Note 21)	16,628	16,628	114,526	131,154
Stock dividend (Note 25)	328,825	328,825	-	328,825
Closing balance	3,620,678	3,620,678	3,329,852	6,950,530

	Company			
	Number of ordinary shares Shares'000	**Ordinary shares Baht'000**	**Share premium Baht'000**	**Total Baht'000**
For the six-month period ended 30 June 2012				
Opening balance	3,275,225	3,275,225	3,189,674	6,464,899
Issue of shares (Note 21)	16,628	16,628	114,526	131,154
Stock dividend (Note 25)	328,825	328,825	-	328,825
Closing balance	3,620,678	3,620,678	3,304,200	6,924,878

As at 30 June 2012, the authorised shares comprise 4,063.0 million ordinary shares with a par value of Baht 1 each. The issued and fully paid-up shares comprise 3,620.7 million ordinary shares.

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

21 Warrants

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

The Group does not recognise warrant compensation costs for the fair value or intrinsic value of the warrant granted in these financial information.

Issued by	Allotted to	Approval date	Determined exercising date: First exercise	Determined exercising date: Last exercise	As at 31 December 2011 Outstanding warrant Unit	Decrease during the period: Exercise Unit	Decrease during the period: Exercise ratio for ordinary shares per 1 warrant*	Decrease during the period: Issue of ordinary shares during the period Share	Decrease during the period: Exercise price* Baht	Decrease during the period: Amount Baht	As at 30 June 2012 Outstanding warrant Unit
The Company	Directors and employees of the Company and its subsidiary No. 3	14 November 2007	31 January 2008	17 December 2012	6,392,347	(1,873,720)	1.10	2,060,500	8.918	18,375,539	3,674,627
						(844,000)	1.21	1,020,500	8.107	8,273,194	
	Directors and employees of the Company and its subsidiary No. 5	6 March 2009	30 October 2009	21 October 2013	44,801,650	(11,298,600)	1.00	11,298,600	7.650	86,434,290	32,181,400
						(1,321,650)	1.10	1,452,500	6.955	10,102,138	
	Directors and employees of the Company and its subsidiary (MINT - W)	6 March 2009	30 June 2009	12 June 2014	1,522,777	(185,000)	1.00	185,000	8.080	1,494,800	1,121,395
						(216,382)	1.10	237,900	7.346	1,747,613	
	Former shareholders (MINT - W4)	26 April 2010	30 June 2010	18 May 2013	325,379,540	(265,358)	1.00	265,358	13.000	3,449,654	325,015,942
						(98,240)	1.10	108,064	11.818	1,277,100	
	Total issue by the Company				378,096,314	(16,102,950)		16,628,422		131,154,328	361,993,364

* Exercise ratio and exercise price of warrants are revised according to the stock dividend payment at the ratio of 10 existing shares to 1 new share as described in Note 25.

22 Other income

	For the six-month periods ended 30 June			
	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Rental income	32,897	11,369	20,176	20,194
Subsidy income	22,977	23,218	-	-
Premium sales income	41,476	54,808	-	-
Management income	18,106	16,759	-	-
Freight charges	48,850	51,724	-	-
Gain from capital return from a subsidiary	-	-	-	418,151
Gain from disposal of subsidiary	15,573	-	-	-
Compensation from insurance claim	88,600	-	-	-
Sale of furniture	53,471	8,544	-	-
Gain on fair value adjustment of investment	-	203,225	-	-
Others	124,353	94,714	7,954	13,103
Total other income	446,303	464,361	28,130	451,448

23 Earnings per share

Basic earnings per share is calculated by dividing the 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 in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has warrants in issue (Note 21).

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.

For the calculation of the diluted earnings per share, the weighted average number of shares assuming conversion of all dilutive potential ordinary shares for the three-month and six-month periods ended 30 June 2012 are 66,963,084 shares and 51,781,105 shares, respectively (as at 30 June 2011: 19,432,125 shares and 18,305,173 shares, respectively).

	Consolidated and Company			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2012 Shares'000	2011 Shares'000	2012 Shares'000	2011 Shares'000
Weighted average number of ordinary shares in issue, net*	3,619,268	3,599,445	3,613,443	3,596,705
Effect of dilutive potential ordinary shares				
Warrants	66,963	19,432	51,781	18,305
Dilutive potential ordinary shares	66,963	19,432	51,781	18,305
Weighted average number of ordinary shares for diluted earnings	3,686,231	3,618,877	3,665,224	3,615,010

* The Company included the effect of stock dividend payment as described in Note 25 when calculating the weighted average number of ordinary shares.

23 Earnings per share (Cont'd)

	Consolidated			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
Profit for the period attributable to ordinary shareholders (Baht'000)	363,766	279,362	1,639,314	1,101,942
Basic earnings per share (Baht)	0.1005	0.0776	0.4537	0.3064
Diluted earnings per share (Baht)	0.0987	0.0772	0.4473	0.3048

	Company			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
Profit for the period attributable to ordinary shareholders (Baht'000)	96,009	615,438	155,222	692,312
Basic earnings per share (Baht)	0.0265	0.1710	0.0430	0.1925
Diluted earnings per share (Baht)	0.0260	0.1701	0.0423	0.1915

24 Legal reserve

	Consolidated and Company			
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
At 1 January	367,799	367,799	367,799	367,799
Appropriation during the period	38,510	-	38,510	-
At 30 June	406,309	367,799	406,309	367,799

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.

On 2 April 2012, the Annual General Meeting of the Shareholders of the Company passed a resolution to approve an additional Baht 38.51 million of legal reserve to ensure that the legal reserve for the year 2012 meets the requirement of the law and the Articles of Association of the Company.

25 Dividends

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

25.1 Cash dividend of Baht 0.15 per share (2011: Baht 0.15 per share) to existing shareholders and shareholders who convert the convertible securities, totalling not exceeding Baht 544.1 million (2011: Baht 542.5 million)

25.2 Stock dividend at the ratio of 10 existing shares to 1 new ordinary share at the price of Baht 1 per share to existing shareholders and shareholders who convert the convertible securities not exceeding, 362.7 million shares or Baht 362.7 million.

Those dividends totalling Baht 822 million which comprised cash dividend and share dividend amounting to Baht 493 million and Baht 329 million, respectively, were paid to shareholders on 30 April 2012. An increase in the authorised capital and an adjustment of exercise ratio were a result of share dividend (Note 21).

26 New acquisition

Current period

The Grand Hotel, Gladstone

On 16 January 2012, OAKS acquired the business of The Grand Hotel, Gladstone in the total investment amount of AUD 12.3 million or equivalent to Baht 393 million.

Details of the acquisition are as follows:

	Baht'000
Purchase price considerations	393,391
Net carrying value of net assets under interest acquired	(181,099)
Purchase price over net assets (presented in goodwill)	212,292

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

	Baht'000
Property, plant and equipment, net	181,099

26 New acquisition (Cont'd)

Oaks Broome Sanctuary Resort Pty. Ltd.

On 22 February 2012, OAKS acquired the business of Oaks Broome Sanctuary Resort Pty. Ltd. in the total investment amount of AUD 3.6 million or equivalent to Baht 117 million.

Details of the acquisition are as follows:

	Baht'000
Purchase price considerations	116,650
Net carrying value of net assets under interest acquired	(93,314)
Purchase price over net assets (presented in goodwill)	23,336

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

	Baht'000
Property, plant and equipment, net	15,750
Management letting rights	77,564
Net carrying value of net assets under interest acquired	93,314

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

The goodwill is attributable to The Grand Hotel, Gladstone and Oaks Broome Sanctuary Resort Pty. Ltd.'s strong position and profitability in hotel and accommodation business, and synergies expected to arise after the Group's acquisition of the new subsidiaries. None of the goodwill is expected to be deductible for tax purposes.

Prior period

Completion of fair value allocation of OAKS

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

As described in Note 4, the Group completed, the measurement the fair value of identifiable assets acquired and liabilities assumed of OAKS during the second quarter of 2012. In consideration of fair value of asset, the Group determined the measurement of the identifiable asset and considered the possibility that the Group received economic benefit reasonably.

26 New acquisition (Cont'd)

Completion of fair value allocation of OAKS (Cont'd)

Details of the acquisition are as follows:

	Baht'000
Cash paid	2,692,045
Fair value of previously held equity interest	187,890
Sub-total	2,879,935
100% of identifiable net assets acquired and liabilities assumed	(1,614,219)
Goodwill - as restated	1,265,716
Goodwill - as previously reported	(645,925)
Restatement (Note 4)	619,791

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

	Baht'000
Cash and cash equivalents	150,990
Trade and other receivables	577,268
Inventories	84,989
Other current assets	58,540
Investment properties	52,729
Property, plant and equipment	1,398,852
Intangible assets	3,254,542
Other assets	39,135
Trade and other payables	(653,386)
Long-term borrowing	(1,897,986)
Finance lease liabilities	(350,511)
Accrued expenses and other liabilities	(1,100,943)
Fair value of net assets acquired	1,614,219

27 Commitments

The Group has commitments in respect of construction contract and purchases of assets for real estates project for sales, and for land and project under development which have not yet recognised as liabilities as at 30 June 2012 and 31 December 2011 as follows:

	Consolidated Baht Million	Company Baht Million
Commitments as at 30 June 2012	558.3	-
Commitments as at 31 December 2011	1.9	-

28 Guarantees

The Group and the Company have given the following guarantees in the normal courses of business.

	30 June 2012						
	Consolidated				Company		
	Baht Million	US$ Million	AUD Million	Yuan Million	Baht Million	US$ Million	AUD Million
Letters of guarantees issued by bank on behalf of the Group	474.1	7.6	13.0	63.0	149.8	0.6	-
Guarantee given by the Group to financial institution to guarantee credit facilities	2,863.1	87.3	107.5	250.0	1,289.5	86.8	107.5

	31 December 2011						
	Consolidated				Company		
	Baht Million	US$ Million	AUD Million	Yuan Million	Baht Million	US$ Million	AUD Million
Letters of guarantees issued by bank on behalf of the Group	224.5	6.9	9.5	63.0	152.0	-	-
Guarantee given by the Group to financial institution to guarantee credit facilities	4,372.9	116.9	188.0	200.0	1,720.1	115.5	188.0

29 Post statement of financial position event

On 9 July 2012 and 1 August 2012, a subsidiary of the Group acquired properties in Australia totalling AUD 12 million or equivalent to Baht 390 million.

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ANNEX

INFORMATION ON MINOR INTERNATIONAL PCL.

Section B.3 – 2011 Report (extracted pages)

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Minor International Public Company Limited

FINANCIAL STATEMENTS

Report of the Board of Directors' Responsibilities for Financial Statements

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

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

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

WILLIAM E. HEINECKE
Chairman of the Board of Director

Report of **the Audit Committee**

COMPOSITION OF THE AUDIT COMMITTEE

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

AUDIT COMMITTEE'S PRINCIPAL RESPONSIBILITIES

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

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

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

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

THE AUDIT COMMITTEE'S PRINCIPAL ACTIVITIES DURING THE YEAR

In 2011, the Committee's principal activities including the following matters:

1. Approved quarterly financial statement and reviewed full year financial statements, and provided assessments and recommendations to the Board of Directors.
2. Reviewed accomplishments of the Company with respect to the performance effectiveness especially performance of new project operations and highlighted major concerns of overseas subsidiaries.
3. Consideration of the Group's IT project updates and related risks
4. Acknowledged the Company's risk management profile, and the appropriateness of its mitigation plans.

5. Reviewed investment updates, and helped formulate risk weighted evaluation criteria for future investments.
6. Approved contracts for co-sourcing internal audits in Australia, Singapore, Sri Lanka, and Tanzania.
7. Reviewed management's plan for the transition to International Financial Reporting Standard (IFRS). This included the assurance that the transition plan demonstrated clear understanding of the changes, identified key conversion activities, the time table, the resources required, and training of all staff affected by the transition. The Company appointed KPMG to be the implementation consultant to assist with the IFRS transition process. The status of the IFRS transition plan was updated to the Audit Committee every quarter.
8. The minutes of the Audit Committee Meetings were sent to the Board of Directors for acknowledgement. Major issues were discussed in the Board of Director meetings.

THE AUDIT COMMITTEE PROVIDED THE FOLLOWING OPINIONS:

1. The Company's financial reports are accurate, complete, and reliable.
2. The Company's assets are appropriately safeguarded, proper accounting records are maintained, and resources are effectively and efficiently utilized.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's businesses.
4. PricewaterhouseCoopers ABAS, the Company's auditor, is suitable and provided appropriate services.
5. The related transactions arising in 2011 were rational and contributed optimal benefits of the Company.
6. For the year 2011, the Audit Committee held five meetings; four meetings to review the Company's consolidated financial statements that had been certified by the external auditor and one meeting to review internal audit plan. The attendance of such meetings by each committee member was as follows;

	Position	Attendance/ Audit Committee Meeting
1. Mr. Kenneth L. White	Chairman	5/5
2. Khunying Jada Wattanasiritham	Member	5/5
3. Ms. Chantana Sukumanont	Member	4/5

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

Accordingly, the Audit Committee has recommended to the Board of Directors that Pricewaterhouse Coopers ABAS, be reappointed as the Company's auditor for the financial year ending 31 December 2012. The re-appointment of the audit firm and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 2 April 2012.

KENNETH L. WHITE
Chairman of the Audit Committee

Auditor's **Report**

TO THE SHAREHOLDERS OF MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and Company statement of financial position as of 31 December 2011 and 2010, and the related consolidated and Company statements of income and statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and Company financial statements referred to above present fairly, in all material respects, the consolidated and Company financial positions as at 31 December 2011 and 2010, and the consolidated and Company results of operations, and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively, in accordance with generally accepted accounting principles.

ANOTHAI LEEKITWATTANA
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Ltd.
Bangkok
21 February 2012

Statement of Financial Position

Minor International Public Company Limited
As at 31 December 2011 and 2010

		Consolidated		Company	
		2011	2010 Restated	2011	2010
	Notes	Baht	Baht	Baht	Baht
ASSETS					
Current assets					
Cash and cash equivalents	7	1,145,782,127	1,156,280,782	160,384,206	171,519,212
Trade and other receivables	8	2,739,262,266	1,575,537,003	743,132,460	633,869,402
Inventories	9	1,465,953,495	949,984,942	6,420,370	5,375,717
Points for right-to-use in time sharing resort		21,722,282	119,423,721	-	-
Land and real estates project for sales	10	1,574,095,989	2,418,721,480	-	-
Other current assets	11	659,868,801	627,189,312	83,886,800	30,467,727
Total current assets		7,606,684,960	6,847,137,240	993,823,836	841,232,058
Non-current assets					
Long-term loans to related parties	14	507,373,802	384,728,390	14,833,186,192	13,068,542,277
Investments in subsidiaries, associates and interests in joint ventures	12	3,925,130,532	1,535,859,281	7,833,049,475	6,653,674,504
Other long-term investments	13	160,000,924	1,915,606,279	121,849	1,804,547,765
Land and projects under development	15	33,097,764	3,955,349,423	-	-
Investment properties	16	933,472,475	950,129,055	-	-
Property, plant and equipment	17	17,137,372,678	10,232,531,068	477,523,400	462,932,604
Intangible assets	18	7,566,047,473	4,298,766,931	11,691,572	9,883,594
Leasehold rights	19	1,840,833,908	1,847,758,206	4,360,956	4,983,973
Other non-current assets	20	1,155,189,820	830,906,358	47,055,236	59,404,186
Total non-current assets		33,258,519,376	25,951,634,991	23,206,988,680	22,063,968,903
Total assets		40,865,204,336	32,798,772,231	24,200,812,516	22,905,200,961

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Financial Position (Continued)

Minor International Public Company Limited
As at 31 December 2011 and 2010

	Notes	Consolidated 2011 Baht	Consolidated 2010 Restated Baht	Company 2011 Baht	Company 2010 Baht
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	21	1,097,347,519	576,809,741	580,000,000	-
Trade and other payables	22	3,992,364,487	2,961,299,952	276,058,903	236,649,261
Short-term loans from related parties	14	-	-	1,549,601,374	1,376,380,033
Current portion of liabilities under finance lease agreement	21	141,235,490	-	-	-
Current portion of long-term borrowings	21	382,164,249	555,022,409	60,000,000	244,000,000
Current portion of debentures	21	1,840,000,000	1,000,000,000	1,840,000,000	1,000,000,000
Current portion of deferred income		42,673,862	27,503,779	-	-
Income tax payable		210,162,426	156,614,249	-	-
Other current liabilities	23	880,780,953	781,388,975	16,797,903	22,084,979
Total current liabilities		8,586,728,986	6,058,639,105	4,322,458,180	2,879,114,273
Non-current liabilities					
Liabilities under financial lease agreement	21	80,061,460	-	-	-
Long-term borrowings	21	5,923,300,380	2,335,864,290	-	1,052,000,000
Debentures	21	10,360,000,000	9,900,000,000	10,360,000,000	9,900,000,000
Provision for employee benefits	24	151,386,706	117,336,321	11,537,689	18,007,894
Other non-current liabilities	25	829,219,738	630,886,974	2,387,347	6,330,925
Total non-current liabilities		17,343,968,284	12,984,087,585	10,373,925,036	10,976,338,819
Total liabilities		25,930,697,270	19,042,726,690	14,696,383,216	13,855,453,092

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Financial Position (Continued)

Minor International Public Company Limited
As at 31 December 2011 and 2010

		Consolidated		Company	
		2011	2010 Restated	2011	2010
	Notes	Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
Shareholders' equity					
Share capital	26				
Authorised share capital					
3,666,519,673 ordinary shares					
of Baht 1 each		3,666,519,673	3,677,988,773	3,666,519,673	3,677,988,773
Issued and paid-up share capital					
3,275,224,580 ordinary shares					
of Baht 1 each		3,275,224,580	3,262,339,373	3,275,224,580	3,262,339,373
Share premium	26				
Ordinary shares		3,215,325,916	3,133,793,954	3,189,673,540	3,108,141,578
Advance for shares subscription		-	4,218,918	-	4,218,918
Expired warrants in a subsidiary		104,788,723	104,788,723	-	-
Discount on business combination					
under common control		(755,412,590)	(755,412,590)	(587,397,515)	(587,397,515)
Unrealised gain on dilution of investment		4,992,405	4,992,405	-	-
Discount on additional investment in subsidiary	12 a)	(32,750,744)	-	-	-
Retained earnings					
Appropriated - legal reserve	28	367,799,113	367,799,113	367,799,113	367,799,113
Unappropriated		8,360,372,348	5,970,642,877	3,249,675,289	1,840,818,166
Other components of equity	29	(172,988,573)	781,065,422	9,454,293	1,053,828,236
Equity attributable to owners of the parent		14,367,351,178	12,874,228,195	9,504,429,300	9,049,747,869
Non-controlling interests		567,155,888	881,817,346	-	-
Total shareholders' equity		14,934,507,066	13,756,045,541	9,504,429,300	9,049,747,869
Total liabilities and shareholders' equity		40,865,204,336	32,798,772,231	24,200,812,516	22,905,200,961

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement **of Income**

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Consolidated		Company	
		2011	2010 Restated	2011	2010
	Notes	Baht	Baht	Baht	Baht
Revenues	14				
Revenues from hotel and related services operations		8,134,806,546	4,321,852,872	446,866,374	412,478,281
Rental income from property business		423,343,817	388,391,716	-	-
Revenues from entertainment operations		148,063,066	119,914,381	148,063,066	119,914,381
Revenues from spa services		298,419,740	295,918,225	-	-
Sales of food and beverage		10,707,906,421	9,590,770,343	-	-
Sales of real estates		2,820,830,458	205,338,437	-	-
Sales from distribution and manufacturing		2,925,539,697	2,679,626,833	-	-
Revenues from management service		329,588,532	246,354,795	215,008,300	250,118,255
Franchise fee income		348,296,036	291,733,063	-	-
Dividends income		83,786,267	82,555,167	492,932,543	1,554,727,692
Other income	30	1,847,464,581	650,247,886	2,188,165,874	513,257,793
Total revenues		28,068,045,161	18,872,703,718	3,491,036,157	2,850,496,402
Expenses	14				
Direct cost of hotel and related services operations		4,141,358,554	2,297,583,697	191,153,620	179,865,885
Direct cost of rental from property business		218,790,063	211,952,554	-	-
Direct cost of entertainment operations		39,440,139	33,284,103	77,159,862	66,452,014
Direct cost of providing spa services		183,584,968	176,684,951	-	-
Cost of sales of food and beverage		3,573,832,477	3,189,060,062	-	-
Cost of sales of real estates		1,332,394,229	149,545,557	-	-
Cost of sales from distribution and manufacturing		1,777,920,590	1,646,040,601	-	-
Selling expenses		9,501,027,824	7,602,534,929	354,610,013	328,006,476
Administrative expenses		3,342,751,331	1,721,216,267	352,622,270	261,781,663
Total expenses		24,111,100,175	17,027,902,721	975,545,765	836,106,038

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Income (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Consolidated		Company	
		2011	2010 Restated	2011	2010
	Notes	Baht	Baht	Baht	Baht
Operating profit		3,956,944,986	1,844,800,997	2,515,490,392	2,014,390,364
Share of net profit of investments in associates and joint ventures	12 b)	263,814,915	216,542,775	-	-
Profit before finance costs and income tax expense	31	4,220,759,901	2,061,343,772	2,515,490,392	2,014,390,364
Finance costs		(879,402,380)	(458,074,996)	(616,220,000)	(497,345,167)
Profit before income tax expense		3,341,357,521	1,603,268,776	1,899,270,392	1,517,045,197
Income tax expense	32	(414,526,997)	(291,070,786)	-	-
Profit for the year		2,926,830,524	1,312,197,990	1,899,270,392	1,517,045,197
Profit attributable to:					
Owners of the parent		2,880,142,740	1,236,458,233	1,899,270,392	1,517,045,197
Non-controlling interests		46,687,784	75,739,757	-	-
		2,926,830,524	1,312,197,990	1,899,270,392	1,517,045,197
Earnings per share	33				
Basic earnings per share		0.8805	0.3798	0.5807	0.4659
Diluted earnings per share		0.8758	0.3762	0.5776	0.4616

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Comprehensive Income

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

	Consolidated		Company	
	2011 Baht	2010 Restated Baht	2011 Baht	2010 Baht
Profit for the year	2,926,830,524	1,312,197,990	1,899,270,392	1,517,045,197
Other comprehensive income:				
Gain (loss) on remeasuring of				
available-for-sale investments	21,746,245	1,036,981,885	(2)	992,753,630
Less Transfer due to changing status				
of investment	(1,053,812,318)	-	(1,053,812,318)	-
Exchange differences on translating				
financial statements	76,599,238	(144,340,273)	-	-
Actuarial gains	2,613,337	-	9,438,377	-
Other comprehensive income (expense)				
for the year, net of tax	(952,853,498)	892,641,612	(1,044,373,943)	992,753,630
Total comprehensive income (expense) for the year	1,973,977,026	2,204,839,602	854,896,449	2,509,798,827
Total comprehensive income (expense)				
attributable to:				
Owners of the parent	1,926,088,745	2,162,715,941	854,896,449	2,509,798,827
Non-controlling interests	47,888,281	42,123,661	-	-
	1,973,977,026	2,204,839,602	854,896,449	2,509,798,827

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Changes in Shareholders' Equity

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Consolidated (Baht)															
		Attributable to owners of the parent															
											Other components of equity						
											Other comprehensive income						
	Notes	Issued and paid-up share capital	Share premium	Advance for shares subscription	Expired warrants in a subsidiary	Discount on business combination under common control	Unrealised gain on dilution of investments	Discount on additional investment in subsidiary	Legal reserve	Retained earnings	Remeasuring of available-for-sale investment	Translation adjustment	Actuarial gains	Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
Beginning balance 1 January 2011																	
– as previously reported		3,262,339,373	3,133,793,954	4,218,918	104,788,723	(755,412,590)	4,992,405	-	367,799,113	6,020,494,253	1,120,285,109	(339,219,687)	-	781,065,422	12,924,079,571	881,817,346	13,805,896,917
Retrospective adjustments	5	-	-	-	-	-	-	-	-	(49,851,376)	-	-	-	-	(49,851,376)	-	(49,851,376)
Beginning balance 1 January 2011																	
– restated		3,262,339,373	3,133,793,954	4,218,918	104,788,723	(755,412,590)	4,992,405	-	367,799,113	5,970,642,877	1,120,285,109	(339,219,687)	-	781,065,422	12,874,228,195	881,817,346	13,756,045,541
Changes in equity for the year																	
Additional ordinary shares	26	12,885,207	81,531,962	(4,218,918)	-	-	-	-	-	-	-	-	-	-	90,198,251	-	90,198,251
Dividend paid	34	-	-	-	-	-	-	-	-	(490,413,269)	-	-	-	-	(490,413,269)	(12,382,315)	(502,795,584)
Decrease in non-controlling interests																	
as a result of investment in subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(350,167,424)	(350,167,424)
Discount on additional investment in																	
subsidiary	12 a)	-	-	-	-	-	-	(32,750,744)	-	-	-	-	-	-	(32,750,744)	-	(32,750,744)
Total comprehensive income (expense)																	
for the year	-	-	-	-	-	-	-	-	-	2,880,142,740	(1,032,066,073)	75,398,741	2,613,337	(954,053,995)	1,926,088,745	47,888,281	1,973,977,026
Ending balance 31 December 2011		3,275,224,580	3,215,325,916	-	104,788,723	(755,412,590)	4,992,405	(32,750,744)	367,799,113	8,360,372,348	88,219,036	(263,820,946)	2,613,337	(172,988,573)	14,367,351,178	567,155,888	14,934,507,066

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Consolidated (Baht)													
		Attributable to owners of the parent													
										Other components of equity					
										Other comprehensive income					
	Notes	Issued and paid-up share capital	Share premium	Advance for shares subscription	Expired warrants in a subsidiary	Discount on business combination under common control	Unrealised gain on dilution of investments	Legal reserve	Retained earnings	Remeasuring of available-for-sale investment	Translation adjustment	Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
Beginning balance 1 January 2010															
– as previously reported		3,246,415,792	3,065,856,272	231,030	104,788,723	(755,412,590)	-	347,774,113	5,287,565,500	83,303,224	(228,495,510)	(145,192,286)	11,152,026,554	902,216,026	12,054,242,580
Retrospective adjustments	5	-	-	-	-	-	-	-	(45,209,415)	-	-	-	(45,209,415)	-	(45,209,415)
Beginning balance 1 January 2010															
– restated		3,246,415,792	3,065,856,272	231,030	104,788,723	(755,412,590)	-	347,774,113	5,242,356,085	83,303,224	(228,495,510)	(145,192,286)	11,106,817,139	902,216,026	12,009,033,165
Changes in equity for the year															
Additional ordinary shares	26	15,923,581	67,937,682	(231,030)	-	-	-	-	-	-	-	-	83,630,233	-	83,630,233
Advance for share subscription		-	-	4,218,918	-	-	-	-	-	-	-	-	4,218,918	-	4,218,918
Legal reserve	28	-	-	-	-	-	-	20,025,000	(20,025,000)	-	-	-	-	-	-
Dividend paid	34	-	-	-	-	-	-	-	(488,146,441)	-	-	-	(488,146,441)	(92,971,775)	(581,118,216)
Unrealised gain on dilution of investment		-	-	-	-	-	4,992,405	-	-	-	-	-	4,992,405	2,458,595	7,451,000
Increase in non-controlling interests as a result of investment in subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	27,990,839	27,990,839
Total comprehensive income (expense) for the year		-	-	-	-	-	-	-	1,236,458,233	1,036,981,885	(110,724,177)	926,257,708	2,162,715,941	42,123,661	2,204,839,602
Ending balance 31 December 2010		3,262,339,373	3,133,793,954	4,218,918	104,788,723	(755,412,590)	4,992,405	367,799,113	5,970,642,877	1,120,285,109	(339,219,687)	781,065,422	12,874,228,195	881,817,346	13,756,045,541

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Company (Baht)									
								Other components of equity			
								Other comprehensive income			
	Notes	Issued and paid-up share capital	Premium on paid-up capital	Advance for shares subscription	Discount on business combination under common control	Legal reserve	Retained earnings	Remeasuring of available-for-sale investment	Actuarial gains	Total other component of equity	Total shareholders' equity
Beginning balance 1 January 2011		3,262,339,373	3,108,141,578	4,218,918	(587,397,515)	367,799,113	1,840,818,166	1,053,828,236	-	1,053,828,236	9,049,747,869
Changes in equity for the year											
Additional ordinary shares	26	12,885,207	81,531,962	(4,218,918)	-	-	-	-	-	-	90,198,251
Dividend paid	34	-	-	-	-	-	(490,413,269)	-	-	-	(490,413,269)
Total comprehensive income (expense) for the year		-	-	-	-	-	1,899,270,392	(1,053,812,320)	9,438,377	(1,044,373,943)	854,896,449
Ending balance 31 December 2011		3,275,224,580	3,189,673,540	-	(587,397,515)	367,799,113	3,249,675,289	15,916	9,438,377	9,454,293	9,504,429,300

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statement of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Company (Baht)								
								Other components of equity		
								Other comprehensive income		
	Notes	Issued and paid-up share capital	Premium on paid-up capital	Advance for shares subscription	Discount on business combination under common control	Legal reserve	Retained earnings	Remeasuring of available-for-sale investment	Total other component of equity	Total shareholders' equity
Opening balance 1 January 2010		3,246,415,792	3,040,203,896	231,030	(587,397,515)	347,774,113	831,943,587	61,074,606	61,074,606	6,940,245,509
Changes in equity for the year										
Additional ordinary shares	26	15,923,581	67,937,682	(231,030)	-	-	-	-	-	83,630,233
Advance for shares subscription		-	-	4,218,918	-	-	-	-	-	4,218,918
Legal reserve	28	-	-	-	-	20,025,000	(20,025,000)	-	-	-
Dividend paid	34	-	-	-	-	-	(488,145,618)	-	-	(488,145,618)
Total comprehensive income (expense) for the year		-	-	-	-	-	1,517,045,197	992,753,630	992,753,630	2,509,798,827
Ending balance 31 December 2010		3,262,339,373	3,108,141,578	4,218,918	(587,397,515)	367,799,113	1,840,818,166	1,053,828,236	1,053,828,236	9,049,747,869

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statements of Cash Flows

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Consolidated		Company	
		2011	2010 Restated	2011	2010
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		3,341,357,521	1,603,268,776	1,899,270,392	1,517,045,197
Adjustments for:					
Depreciation and amortisation	31	1,980,192,301	1,571,094,740	87,827,387	81,275,876
Amortisation of other assets		43,024,766	38,800,997	26,324,550	14,276,765
Amortisation of borrowing cost		4,981,684	-	-	-
Provision for impairment of trade receivables (Reversal)		7,706,314	4,350,852	(187,901)	(29,660)
Realisation of deferred income		(39,008,424)	(47,489,361)	-	-
Share of net profit of investments in associates and joint ventures	12	(263,814,915)	(216,542,775)	-	-
Interest expenses		879,402,380	458,074,996	616,220,000	497,345,167
Interest income	30	(42,739,709)	(28,051,380)	(653,836,566)	(463,722,120)
Dividends income		(83,786,267)	(82,555,167)	(492,932,543)	(1,554,727,692)
Transalation adjustment for equity loan		(68,214,698)	42,230,401	-	-
Unrealised loss on exchange rate		9,560,606	5,510,954	-	-
Gain on capital returned from subsidiary	30	-	-	(418,150,898)	-
Loss (gain) on sales of other long-term investment		312,500	(29,693,470)	-	-
Gain from fair value adjustment of investment	30	(1,257,036,173)	-	(1,053,811,504)	-
Write-off, impairment and loss (gain) on disposals of property, plant and equipment		45,376,083	24,413,845	47,890	(113,104)
Allowance for inventory obsolescence (Reversal)		137,400,095	(6,614,973)	-	-
Provision for impairment and write-off of other assets (Reversal)		117,120,403	(16,120,292)	77,280	-
Provision for employee benefits	24	25,966,426	19,221,326	3,284,612	3,068,348

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

	Notes	Consolidated 2011 Baht	Consolidated 2010 Restated Baht	Company 2011 Baht	Company 2010 Baht
Changes in working capital					
Trade and other receivables		(596,444,087)	85,168,944	(35,700,865)	(52,054,485)
Inventories		(564,647,717)	(191,807,524)	(1,044,653)	(51,040)
Points for right-to-use in time sharing resort		97,701,439	-	-	-
Land and real estates project for sales		1,093,715,699	(21,158,892)	-	-
Other current assets		(38,749,578)	(58,582,166)	(2,799,898)	6,513,809
Trade and other payables		416,215,890	92,095,901	17,796,918	(6,753,101)
Other current liabilities		(112,926,349)	171,602,897	(5,287,076)	11,967,745
Deferred income		26,018,845	10,585,742	-	-
Other non-current liabilities		92,204,560	(15,982,141)	(3,943,578)	(2,988,302)
Cash generated from operations		5,250,889,595	3,411,822,230	(16,846,453)	51,053,403
Interest paid		(827,611,914)	(448,116,034)	(596,157,854)	(482,323,350)
Income tax paid		(608,215,914)	(357,312,504)	(17,482,026)	(16,489,442)
Employee benefits paid	24	(1,658,120)	(68,949,552)	(316,440)	(24,190,580)
Net cash generated from (used in) operating activities		3,813,403,647	2,537,444,140	(630,802,773)	(471,949,969)

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

	Notes	Consolidated 2011 Baht	Consolidated 2010 Restated Baht	Company 2011 Baht	Company 2010 Baht
Cash flows from investing activities					
Increase in loans to and amounts due from related parties		(85,533,583)	(127,514,857)	(1,764,643,915)	(4,247,684,075)
(Increase) decrease in loan to other company		(86,581,810)	644,920,374	-	644,920,374
Payments for additional investments in subsidiaries, associates and joint venture		(918,665,032)	(704,220,000)	(346,736,371)	(14,000,000)
Net cash payment for acquisition of investment in subsidiary		(2,520,549,496)	(303,303,545)	-	-
Cash received from capital returned from subsidiary		-	-	1,346,413,294	-
Cash received from disposal of investment in subsidiary		-	-	-	250,000
Cash received from decrease in share capital of subsidiary	12 a)	-	-	43,622,004	43,622,004
Interest received		28,723,524	79,298,477	653,836,566	512,975,924
Dividends received from subsidiaries, associates, related parties and other companies		197,984,293	156,818,223	407,035,108	1,554,109,961
Cash invested in other long-term investments	13	(27,797,214)	(73,006,457)	(97,898)	(67,982,519)
Cash received from sales of long-term investment		312,500	65,449,666	-	-
Payments for land and project under development		(547,779,486)	(3,209,115,290)	-	-
Payments for investment properties		(10,246,529)	(1,102,560)	-	-
Purchases of property, plant and equipment		(2,319,348,116)	(1,080,768,444)	(116,452,251)	(37,417,163)
Proceeds from disposals of property, plant and equipment		98,543,461	54,599,074	46,075	113,551
Purchases of intangible assets		(175,985,536)	(121,677,100)	(6,385,563)	(3,462,817)
Cash payment for other non-current assets		(171,636,727)	(98,681,277)	(13,975,605)	(15,640,439)
Net cash receipts (payments) for investing activities		(6,538,559,751)	(4,718,303,716)	202,661,444	(1,630,195,199)

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Consolidated		Company	
		2011	2010 Restated	2011	2010
	Notes	Baht	Baht	Baht	Baht
Cash flows from financing activities					
Increase (decrease) in short-term loans, amount					
due to and advances from related parties		-	(13,138,279)	173,221,341	143,327,245
Receipts from short-term loans		2,658,299,350	4,428,049	580,000,000	-
Repayments of short-term loans		(2,185,045,800)	(73,886,488)	-	-
Repayments of financial lease liabilities		(132,919,134)	-	-	-
Receipts from long-term borrowings	21	5,273,868,884	859,341,952	-	-
Repayments of long-term borrowings	21	(3,831,820,641)	(635,022,371)	(1,236,000,000)	(344,000,000)
Receipts of debentures	21	2,300,000,000	4,000,000,000	2,300,000,000	4,000,000,000
Redemptions of debentures	21	(1,000,000,000)	(1,275,000,000)	(1,000,000,000)	(1,275,000,000)
Issue of additional ordinary shares	26	90,198,251	83,630,233	90,198,251	83,630,233
Cash received from increase in					
share capital of a subsidiary		-	7,451,000	-	-
Advance for shares subscription		-	4,218,918	-	4,218,918
Dividends paid	34	(502,795,584)	(581,118,216)	(490,413,269)	(488,145,618)
Net cash receipts from financing activities		2,669,785,326	2,380,904,798	417,006,323	2,124,030,778

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

		Consolidated		Company	
		2011	2010 Restated	2011	2010
	Notes	Baht	Baht	Baht	Baht
Net increase (decrease) in cash and cash equivalents		(55,370,778)	200,045,222	(11,135,006)	21,885,610
Cash and cash equivalents at the beginning of the year		1,154,232,290	968,814,956	171,519,212	149,633,602
Gain (loss) on exchange rate		39,786,696	(14,627,888)	-	-
Cash and cash equivalents at the end of the year		1,138,648,208	1,154,232,290	160,384,206	171,519,212

Cash and cash equivalents as at 31 December

		Consolidated		Company	
		2011	2010	2011	2010
	Notes	Baht	Baht	Baht	Baht
Cash and cash equivalents	7	1,145,782,127	1,156,280,782	160,384,206	171,519,212
Bank overdrafts	21	(7,133,919)	(2,048,492)	-	-
		1,138,648,208	1,154,232,290	160,384,206	171,519,212

Supplementary information for cash flows

Non-cash transaction

Significant non-cash activities for the years ended 31 December 2011 and 2010 are as follows:

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Acquisition of property, plant and equipment, and land held for future development and projects under development by payable	227,186,732	196,497,696	3,131,522	1,580,944
Account payable arisen from purchase of investment in a subsidiary	5,170,784	57,962,859	-	-
Account payable arisen from provision of investment	23,768,400	45,226,950	-	-

The notes to the consolidated and Company financial statements on pages 65 to 153 form an integral part of the financial statements.

Notes to the Consolidated and Company Financial Statements

Minor International Public Company Limited
For the years ended 31 December 2011 and 2010

1. GENERAL INFORMATION

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

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

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

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

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

These consolidated and Company financial statements were authorised for issue by the Board of Directors on 21 February 2012.

2. ACCOUNTING POLICIES

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

2.1 Basis for preparation

The consolidated and Company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

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

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 financial statements are disclosed in Note 3.

Comparative figures have been adjusted to conform with changes in presentation in the current year as mentioned in Note 5 - Change in accounting policies.

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

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

a) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards effective for the periods beginning on or after 1 January 2011 adopted by the Group, except TAS 19 Employee Benefits which has been early adopted since 2009.

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 17	(Revised 2009)	Leases
TAS 18	(Revised 2009)	Revenue
TAS 19		Employee Benefits
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benefit Plans
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(Revised 2009)	Interests in Joint Ventures
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets
TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2009)	Intangible Assets

TAS 40	(Revised 2009)	Investment Property
TFRS 2		Share-based Payment
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate
TSIC 31		Revenue - Barter Transactions Involving Advertising Services

The Company's management has determined that the new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards will not significantly impact the financial statements being presented except as disclosed below.

TAS 1 (Revised 2009): The revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period apply this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group has adopt TAS 1 (Revised 2009) from 1 January 2011. The Group choose to present two statements (the statement of income and statement of comprehensive income).

TAS 16 (Revised 2009): The revised standard requires the entity to include in cost of PPE, 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 obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The Group has adopted this standard from 1 January 2011 with an adjustment to retained earnings amounting to Baht 50 million (Note 5).

TAS 24 (Revised 2009): The definition of related party has been expanded include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. The Group has adopt the revised standard from 1 January 2011 which may impact only to the disclosure of related parties information in the notes to financial statements.

TAS 40 (Revised 2009): The standard has specific presentation and measurement requirements for investment property. The Group has to present an investment property separately in the statement of financial position. The entity can choose to measure it either cost model or fair value model. Under fair value model, any changes in fair value are recognised in profit or loss. The Group has adopted the standard from 1 January 2011. The Group has applied cost model for measurement and reclassified them from land and projects under development and property, plant and equipment category (Note 5).

TFRS 3 (Revised 2009): The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the 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. All acquisition-related costs should be expensed. The Group has adopted the revised standard prospectively to all business combination from 1 January 2011.

b) New accounting standards, new interpretation and amendment to accounting standards that are not yet effective and have not been early adopted by the group

Effective for the periods beginning on or after 1 January 2013

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

TAS 12: This deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured by based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard from 1 January 2013 retrospectively with an expectation to incur of deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

2.3 Investments in subsidiaries, associates and interests in joint ventures

(1) Subsidiaries

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

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

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

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

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

(2) Transactions and non-controlling interests

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

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

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

(3) Investments in associates and joint venture

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

In the consolidated financial statement, investments in associates and joint venture are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates and joint venture includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

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

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

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

A list of the Group's principal associates and joint ventures is set out in Note 12 b) - 12c).

2.4 Foreign currency translation

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

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

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

2.5 Segment reporting

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

2.6 Cash and cash equivalents

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

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

2.7 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in 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, finished goods and raw materials for manufacturing and spa products and by first-in, first-out method for fashion and cosmetic products. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.9 Points for right-to-use in time sharing resort

The Group accounts for points for right-to-use in time sharing resort for sales at acquisition costs plus costs directly attributable to the acquisition of the points for right-to-use in time sharing resort.

2.10 Land and real estates project for sales

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

2.11 Other investments

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

1. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

2. Investments in non-marketable equity securities are classified as general investments.

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

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

General investments are carried at cost less impairment.

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

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

2.12 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.

2.13 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, 5 years, 20 years and 30 years
Building and fitting equipment	lease period, 5 years, 10 years, 20 years, 30 years and 40 years
Building improvement	lease period and 10 years
Machinery and equipment	5 - 15 years
Furniture, fixtures and office equipment	4 years, 5 years, 10 years and 15 years
Other equipment	4 years, 5 years and 10 years
Motor vehicles	4 - 5 years

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in profit or loss.

2.14 Intangible assets

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 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 venture 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 venture is included in investments in associates and joint venture and is tested for impairment as part of the overall balance.

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

Goodwill is allocated to cash-generating units for the purpose if 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.

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 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.

Management letting rights

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

MLRs are not revalued in the accounts as they are not traded in an active market. The amortisation period and amortisation method are reviewed at each balance sheet 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.

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

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

2.15 Leasehold right

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

2.16 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.

2.17 Long-term leases

Where the Group company is the lessee

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

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.

Where the Group company is the lessor

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

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

2.18 Borrowings

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

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.

2.19 Provisions

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

2.20 Employee benefits

The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension 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 defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, 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.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

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

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

2.21 Income taxes

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

2.22 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.

2.23 Warrants

Warrants to subscribe for ordinary shares issued to existing shareholders

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

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

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

2.24 Revenue recognition

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

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

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

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

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

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

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

Revenues from distribution and manufacturing are 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.

Revenue from sales of right-to-use 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 of right-to-use if the resort is not ready for use.

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

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

2.25 Dividend distribution

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

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

3. 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.

3.1 Impairment of receivable

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

3.2 Impairment of goodwill and investments in subsidiaries

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

3.3 Plant and equipment and intangible assets

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

3.4 Provision for employee benefits

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

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

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

4. RISK MANAGEMENT

4.1 Financial risk management

The Group's business activities maybe expose to a variety of financial risks including currency risk and interest rate risk. The Group's overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Group. 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.

Financial risk management for the Group 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

4.1.1 Cross currency swap contracts

Cross currency swap contracts are recognised at the inception date.

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

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. The Group do 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.

4.2 Capital risk management

The Group's objectives are to maximize shareholder wealth while maintaining an appropriate capital structure and 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.

4.3 The seasonality of the tourism industry risk management

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

5. CHANGES IN ACCOUNTING POLICIES

5.1 Property, plant and equipment

TAS 16 (Revised 2009) requires the entity to include in cost of property, plant and equipment an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located, when the entity has the obligation to do so. This accounting standard is effective since 1 January 2011.

The Group has adopted this accounting standard and has accounted for the adoption retrospectively in accordance with the accounting standard. The comparative financial statements have been restated accordingly. The effect of the adoption on the financial statements for the year ended 31 December 2010 are summarised as follows:

	Consolidated
	Baht
Statement of financial position as at 31 December 2010	
Increase in property, plant and equipment, net	12,603,683
Increase in other non-current liabilities	62,455,059
Decrease in retained earnings at 1 January 2010	(45,209,415)
Decrease in retained earnings at 1 January 2011	(49,851,376)
Income statement for the year ended 31 December 2010	
Increase in depreciation expenses	4,641,961
Decrease in profit for the year	(4,641,961)
Decrease in basic earnings per share	(0.0014)
Decrease in diluted earnings per share	(0.0014)

5.2 Investment properties

The Group has adopted accounting standard regarding investment property since 1 January 2011 and has accounted for the adoption retrospectively in accordance with the accounting standard. The comparative financial statements have been restated accordingly. The effect of the adoption on the financial statements for the year ended 31 December 2010 are summarised as follows:

	Consolidated
	Baht
Statement of financial position as at 31 December 2010	
Increase in investment properties, net	950,129,056
Decrease in land and projects under development	(331,280,644)
Decrease in property, plant and equipment, net	(618,848,412)

6. SEGMENT INFORMATION

6.1 Financial information by business segments

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

	For the years ended 31 December (Baht Million)																			
	Hotel and related Services operations		Property rental business		Entertainment operations		Spa Services		Food and beverage operations		Real estates for sales		Distribution		Manufacturing		Management operations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
External	8,135	4,323	423	388	148	120	298	296	11,056	9,883	2,821	205	1,902	1,592	1,024	1,087	330	246	26,137	18,140
Related parties	47	42	97	91	-	-	5	3	-	-	309	1,237	-	-	-	-	1,096	760	1,554	2,133
Eliminated	(47)	(42)	(97)	(91)	-	-	(5)	(3)	-	-	(309)	(1,237)	-	-	-	-	(1,096)	(760)	(1,554)	(2,133)
Net revenues	8,135	4,323	423	388	148	120	298	296	11,056	9,883	2,821	205	1,902	1,592	1,024	1,087	330	246	26,137	18,140
Segment results	4,021	2,048	286	253	71	53	81	86	7,482	6,693	1,462	56	1,059	930	88	105	1,426	1,006	15,976	11,230
Eliminated	(27)	(24)	(82)	(77)	38	34	33	33	-	-	27	-	-	-	-	-	(1,096)	(760)	(1,107)	(794)
Net segment results	3,994	2,024	204	176	109	87	114	119	7,482	6,693	1,489	56	1,059	930	88	105	330	246	14,869	10,436

	As at 31 December (Baht Million)																							
	Hotel and related Services operations		Property rental business		Entertainment operations		Spa Services		Food and beverage for sales		Real estates for sales		Distribution		Manufacturing		Management operations		Investing in other companies		Eliminated		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Project under development	-	3,772	-	-	-	-	-	-	-	-	33	17	-	32	-	-	-	-	-	-	-	134	33	3,955
Property, plant and equipment	13,632	7,074	22	14	142	105	26	32	2,371	2,244	424	-	236	156	127	147	21	8	80	75	56	378	17,137	10,233
Other assets	11,125	7,342	1,272	1,266	29	5	343	297	6,323	5,949	3,204	3,408	955	772	123	325	6,581	2,892	34,015	25,136	(40,275)	(28,781)	23,695	18,611
Total assets	24,757	18,188	1,294	1,280	171	110	369	329	8,694	8,193	3,661	3,425	1,191	960	250	472	6,602	2,900	34,095	25,211	(40,219)	(28,269)	40,865	32,799

6.2 Financial information by geographical segments

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

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

Singapore - The Group operates food and beverage operations.

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

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

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

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

	Revenues		Segment results		Total assets	
	2011 Baht Million	2010 Baht Million	2011 Baht Million	2010 Baht Million	2011 Baht Million	2010 Baht Million
Thailand	21,423	17,474	11,983	9,143	49,591	50,757
Singapore	2,200	2,078	1,657	1,591	7,377	2,647
Australia	2,601	-	1,374	-	11,864	-
People's Republic of China	495	464	330	306	292	295
Republic of Maldives	749	143	473	102	2,435	2,087
Sri Lanka	104	-	62	-	200	-
The United Arab Emirates	26	19	23	16	-	-
Others	93	95	73	72	9,325	5,282
Eliminated	(1,554)	(2,133)	(1,106)	(794)	(40,219)	(28,269)
	26,137	18,140	14,869	10,436	40,865	32,799

7. CASH AND CASH EQUIVALENTS

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Cash on hand	112,955,845	84,615,206	7,279,953	1,676,014
Cash at bank	1,032,826,282	1,071,665,576	153,104,253	169,843,198
Total cash and cash equivalents	1,145,782,127	1,156,280,782	160,384,206	171,519,212

The average effective interest rate of deposits with banks was 0.1% to 3.5% per annum (2010: 0.1% to 1.52% per annum).

8. TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Trade receivables - third parties, gross	1,519,019,464	1,005,716,583	18,801,728	17,466,336
Less Provision for impairment of trade receivables	(69,417,902)	(24,453,370)	(260)	(188,162)
Trade receivables - third parties, net	1,449,601,562	981,263,213	18,801,468	17,278,174
Prepayments	380,583,358	151,257,998	7,995,801	5,973,296
Receivables from others	686,734,968	376,911,064	5,178,129	25,721,585
Receivables from related parties (Note 14)	222,342,378	66,104,728	711,157,062	584,896,347
Total trade and other receivables	2,739,262,266	1,575,537,003	743,132,460	633,869,402

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

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Not yet due	1,144,065,583	796,258,483	16,254,018	15,262,237
Overdue				
Under 90 days	211,078,013	156,981,270	2,543,682	1,823,895
91 days to 180 days	88,921,121	25,940,284	2,726	85,514
Over 181 days	74,954,747	26,536,546	1,302	294,690
Trade receivables - third parties	1,519,019,464	1,005,716,583	18,801,728	17,466,336
Less Provision for impairment of trade receivables	(69,417,902)	(24,453,370)	(260)	(188,162)
Trade receivables - third parties, net	1,449,601,562	981,263,213	18,801,468	17,278,174

9. INVENTORIES

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Food and beverage	97,448,205	48,478,062	2,978,666	2,713,929
Finished goods (net with allowance)	350,588,967	275,763,483	-	-
Raw materials (net with allowance)	694,406,774	443,133,494	-	-
Work in process	16,005,115	9,028,410	-	-
Goods in transit	99,803,200	61,476,058	-	-
Supplies and others	207,701,234	112,105,435	3,441,704	2,661,788
Total inventories	1,465,953,495	949,984,942	6,420,370	5,375,717

The cost of inventories recognised as expense and included in cost of sales amounted to Baht 6,920 million (2010: Baht 6,015 million).

During 2011, Baht 66 million was recorded to the income statement for allowance for obsolete and damaged inventories (2010: Reversal of Baht 7 million).

10. LAND AND REAL ESTATES PROJECT FOR SALES

	Consolidated	
	2011 Baht	2010 Baht
Land	96,864,164	96,864,162
Land under lease agreement	455,214,701	440,771,216
Construction cost	1,828,114,044	1,787,853,481
Furniture and fixtures	685,010,777	203,958,825
Interest capitalised	186,151,188	243,551,473
Others	38,530,650	176,866,511
	3,289,885,524	2,949,865,668
Less Cost of sales - accumulated	(1,715,789,535)	(531,144,188)
Land and real estates project for sales	1,574,095,989	2,418,721,480

As at 31 December 2011, the Group has commitment relating to the construction contracts of real estates project for sales of Baht 0.9 million (2010: Baht 12.3 million).

11. OTHER CURRENT ASSETS

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Prepaid income tax	206,906,820	171,860,158	46,490,654	16,485,489
Advance for construction	118,589,611	363,521,793	20,614,005	-
Current portion of loans to other companies	13,139,237	-	-	-
Others	321,233,133	91,807,361	16,782,141	13,982,238
Total other current assets	659,868,801	627,189,312	83,886,800	30,467,727

12. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND INTERESTS IN JOINT VENTURES

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Subsidiaries	-	-	5,658,569,135	6,629,390,044
Associates	3,905,609,849	1,521,253,975	2,150,195,880	-
Interests in joint ventures	19,520,683	14,605,306	24,284,460	24,284,460
Total investments in subsidiaries, associates and interests in joint ventures	3,925,130,532	1,535,859,281	7,833,049,475	6,653,674,504

a) Investments in subsidiaries

	Company	
	2011 Baht	2010 Baht
At 1 January	6,629,390,044	6,659,262,048
Additions	1,063,491	14,000,000
Capital returned from subsidiary	(928,262,396)	-
Disposals	-	(250,000)
Decapitalisation in property fund	(43,622,004)	(43,622,004)
At 31 December	5,658,569,135	6,629,390,044

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

	Company - 31 December			
	Nature of	Country of	Investment portion (%)	
Company	business	incorporation	2011	2010
Chao Phaya Resort Limited	Hotel operation and shopping mall	Thailand	81.24	81.24
Hua Hin Resort Limited	Hotel operation	Thailand	100	100
Maerim Terrace Resort Limited	Hotel operation	Thailand	45.30(1)	45.30(1)
Royal Garden Development Limited	In liquidation process	Thailand	100	100
Samui Resort and Spa Limited	Hotel operation	Thailand	100	100
Rajadamri Hotel Public Company Limited	Hotel operation	Thailand	98.91	98.91
MI Square Limited	Hotel operation	Thailand	100	100
Hua Hin Village Limited	Hotel operation	Thailand	100	100
Baan Boran Chiangrai Limited	Hotel operation	Thailand	100	100
Samui Village Limited	Hotel operation	Thailand	100	100
Coco Palm Hotel & Resort Limited	Hotel operation	Thailand	100	100
Coco Recreation Limited	Hotel operation	Thailand	100	100
Samui Beach Club Owner Limited	Hotel operation & rent of property	Thailand	100	100
The Minor Food Group Public Company Limited (“MFG”)	Sales of food and beverage	Thailand	99.72	99.72
Royal Garden Plaza Limited	Shopping mall	Thailand	100	100
MSpa International Limited (“MST”)	Spa services	Thailand	51(2)	51(2)
Samui Beach Residence Limited	Sales of property	Thailand	100	100
Coco Residence Limited	Sales of property	Thailand	100	100
Minor Hotel Group Limited	Hotel management	Thailand	100	100
RNS Holding Limited	Management	Thailand	100	100
Minor Global Solutions Limited	Management	Thailand	100	100
Chao Phaya Resort and Residence Limited	Hotel operation & sales of property	Thailand	100	100
Minor Corporation Public Company Limited (“MINOR”)	Distribution	Thailand	91.35(3)	91.35(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

Company	Company - 31 December			
	Nature of business	Country of incorporation	Investment portion (%)	
			2011	2010
Lodging Investment (Labuan) Limited	Holding investment	Malaysia	100	100
Minor International (Labuan) Limited	Hotel operation	Malaysia	100	100
AVC Club Developer Limited	Sales of point for right-to-use in time sharing resort	Republic of Mauritius	100	100
AVC Vacation Club Limited	Sales of point for right-to-use in time sharing resort	Republic of Mauritius	100	100
Thai Project Property Fund	Property investment	Thailand	99.90	99.90
Sub Thawee Property Fund	Property investment	Thailand	99.86(4)	99.86(4)
Thai Assets Management Property Fund	Property investment	Thailand	100	100
Phuket Beach Club Owner Limited	Management	Thailand	100	-

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

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

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

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

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

	Company - 31 December			
	Nature of	Country of	Investment portion (%)	
Company	business	incorporation	2011	2010
MFG's subsidiaries				
Swensen's (Thai) Limited	Sales of food and beverage	Thailand	100	100
Minor Cheese Limited	Manufacturing and sales of cheese	Thailand	100	100
Minor Dairy Limited	Manufacturing and sales of ice-cream	Thailand	100	100
Minor DQ Limited	Sales of food and beverage	Thailand	100	100
Catering Associates Limited	Catering service	Thailand	51	51
Burger (Thailand) Limited	Sales of food and beverage	Thailand	95	95
International Franchise Holding (Labuan) Limited	Franchise owner	Malaysia	100	100
SLRT Limited	Sales of food and beverage	Thailand	100	100
Primacy Investment Limited	Holding investment	Republic of Mauritius	100	100
The Coffee Club (Thailand) Limited	Sales of food and beverage	Thailand	100	100
International Franchise Holding (Labuan) Limited's subsidiaries				
Franchise Investment Corporation of Asia Ltd.	Franchise owner	British Virgin Islands	100	100
The Minor Food Group (China) Limited	Sales of food and beverage	People's Republic of China	100	100
Primacy Investment Limited's subsidiaries				
Delicious Foodstuff (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Beverage (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Food Holding (Singapore) Pte. Ltd.	Holding investment	Singapore	100	100
ThaiExpress Concepts Pte. Ltd.	Holding investment	Singapore	100	70

Company	Company - 31 December Nature of business	Country of incorporation	Investment portion (%) 2011	2010
Delicious Food Holding (Singapore) Pte. Ltd.'s subsidiaries				
Delicious Food Holding (Australia) Pte. Ltd.	Holding investment	Australia	100	100
Delicious Food Australia Finance Pty. Ltd.	Management	Australia	100	-
MHG Hotel Holding Australia Pty. Ltd.	Holding investment	Australia	100	-
MHG Hotel Holding Australia Pty. Ltd.'s subsidiary				
Oaks Hotels & Resorts Limited ("OAKS")	Providing services for accommodation	Australia	100	-
MSpa International Limited's subsidiaries				
MSpa Ventures Limited	Spa services	British Virgin Islands	100	100
MSpa Enterprise Management (Shianghai) Limited	Spa services	People's Republic of China	100	100
Minor Hotel Group Limited's subsidiary				
Hospitality Investment International Limited	Holding investment	British Virgin Islands	100	100
Hospitality Investment International Limited's subsidiaries				
Lodging Management (Labuan) Limited	Hotel management	Malaysia	100	100
Lodging Management (Mauritius) Limited	Hotel management	Republic of Mauritius	100	100
PT Lodging Management (Indonesia) Limited	Hotel management	Indonesia	93.3	93.3
Jada Resort and Spa (Private) Limited (formerly "Cyprea Lanka (Private) Limited")	Hotel operation	Sri Lanka	80.1	80.1
Elewana Investment Limited	Holding investment	Republic of Mauritius	100	-
Royal Garden Development Limited's subsidiaries				
Rajadamri Residence Limited	Hotel and sales of property	Thailand	-	100
Rajadamri Lodging Limited	Hotel operation	Thailand	-	100

Company	Company - 31 December			
	Nature of business	Country of incorporation	Investment portion (%)	
			2011	2010
MI Squared Limited's subsidiaries				
Rajadamri Residence Limited	Hotel and sales of property	Thailand	100	-
Rajadamri Lodging Limited	Hotel operation	Thailand	100	-
AVC Vacation Club Limited's subsidiary				
Anantara Vacation Club (HK) Limited	Marketing services	Hong Kong	100	-
ThaiExpress Concepts Pte. Ltd.'s subsidiaries				
BBZ Design International Pte. Ltd.	Sales of food and beverage	Singapore	100	100
NYS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
PS07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
TES07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
XWS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Concepts Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Heeren Pte. Ltd.	Sales of food and beverage	Singapore	100	100
The Bund Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Lotus Sky Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
ThaiExpress Concepts Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
BBZ Design International Pte. Ltd.'s subsidiary				
Element Spice Cafe Pte. Ltd. (formerly "NYNY Pte. Ltd.")	Sales of food and beverage	Singapore	100	100
MINOR's subsidiaries				
Armin Systems Limited	Distribution - kitchen utensils, garment and shoes	Thailand	100	100

Company	Company - 31 December			
	Nature of business	Country of incorporation	Investment portion (%) 2011	2010
NMT Limited	Manufacturing services - consumer products	Thailand	100	100
Minor Development Limited	Property development	Thailand	100	100
Minor Consultants & Services Limited	Distribution - cosmetics and luggage	Thailand	100	100
Red Earth Thai Limited	Distribution - cosmetics and perfume	Thailand	100	100
Esmido Fashions Limited	Distribution - garments	Thailand	90.8	90.8
Amore Pacific (Thailand) Limited	Distribution - cosmetics and perfume	Thailand	51	51
Marvelous Wealth Limited	Holding investment	British Virgin Islands	100	100
OAKS's subsidiaries				
Boathouse Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
Calypso Plaza Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
Concierge Apartments Australia Pty. Ltd.	Providing services for accommodation	Australia	100	-
Goldsborough Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
IMPROPERTY Pty. Ltd.	Providing services for accommodation	Australia	100	-
Oaks Hotels & Resorts (Qld) Pty. Ltd.	Providing services for accommodation	Australia	100	-
Oaks Hotels & Resorts (NSW) Pty. Ltd.	Providing services for accommodation	Australia	100	-
Oaks Hotels & Resorts (NSW) No. 1 Pty. Ltd.	Providing services for accommodation	Australia	100	-
Oaks Hotels & Resorts (NSW) No. 2 Pty. Ltd.	Providing services for accommodation	Australia	100	-
Oaks Hotels & Resorts (SA) Pty. Ltd.	Providing services for accommodation	Australia	100	-

Company	Company - 31 December			
	Nature of business	Country of incorporation	Investment portion (%) 2011	2010
Oaks Hotels & Resorts (VIC) Pty. Ltd.	Providing services for accommodation	Australia	100	-
Queensland Accommodation Corporation Pty. Ltd.	Providing services for accommodation	Australia	100	-
Seaforth Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
183 on Kent Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
187 Kent Pty. Ltd.	Providing services for accommodation	Australia	100	-
361 Kent Pty. Ltd.	Providing services for accommodation	Australia	100	-
Pacific Hotel Market Street Pty. Ltd.	Providing services for accommodation	Australia	100	-
Pacific Blue Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
Queen Street Property Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
The Oaks Resort & Hotel Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
Furniture Services Australia Pty. Ltd.	Providing services for accommodation	Australia	100	-
Brisbane Apartment Management Pty. Ltd.	Providing services for accommodation	Australia	100	-
Housekeepers Pty. Ltd.	Providing services for accommodation	Australia	100	-
Oaks Hotels & Resorts (Nth Qld) Pty. Ltd.	Investment holding	Australia	100	-
Kent Street Sydney Pty. Ltd.	Investment holding	Australia	100	-
Oaks Hotels & Resorts NZ Ltd.	Providing services for accommodation	New Zealand	100	-
187 Cashel Apartments Ltd.	Providing services for accommodation	New Zealand	100	-
Oaks Cashel Management Ltd.	Providing services for accommodation	New Zealand	100	-
Oaks 187 Cashel Management Ltd.	Providing services for accommodation	New Zealand	100	-
Oaks Hotels & Resorts JLT Ltd.	Providing services for accommodation	The United Arab Emirates	100	-
Oaks Hotels & Resorts Investments Pty. Ltd.	Investment holding	Australia	100	-
Regis Towers Management Pty. Ltd.	Providing services for accommodation	Australia	50	-

Thai Assets Management Property Fund

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

As at 31 December 2011, the Group holds 100% of the property Fund's Class C and Class D units. The Class C and Class D unitholders have the right to receive dividends after dividends are paid to Class A and Class B unitholders. As at 31 December 2011, the Class A and Class B unitholders have investments amounting to Baht 125 million (2010: Baht 225 million). These unitholders will receive dividends at the specified interest rates and have rights to receive dividends before other classes of unitholders. Such capital of Class A and Class B unitholders is classified as borrowings (Note 21) according to its underlying substance.

Changes in investments in subsidiaries for the year ended 31 December 2011 comprise:

Royal Garden Development Limited

On 1 June 2011, Royal Garden Development Limited, a subsidiary of the Company, had entire business transfer of its assets and liabilities to MI Squared Limited, another subsidiary of the Company, at fair value or equivalent to comply with the Revenue Code. At the Extraordinary Shareholders' Meeting of this company on 1 June 2011, it was resolved to liquidate this company and registered the liquidation with the Ministry of Commerce on 1 June 2011. Currently, it is in the liquidation process.

On 15 June 2011, the liquidator of this company was resolved that this company returned partial share capital to the shareholders of Baht 1,346 million. The Company received money and recognised gain from capital return from this subsidiary of Baht 418 million. This gain is presented in other income of the Company's financial statements.

Oaks Hotels & Resorts Limited ("OAKS")

During the first quarter of 2011, a subsidiary of the Group acquired ordinary shares of Oaks Hotels & Resorts Limited ("OAKS"), a listed company in the Australian Security Exchange, of 26 million shares totalling AUD 9.1 million (equivalent to Baht 274 million). The investment portion is 14.99%. During the second quarter of 2011, the subsidiary additionally acquired ordinary shares of 8.7 million shares totalling AUD 3.0 million (equivalent to Baht 95 million). This made the Group increase the investment portion to 19.96%. The investment was classified as other long-term investment.

During the second quarter of 2011, another subsidiary of the Group has entered into tender offer agreement of OAKS and acquired 131.1 million ordinary shares, totalling Baht 2,194 million which represented 75.43% of OAKS's paid-up shares. The investment in OAKS changed from "Other long-term investment" to "Investment in subsidiary" at the date that the Group has control of OAKS. The Group adjusted fair value of this investment at that date and recognised gain on fair value adjustment of Baht 203.2 million in the income statement.

During the third quarter and the forth quarter of 2011, the Group acquired additional shares from the process of compulsory acquisition of 0.17% of paid-up shares from minority shareholders of OAKS.

As at 31 December 2011, the Group had an investment in OAKS representing 100% interest amounting to Baht 2,880 million and an outstanding liability of AUD 0.16 million (equivalent to Baht 5.2 million), presented it in other current liabilities.

OAKS has completed the process of de-listing from Australian Securities Exchange on 31 October 2011.

The financial statements of OAKS has included in the consolidated financial statements on 26 May 2011 that the Group has control over this subsidiary.

Details of the acquisition are as follows:

	Baht
Purchase consideration	2,879,934,938
Net carrying value of OAKS under interest acquired	(2,264,373,034)
Purchases price over net assets presented in goodwill	615,561,904

The book value at 100% interest of assets and liabilities acquired in OAKS at the date that the Group has control over this subsidiary are as follows:

	Baht
Cash and cash equivalents	150,989,989
Trade accounts receivable	302,926,470
Inventories	84,989,301
Investment property	57,412,511
Property, plant and equipment, net	1,622,288,935
Intangible assets, net	2,742,250,893
Other assets	488,868,760
Trade accounts payable	(324,731,217)
Long-term loan from financial institution	(1,897,986,000)
Liabilities under financial lease agreement	(350,510,782)
Accrued expenses and other liabilities	(612,125,826)
Book value of net assets	2,264,373,034
Interest acquired	100%
Book value of net assets acquired	2,264,373,034

Net assets from acquisition of investment in OAKS are stated at the net book value of tangible and intangible assets and liabilities at the date of acquisition. The Group is in the process of appraising the fair value of tangible and intangible assets and liabilities and the adjustments to fair value will be done. The difference between net book value and net fair value will be adjusted with goodwill.

Elewana Investment Limited

During the second quarter of 2011, a subsidiary of the Group acquired ordinary shares of Elewana Investment Limited of 1,000 shares with a par value of USD 1.

Anantara Vacation Club (HK) Limited

During the second quarter of 2011, a subsidiary of the Company acquired ordinary shares of Anantara Vacation Club (HK) Limited of 10,000 shares with a par value of HKD 1.

Delicious Food Australia Finance Pty. Ltd.

During the third quarter of 2011, a subsidiary of the Group acquired ordinary shares of Delicious Food Australia Finance Pty. Ltd. of 100 shares with a par value of AUD 1.

During the forth quarter of 2011, Delicious Food Australia Finance Pty. Ltd. issued redeemable preference share of 59,000,000 shares with par value of AUD 1 per share, totaling AUD 59,000,000 to Delicious Food Holding (Singapore) Pte. Ltd.

MHG Hotel Holding Australia Pty. Ltd.

During the third quarter of 2011, a subsidiary of the Group acquired ordinary shares of MHG Hotel Holding Australia Pty. Ltd., a new established company, of 100 shares with a par value of AUD 1.

Jada Resort and Spa (Private) Limited (formerly “Cyprea Lanka (Private) Limited”)

On 9 August 2010, a subsidiary of the Group acquired ordinary shares of Jada Resort and Spa (Private) Limited (formerly “Cyprea Lanka (Private) Limited”) of 82,010,192 ordinary shares with a par value of 10 Sri Lanka Rupee, totaling USD 11,399,948 or Baht 366.1 million, representing 80.10% of this company’s paid-up shares.

During the third quarter of 2011, the Group completed calculating net asset fair value of this company. In consideration of fair value of asset, the Group determined the measurement of the asset and considers the possibility that the Group received economic benefit reasonably.

The financial statements of Jada Resort and Spa (Private) Limited has included in the consolidated financial statements since the date that the Group has control over this subsidiary.

Details of the acquisition are as follows:

	Baht
Purchasing consideration	366,825,199
Net fair value of Jada Resort and Spa (Private) Limited under interest acquired	(193,389,845)
Goodwill	173,435,354

On the acquisition date, the fair value at 80.10% interest of assets and liabilities acquired in Jada Resort and Spa (Private) Limited are as follows:

	Baht
Cash and cash equivalents	1,784,739
Trade accounts receivable	16,239,742
Inventories	3,666,692
Property, plant and equipment, net	253,916,195
Leasehold right, net	9,198,689
Trade accounts payable	(7,464,705)
Payables from related parties	(16,837,453)
Accrued expenses and other liabilities	(19,068,388)
Fair value of net assets	241,435,511
Interest acquired	80.10%
Fair value of net assets acquired (Baht)	193,389,845

Phuket Beach Club Owner Limited

During the forth quarter of 2011, the Company acquired ordinary shares of Phuket Beach Club Owner Limited of 10,000 shares with a par value of Baht 100. However, the Company has not paid for those share subscription to this company.

ThaiExpress Concepts Pte. Ltd.

During the forth quarter of 2011, a subsidiary of the Group acquired additional shares of 90,000 shares totalling SGD 16.8 million (equivalent to Baht 402.97 million) from minority shareholders of ThaiExpress Concepts Pte. Ltd. This made the Group increase the investment portion from 70% to 100% and recognise discount from additional investment in this subsidiary amounting to Baht 32,750,744 in the shareholders' equity.

Amore Pacific (Thailand) Limited

During the forth quarter of 2011, a subsidiary of the Group has entered into the agreement to sell its entire investment of 140,000 shares, representing 51% holding, in Amore Pacific (Thailand) Limited to Amore Pacific Global Operations Limited amounting to Baht 12.05 million. However, this transaction has not been completed within reporting period.

b) Investments in associates

The Group's share of the result of its principal associates, all of which are unlisted, and its share of the assets including goodwill and liabilities are as follows:

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
At 1 January	1,521,253,975	1,338,996,099	-	-
Additions	427,616,362	-	345,672,880	-
Transfer from other long-term investment (Note 13)	1,804,523,000	-	1,804,523,000	-
Transfer from advance for share subscription (HVC)	-	17,707,880	-	-
Provision for additional payment of investment	-	22,775,100	-	-
Share of profit of investments in associates	266,414,538	216,037,952	-	-
Dividends received	(114,198,026)	(74,263,056)	-	-
At 31 December	3,905,609,849	1,521,253,975	2,150,195,880	-

Companies under associates comprise:

Company	Consolidated - 31 December Nature of business	Country of incorporation	Investment portion (%) 2011	2010
Arabian Spa (Dubai) (LLC)	Spa services	United Arab Emirates	49	49
Eutopia Private Holding Limited	Hotel operation	Republic of Maldives	50	50
Tanzania Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	50	50
Zanzibar Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	50	50
The Coffee Club Holdings Pty. Ltd.	Holding investment	Australia	50	50
Sizzler China Pte. Limited	Franchise owner	Singapore	50	50
Select Service Partner Limited	Sales of food and beverage	Thailand	51	51
Harbour View Corporation Limited	Hotel operation	Vietnam	30.4	30.4
Zuma Bangkok Limited	Sales of food and beverage	Thailand	51[1]	-
Tidal Swell Pty. Ltd.	Providing services for accommodation	Australia	25	-
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	31.3	-

[1] Investment portion in Zuma Bangkok Limited is 51% but the Group has voting right at 35%.

Company	Company - 31 December Nature of business	Country of incorporation	Investment portion (%) 2011	2010
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	31.3	-

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

	Assets Baht	Liabilities Baht	Revenues Baht	Profit/(loss) Baht
Year ended 31 December 2011				
Hotel operation and related services	1,540,268,512	1,292,703,186	813,866,872	60,977,317
Sales of food and beverage	1,620,439,494	827,985,669	2,996,094,424	205,437,221
	3,160,708,006	2,120,688,855	3,809,961,296	266,414,538

	Assets Baht	Liabilities Baht	Revenues Baht	Profit/(loss) Baht
Year ended 31 December 2010				
Hotel operation and related services	1,194,700,151	1,054,110,020	655,491,928	79,271,750
Sales of food and beverage	393,577,097	211,316,220	969,408,932	136,766,202
	1,588,277,248	1,265,426,240	1,624,900,860	216,037,952

Companies under associates comprise:

Company	Consolidated - 31 December Nature of business	Country of incorporation	Investment portion (%) 2011	2010
Tanzania Tourism and Hospitality Investment Limited's subsidiaries				
Elewana Afrika (T) Limited	Hotel operation	United Republic of Tanzania	100	100
Elewana Afrika Limited	Holding Investment	Kenya	100	100
Zanzibar Tourism and Hospitality Investment Limited's subsidiaries				
Elewana Afrika (Z) Limited	Hotel operation	United Republic of Tanzania	100	100
The Grande Stone Town Limited	Holding Investment	United Republic of Tanzania	100	100
Elewana Afrika Limited's subsidiaries				
Flora Holding Limited	Holding Investment	Kenya	100	100
Rocky Hill Limited	Hotel operation	Kenya	100	-
Sand River Eco Camp Limited	Hotel operation	Kenya	100	-

Company	Consolidated - 31 December			
	Nature of business	Country of incorporation	Investment portion (%) 2011	Investment portion (%) 2010
Flora Holding Limited's subsidiary				
Parrots Limited	Hotel operation	Kenya	100	100
The Grande Stone Town Limited's subsidiary				
Parachichi Limited	Hotel operation	United Republic of Tanzania	100	100
Select Service Partner Limited's subsidiary				
Select Service Partner (Cambodia) Limited	Sale of food and beverage	The Kingdom of Cambodia	100	100
The Coffee Club Holdings Pty. Ltd.'s subsidiaries				
Expresso 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
First Avenue Company Pty. Ltd.	Sale of food and beverage	Australia	100	100
Ribs and Rumps Holding Pty. Ltd.	Sale of food and beverage	Australia	100	-

Select Service Partner Limited

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

Changes in investments in associates for the year ended 31 December 2011 comprise:

Zuma Bangkok Limited

During the first quarter of 2011, a subsidiary of the Group acquired ordinary shares of Zuma Bangkok Limited of 81,600 shares with a par value of Baht 100. The subsidiary paid for those share subscriptions to this company in the second quarter of 2011.

S&P Syndicate Public Company Limited (“S&P”)

During the third quarter of 2011, the board of directors passed the resolution to have the intention to hold the investment in S&P in the long-term period. The Company has entered into the process of voluntary tender offer at Baht 70 per share which is the fair value assessed by the financial advisor.

The investment in S&P changed from “Other long-term investment” to “Investment in associate” at the date that the Group has significant influence of S&P. The Group adjusted fair value of this investment at that date and recognised gain on fair value adjustment of Baht 1,053.8 million in the income statement of the consolidated and Company financial statements.

As at 13 October 2011, the Company completed the process of voluntary tender offer and could additionally acquire shares from this tender offer of 4,938,184 shares totalling Baht 345.7 million, which represented 5.03% of S&P paid-up shares.

Ribs and Rumps Holdings Pty. Ltd.

During the third quarter of 2011, an associate of the Group acquired ownership of assets of Ribs and Rumps Holdings Pty. Ltd. totalling AUD 11 million or Baht 362.2 million.

Tidal Swell Pty. Ltd.

During the forth quarter of 2011, a subsidiary of the Group acquired 25% ordinary shares of Tidal Swell Pty. Ltd. totalling AUD 2.4 million or Baht 71.7 million.

c) Interests in joint ventures

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
At 1 January	14,605,306	14,100,483	24,284,460	24,284,460
Addition	7,515,000	-	-	-
Share of profit (loss) of interests in joint ventures	(2,599,623)	504,823	-	-
At 31 December	19,520,683	14,605,306	24,284,460	24,284,460

The jointly controlled entities are:

	Consolidated - 31 December			
Company	Nature of business	Country of incorporation	Investment portion (%) 2011	Investment portion (%) 2010
Maikhao Vocation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	50	50
Thaisale.co.th Limited	Distribution	Thailand	50.1	-

	Company - 31 December			
Company	Nature of business	Country of incorporation	Investment portion (%) 2011	Investment portion (%) 2010
Maikhao Vocation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	50	50

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

	Consolidated	
	2011 Baht	2010 Baht
Non-current assets	2,204,761	-
Current assets	22,391,962	11,415,788
Total assets	24,596,723	11,415,788
Current liabilities	(8,522,059)	(117,419)
Total liabilities	(8,522,059)	(117,419)
Net assets	16,074,664	11,298,369
Revenues	461,077	1,942,486
Expenses	(3,060,700)	(1,437,663)

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

Change in interests in joint ventures for the year ended 31 December 2011 comprises:

Thaisale.co.th Limited

During the third quarter of 2011, a subsidiary of the Group acquired ordinary shares of Thaisale.co.th Limited, a new established company, of 150,298 shares with a par value of Baht 100. The ordinary shares were paid-up 50%.

d) Provision for investment in associate

As at 31 December 2011, the Group had provision for investment in associate amounting to USD 0.75 million. (2010: USD 1.5 million).

13. OTHER LONG-TERM INVESTMENTS

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Other companies	147,073	669,539	121,849	24,765
Related companies	159,853,851	1,914,936,740	-	1,804,523,000
Other long-term investments	160,000,924	1,915,606,279	121,849	1,804,547,765

a) **Investments in other companies**

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Opening net book amount	669,539	27,410,070	24,765	19,318
Additions	97,898	5,023,938	97,898	-
Disposals	(625,000)	(35,756,480)	-	-
Reversal of fair value of investment	-	3,983,988	-	-
Changes in fair value of investments	4,636	8,023	(814)	5,447
Ending net book amount	147,073	669,539	121,849	24,765

Investments in other companies as at 31 December comprises:

	Consolidated	
	2011 Baht	2010 Baht
Available-for-sale securities, cost	107,532	9,634
Changes in fair value of investments	26,317	21,681
Available-for-sale securities, net	133,849	31,315
General investments, cost	2,163,574	2,788,574
Less Impairment loss	(2,150,350)	(2,150,350)
General investments, net	13,224	638,224
Investments in the other companies, net	147,073	669,539

	Company	
	2011 Baht	2010 Baht
Available-for-sale securities, cost	105,933	8,034
Changes in fair value of investments	15,916	16,731
Investments in the other companies, net	121,849	24,765

b) Investments in related companies

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Opening net book amount	1,914,936,740	812,421,239	1,804,523,000	743,792,300
Additions	27,699,316	67,982,519	-	67,982,519
Transfer to investment in associate (Note 12 b)	(1,804,523,000)	-	(1,804,523,000)	-
Change in fair value of investments	21,740,795	1,034,532,982	-	992,748,181
Ending net book amount	159,853,851	1,914,936,740	-	1,804,523,000

b) Investments in related companies (Continued)

	Consolidated							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Bath)	Change in fair value (Baht)	Net investment (Baht)
31 December 2011								
Available-for-sale securities								
Serendib Hotels Limited	Hotel	Sri Lanka	Shareholder	160 (570 Sri Lanka Rupee Million)	19.84	71,658,763	88,195,088	159,853,851
Total investments in related companies						71,658,763	88,195,088	159,853,851
31 December 2010								
Available-for-sale securities								
S&P Syndicate Public Company Limited	Sale of food and beverage	Thailand	Shareholder	490	26.28	750,711,496	1,053,811,504	1,804,523,000
Serendib Hotels Limited	Hotel	Sri Lanka	Shareholder	120 (412 Sri Lanka Rupee Million)	19.84	43,959,447	66,454,293	110,413,740
Total investments in related Company						794,670,943	1,120,265,797	1,914,936,740

b) **Investments in related companies (Continued)**

	Company							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Change in fair value (Baht)	Net investment (Baht)
31 December 2010								
Available-for-sale securites								
S&P Syndicate Public Company Limited	Sale of food and beverage	Thailand	Shareholder	490	26.28	750,711,496	1,053,811,504	1,804,523,000
Total investment in related company						750,711,496	1,053,811,504	1,804,523,000

As at 31 December 2011, the Group has no investment in available-for-sale securities.

Change in other long-term investments for the year ended 31 December 2011 comprise:

Serendib Hotels PLC

At the Board of Directors' Meeting of Serendib Hotels PLC on 1 April 2011, it was resolved to split ordinary voting and non-voting share's of the Company in the proportion of five shares for every one share held, The number of shares held by the Group increased to 11,977,605 ordinary voting shares and 5,725,400 ordinary non-voting shares.

During the second quarter of 2011, this company increased its registered share capital of 15,102,948 ordinary voting shares and 7,202,211 ordinary non-voting shares with par value of Sri Lanka Rupee 24.50 and Sri Lanka Rupee 18.25, respectively. The Group acquired the ordinary shares of 2,994,401 ordinary voting shares and 1,431,350 ordinary non-voting shares, totalling Sri Lanka Rupee 99.49 million (equivalent to Baht 28 million). Additional acquisition of these ordinary shares do not change the investment portion of the Group.

14. RELATED PARTY TRANSACTIONS

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

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

The Company is the ultimate parent company.

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

The following transactions were carried out with related parties:

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Revenues				
Sales				
Associates and joint ventures	84,228,626	65,095,299	-	-
Total sales	84,228,626	65,095,299	-	-
Sale of real estate				
Related party	136,457,250	-	-	-
Total sale of real estate	136,457,250	-	-	-
Rental income				
Subsidiaries	-	-	43,049,477	41,807,093
Associates and joint ventures	-	630,000	-	-
Related parties	462,977	240,862	-	-
Total rental income	462,977	870,862	43,049,477	41,807,093
Interest income				
Subsidiaries	-	-	647,232,838	459,489,624
Associates and joint ventures	13,048,268	14,352,304	-	-
Total interest income	13,048,268	14,352,304	647,232,838	459,489,624
Management fee income				
Subsidiaries	-	-	206,805,183	236,034,619
Associates and joint ventures	149,237,764	96,779,087	-	-
Related parties	7,343,444	12,889,523	600,000	8,313,389
Total management fee income	156,581,208	109,668,610	207,405,183	244,348,008

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

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Revenues (Continued)				
Dividend income				
Subsidiaries	-	-	409,147,880	1,474,516,784
Associates and joint ventures	114,198,026	74,262,932	-	-
Related parties	83,784,050	80,210,350	83,784,050	80,210,350
Total dividend income	197,982,076	154,473,282	492,931,930	1,554,727,134
Other income				
Subsidiaries	-	-	7,263,814	3,443,494
Associates and joint ventures	6,434,340	7,948,928	180,536	183,467
Total other income	6,434,340	7,948,928	7,444,350	3,626,961
Gain from capital returned				
Subsidiary	-	-	418,150,898	-
Total gain from capital returned	-	-	418,150,898	-
Expenses				
Purchases				
Associates and joint ventures	11,586,630	-	-	-
Related parties	37,170,477	43,572,675	-	-
Total purchases	48,757,107	43,572,675	-	-
Rental expenses				
Subsidiaries	-	-	65,631,410	57,996,655
Related parties	13,683,088	10,576,116	-	-
Total rental expenses	13,683,088	10,576,116	65,631,410	57,996,655
Interest expenses				
Subsidiaries	-	-	27,028,995	14,490,731
Total interest expenses	-	-	27,028,995	14,490,731
Management fee expenses				
Subsidiaries	-	-	66,879,391	70,316,684
Associates and joint ventures	-	-	157,433	-
Total management fee expenses	-	-	67,036,824	70,316,684

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Expenses (Continued)				
Royalty fee				
Subsidiaries	-	-	646,456	581,573
Total royalty fee expenses	-	-	646,456	581,573
Other expenses				
Subsidiaries	-	-	55,819	-
Related parties	23,561,198	18,513,112	8,094,123	16,171,713
Total other expenses	23,561,198	18,513,112	8,149,942	16,171,713

Management benefit expenses

Management benefit expenses for the year ended 31 December 2011 comprised short-term benefits such as salaries, bonus and other allowances amounting to Baht 148,049,646 (2010: Baht 117,732,863) for the consolidated financial statements and Baht 81,208,366 (2010: Baht 62,384,781) for the Company financial statements.

As at 31 December 2011 and 2010, outstanding balances arising from receivable, payable, advances and loans from/to related parties are summarised as follows:

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Receivables from:				
Subsidiaries	-	-	640,911,198	582,849,409
Associates and joint ventures	221,585,241	47,376,548	70,236,720	1,666,610
Related parties	757,137	18,728,180	9,144	380,328
Total receivables from related parties	222,342,378	66,104,728	711,157,062	584,896,347
Long-term loans to related parties:				
Subsidiaries	-	-	14,833,186,192	13,068,542,277
Associates and joint ventures	507,373,802	384,728,390	-	-
Total long-term loans to related parties	507,373,802	384,728,390	14,833,186,192	13,068,542,277

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

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Short-term loans from related parties:				
Subsidiaries	-	-	1,549,601,374	1,376,380,033
Payables to:				
Subsidiaries	-	-	4,588,935	9,909,403
Associates and joint ventures	20,359,332	1,642,757	5,172	-
Related parties	11,088,121	14,388,963	1,994,714	93,594
Total payables to related parties	31,447,453	16,031,720	6,588,821	10,002,997

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

15. LAND AND PROJECTS UNDER DEVELOPMENT

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

	Consolidated	
	2011 Baht	2010 Restated Baht
Minor International (Labuan) Limited	-	1,674,332,280
Samui Beach Club Owner Limited	30,707,270	181,111,847
Chao Phaya Resort and Residence Limited	2,390,494	2,390,494
Rajadamri Lodging Limited	-	2,097,514,802
Total land and projects under development	33,097,764	3,955,349,423

As at 31 December 2011, land and projects under development of Minor International (Labuan) Limited, Rajadamri Lodging Limited and a project of Samui Beach Club Owner Limited were completed and transferred to property, plant and equipment amounting to Baht 4,587,061,754 (Note 17).

	Consolidated
	Baht Million
Commitments in respect of construction contracts and purchases of assets as at 31 December 2011	1
Commitments in respect of construction contracts and purchases of assets as at 31 December 2010	315

16. INVESTMENT PROPERTIES

	Consolidated		
	Land and land improvement Baht	Buildings and building improvement Baht	Total Baht
At 1 January 2010			
Cost	356,642,414	1,450,409,441	1,807,051,855
Less Accumulated depreciation	(1,335,681)	(777,887,179)	(779,222,860)
Net book amount	355,306,733	672,522,262	1,027,828,995
Year ended 31 December 2010			
Opening net book amount	355,306,733	672,522,262	1,027,828,995
Additions	-	2,568,660	2,568,660
Depreciation	(118,219)	(80,150,381)	(80,268,600)
Closing net book amount	355,188,514	594,940,541	950,129,055
As at 31 December 2010			
Cost	356,642,414	1,452,978,101	1,809,620,515
Less Accumulated depreciation	(1,453,900)	(858,037,560)	(859,491,460)
Net book amount	355,188,514	594,940,541	950,129,055

	Consolidated		
	Land and land improvement Baht	Buildings and building improvement Baht	Total Baht
Year ended 31 December 2011			
Opening net book amount	355,188,514	594,940,541	950,129,055
Additions	-	10,246,529	10,246,529
Acquisition from investment in subsidiary (Note 12)	-	57,412,511	57,412,511
Depreciation	(115,647)	(84,796,432)	(84,912,079)
Translation adjustment	-	596,459	596,459
Closing net book amount	355,072,867	578,399,608	933,472,475
As at 31 December 2011			
Cost	356,642,414	1,521,244,057	1,877,886,471
Less Accumulated depreciation	(1,569,547)	(942,844,449)	(944,413,996)
Net book amount	355,072,867	578,399,608	933,472,475
Fair value	442,210,500	1,381,975,550	1,824,186,050

Amortisation of Baht 84,555,217 (2010: Baht 79,911,738) has been charged in the cost of sales and services and Baht 356,862 (2010: Baht 356,862) in administration expenses.

The Group's investment properties were revalued as at 31 December 2011 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

A subsidiary of the Group has mortgaged freehold apartment amounting to AUD 1.8 million or equivalent to Baht 58 million (2010: Nil) to secure loans with foreign banks (Note 21).

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

	2011 Baht	2010 Baht
Rental income	350,601,220	309,172,329
Direct operating expense arise from investment property that generated rental income	87,078,697	80,275,533

Capital commitments

As at 31 December 2011, the Group has commitments for purchase of investment property amounting to AUD 0.7 million or equivalent to Baht 23 million (2010: Nil).

17. PROPERTY, PLANT AND EQUIPMENT

	Consolidated - Baht								
	Land and land improvement	Building and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
At 1 January 2010 - Restated									
Cost	1,159,197,845	8,963,308,739	3,881,967,896	4,525,819,536	1,955,576,937	221,751,402	551,887,258	95,776,361	21,356,257,973
Less Accumulated depreciation	(135,303,558)	(3,581,023,106)	(2,141,291,131)	(3,304,104,631)	(1,386,319,897)	(146,450,563)	(201,326,743)	-	(10,896,791,628)
Less Provision for impairment	-	-	(9,422,313)	(19,859,665)	(8,917,786)	-	(38,317)	-	(38,238,081)
Net book amount	1,023,894,287	5,382,285,633	1,731,254,452	1,201,855,240	560,339,254	75,300,839	350,522,198	95,776,361	10,421,228,264
Year ended 31 December 2010									
Opening net book amount	1,023,894,287	5,382,285,633	1,731,254,452	1,201,855,240	560,339,254	75,300,839	350,522,198	95,776,361	10,421,228,264
Additions	66,239,202	13,660,560	101,043,785	189,435,889	96,349,448	21,660,231	106,865,065	570,941,546	1,166,195,726
Acquisition from investment in subsidiary	22,974,609	20,297,175	92,717,669	407,873	13,573,665	332,704	1,563,908	1,270,564	153,138,167
Disposals, net	(4,903)	-	(13,490,127)	(13,453,283)	(147,582)	(215,032)	(2,935,603)	-	(30,246,530)
Write-offs, net	-	-	(28,187,541)	(6,655,599)	(973,793)	(25,168)	(8,848,160)	(562,347)	(45,252,608)
Reclassification	2,164,853	11,512,015	370,213,556	257,356,135	8,730,445	975,825	(46,488,494)	(604,464,335)	-
Transfer from (to) other accounts	-	-	(3,458)	7,577,774	(119,490)	-	(89,986,239)	(3,923,290)	(86,454,703)
Depreciation charge	(15,884,259)	(344,402,505)	(364,230,185)	(389,918,274)	(149,698,171)	(23,577,527)	(33,631,872)	-	(1,321,342,793)
Impairment reversal (charge)	-	-	9,272,256	(9,453,668)	(5,625,677)	-	38,317	-	(5,768,772)
Translation adjustment	(1,139,426)	(1,029,404)	(12,335,934)	132,329	(2,777,216)	(110,282)	(978,786)	(726,964)	(18,965,683)
Closing net book amount	1,098,244,363	5,082,323,474	1,886,254,473	1,237,284,416	519,650,883	74,341,590	276,120,334	58,311,535	10,232,531,068
At 31 December 2010 - Restated									
Cost	1,249,128,558	9,021,349,107	4,198,934,735	4,830,483,675	2,043,930,747	231,154,941	507,479,517	58,311,535	22,140,772,815
Less Accumulated depreciation	(150,884,195)	(3,939,025,633)	(2,312,530,204)	(3,563,885,926)	(1,509,736,401)	(156,813,351)	(231,359,183)	-	(11,864,234,893
Less Provision for impairment	-	-	(150,058)	(29,313,333)	(14,543,463)	-	-	-	(44,006,854)
Net book amount	1,098,244,363	5,082,323,474	1,886,254,473	1,237,284,416	519,650,883	74,341,590	276,120,334	58,311,535	10,232,531,068

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Consolidated - Baht								
	Land and land improvement	Building and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
Year ended 31 December 2011									
Opening net book amount	1,098,244,363	5,082,323,474	1,886,254,473	1,237,284,416	519,650,883	74,341,590	276,120,334	58,311,535	10,232,531,068
Additions	256,221,518	111,835,091	192,183,293	313,215,534	148,343,655	26,506,181	93,704,145	1,196,098,349	2,338,107,766
Acquisition from investment in subsidiary (Note 12)	-	684,344,296	145,013,371	620,296,440	-	-	132,260,161	40,374,667	1,622,288,935
Adjustment in fair value of assets from investment in subsidiary	121,075,203	(20,297,175)	-	-	-	-	-	-	100,778,028
Disposals, net	-	(5,841)	(37,733,055)	(21,039,533)	(705,533)	(3)	(18,381,613)	(1,275,700)	(79,141,278)
Write-offs, net	-	(10,128,238)	(24,045,084)	(8,809,446)	(522,233)	(75,513)	(461,196)	(306,449)	(44,348,159)
Reclassification	85,000	74,537,641	388,233,840	444,857,893	35,140,444	14,649,493	(27,356,159)	(930,148,152)	-
Transfer from project under development	1,529,341,065	2,676,349,857	-	381,370,832	-	-	-	-	4,587,061,754
Transfer from (to) other accounts	(32,060,866)	-	1,782,946	8,426,345	(14,022)	-	(40,156,431)	(1,826)	(62,023,854)
Depreciation charge	(78,825,983)	(452,151,335)	(408,990,953)	(523,062,685)	(123,513,078)	(27,526,902)	(46,346,617)	-	(1,660,417,553)
Impairment reversal (charge)	-	(21,943,535)	(11,797,945)	(576,563)	14,454,886	-	(574,522)	-	(20,437,679)
Translation adjustment	75,079,400	6,837,831	17,167,893	17,457,444	3,458,280	31,276	2,514,720	426,806	122,973,650
Closing net book amount	2,969,159,700	8,131,702,066	2,148,068,779	2,469,420,677	596,293,282	87,926,122	371,322,822	363,479,230	17,137,372,678
At 31 December 2011									
Cost	3,201,388,531	12,524,261,988	4,612,340,496	6,658,868,569	2,202,728,885	271,052,899	802,555,922	363,479,230	30,636,676,520
Less Accumulated depreciation	(232,228,831)	(4,370,616,387)	(2,452,323,714)	(4,159,557,996)	(1,606,347,025)	(183,126,777)	(430,658,578)	-	(13,434,859,308)
Less Provision for impairment	-	(21,943,535)	(11,948,003)	(29,889,896)	(88,578)	-	(574,522)	-	(64,444,534)
Net book amount	2,969,159,700	8,131,702,066	2,148,068,779	2,469,420,677	596,293,282	87,926,122	371,322,822	363,479,230	17,137,372,678

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Company - Baht								
	Land and land improvement	Buildings and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
Year ended 31 January 2010									
Cost	10,011,983	607,764,518	62,086,259	363,877,127	29,692,770	25,284,874	15,833,660	14,475,800	1,129,026,991
Less Accumulated depreciation	(117,965)	(333,845,164)	(27,206,181)	(227,605,922)	(12,715,701)	(17,567,273)	(9,251,699)	-	(628,309,905)
Net book amount	9,894,018	273,919,354	34,880,078	136,271,205	16,977,069	7,717,601	6,581,961	14,475,800	500,717,086
Year ended 31 December 2010									
Opening net book amount	9,894,018	273,919,354	34,880,078	136,271,205	16,977,069	7,717,601	6,581,961	14,475,800	500,717,086
Additions	-	302,695	7,842,232	9,312,410	582,987	-	969,880	18,434,243	37,444,447
Disposals, net	-	-	-	(447)	-	-	-	-	(447)
Reclassification	-	7,236,180	3,113,196	10,647,554	557,249	-	-	(21,554,179)	-
Depreciation charge	(63,099)	(33,148,204)	(6,668,768)	(26,003,514)	(5,128,068)	(2,093,001)	(2,123,828)	-	(75,228,482)
Closing net book amount	9,830,919	248,310,025	39,166,738	130,227,208	12,989,237	5,624,600	5,428,013	11,355,864	462,932,604
At 31 December 2010									
Cost	10,011,983	615,303,393	73,041,687	383,040,595	30,833,006	25,284,874	16,803,540	11,355,864	1,165,674,942
Less Accumulated depreciation	(181,064)	(366,993,368)	(33,874,949)	(252,813,387)	(17,843,769)	(19,660,274)	(11,375,527)	-	(702,742,338)
Net book amount	9,830,919	248,310,025	39,166,738	130,227,208	12,989,237	5,624,600	5,428,013	11,355,864	462,932,604

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Company - Baht								
	Land and land improvement	Buildings and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
Year ended 31 December 2011									
Opening net book amount	9,830,919	248,310,025	39,166,738	130,227,208	12,989,237	5,624,600	5,428,013	11,355,864	462,932,604
Additions	-	225,000	1,345,837	8,999,474	1,242,254	14,000,000	293,841	71,282,419	97,388,824
Disposals, net	-	-	-	(93,965)	-	-	-	-	(93,965)
Reclassification	-	3,166,715	21,596,440	13,145,127	42,005,459	-	144,720	(80,058,461)	-
Depreciation charge	(71,655)	(34,210,271)	(9,987,823)	(27,889,263)	(5,392,072)	(4,296,395)	(856,584)	-	(82,704,063)
Closing net book amount	9,759,264	217,491,469	52,121,191	124,388,581	50,844,878	15,328,205	5,009,990	2,579,822	477,523,400
At 31 December 2011									
Cost	10,011,983	618,695,065	95,984,006	404,421,096	74,080,720	39,284,874	17,242,101	2,579,822	1,262,299,667
Less Accumulated depreciation	(252,719)	(401,203,596)	(43,862,815)	(280,032,515)	(23,235,842)	(23,956,669)	(12,232,111)	-	(784,776,267)
Net book amount	9,759,264	217,491,469	52,121,191	124,388,581	50,844,878	15,328,205	5,009,990	2,579,822	477,523,400

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

Building included building under sublease agreement for 30 years amounting to Baht 2,527 million.

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

Capital commitments

	Consolidated		Company
	Baht Million	AUD Million	Baht Million
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2011	145.8	16.0	4.6
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2010	39.2	-	18.7

Depreciation expense of Baht 1,021,798,968 (2010: Baht 717,156,317) has been charged in cost of sales and services, Baht 606,114,287 (2010: Baht 542,339,757) in selling expenses and Baht 32,504,298 (2010: Baht 61,846,719) in administrative expenses.

The impairment charge of Baht 26 million and the write-off of Baht 3 million for property, plant and equipment was from the disaster of floods in 2011. Another impairment charge of AUD 0.09 million or equivalent to Baht 3 million was from some the assets in which one of the subsidiaries cannot generate the economic benefits as expected.

18. INTANGIBLE ASSETS

	Consolidated - Baht						
	Franchise development expenses	Initial Franchise fees	Goodwill	Brand	Computer Software	Computer software under installation	Total
At 1 January 2010							
Cost	171,569,612	135,881,519	3,400,758,332	560,030,233	176,384,542	171,850,909	4,616,475,147
Less Accumulated amortisation	(158,178,566)	(92,630,123)	(391,808,039)	-	(89,123,102)	-	(731,739,830)
Less Provision for impairment	-	-	-	-	(6,305,909)	-	(6,305,909)
Net book amount	13,391,046	43,251,396	3,008,950,293	560,030,233	80,955,531	171,850,909	3,878,429,408
Year ended 31 December 2010							
Opening net book amount	13,391,046	43,251,396	3,008,950,293	560,030,233	80,955,531	171,850,909	3,878,429,408
Additions	-	3,995,590	-	-	(83,550,387)	37,374,906	124,920,883
Acquisition from investment in a subsidiary	-	-	254,158,555	-	-	-	254,158,555
Write-offs, net	(484,914)	(93,396)	-	-	(6,065,058)	-	(6,643,368)
Reclassification	-	-	-	-	128,338,680	(128,338,680)	-
Transfer from (to) other account	(6,494,218)	(34,755)	-	-	70,340,084	52,781,600	116,592,711
Adjustment to actual costs	-	-	(14,661,334)	-	-	-	(14,661,334)
Amortisation charge	(3,348,850)	(4,811,424)	-	-	(51,329,951)	-	(59,490,225)
Reversal of impairment charge	-	-	-	-	5,055,779	-	5,055,779
Translation adjustment	136,569	894,132	-	-	(626,179)	-	404,522
Closing net book adjustment	3,199,633	43,201,543	3,248,447,514	560,030,233	310,219,273	133,668,735	4,298,766,931
At 31 December 2010							
Cost	164,727,049	140,643,090	3,640,255,553	560,030,233	451,922,456	133,668,735	5,091,247,116
Less Accumulated amortisation	(161,527,416)	(97,441,547)	(391,808,039)	-	(140,453,053)	-	(791,230,055)
Less Provision for impairment	-	-	-	-	(1,250,130)	-	(1,250,130)
Net book amount	3,199,633	43,201,543	3,248,447,514	560,030,233	310,219,273	133,668,735	4,298,766,931

18. INTANGIBLE ASSETS (Continued)

	Consolidated - Baht								
	Management letting rights	Intellectural property right	Franchise development expenses	Initial Franchise fees	Goodwill	Brand	Computer Software	Computer software under installation	Total
Year ended 31 December 2011									
Opening net book amount	-	-	3,199,633	43,201,543	3,248,447,514	560,030,233	310,219,273	133,668,735	4,298,766,931
Additions	38,637	-	-	3,368,054	-	-	41,810,863	114,834,066	160,051,620
Acquisition from investment in a subsidiary (Note 12)	2,683,739,077	16,329,234	-	-	645,924,770	-	11,819,716	-	3,357,812,797
Adjustment of fair value of assets from investment in subsidiary	-	-	-	-	(80,723,201)	-	-	-	(80,723,201)
Disposals, net	-	-	-	-	-	-	(136,568)	-	(136,568)
Write-offs, net	-	-	-	-	-	-	(729,241)	(323,951)	(1,053,192)
Reclassification	-	-	-	-	-	-	112,108,452	(112,108,452)	-
Transfer from (to) other account	-	-	-	-	-	-	4,271,402	41,516,411	45,787,813
Amortisation charge	(43,869,558)	-	(250,538)	(4,971,339)	-	-	(77,967,395)	-	(127,058,830)
Impairment charge	-	-	-	-	(115,808,680)	-	(101,834)	-	(115,910,514)
Translation adjustment	25,696,178	172,619	59,279	547,370	320,970	-	1,714,200	-	28,510,617
Closing net book amount	2,665,604,334	16,501,853	3,008,374	42,145,628	3,698,161,374	560,030,233	403,008,868	177,586,809	7,566,047,473
At 31 December 2011									
Cost	3,197,263,947	16,501,853	164,727,049	144,079,938	4,205,778,093	560,030,233	723,978,225	177,586,809	9,189,946,147
Less Accumulated amortisation	(444,790,202)	-	(161,718,675)	(101,934,310)	(391,808,039)	-	(319,617,393)	-	(1,419,868,619)
Less Provision for impairment	(86,869,411)	-	-	-	(115,808,680)	-	(1,351,964)	-	(204,030,055)
Net book amount	2,665,604,334	16,501,853	3,008,374	42,145,628	3,698,161,374	560,030,233	403,008,868	177,586,809	7,566,047,473

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

As at 31 December 2011, the Group has commitments for acquisition of management letting rights amounting to AUD 1.91 million or equivalent to Baht 61.5 million.

18. INTANGIBLE ASSETS (Continued)

	Company - Baht		
	Computer software	Computer software under installation	Total
At 1 January 2010			
Cost	27,351,688	-	27,351,688
Less Accumulated amortisation	(15,506,534)	-	(15,506,534)
Net book amount	11,845,154	-	11,845,154
Year ended 31 December 2010			
Opening net book amount	11,845,154	-	11,845,154
Additions	3,462,817	-	3,462,817
Amortisation charge	(5,424,377)	-	(5,424,377)
Closing net book amount	9,883,594	-	9,883,594
At 31 December 2010			
Cost	30,814,505	-	30,814,505
Less Accumulated amortisation	(20,930,911)	-	(20,930,911)
Net book amount	9,883,594	-	9,883,594
Year ended 31 December 2011			
Opening net book amount	9,883,594	-	9,883,594
Additions	3,176,267	3,209,296	6,385,563
Write-offs, net	(77,280)	-	(77,280)
Amortisation charge	(4,500,305)	-	(4,500,305)
Closing net book amount	8,482,276	3,209,296	11,691,572
At 31 December 2011			
Cost	33,913,492	3,209,296	37,122,788
Less Accumulated amortisation	(25,431,216)	-	(25,431,216)
Net book amount	8,482,276	3,209,296	11,691,572

Amortisation of Baht 63,605,018 (2010: Baht 20,132,363) has been charged in the cost of sales and services; Baht 20,115,932 (2010: Baht 16,643,758) in selling expenses, Baht 43,337,880 (2010: Baht 22,714,104) in administrative expenses.

19. LEASEHOLD RIGHT

	Consolidated	Company
	Baht	Baht
At 1 January 2010		
Cost	3,637,148,355	18,690,531
Less Accumulated amortisation	(1,673,566,632)	(13,083,541)
Net book amount	1,963,581,723	5,606,990
Year ended 31 December 2010		
Opening net book amount	1,963,581,723	5,606,990
Additions	53,317,885	-
Acquisition from investment in subsidiary	9,198,689	-
Transfer to other account	(20,620,698)	-
Amortisation charge	(123,430,568)	(623,017)
Translation adjustment	(34,288,825)	-
Closing net book amount	1,847,758,206	4,983,973
At 31 December 2010		
Cost	3,646,284,291	18,690,531
Less Accumulated amortisation	(1,798,526,085)	(13,706,558)
Net book amount	1,847,758,206	4,983,973
Year ended 31 December 2011		
Opening net book amount	1,847,758,206	4,983,973
Additions	70,444,611	-
Write-offs, net	(20,127)	-
Transfer from other account	31,803,447	-
Amortisation charge	(125,204,832)	(623,017)
Translation adjustment	16,052,603	-
Closing net book amount	1,840,833,908	4,360,956
At 31 December 2011		
Cost	3,728,549,255	18,690,531
Less Accumulated amortisation	(1,887,715,347)	(14,329,575)
Net book amount	1,840,833,908	4,360,956

Amortisation of Baht 55,784,697 (2010: Baht 55,878,666) has been charged in the cost of sales and services, Baht 57,068,881 (2010: Baht 55,115,629) in selling expenses, Baht 12,351,254 (2010: Baht 12,436,273) in administrative expenses.

20. OTHER NON-CURRENT ASSETS

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Loans to other companies	73,442,573	-	-	-
Deposits	685,021,679	579,317,538	7,549,462	4,473,860
Deferred charges	187,107,037	213,736,693	39,505,774	54,930,326
Others	209,618,531	37,852,127	-	-
Total other non-current assets	1,155,189,820	830,906,358	47,055,236	59,404,186

Loans to other companies carry interest at MLR rate.

21. BORROWINGS

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Current				
Bank overdrafts	7,133,919	2,048,492	-	-
Short-term borrowings from banks	1,090,213,600	574,761,249	580,000,000	-
Current portion of long-term borrowings				
Bank borrowings	218,453,609	390,762,409	60,000,000	244,000,000
Debentures	1,840,000,000	1,000,000,000	1,840,000,000	1,000,000,000
Other borrowings	163,710,640	164,260,000	-	-
Finance lease liabilities	141,235,490	-	-	-
Borrowing from related parties (Note 14)	-	-	1,549,601,374	1,376,380,033
Total current borrowings	3,460,747,258	2,131,832,150	4,029,601,374	2,620,380,033
Non-current				
Bank borrowings	5,898,400,380	2,147,253,650	-	1,052,000,000
Debentures	10,360,000,000	9,900,000,000	10,360,000,000	9,900,000,000
Other borrowings	24,900,000	188,610,640	-	-
Finance lease liabilities	80,061,460	-	-	-
Total non-current borrowings	16,363,361,840	12,235,864,290	10,360,000,000	10,952,000,000
Total borrowings	19,824,109,098	14,367,696,440	14,389,601,374	13,572,380,033

Short-term borrowings from banks for the consolidated financial statements include loans denominated in Yuan amounting to Yuan 63,000,000 which carry interest rates at the rates from 6.41% - 7.93% per annum.

Short-term borrowings from banks for the Company financial statements carry interest rates at the rates 3.35% and 3.38% per annum.

Bank borrowings

As at 31 December 2011, long-term bank borrowings in the consolidated financial statements totalling Baht 6,117 million comprise:

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

b) The Company's unsecured loan from a foreign bank (Bangkok Branch) of Baht 1,116 million. The loan carries interest rate of THB FIX plus a margin and is due for repayment in 9 semi-annual installments with the first repayment from June 2010. The loan is subject to certain conditions which the Company has to comply throughout the loan period.

In the first and second quarter of 2011, the Company fully repaid loans before maturity date of Baht 1,116 million.

c) A subsidiary's unsecured outstanding loan from a foreign bank (Bangkok Branch) of USD 6.7 million. The loan carries interest rate of LIBOR plus a margin and is due for repayment in 9 semi-annual instalments of USD 2.22 million per installment with the first repayment in May 2009. The loan is subject to certain conditions which the subsidiary has to comply throughout the loan period.

As at 31 December 2011, the Group has outstanding cross currency swap which convert the above loan of USD 6.7 million into of AUD 7.6 million with a fixed interest rate. Moreover, the Group also entered into a foreign currency forward contract to convert the AUD payment obligation into THB which has outstanding balance of Baht 191 million.

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

During the second quarter of 2011, a subsidiary fully repaid loans of Baht 20 million.

e) A subsidiary's unsecured loan from local bank of USD 30 million. The loan carries interest rate of 6 months SIBOR plus a margin and due for repayment between 2012 and 2016. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

As at 31 December 2011, the Group has outstanding interest rate swap contracts with a financial institution for the above loan of USD 20 million which converts floated interest rates of SIBOR plus a margin and which is effective from 15 June 2010 to 15 December 2016.

f) A subsidiary's unsecured loan from two local banks AUD 92.2 million. The loan carries interest rate of LIBOR plus a margin and is due for repayment in 2013 to 2014. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

g) A subsidiary's secured loans from two foreign banks of AUD 60.5 million. The loans carry interest rates of Bank Bill Swap Reference Rate plus a margin and are due for repayment in the limit of AUD 2 million per quarter for 5 years. The loans are subject to certain conditions which the subsidiary has to comply with throughout the loans period and use the subsidiary's investment properties, building and management letting rights as collateral (Note 16 to 18).

Other borrowings

Other borrowings amounting to Baht 189 million represent borrowings by the two property funds as follows:

a) Long-term borrowing of Baht 125 million representing Class A and Class B investment units in the Thai Assets Management Property Fund being held by financial institutions with 10 years maturity until 2013. The unit holders receive interest at fixed rates and MLR less a margin as specified in the Unit Holders Agreement.

Thai Assets Management Property Fund holds sub-lease rights and legal titles in the Group's property, plant and equipment with a book value of Baht 651 million as collateral.

b) Long-term borrowing of Baht 64 million representing Class A investment units in the Sub Thawee Property Fund being units held by financial institutions with 10 years maturity until 2012. The unit holders receive interest at MLR less a margin as specified in the Unit Holders Agreement.

Sub Thawee Property Fund holds the sub-lease rights and legal titles in the Group's property, plant and equipment with a book value of Baht 190 million as collateral.

Debentures

a) Debentures of Baht 2,060 million issued in September 2007 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2014.

b) Debentures of Baht 1,840 million issued in September 2007 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2012.

c) Debentures of Baht 1,000 million issued in October 2008 which are secured senior and without a debenture holders' representative. These debentures have a fixed rate of interest and were repaid in full during October 2011.

d) Debentures of Baht 2,000 million issued in July 2009 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2013.

e) Debentures of Baht 2,500 million issued in May 2010 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest due for payment of interest due for payment of interest semi-annually and are due for repayment within 2015.

f) Debentures of Baht 500 million issued in December 2010 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2015.

g) Debentures of Baht 1,000 million issued in December 2010 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2017.

h) Debentures of Baht 1,500 million issued in March 2011 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2018.

i) Debentures of Baht 500 million issued in October 2011 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2018.

j) Debentures of Baht 300 million issued in October 2011 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2021.

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

At the annual general meeting of the shareholders of the Company held on 25 April 2008, the shareholders passed a resolution to approve issuance of no more than fifteen-year unsubordinated debentures not exceeding Baht 15,000 million, to be used for working capital, business expansion and/or refinance of existing loans and debentures of the Company. As at 31 December 2011, a total of Baht 9,300 million debentures have been issued under this shareholders' resolution.

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

The carrying amounts of long-term bank borrowings and other borrowings as of 31 December 2011 approximate to their fair values.

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

	Carrying amounts		Fair values	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Debentures	12,200,000,000	10,900,000,000	12,382,350,744	11,166,263,030

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

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

	Consolidated		Company	
	2011 Billion Baht	2010 Billion Baht	2011 Billion Baht	2010 Billion Baht
Borrowings:				
- at fixed rates	13	11	12	10
- at floating rates	7	3	1	2
Total borrowings	20	14	13	12

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

	Consolidated		Company	
	2011 %	2010 %	2011 %	2010 %
Bank borrowings	6.13	4.97	3.94	4.46
Debentures	4.58	4.58	4.58	4.58

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

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

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Next year	382,164,249	555,022,409	60,000,000	244,000,000
Between 2 and 5 years	5,923,300,380	2,034,351,290	-	1,052,000,000
After 5 years	-	301,513,000	-	-
Total long-term borrowings	6,305,464,629	2,890,886,699	60,000,000	1,296,000,000

Borrowing facilities

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

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

	31 December 2010	
	Consolidated	Company
	Baht Million	Baht Million
Floating interest rate		
- expiring within one year	7,030	4,000
- expiring beyond one year	1,000	1,000
	8,030	5,000

22. TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Trade payables - third parties	1,265,804,693	1,098,459,466	7,825,829	7,178,698
Trade payables - related parties (Note 14)	5,762,571	10,119,928	3,426,684	5,243,140
Amounts due to related parties (Note 14)	25,684,882	5,911,792	3,162,137	4,759,857
Accrued expense	1,818,974,429	957,156,814	235,081,559	185,850,703
Account payable - contractor	194,578,748	234,504,767	3,131,522	1,580,944
Other payables	681,559,164	655,147,185	23,431,172	32,035,919
Total trade and other payables	3,992,364,487	2,961,299,952	276,058,903	236,649,261

23. OTHER CURRENT LIABILITIES

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Sales of residence received in advance	129,390,853	295,581,427	-	-
Booking deposits	261,660,104	195,432,440	6,151,862	4,702,820
Provisions for investments	23,768,400	45,226,950	-	-
Payable from purchase of investment	5,170,784	58,006,388	-	-
Provision for onerous contracts	94,950,874	-	-	-
Others	365,839,938	187,141,770	10,646,041	17,382,159
Total other current liabilities	880,780,953	781,388,975	16,797,903	22,084,979

24. PROVISION FOR EMPLOYEE BENEFITS

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

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Present value of funded obligations	-	-	-	-
Present value of unfunded obligations	154,000,043	117,336,321	20,976,066	18,007,894
Unrecognised actuarial gains	(2,613,337)	-	(9,438,377)	-
Liability in the statement of financial position	151,386,706	117,336,321	11,537,689	18,007,894

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

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
At 1 January	117,336,321	167,064,547	18,007,894	39,130,126
Current service cost	23,841,832	17,400,620	2,559,501	2,450,629
Interest cost	2,124,594	1,820,706	725,111	617,719
Actuarial gains	(2,613,337)	-	(9,438,377)	-
Acquisition from investment in subsidiary	12,355,416	-	-	-
Benefits paid	(1,658,120)	(68,949,552)	(316,440)	(24,190,580)
At 31 December	151,386,706	117,336,321	11,537,689	18,007,894
The amount recognised in income is as follows:				
Current service cost	23,841,832	17,400,620	2,559,501	2,450,629
Interest cost	2,124,594	1,820,706	725,111	617,719
Total (included in staff costs)	25,966,426	19,221,326	3,284,612	3,068,348

Of the total charge, Baht 25,966,426 (2010: Baht 19,221,326) were included in administrative expenses.

The principal actuarial assumptions used were as follows:

	Consolidated and Company	
	2011	2010
Discount rate	4%	3.5% - 4%
Inflation rate	3%	3.5%
Retirement age	60	60
Future salary increases	3.5% - 9%	3% - 9%
Mortality table	TMO08	TMO97

25. OTHER NON-CURRENT LIABILITIES

	Consolidated		Company	
	2011 Baht	2010 Restated Baht	2011 Baht	2010 Baht
Unearned income	132,929,268	140,815,981	4,976	4,046,466
Rental deposits	135,808,985	129,677,318	505,435	505,435
Accrued land rental	398,372,385	262,600,651	-	-
Accrued decommissioning	71,355,189	62,455,059	-	-
Others	90,753,911	35,337,965	1,876,936	1,779,024
Total other non-current liabilities	829,219,738	630,886,974	2,387,347	6,330,925

26. SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

	Consolidated			
	Number of ordinary shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 January 2010	3,246,415,792	3,246,415,792	3,065,856,272	6,312,272,064
Issue of shares	15,923,581	15,923,581	67,937,682	83,861,263
As at 31 December 2010	3,262,339,373	3,262,339,373	3,133,793,954	6,396,133,327
Issue of shares (Note 27)	12,885,207	12,885,207	81,531,962	94,417,169
As at 31 December 2011	3,275,224,580	3,275,224,580	3,215,325,916	6,490,550,496

	Company			
	Number of ordinary shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 January 2010	3,246,415,792	3,246,415,792	3,040,203,896	6,286,619,688
Issue of shares	15,923,581	15,923,581	67,937,682	83,861,263
As at 31 December 2010	3,262,339,373	3,262,339,373	3,108,141,578	6,370,480,951
Issue of shares (Note 27)	12,885,207	12,885,207	81,531,962	94,417,169
As at 31 December 2011	3,275,224,580	3,275,224,580	3,189,673,540	6,264,898,120

As at 31 December 2011, the registered shares comprise 3,666,519,673 ordinary shares with par value of Baht 1 per share (2010: 3,677,988,773 shares). The issued and fully paid-up shares comprise 3,275,224,580 ordinary shares (2010: 3,262,339,373 shares).

At the annual general meeting of the shareholders of the Company held on 1 April 2011, the shareholders passed resolution to approve the reduction of the Company's registered capital from Baht 3,677,988,773 to Baht 3,666,519,673 through the elimination of the registered, but unissued of 11,469,100 shares, with a par value of Baht 1 each.

27. WARRANTS

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

The Group does not recognise warrant compensation costs for the fair value or intrinsic value of the warrant granted in these financial statements (Note 2.23).

					As at 31 December 2010	Decrease during the year						As at 31 December 2011
		Determined exercising date										
Issued by	Allotted to	Approval date	First exercise	Last exercise	Outstanding warrant Unit	Expire Unit	Exercise Unit	Exercise ratio for ordinary shares per 1 warrant	Issue of ordinary shares during the year Share	Exercise price Baht	Amount Baht	Outstanding warrnt Unit
The Company	Directors and employees of the Company and its subsidiary No. 2	15 December 2005	28 Februay 2006	16 January 2011	13,983,000	(12,797,000)	(1,186,000)	1.12645	1,335,800	2.645	3,533,191	-
	Directors and employees of the Company and its subsidiary No. 3	14 November 2007	31 January 2008	17 December 2012	8,071,887	-	(1,679,540)	1.10000	1,847,200	8.918	16,473,380	6,392,347
	Directors and employees of the Company and its subsidiary No. 5	6 March 2009	30 October 2009	21 October 2013	54,087,950	-	(9,286,300)	1.00000	9,286,300	7.650	71,040,195	44,801,650
	Directors and employees of the Company and its subsidiary (MINT - W)	6 March 2009	30 June 2009	12 June 2014	1,936,677	-	(413,900)	1.00000	413,900	8.080	3,344,312	1,522,777
	Former shareholders (MINT - W4)	26 April 2010	30 June 2010	18 May 2013	325,381,547	-	(2,007)	1.00000	2,007	13.000	26,091	325,379,540
	Total issue by the Company				403,461,061	(12,797,000)	(12,567,747)		12,885,207		94,417,169	378,096,314

28. LEGAL RESERVE

	Consolidated and Company			
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
At 1 January	367,799,113	347,774,113	367,799,113	347,774,113
Appropriation during the year	-	20,025,000	-	20,025,000
At 31 December	367,799,113	367,799,113	367,799,113	367,799,113

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

As at 31 December 2011, legal reserve of subsidiaries amounting to Baht 116,788,358 (2010: Baht 113,174,358) have been included in the unappropriated retained earnings of the consolidated financial statements.

29. OTHER COMPONENT OF EQUITY

	Consolidated			
	Remeasuring of available-for-sale investment Baht	Translation adjustment Baht	Actuarial gains on employee benefits Baht	Total Baht
At 1 January 2010	83,303,224	(228,495,510)	-	(145,192,286)
Revaluation	1,036,981,885	-	-	1,036,981,885
Currency translation difference	-	(110,724,177)	-	(110,724,177)
At 31 December 2010	1,120,285,109	(339,219,687)	-	781,065,422
At 1 January 2011	1,120,285,109	(339,219,687)	-	781,065,422
Revaluation	21,746,245	-	-	21,746,245
Transfer due to changing status of investment	(1,053,812,318)	-	-	(1,053,812,318)
Actuarial gains	-	-	2,613,337	2,613,337
Currency translation difference	-	75,398,741	-	75,398,741
At 31 December 2011	88,219,036	(263,820,946)	2,613,337	(172,988,573)

	Company		
	Remeasuring of available-for-sales investment Baht	Actuarial gains on employee benefits Baht	Total Baht
At 1 January 2010	61,074,606	-	61,074,606
Revaluation	992,753,630	-	992,753,630
At 31 December 2010	1,053,828,236	-	1,053,828,236
At 1 January 2011	1,053,828,236	-	1,053,828,236
Revaluation	(2)	-	(2)
Transfer due to changing status of investment	(1,053,812,318)	-	(1,053,812,318)
Actuarial gains	-	9,438,377	9,438,377
At 31 December 2011	15,916	9,438,377	9,454,293

30. OTHER INCOME

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Rental income	21,447,644	17,148,790	39,689,477	38,447,092
Interest income	42,739,709	28,051,380	653,836,566	463,722,120
Subsidy income	48,444,026	57,397,881	-	-
Premium sales income	110,948,280	130,486,964	-	-
Management income	27,832,119	18,081,857	-	-
Sales of raw material to franchises	3,761,217	3,573,970	-	-
Gain on exchange rate	-	3,327,520	-	-
Freight charges	90,221,975	78,665,670	-	-
Gain on sales of long-term investment	-	29,693,470	-	-
Gain from fair value adjustment of investments	1,257,036,173	-	1,053,811,504	-
Gain on capital returned from subsidiary	-	-	418,150,898	-
Others	245,033,438	283,820,384	22,677,429	11,088,581
Total other income	1,847,464,581	650,247,886	2,188,165,874	513,257,793

31. EXPENSES BY NATURE

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

	Consolidated		Company	
	2011 Baht	2010 Restated Baht	2011 Baht	2010 Baht
Depreciation on investment properties (Note 16)	84,912,079	80,268,600	-	-
Depreciation on property, plant and equipment (Note 17)	1,660,417,553	1,321,342,793	82,704,063	75,228,482
Impairment of property, plant and equipment (Note 17)	20,437,679	5,768,772	-	-
Write-off and loss (gain) on disposal of property, plant and equipment	24,938,404	18,645,073	47,890	(113,104)
Amortisation of intangible assets (Note 18)	127,058,830	59,490,225	4,500,305	5,424,377
Amortisation of leasehold rights	107,803,838	109,993,121	623,017	623,017
Provision for impairment of trade receivables (Reversal)	7,706,314	4,350,852	(187,901)	(29,660)
Staff costs	5,006,716,370	4,525,510,648	407,459,832	323,341,943
Damaged inventories and tangible assets from flood	237,828,024	-	-	-

Flooding in Thailand

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

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

32. INCOME TAX

	Consolidated		Company	
	2011 %	2010 %	2011 %	2010 %
Income tax rate	0 - 30	0 - 30	30	25

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

Company financial statements

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

Consolidated financial statements

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

33. EARNINGS PER SHARE

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

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

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

For the calculation of the diluted earnings per share, the weighted average number of shares assuming conversion of all dilutive potential ordinary shares as at 31 December 2011 is 17,540,971 shares (2010: 30,763,059 shares).

33. EARNINGS PER SHARE (Continued)

	Consolidated and Company	
	For the years ended 31 December	
	2011 Shares	2010 Shares
Weighted average number of ordinary shares in issue, net	3,270,879,071	3,255,949,536
Effect of dilutive potential ordinary shares		
Warrants	17,540,971	30,763,059
Dilutive potential ordinary shares	17,540,971	30,763,059
Weighted average number of ordinary shares for diluted earnings per share	3,288,420,042	3,286,712,595

	Consolidated	
	For the years ended 31 December	
	2011 Baht	2010 Restated Baht
Net profit attributable to ordinary shareholders of the Company	2,880,142,740	1,236,458,233
Basic earnings per share	0.8805	0.3798
Diluted earnings per share	0.8758	0.3762

	Company	
	For the years ended 31 December	
	2011 Baht	2010 Baht
Net profit attributable to ordinary shareholders of the Company	1,899,270,392	1,517,045,197
Basic earnings per share	0.5807	0.4659
Diluted earnings per share	0.5776	0.4616

34. DIVIDEND

On 1 April 2011, the annual general meeting of the shareholders of the Company passed a resolution to approve a dividend payment amounting to Baht 0.15 per share (2010: Baht 0.15 per share) to existing shareholders and the shareholders of ordinary shares converted from convertible securities of not exceeding Baht 542.5 million (2010: Baht 490.9 million). The dividend was paid on 28 April 2011.

35. FINANCIAL INSTRUMENTS

Financial risk management policies

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

Liquidity risk

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

Interest rate risk

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

As at 31 December 2011, 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 6.7 million, which will swap interest at a float interest rate to a fixed interest rate. The contract will expire on 2 May 2013.

b) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 10 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2015.

c) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 10 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2016.

d) Interest rate swap contract for loan from financial institution in USD currency with principal amount of AUD 31.5 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2016.

Foreign currency risk

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

Cross currency swap contracts

As at 31 December 2011, the Group has entered into cross currency swap contracts to protect risk of loan from financial institution (Note 21) by conversion liabilities from loan in USD currency with outstanding amount of USD 6.7 million, at fixed interest rate computed from USD loan to loan in AUD currency with outstanding amount of AUD 7.6 million at fixed interest rate computed from AUD loan. Moreover, the Group has entered into forward foreign exchange contracts to convert liabilities from loan in AUD currency with outstanding amount of AUD 7.6 million to Baht loan at exchange rate of Baht 26.75 per AUD for the amount of AUD 3.8 million and Baht 22.95 per AUD for the amount of AUD 3.8 million. All above contracts will expire on 2 May 2013.

Foreign exchange forward contracts

Foreign exchange forward contracts are for managing exposure to fluctuations in foreign currency exchange rates for the purchase of goods. As at 31 December 2011, there was no foreign exchange forwards contract (2010: foreign exchange forward contracts, which the settlement dates on open forward contracts less than 6 months ranged from 1 month to 2 months, the amounts in Baht to be paid and contractual exchange rates for the outstanding contracts are:)

	Consolidated	
	2011 Baht	2010 Baht
USD 722,714 (Baht 30.334 - 32.131/1 USD)	-	21,793,998
AUD 2,896 (Baht 29.15 /1 AUD)	-	88,903
EUR 26,571 (Baht 40.031 - 40.06501 /1 EUR)	-	1,061,594
JPY 1,116,750 (Baht 0.37315/1 JPY)	-	413,792

As at 31 December 2011 and 2010, the Group had outstanding foreign currency trade accounts payable as follows:

	Consolidated	
	2011	2010
USD	9,550,499	2,856,612
SGD	12,595	-
EUR	142,567	157,545
AUD	45,486	51,218
JPY	-	2,306,070
HKD	237,397	11,200
GBP	819	-
AED	16,071	6,301
LKR	24,200	-
NZD	3,932	-

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 foreign exchange forward contracts for loan as at 31 December 2011 is unfavourable amounting to Baht 531,052 (2010: favourable amounting to Baht 18,663,701).

As at 31 December 2011, there was no open foreign exchange forward contracts for the purchase of goods (2010: The fair value of the open foreign exchange forward contracts for the purchase of goods was favourable amounting to Baht 306,412).

36. COMMITMENTS

As at 31 December 2011, the Group has commitments as follows:

The Company

- The Company has entered into a franchise agreement with an overseas company. The Company is committed to pay a franchise fee and an international marketing fee based on a percentage of gross room revenues, as specified in the agreement. The agreement will expire in June 2013.

- The Company has entered into an agreement to lease the land on which its hotel building is built for 30 years, ending in 2018. The Company is committed to pay rental fees at a certain percentage of gross revenue (which is to be increased annually until it reaches a specified rate) or at a minimum rental fees stipulated in the agreement, whichever is higher. As at 31 December 2011, the Company's future payment commitments according to the minimal rental fees stipulated in the agreement is approximately Baht 35 million.

- The Company has entered into rental and service agreements with a subsidiary relating to its opening of restaurant. The Company is committed to pay rental and service fees under the agreements of approximately Baht 11.9 million. In addition, the Company is committed to pay fees for the area used in the sale of food and beverages to this subsidiary, at a percentage of the Company's food and beverage revenues stipulated in the agreements, ending in 2014.

- The Company has entered into a trademark agreement with a subsidiary. The Company has obligation to pay trademark fee at certain percentages of revenue generated as indicated in the agreement. The agreement is valid for 10 years and will be terminated in 2017.

- The Company has entered into a hotel management agreement with a subsidiary who will manage the Company's hotel. The Company is committed to pay fees at a certain percentage of revenue as stipulated in the agreement. The agreement is valid for 10 years and will be terminated in 2016.

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

Subsidiaries

Management and services agreements

- A subsidiary has entered into a license and royalty agreement with an overseas company. The subsidiary is committed to pay royalty fees and management hotel fees at the rate, terms and basis as specified in the agreement for 20 years up to 2021 and can be renewed at its expiry date for 10 years.

- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective for the period from September 2006 to June 2024.

- A subsidiary has entered into a hotel management agreement with an overseas company including international management and right of trademark use. The subsidiaries are committed to pay fees at a certain percentage of total room revenue as stipulated in the agreement. The agreement will expire in June 2013.

- Under advertising, licensing and restaurant management agreements with overseas companies, a subsidiary is committed to pay fees at a percentage of the gross sales of each restaurant in the hotel as stipulated in the agreements, ending in 2015.

- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective from January 2006 to December 2017 and are renewable after expiry date for 20 years.

- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from February 2007 to January 2027 and are renewable after expiry date for another two periods of 20 years and 10 years, respectively.

- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from 22 December 2005 to 25 June 2013 and are renewable after expiry date for another two periods of 15 years each.

- A subsidiary has entered into consulting agreement regarding hotel operation with two companies, whereby the subsidiary has been provided hotel operating and marketing services, right of trademark use, technical knowledge, and other related right. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from April 2011 to December 2031.

- A subsidiary entered into the service agreements with a company with regards to consultation, installation, repair and maintenance of computer system, computer software and information technology system. The subsidiary is committed to pay the fees following the rates, terms and basis as specified in the agreements. The agreements are for the period of 10 years and effective from December 2007.

Rental agreements

- Four subsidiaries have entered into separate land lease agreements for periods between 30 to 42 years, effective on 1 August 1982, 8 May 1987, 25 January 1989 and 2 July 1994, respectively. The subsidiaries are committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2011, the subsidiaries' future payment commitments in accordance with the minimal rental fees stipulated in the agreements are approximately Baht 127 million (2010: Baht 140 million).

  In 2010, a subsidiary has extended land lease agreements for periods of 30 years, effective on 25 January 2019. The subsidiary is committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2011, the subsidiary's future payment commitments in accordance with the minimal rental fees and special remuneration stipulated in the agreements are approximately Baht 1,182 million (2010: Baht 1,232 million).

- Under agreements to render services and rental space for operations from other companies, a subsidiary has to pay fees based on its gross sales at the rates stipulated in the agreements ending in 2012.

- A subsidiary has entered into the sublease land agreement of Kihavah Huravlhu Island for 23 years from 23 October 2007 for the construction of a new hotel. As at 31 December 2011, a subsidiary has commitment to pay rental fee as stipulated in the lease agreement approximately of USD 17.5 million.

- A subsidiary has entered into lease agreements covering the land where the hotel is situated. Under the lease agreement, the subsidiary has transferred the ownership of the hotel buildings and improvements to the landlord. The subsidiary is committed to pay rental at the rates specified in the lease agreements. The lease agreement are for a period of thirty years up to the year 2013 and are renewable after the expiry date for another two periods of fifteen years each. As at 31 December 2011, the subsidiary has commitment to pay minimal rental fees as stipulated in the agreement as follows:

Year	Baht Million
2012	9.10
2013	28.72
	37.82

- On 3 July 2007, a subsidiary entered into an agreement to construct and lease the land and completed building with the Privy Purse Bureau. Under this agreement, the Privy Purse Bureau agrees and permits the subsidiary to undertake building construction, and the subsidiary agrees to construct a residential and hotel building situated on the land owned by the Privy Purse Bureau. The building construction permit is to be under the name of the Privy Purse Bureau and the ownership of the building and other constructions on this land are to be transferred to the landlord. In addition, the subsidiary is to pay all expenses with respect to the construction of the building until its completion. The construction period is 4 years from the date of receipt of the permit to construct the building from the Bangkok Metropolitan Authority. As the construction of building is completed, the Privy Purse has agreed with the subsidiary to lease the land and building which is constructed for the residential, hotel and related commerce for the period of 30 years as from 1 March 2011. As at 31 December 2011, the subsidiary has commitment to pay land and building rental fee to the Privy Purse Bureau at the rates stipulated in the agreement amounting to Baht 512 million by which the subsidiary has recorded a part of the rental fee as accrued project cost in the statement of financial position amounting to Baht 263 million.

  As at 31 December 2011, the subsidiary has commitments with regard to the agreement as the construction is completed, the subsidiary is obliged to pay a monthly rental fee and related expenses to the Privy Purse Bureau at the rate specified in this agreement. The rental payable as from 1 September 2010 to the end of this agreement amounts to approximately Baht 510.4 million.

- One of the subsidiaries has entered into a land rental agreement of which the location is on timeshare residence. The particular subsidiary has a commitment to pay the rental fees as stated in the agreement. The agreement lasts 30 years and will end in January 2039. As at 31 December 2011, the subsidiary has commitment to pay Baht 128 million as stipulated, by which Baht 12 million has been included as accrued project cost in the statement of financial position.

- As at 31 December 2011 and 2010, there were lease commitments for the lease and service agreements for restaurant outlets, office spaces, shops, motor vehicles, computer equipment, and office equipment committed by subsidiaries for the period ranging from 1 year to 30 years payable as follows:

	2011 Baht Million	2010 Baht Million
Next year	807	662
Between 2 and 5 years	1,066	638
After 5 years	107	178
Total	1,980	1,478

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

- The Group has entered into lease agreement for period ranging from 5 years to 10 years. As at 31 December 2011, the Group has committed to pay for rental in respect of the agreement as follows:

		AUD Million
Payment due	- within 1 year	23
	- between 2 - 5 years	63
	- over 5 years	7
Total operating lease commitments		93

Trademark, franchise and license agreements

- Four subsidiaries have entered into a number of franchise agreements in order to obtain rights to operate food restaurants. According to the agreements, those subsidiaries must pay franchise fees based on a percentage of sales and must comply with certain terms and conditions. The payments of franchise fees are included in selling expenses.

- During 1999 to 2007, six subsidiaries of distribution and manufacturing business have entered into distribution agreement, franchise agreement and to use trademarks and to receive marketing technical assistance with overseas companies. These agreements have terms of 2 - 10 years and can be renewed unless terminated by either party. The agreements are subject to certain conditions which the subsidiaries have to comply throughout the agreement periods.

- Under a one year license agreement ending in 2008 to operate a theatre with an overseas company on a yearly renewal basis, a subsidiary is committed to pay certain fees as specified in the agreement. The agreement is automatically renewed at its expiry date for one year.

- A subsidiary has entered into the license agreement with an overseas company in order to obtain rights to sell the residences. According to the agreement, a subsidiary must pay franchise fees based on a percentage of sales and must comply with certain terms and conditions.

37. GUARANTEES

Guarantees for the normal courses of business are as follows:

	31 December 2011						
	Consolidated				Company		
	Baht Million	US$ Million	AUD Million	Yuan Million	Baht Million	US$ Million	AUD Million
Letters of guarantees issued by bank on behalf of the Group	224.5	6.9	9.5	63.0	152.0	-	-
Guarantee given by the Group to financial institution to guarantee for credit facilities	4,372.9	116.9	188.0	200.0	3,245.1	115.5	188.0

	31 December 2010				
	Consolidated			Company	
	Baht Million	US$ Million	Yuan Million	Baht Million	US$ Million
Letters of guarantees issued by bank on behalf of the Group	218.7	6.5	126.0	151.6	1.9
Guarantee given by the Group to financial institution to guarantee for credit facilities	5,777.9	88.8	200.0	1,600.1	87.6

38. PROVIDENT FUND

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

39. POST STATEMENT OF FINANCIAL POSITION EVENT

On 16 January 2012, a subsidiary of the Group was made the final settlement in relation to the acquisition of The Grand Hotel, Gladstone. Final payment was AUD 11 million or equivalent to Baht 354 million, taking the total purchase price to AUD 12 million or equivalent to Baht 386 million (including a deposit that had originally been paid). Final settlement was funded 100% by the Company.

Management **Discussion and Analysis**

OVERVIEW

4Q11 and 2011 Performance

Despite the widespread flooding in the North and Central Thailand in October - November 2011, Minor International ("MINT") proved that yet again, it is resilient to unexpected events and reported the best-ever net profit of Baht 2,880 million in 2011. The outstanding result was attributable to

(1) Strong performance of hotel and mixed-use business, as a result of
   a. Improvement in 2011 occupancies of hotels outside of Bangkok and overseas throughout the year
   b. Consolidation of newly acquired business, Oaks Hotels & Resorts in Australia ("Oaks")
   c. Robust performance of mixed-use businesses, where sales of both residential properties and point-based vacation club exceeded budget amidst economic challenges

(2) Steady growth of restaurant business throughout the year, despite the floods in the fourth quarter

(3) One-time gain on fair value adjustment of S&P investment

Note that even without gain on fair value adjustment of S&P investment and one-time expense, MINT still saw its core net profit improve significantly by 55% in 2011.

During 4Q11, MINT recognized additional expenses relating to the flood including financial support to affected employees and write-off charges of damaged inventory and assets, totaling Baht 238 million. The majority of such write-off stemmed from retail trading and contract manufacturing business while hotel & mixed-use and restaurant businesses saw only marginal impact in terms of asset and inventory write-off.

MINT's subsidiary, Minor Corporation, temporarily suspended the production of its household consumer products as its NMT manufacturing facility ("NMT") in Navanakorn Industrial Estate was shut down due to the severe flooding in the area. Nonetheless, the plant resumed its partial operation in December 2011, ahead of schedule. While there was no physical damage to the Company's hotel properties, domestic hotels experienced reservation cancellation as travel advisories were issued for Bangkok and many provinces identified as affected by the floods. On the other hand, restaurant business reported an impressive same-store-sales growth of 7% in 4Q11, although at one time, over 120 restaurants were closed primarily because the access to these outlets was flooded.

4Q11 revenues increased by 39% to Baht 7,345 million, despite the major flooding during the period as MINT's businesses are more diversified, primarily with the consolidation of Oaks' performance in Australia and the strong contribution from sales of real estate development. MINT's hotel and restaurant businesses also saw an increase in revenues. Retail trading business, on the other hand, was the most impacted by the flooding and saw loss of revenues from the temporary closure of NMT manufacturing plant.

Revenue contribution from hotel & mixed-use business increased to 53% of total revenue, from 35% in 4Q10. Restaurant business, now the second largest revenue contributor, accounted for 40% while retail trading and contract manufacturing contributed another 7% in 4Q11.

Revenue Breakdown

Unit: Baht million	4Q11	4Q10	% Chg
Restaurant Services*	2,954	2,704	9%
Hotel & Mixed-Use	3,875	1,853	109%
Retail Trading & Contract Manufacturing	516	739	-30%
Total Revenue**	**7,345**	**5,296**	**39%**

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

** Including share of profit from investments in associates and joint ventures

MINT reported 2011 total revenues of Baht 28,332 million, an increase of 48% from the same period last year. The growth was due to 1) 7-months consolidation of Oaks, 2) revenues from real estate development business, 3) strong performances of all business units and 4) gain on fair value adjustment of S&P investment.

In terms of revenue breakdown in 2011, hotel & mixed-use and restaurant businesses accounted for 45% and 41% of total revenues, respectively. Retail trading and contract manufacturing contributed another 10%. Gain on fair value adjustment of S&P investment accounted for the remaining 4%.

Revenue Breakdown

Unit: Baht million	2011	2010	% Chg
Restaurant Services*	11,697	10,540	11%
Hotel & Mixed-Use	12,657	5,870	116%
Retail Trading & Contract Manufacturing	2,923	2,680	9%
Gain on fair value adjustment of S&P investment	1,054	0	N/A
Total Revenue**	**28,332**	**19,089**	**48%**

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

** Including share of profit from investments in associates and joint ventures

In 4Q11, MINT reported EBITDA of Baht 1,369 million, a 30% growth over the same period last year. The increase was due primarily to the strong performances of mixed-use businesses which over-compensated for one-time expenses and loss of business during the flood. As a result, hotel & mixed-use business and restaurant business accounted for 77% and 36% of total EBITDA in 4Q11, respectively. On the other hand, with the 2-months closure of NMT facility and write-off expenses of flooded assets and inventory, retail trading and contract manufacturing incurred negative EBITDA in 4Q11.

EBITDA Breakdown

Unit: Baht million	4Q11	4Q10	% Chg
Restaurant Services	492	449	10%
Hotel & Mixed-Use	1,050	553	90%
Retail Trading & Contract Manufacturing	-173	55	-416%
Total EBITDA	1,369	1,056	30%
EBITDA Margin	19%	20%	

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

2011 MINT EBITDA grew by 71% to Baht 6,201 million. Excluding gain on fair value adjustment of S&P investment of Baht 1,054 million and one-time goodwill impairment charge for investment of China business of Baht 93 million in 3Q11, MINT EBITDA still increased by 44%. 2011 hotel and mixed-use EBITDA increased by 91% on the back of the Company's efforts to expand and diversify its hotel and mixed-use portfolio through acquisition of Oaks and sales of real estate development. Restaurant EBITDA, excluding gain on fair value adjustment of S&P investment and one-time goodwill impairment, increased by 10%, in line with revenue growth. Retail trading and contract manufacturing EBITDA declined by 97% as a result of the write-off related to floods in 4Q11.

In 2011, EBITDA contribution of the hotel & mixed-use business increased from 48% to 53%, while restaurant business accounted for 30% of total EBITDA in 2011. The one-time gain on S&P and impairment in China accounted for the remaining 17%.

EBITDA Breakdown

Unit: Baht million	2011	2010	% Chg
Restaurant Services	1,923	1,746	10%
Hotel & Mixed-Use	3,313	1,735	91%
Retail Trading & Contract Manufacturing	4	152	-97%
Gain on fair value adjustment of S&P investment	1,054	0	N/A
Goodwill impairment of China business	-93	0	N/A
Total EBITDA	6,201	3,633	71%
EBITDA Margin	22%	19%	

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

Despite Baht 238 million additional expenses relating to the flood, MINT reported net profit of Baht 472 million in 4Q11, up 9% y-y. However, such expenses took a toll on net profit margin, causing it to decline to 6%. 2011 net profit was Baht 2,880 million, up 133% y-y. Excluding the gain from reclassification of S&P investment and one-time goodwill impairment of China business, 2011 net profit increased by 55% with net profit margin of 7%.

Net Profit

Unit: Baht million	4Q11	4Q10	% Chg
Total net profit	472	432	9%
Net Profit Margin	6%	8%	
	2011	2010	% Chg
Total net profit	2,880	1,236	133%
Net Profit Margin	10%	6%	

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

MAJOR DEVELOPMENTS IN 4Q11

	Developments
Restaurant	• Purchased the remaining 30% stake in Thai Express, Singapore • Opened 54 outlets, net: of which, 15 were equity outlets, while the remaining 39 were franchised outlets • Opened the first equity Thai Express restaurant in China and first franchise Xin Wang restaurant in the Philippines • Opened the sixth outlet of TCC in Pattaya
Hotel & Mixed-Use	• Successfully rebranded Bangkok Marriott Resort & Spa to Anantara Bangkok Riverside Resort & Spa • Launched the first Avani hotel, Avani Bentota Resort & Spa, formerly known as Hotel Serendib and Serendipity Bentota, in Sri Lanka and later launched Avani Kalutara Resort & Spa, formerly known as Kani Lanka Resort & Spa, in Sri Lanka. • Transferred and recorded 4Q11 revenues for 11% of total sellable area of St. Regis Residence, resulting in full year 2011 recognition of almost 50% of total sellable area • Opened the famous contemporary Japanese restaurant, Zuma, at St. Regis Hotel Bangkok, making it the sixth venue for the global brand.
Retail Trading	• Opened 8 points of sale, following the grand opening of Central Rama 9 in December 2011 • Redefined the focus of retail trading brands and divested the investment in AmorePacific (Laneige cosmetics). The divestment was completed in early January 2012.

SEGMENT PERFORMANCE

Restaurant Business

At the end of 2011, MINT's total restaurants reached 1,257 outlets, comprising 711 equity-owned outlets (57% of total), and 546 franchised outlets (43% of total). Of total, 831 food outlets (66% of total) are in Thailand, while the remaining 426 outlets (34% of total) are located in Australia, New Zealand, China, Middle East, India and several countries in Asia. Fifty seven new outlets were opened in 4Q11, while three outlets were closed.

Restaurant Outlets by Owned Equity and Franchise

	4Q11	Chg q-q	Chg y-y
Owned Equity	711	15	26
- Thailand	616	16	25
- Overseas	95	(1)	1
Franchise	546	38	83
- Thailand	215	16	45
- Overseas	331	23	38
Total Outlets	1,257	54	109

Restaurant Outlets by Brand

	4Q11	Chg q-q	Chg y-y
The Pizza Company	277	16	29
Swensen's	267	10	25
Sizzler	45	-	1
Dairy Queen	263	11	20
Burger King	27	-	1
The Coffee Club*	294	14	32
Thai Express	69	3	(2)
Others**	15	-	3
Total Outlets	1,257	54	109

* The Coffee Club group includes Ribs and Rumps

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

Brand Performance Analysis

Despite the flood, total system sales (including sales from franchised outlets) increased by 13% y-y in 4Q11, driven by strong same store sales growth of 7% and 109 outlet expansion y-y. Most brands reported strong same store sales growth although some stores were temporarily closed as store accessibility was limited by the floods.

Thai Express group continued to report negative same store sales growth in 4Q11. Although the flagship brand, Thai Express, continued to do well with same store sales of 3% in 4Q11, Xin Wang brand saw negative same store sales growth as the brand recently went through management change. Nevertheless, Xin Wang same store sales is seeing an improving trend in November and December of 2011. It should see further improvement once the new management team settles in. Despite the negative same store sales of -1.6% of Thai Express group for the year 2011, Thai Express still reported healthy net profit of S$8 million.

For the year 2011, same store sales and total system sales growths remained strong compared to the same period last year. 2011 same store sales grew 9%, while total system sales grew 14%.

Restaurant Business Performance by Brand

	Same Store Sales (% chg y-y)			
	4Q11	4Q10	2011	2010
The Pizza Company	11.3	8.6	11.7	4.0
Swensen's	-0.3	1.7	3.6	2.6
Sizzler	5.0	4.3	11.8	5.7
Dairy Queen	20.7	11.7	16.7	7.5
Burger King	16.9	1.4	21.8	3.7
The Coffee Club	5.5	9.8	8.8	5.7
Thai Express	-3.7	1.6	-1.6	-5.3
Average	6.5	6.8	9.0	3.7

	Total System Sales (% chg y-y)			
	4Q11	4Q10	2011	2010
The Pizza Company	18.2	11.8	15.6	5.9
Swensen's	8.6	6.0	11.8	3.9
Sizzler	8.3	12.0	14.5	15.0
Dairy Queen	30.8	16.0	23.8	12.5
Burger King	6.9	4.5	17.1	6.6
The Coffee Club	13.7	17.9	15.8	16.7
Thai Express	-0.3	1.4	0.9	-1.0
Average	12.7	11.8	14.1	9.8

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

Financial Performance Analysis

4Q11 restaurant revenues grew 9% y-y, mainly driven by strong same store sales growth, together with continued outlet expansion. 2011 restaurant revenues, excluding gain on fair value adjustment of S&P investment, grew by 11%. EBITDA margin declined slightly to 16% because of higher personnel and marketing expenses earlier in the year.

Revenue Breakdown

Unit: Baht million	4Q11	4Q10	% Chg
Revenues from Operation*	2,859	2,622	9%
Franchise Fee	94	83	14%
Total Revenues	2,954	2,704	9%
EBITDA	492	449	10%
EBITDA Margin (%)	17%	17%	
	2011	2010	% Chg
Revenues from Operation*	11,349	10,248	11%
Franchise Fee	348	292	19%
Total Revenues	11,697	10,540	11%
EBITDA (excl. gain on fair value adjustment of S&P investment and goodwill impairment)	1,923	1,746	10%
EBITDA Margin (%)	16%	17%	

* Excludes gain on fair value adjustment of S&P investment, includes share of profit and other income

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

HOTEL & MIXED-USE BUSINESS

Hotel Business

After the consolidation of Oaks, MINT owns twenty eight hotels and manages forty seven hotels and serviced suites in ten countries. Altogether, these properties have 9,821 hotel rooms and serviced suites, including 3,287 that are equity-owned and 6,534 that are purely-managed by the Company and its subsidiary, Oaks. Of total, 3,209 rooms in Thailand accounted for 33%, while the remaining 6,612 rooms or 67% are located in Australia, New Zealand, Maldives, Indonesia, Sri Lanka, Vietnam, Africa, and the Middle East.

Hotel Rooms by Owned Equity and Management

	4Q11	Chg q-q	Chg y-y
Equity-owned*	3,287	-9	296
- Thailand	2,371	-9	218
- Overseas	916	-	78
Management	6,534	-	5,411
- Thailand	838	-	45
- Overseas**	5,696	-	5,366
Total Hotel Rooms	9,821	-9	5,707

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

** Includes both properties with management contracts and service contracts

Hotel Room by Brand

	4Q11	Chg q-q	Chg y-y
Anantara*	2,355	407	619
Four Seasons	505	-	-
Marriott*	782	-413	-413
Oaks	5,277	-	5,277
Avani**	195	195	195
Others**	707	-198	29
Total Hotel Rooms	9,821	-9	5,707

* Bangkok Marriott has been rebranded to Anantara Bangkok Riverside since November 2011

** Hotel Serendib and Serendipity Bentota and Kani Lanka Resort & Spa have been rebranded to Avani Bentota Resort & Spa and Avani Kalutara Resort & Spa, respectively

Hotel Brand Performance Analysis

In 4Q11, Minor Hotel Group's average occupancy increased by 10% to 68%, primarily as a result of Oaks' high occupancy of 79%. Although average daily rates ("ADR") declined by 9%, attributable to lower ADR of Oaks, the higher occupancy more than compensated for the ADR shortfall, resulting in average revenues per available room ("RevPar") increase of 7% in 4Q11. During the quarter, average occupancy showed an improvement y-y across most brands, except Four Seasons and Others. Four Seasons Bangkok and St. Regis Hotel Bangkok experienced lower occupancies as a result of reservation cancellation caused by concern over the floods throughout the quarter. Nevertheless, for the full year 2011, all brands reported improvements in average occupancies. In terms of average daily rate ("ADR"), all groups except Anantara, showed an improvement in 4Q11. Some of the hotels which were recently rebranded to Anantara in 4Q11 were still temporarily limited in their abilities to increase room rates, right after the rebranding. Further improvement in room rates at these newly rebranded properties should be more visible in 2012.

Hotel Business Performance by Brand

	Occupancy (%)			
	4Q11	4Q10	2011	2010
Marriott*	65*	65	67*	63
Anantara*	58*	53	52*	47
Four Seasons	42	55	50	45
Oaks	79	N/A	79	N/A
Others**	44	55	45	44
Average	68	58	65	52

	ADR (Baht/night)			
	4Q11	4Q10	2011	2010
Marriott*	4,029	3,890	3,643	3,717
Anantara*	7,239	7,947	6,829	7,248
Four Seasons	9,970	8,176	8,660	8,338
Oaks	4,880	N/A	4,977	N/A
Others**	5,302	3,953	4,925	5,076
Average	5,483	6,015	5,385	5,695

	RevPar (Baht/night)			
	4Q11	4Q10	2011	2010
Marriott*	2,614	2,537	2,450	2,337
Anantara*	4,178	4,212	3,526	3,371
Four Seasons	4,197	4,525	4,325	3,735
Oaks	3,856	N/A	3,917	N/A
Others**	2,335	2,184	2,193	2,254
Average	3,737	3,491	3,479	2,976

* Bangkok Marriott has been rebranded to Anantara Bangkok Riverside since November 2011

** Others including St. Regis Bangkok, Naladhu Maldives and Harbour View Vietnam

Hotel Performance Analysis

MINT's revenues from hotel operations in 4Q11 doubled due mainly to the consolidation of Oaks, additional revenues from the new hotels and improvement of existing hotels. Similarly, 2011 revenues from hotel operations grew by 88%.

Mixed-Use Business & Performance Analysis

MINT's spa business is operated under Anantara, Mandara and Elemis brands. At the end of 4Q11, MINT owns and manages 36 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, India, Egypt, Vietnam and recently added Korea. In 4Q11, MINT reported a 9% decline in revenues from spa services to Baht 77 million due to the closure of 3 spas during 2011. However, its revenues in 2011 increased slightly by 1% to Baht 298 million.

MINT's real estate business develops and sells properties in conjunction with the development of some of its hotels. The first project is the Estates Samui, which is adjacent to MINT's Four Seasons Hotel in Samui, with 14 villas. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok. Another real estate development operation is MINT's new point-based vacation club under its own brand, Anantara Vacation Club. The first 20 purpose-built properties adjacent to Anantara Bophut, Samui, were completed as the inventory available for sale since December 2010. Another two villas in Phuket and three units in Queenstown, New Zealand were later added as part of Anantara Vacation Club's inventory in 2011. The two real estate businesses, together with rental income from the Estates Samui, reported sales of Baht 801 million in 4Q11, while only Baht 216 million was recognized in 4Q10 for the first few unit sales of St. Regis Residence Bangkok and some rental income from The Estates Samui. For 2011, sales of real estate development totaled Baht 2,853 million, a significant increase compared to only Baht 236 million in 2010.

Another mixed-use business of MINT is plaza and entertainment business. The company owns and operates three shopping plazas, namely; (1) Royal Garden Pattaya; (2) Turtle Village Shopping Plaza Phuket and (3) Royal Garden Plaza Bangkok. In addition, MINT is the operator of five entertainment outlets, namely (1) Ripley's Believe It or Not Museum; (2) 4D Moving Theater; (3) Haunted Adventure; (4) Infinity Maze; (5) The Louis Tussaud's Waxworks; and (6) latest addition, surreal journey Scream in the Dark. In 4Q11, revenues from plaza and entertainment business remained flat at Baht 134 million, while its 2011 revenues increased by 12% y-y to Baht 589 million.

Overall Hotel & Mixed-Use Financial Performance Analysis

With Oaks' revenues of Baht 1,182 million and real estate development revenues of Baht 801 million, MINT's hotel & mixed-use business reported 4Q11 revenue growth of as much as 109% to Baht 3,875 million. However, EBITDA margin from hotel & mixed-use business declined from 30% in 4Q10 to 27% in 4Q11. The decline was due primarily to the reservation cancellation in 4Q11, especially for hotels in Bangkok, initial operating expenses of two new hotels, Anantara Kihavah in the Maldives which was opened in February 2011 and the St. Regis Bangkok which was opened in April 2011, selling & marketing expenses of Anantara Vacation Club and St. Regis Residence and lower EBITDA margin of Oaks. As a result, 2011 EBITDA margin of hotel & mixed use business also declined to 26% from 30% in 2010.

Revenue Breakdown

Unit: Baht million	4Q11	4Q10	% Chg
Hotel operations*	2,736	1,350	103%
Management fee	127	68	86%
Spa services	77	85	-9%
Plaza & entertainment	134	133	0%
Real estate development**	801	216	270%
Total Revenues	3,875	1,853	109%
EBITDA	1,050	553	90%
EBITDA Margin (%)	27%	30%	
	2011	2010	% Chg
Hotel operations*	8,587	4,564	88%
Management fee	330	246	34%
Spa services	298	296	1%
Plaza & entertainment	589	527	12%
Real estate development**	2,853	236	1107%
Total Revenues	12,657	5,870	116%
EBITDA	3,313	1,735	91%
EBITDA Margin (%)	26%	30%	

* Includes share of profit and other income

** Includes rental income from the Estate Samui

Retail Trading and Contract Manufacturing Business

At the end of 2011, MINT had 247 retail trading points of sales, an increase by 8 points of sales from 239 at the end of 3Q11 from the opening of Central Rama 9 in Bangkok.

Of total retail trading outlets, 74% are operated under fashion brands such as Esprit, Bossini, GAP and Charles & Keith, while 20% are operated under cosmetics brands such as Red Earth, Bloom and Smashbox.

Retail Trading's Outlet Breakdown

	4Q11	Chg q-q	Chg y-y
Fashion	183	6	-4
Cosmetics	49	2	-5
Others	15	-	-2
Total Outlets	247	8	-11

In 4Q11, several retail points of sales were temporarily closed due to the floods, which limited the accessibility to the stores. In addition, the retail trading business' average same store sales declined by 12% owing primarily to the deteriorated consumer confidence. Moreover, contract manufacturing temporarily ceased the operation for 2 months as its facility was flooded. As a result, revenues from manufacturing and retail trading businesses declined by 80% and 4% in 4Q11, respectively. Revenue loss, together with asset and inventory write-off, resulted in the negative EBITDA of Baht 173 million in 4Q11. Nevertheless, on the back of strong 9M11 performance, retail trading and manufacturing revenues in 2011 still increased by 9% and was break-even at EBITDA level.

Retail Trading and Contract Manufacturing's Revenue Breakdown

Unit: Baht million	4Q11	4Q10	% Chg
Retail Trading	466	483	-4%
Manufacturing	50	256	-80%
Total Revenues	516	739	-30%
EBITDA	-173	55	
EBITDA Margin	-33%	7%	
	2011	2010	% Chg
Retail Trading	1,898	1,593	19%
Manufacturing	1,025	1,087	-6%
Total Revenues	2,923	2,680	9%
EBITDA	4	152	
EBITDA Margin	0%	6%	

BALANCE SHEET & CASH FLOWS

At the end of 2011, MINT reported total assets of Baht 40,865 million, an increase of Baht 8,066 million from Baht 32,799 million at the end of 2010. The increase was primarily the result of:

1. Baht 5,629 million increase in assets from the consolidation of Oaks and Baht 616 million increase in goodwill arisen from Oaks' acquisition
2. Baht 1,310 million increase in fixed assets of Anantara Kihavah Resort & Spa, Maldives and St. Regis Hotel and Residence, and
3. Baht 445 million increase in associates and other long-term investment mainly from the additional investment in Serendib Hotels Limited, Sri Lanka of Baht 27 million, additional investment in S&P of Baht 346 million, and the acquisition of 25% stake of Tidal Swell (owner of four properties currently managed by Oaks) in Australia under Oaks of Baht 74 million

MINT reported total liabilities of Baht 25,931 million, an increase of Baht 6,888 million from Baht 19,043 million at the end of 2010. The increase was a result of;

1. Baht 3,053 million increase in liabilities from the consolidation of Oaks, and
2. Baht 2,969 million increase in long-term borrowings to finance Oaks' acquisition, and
3. Baht 2,300 million increase in the issuance of debentures in March and October 2011, netted off with loan prepayment of Baht 1,116 million and debenture repayment of Baht 1,000 million

Shareholders' equity increased by Baht 1,179 million to Baht 14,935 million from Baht 13,756 million at the end of 2010 owing mainly to net profit of Baht 1,826 million (excluding gain on fair value adjustment of S&P investment) and the increased capital from exercise of ESOP warrants of Baht 90 million, netted off with dividend payment of Baht 490 million (net of dividend income) and the reduction in minority interest of Baht 383 million as MINT acquired the remaining 30% stake in Thai Express.

For the year 2011, MINT and its subsidiaries reported cash flows from operations of Baht 3,813 million, an increase of Baht 1,276 million y-y. Cash flow paid for investing activities was Baht 6,539 million, due primarily to (1) payments of Baht 2,521 million for the acquisition of Oaks, and additional investments of Baht 402 million in Thai Express, Baht 380 million in S&P, Baht 72 million in Tidal Swell and Baht 58 million in Cyprea Lanka, (2) payments of Baht 2,778 million for projects under development in 1Q11, namely Anantara Kihavah in the Maldives and St. Regis Hotel & Residence and other fixed assets and (3) payment of Baht 156 million for software development to support restaurant and retail trading businesses. The Company reported net cash receipts from financing activities of Baht 2,670 million, comprising of (1) net proceeds from borrowings of Baht 3,083 million, primarily from the debenture issuance and increased borrowings to finance Oaks' acquisition and (2) net proceeds from the issuance of additional ordinary shares from the exercise of ESOP warrants of Baht 90 million, netted off with (3) dividend payment of Baht 503 million. As a result, MINT's net cash and cash equivalents decreased by Baht 55 million in 2011.

FINANCIAL RATIO ANALYSIS

MINT's gross profit margin declined from 62.3% in 2010 to 61.6% in 2011. The decline was due mainly to real estate development business. Although the business contributes almost Baht 3 billion of sales but it has relatively lower gross profit margin, since most of its costs of sales were construction expenditures. Nevertheless, net profit margin for 2011 increased from 6.5% to 10.2%, owing mainly to the gain on fair value adjustment of S&P investment and improved profitability at net margin level of mixed-use business.

Return on equity increased to 20.1% in 2011 from 9.6% in 2010. Return on assets was also up to 7.8% from 4.1%. The increase of both ratios was a result of significantly improved net profit.

Current ratio decreased from 1.1 as at 31 December 2010 to 0.9 at the end of 4Q11, primarily from the increase in current portion of long-term debentures. Interest bearing debt/equity increased from 1.0x at the end of 2010 to 1.3x from the consolidation of Oaks' liabilities as well as increased borrowings to finance Oaks' acquisition. Interest coverage ratio in 2011, however, increased to 5.5x from 5.4x due mainly to the increased net profit. The above mentioned credit ratios are expected to improve partly on the back of future earnings contribution from Oaks.

Financial Ratio Analysis

Profitability Ratio	31 Dec 2011	31 Dec 2010
Gross Profit Margin (%)	61.58%	62.30%
Net Profit Margin (%)	10.17%	6.48%
Return on Equity (%)	20.08%	9.58%
Efficiency Ratio	**31 Dec 2011**	**31 Dec 2010**
Return on Assets (%)	7.82%	4.05%
Collection Period (days)	17	20
Liquidity Ratio	**31 Dec 2011**	**31 Dec 2010**
Current Ratio (x)	0.89	1.13
Leverage & Financial Policy	**31 Dec 2011**	**31 Dec 2010**
Interest Bearing Debt/Equity (x)	1.33	1.04
Net Interest Bearing Debt/Equity (x)	1.25	0.96
	31 Dec 2011	**31 Dec 2010**
Interest Coverage (x)	5.54	5.44

* Excluding gain on fair value adjustment of S&P investment and one-time goodwill impairment, ROE and ROA would be 13.4% and 5.2%.

MANAGEMENT'S OUTLOOK

A Promising 2012

After undergoing one of the worst natural disasters in Thailand's history, MINT expects 2012 to be even a stronger year. All businesses showed strong signs of recovery in January 2012, e.g. over 70% average occupancy for hotel portfolio, 11% same store sales growth for restaurant business and sales of the first Estates Samui residence in three years. As a result, MINT expects 2012 to be one of the best years on the back of the following factors;

1. **Organic expansion of current business**

   MINT had one of the strongest first nine-month performances in 2011 prior to the flood. Hotels, restaurants and retail stores were tracking well with the economic expansion and growth in domestic consumption. The flood, unfortunately, temporarily disrupted the growth momentum in the fourth quarter of 2011. However, strong 2011 performance was yet another evidence of MINT's resiliency to unexpected events. The Company's businesses quickly recovered after the flood. The company, its people and operating system have become very adaptive and pro-active after facing various crises over the past few years. While other companies had to shut down some of their operations during the flood due to supply shortage, MINT's hotels and the majority of its restaurants and retail stores continued to satisfy customers with only minimal disruptions, signifying its system is second to none.

2. **Continued momentum of real estate development**

   MINT recognized almost three billion Baht of sales from real estate development, equivalent to 10% of 2011 total revenues. Since the official opening of St. Regis Residence and Anantara Vacation Club in early 2011, sales momentum of both projects has continuously accelerated on the back of good product development and strong sales and marketing team. In January 2012, MINT sold another residential unit of the Estates Samui, in addition to St. Regis Bangkok. With 50% remaining inventory of both residential projects and more inventory in different destinations awaiting to be added into Anantara Vacation Club, MINT expects the performance of real estate development to remain strong.

3. **Better yields from newly start-up businesses**

   2012 will be the second year of operations for MINT's new hotels, Anantara Kihavah in the Maldives and St. Regis Hotel in Bangkok. Throughout 2011, the two hotels have built their strong awareness through multiple awards and accomplishment, resulting in increase in occupancies and average room rates. In 2012, the two hotels are expected to bring in positive contribution whereas they contributed losses in 2011.

   Apart from new equity hotels, MINT's acquisitions in 2011 include two businesses in Australia; Oaks Hotels & Resorts and Ribs and Rumps restaurants. While Oaks is looking to expand further in the region with additional rooms under new MLR contracts, Ribs and Rumps recently opened its first new equity outlet since Sep-2011 acquisition. The new store is now one of the brand's top performing outlets in Australia.

4. Additional source of income from potential new investment

Although one of the Company's objectives in 2012 is strengthening the existing businesses, MINT still looks for new business opportunities for greater diversification. The success of Oaks acquisition proves that not only does MINT have the expertise in seeking the right and reasonably-priced target, but also in incorporating the new business under one roof leveraging on excellent operational platform and stringent financial discipline.

Connected **Transactions**

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
1. MJET Limited (MJET)			
Relationship: Common directors	MJET provided air chartered flight services to MINT and its subsidiaries, recorded as other expenses by the following companies: • MINT • MFG	 14.04 9.52	MINT and subsidiaries used air chartered flights for management to visit their project sites. The services were provided at market rates and conditions. Audit Committee had an opinion that the transactions were fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to MJET and received monthly service fee, which was based on type and quantity of service.	2.09	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental fee from MJET.	0.31	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Corporation Pcl., MINT's subsidiary, provided management and financial services to MJET and received monthly service fee, which was based on type and quantity of services.	0.73	As Minor Corporation Pcl. had specialized staff in providing management and financial services and in order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
2. Maikhao Vacation Villas Limited (MVVL)			
Relationship: A joint venture holds 50% by MINT and common directors	Minor Global Solutions Limited, MINT's subsidiary, provided accounting services. The fee was charged according to the type and amount of services provided.	0.60	As Minor Global Solutions Limited had specialized staff in providing consultant and management services and in order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was reasonable.
3. Select Service Partner Limited (SSP)			
Relationship: MFG holds 51% stake and common directors	MINT's subsidiaries sold their respective products to SSP and recorded sales by the following companies: • MFG • Minor DQ Limited • Burger (Thailand) Limited • Swensen's (Thai) Limited	 6.97 10.11 66.10 1.05	SSP, MINT's subsidiary sold product at market prices and conditions. Audit Committee had an opinion that the transactions were fair and reasonable.
	MFG, MINT's subsidiary, provided management and financial services to SSP and recorded management fee income.	1.81	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	MFG, MINT's subsidiary invests in SSP's securities and received dividend income	40.80	Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.
4. Eutopia Private Holding Limited (Eutopia)			
Relationship: MINT holds indirectly 50% shareholding and common directors.	MINT's subsidiary – RGR International Limited provided long-term loan to Eutopia according to joint venture agreement. The loan has interest rate as agreed by both parties which was determined based on market rate.	205.99	The loan was provided according to joint venture agreement and interest was determined based on market rate. Audit Committee had an opinion that the transaction was reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
	RGR International Limited recorded interest income received from Eutopia according to joint venture agreement.	8.34	The loan was provided according to joint venture agreement and interest was determined base on market rate. Audit Committee had an opinion that the transaction was reasonable.
	Lodging Management (Labuan) Limited provided hotel management service to Eutopia and recorded management fee income.	136.56	Lodging Management (Labuan) Limited had specialized and experienced staffs in hotel management and sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to Eutopia and received computer fee which was based on type and quantity of service.	0.90	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Hotel Group, MINT's subsidiary provided hotel management service to Eutopia and received management fee which was based on type and quantity of service.	0.36	Minor Hotel Group had specialized and experienced staffs in hotel management and sharing the usage of resources. Audit Committee had an opinion that the transaction was fair and reasonable.
	MINT arranged sources of fund services to Eutopia and recorded other income for service charge.	6.43	The arranging sources of fund to Eutopia were according to joint venture agreement. Audit Committee had an opinion that the transaction was reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
5. Harbour View Corporation			
Relationship: MINT holds indirectly 30.39% shareholding and common directors.	MINT's subsidiary – RGR International Limited provided long-term loan to Harbour View Corporation proportionately to shareholding. The loan agreement has definite interest rate, terms and conditions agreed by both parties where the interest rate was determined based on market rate.	2.54	The loan was provided proportionately to percentage of shareholding. Audit Committee had an opinion that the transaction was fair and reasonable.
	RGR International Limited recorded interest income received from Harbour View Corporation according to joint venture agreement.	0.06	The loan was provided proportionately to percentage of shareholding. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Hotel Group Limited provided hotel management service to Harbour View Corporation and recorded management fee income.	2.67	Minor Hotel Group Limited had specialized and experienced staffs in hotel management and sharing the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to Harbour View Corporation and received computer fee which was based on type and quantity of service.	0.06	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
6. Tanzania Tourism and Hospitality Investment Limited			
Relationship: MINT indirectly holds 50% shareholding	MINT's subsidiary – Hospitality Investment International Limited provided long-term loan to Tanzania Tourism and Hospitality Investment Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	141.30	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Tanzania Tourism and Hospitality Investment Limited in accordance to joint venture agreement.	3.23	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary provided management services to Tanzania Tourism and Hospitality Investment Limited and received management fee which was based on type and quantity of service.	0.05	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
7. Zanzibar Tourism and Hospitality Investment Limited			
Relationship: MINT indirectly holds 50% shareholding	MINT's subsidiary – Hospitality Investment International Limited provided long-term loan to Zanzibar Tourism and Hospitality Investment Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	14.94	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
	Hospitality Investment International Limited recorded interest income received from Zanzibar Tourism and Hospitality Investment Limited in accordance to joint venture agreement.	0.34	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
8. Rocky Hill Limited			
Relationship: MINT indirectly holds 50% shareholding	MINT's subsidiary – Hospitality Investment International Limited provided long-term loan to Rocky Hill Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	8.87	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Rocky Hill Limited in accordance to joint venture agreement.	0.11	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
9. Sand River Eco Camp Limited			
Relationship: MINT indirectly holds 50% shareholding	MINT's subsidiary – Hospitality Investment International Limited provided long-term loan to Sand River Eco Camp Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	51.37	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
	Hospitality Investment International Limited recorded interest income received from Sand River Eco Camp Limited in accordance to joint venture agreement.	0.46	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
10. Elewana Afrika Limited			
Relationship: MINT indirectly holds 50% shareholding	MINT's subsidiary – Hospitality Investment International Limited provided long-term loan to Elewana Afrika Limited in accordance with joint venture agreement. The loan agreement has definite interest rate, terms and conditions agreed by both parties.	82.37	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
	Hospitality Investment International Limited recorded interest income received from Elewana Afrika Limited in accordance to joint venture agreement.	0.50	The loan was provided in accordance with joint venture agreement where term was determined base on market rate. Audit Committee had an opinion that the transaction was fair and reasonable.
11. Arabian Spa (Dubai) (LLC)			
Relationship: MINT indirectly holds 49% shareholding and common directors.	M Spa Venture Limited- MINT's subsidiary provided spa management to Arabian Spa (Dubai) (LLC) and recorded management fee income.	6.09	M Spa Venture Limited had specialized and experienced staffs in spa management and sharing the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
12. Sribhathana Garden Limited			
Relationship: Common major shareholders (Minor Holdings (Thai) Limited) and common directors.	MINT provided accounting, tax management, financial services and sales to Sribhathana Garden Limited and recorded management fee income.	0.90	MINT had specialized and experienced staffs in the services mentioned. The resources were shared and utilized to realize maximum benefit. Audit Committee had an opinion that the transaction was fair and reasonable.
	Maerim Terrace Resort Limited leased Sribhathana Garden Limited's land as a site to operate Four Seasons Resort Hotel Chiangmai and recorded rental expenses.	13.68	The Land lease for hotel operation was normal business transaction. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, provided accounting, tax management and financial services to Sribhathana Garden Limited. The fee was charged monthly according to the type and amount of services provided.	0.63	As Minor Global Solutions Limited had specialized staff in providing accounting services and in order to share and maximize the usage of resources, Audit Committee had an opinion that the transaction was fair and reasonable and in order to maximize benefit of the Company.
13. Minor Holdings (Thai) Limited (MHT)			
Relationship: Major shareholder of MINT holds 16.77% and common directors.	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to MHT and received monthly service fee, which was based on type and quantity of service.	1.38	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental from MHT.	0.02	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
14. Phuket Vessel Holding Limited			
Relationship: Common directors.	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to Phuket Vessel Holding Limited and received monthly service fee, which was based on type and quantity of service.	0.25	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
15. Pluluang Limited			
Relationship: Common directors.	Minor Global Solutions Limited, MINT's subsidiary provided IT management services to Pluluang Limited and received monthly service fee, which was based on type and quantity of service.	0.03	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Rajadamri Residence Ltd. MINT's subsidiary received annual maintenance fee from Pluluang Limited is the purchaser of St. Regis residence. In consideration thereof, the service is the same rate with third parties.	136.46	Annual maintenance fee represented fee based on market (the same rate with other customers) and normal condition collecting from purchaser of the residence project of Rajadamri Residence Ltd. Audit Committee had an opinion that the transaction was reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
16. Hua Hin Condominium Limited			
Relationship: Major shareholder of MINT holds 16.77% and Common directors	Minor Global Solutions Limited, MINT's subsidiary provided Legal Management service fee to Hua Hin Condominium Limited and received monthly service fee, which was based on type and quantity of service.	0.06	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
17. S&P Syndicate Pcl. (S&P)			
Relationship: MINT holds 31.32%. and Common directors	MINT invested in S&P's securities and received dividend income	83.78	Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.
	MINT's subsidiaries purchased products from S&P who are producer and distributor of diary products, and frozen foods. The subsidiaries recorded as purchase of goods by following companies:		The transaction is normal business and purchase price was at market price. Audit Committee had an opinion that the transaction was fair and reasonable.
	• MFG	32.17	
	• Swensen's (Thai) Limited	5.95	
	• SLRT Limited	7.22	
	• Minor DQ Limited	3.40	
	• The Coffee Club (Thailand) Limited	0.02	
18. Minor Aircraft Holding Limited			
Relationship: Common directors	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to Minor Aircraft Holding limited and received monthly service fee, which was based on type and quantity of service.	0.44	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental fee from MJET.	0.03	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
19. MJETS Maintenance Limited			
Relationship: Common directors	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to MJETS Maintenance Limited and received monthly service fee, which was based on type and quantity of service.	0.37	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Global Solutions Limited, MINT's subsidiary, leased computer and received monthly rental fee from MJETS Maintenance Limited.	0.10	Minor Global Solutions Limited leased many computers from leasing company, third party. This transaction resulted lower costs. Audit Committee had an opinion that the transaction was fair and reasonable.
	Minor Corporation Pcl., MINT's subsidiary, provided management and financial services to MJETS Maintenance Limited. and received monthly service fee, which was based on type and quantity of services.	0.73	As Minor Corporation Pcl. had specialized staff in providing management and financial services and in order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was reasonable.

Connected Persons	Type of Business	Transaction Size 2011 (Million Baht)	Necessity and rationale
20. Thaisale.co.th Limited			
Relationship: Minor Corporation Pcl., MINT's subsidiary holds 50%	Minor Global Solutions Limited, MINT's subsidiary, provided IT management services to MJETS Maintenance Limited and received monthly service fee, which was based on type and quantity of service.	0.05	In order to share and maximize the usage of resource, Audit Committee had an opinion that the transaction was fair and reasonable.
21. The Coffee Club Holdings Pty. Ltd.			
Relationship: MINT's subsidiary, Delicious Food Holdings (Australia) holds 50%	DFHA, MINT's subsidiary invests in SSP's securities and received dividend income	73.40	Dividend income is normal return for holding of securities. Audit Committee had an opinion that the transaction was fair and reasonable.
22. InsurExcellence Insurance Brokers Ltd.			
Relationship: Common director	MINT and its subsidiaries paid insurance premium to InsurExcellence Insurance Brokers Ltd. The price was market prices same as third parties.	14.01	It is market price and under normal conditions. Audit Committee had an opinion that the transaction was reasonable and in order to maximize benefit of the Company.

CONNECTED TRANSACTION APPROVAL PROCEDURE

All connected transactions are evaluated by the relevant work units in two respects; firstly, their benefit contribution to the Company, and secondly, they being done on a fair price basis. If necessary, external advisors or experts shall be engaged in order to provide independent opinion on the transactions. The Company then proposes the transactions for internal approval process where directors or employees possess conflict of interest must not participate in approval process. The Company also has its Audit Committee certify the fair value of the connected transactions.

In case the transactions fall under the relevant rules and regulations of the Stock Exchange of Thailand, the Company observes that all relevant rules and regulations are being adhered to strictly by the Company as well as its subsidiaries.

FUTURE POLICY ON CONNECTED TRANSACTIONS

The Audit Committee and the Company will jointly consider and review any connected transactions that may arise in the future to ensure their necessity and fair price basis.

Pricing policies for related party transactions are as follows:

	Pricing policies
Sales and purchases	Prices normally charged to third parties
Sales from real estate development operations	Prices normally charged to third parties
Rental income	Agreed prices which approximate to prices normally charged to third parties
Franchise fee	Agreed prices which approximate to prices normally charged to third parties
Management income and other income	Agreed prices which approximate to prices normally charged to third parties
Interest income	Rate as mutually agreed by shareholders and rate determined with reference to the interest rate quoted by commercial banks
Rental expenses	Agreed prices which approximate to prices normally charged by third parties
Management expenses	Agreed prices which are costs plus administrative expenses
Royalty fee	Agreed prices which approximate to prices normally charged by third parties
Interest expenses	Rate determined with reference to the interest rate quoted by commercial banks

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Good **Corporate Governance**

The Board of Directors (the Board) of Minor International Public Company Limited (the Company) realizes the importance of Good Corporate Governance, a critical for the Company to achieve its long term sustainable growth objectives.

The Board has approved the Good Corporate Governance Guidelines (the Guidelines) for all the Company's business operations and for its directions, management and employees. The Guidelines will be reviewed and modified annually in order to adapt to the changes in business operations, the regulatory environment, and applicable laws.

1. SHAREHOLDERS' RIGHT

The Board values the rights of shareholders and defines a policy in the Guidelines to ensure the Equitable Treatment of all Shareholders:

1.1 All statutory rights of shareholders that include, voting right, right to receive dividends, right to sell, buy or transfer shares, right to attend shareholders' meetings, and right to receive information that is sufficient, timely, and in a form suitable to allow for the formation of decisions

1.2 The rights to elect and remove directors, and to approve the appointment of independent auditors

1.3 The rights to the division in the profits

1.4 The rights to receive board resolution regarding detailed information of the Board resolution, and the Annual General Meeting (AGM) agendas in advance, not less than 30 days prior to the AGM date via the Company's website

1.5 The rights to receive an invitation notice for the AGM, identifying the date, time and location of the Meeting, detailed information of agenda items, rules and procedures to attend the meeting and issues for consideration. The Company will send the invitation notice to all shareholders in advance, not less than 7 days before the meeting. The Meeting will be held on date, time and location that is convenient to shareholders

1.6 The Company allows shareholders to send their questions to the Company prior to the meeting date via the Company's website

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Board values the importance of Equitable Treatment to Shareholders and has established policies to supervise, protect and promote the shareholders' rights to ensure that all shareholders will be treated fairly and equally. Furthermore, the policy relating to the Equitable Treatment to Shareholders must be in accordance with the guidelines, rules and regulations of the SET, and the SEC, as well as related laws. The key policies that have been established to ensure the equitable and fair treatment of shareholders are;

2.1 To grant shareholders the opportunity to propose AGM agenda items of the Meeting in advance.

The right to propose additional items to the agenda of the AGM, in order to grant the opportunity to pose questions, request explanations, and express their views as appropriated. All criteria required to propose AGM agenda items will be disclosed in the Company's website.

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

2.2.1 In case shareholders cannot attend the Meeting, the Company has provided 3 proxy forms prescribed by the Department of Commercial Registration, Ministry of Commerce to be used in any shareholders' meeting in order to facilitate the proxy. The shareholders may select any form of the three provided.

2.2.2 The granter may select the Company's independent director to facilitate the proxy. The Company has attached the independent director's profile with the proxy form.

2.3 Equitable Treatment at the AGM

2.3.1 Before commencing the Meeting, the Chairman of the Meeting will explain the voting procedures and vote-counting procedures to shareholders.

2.3.2 The Chairman of the Board, and the Chairman of the Committees will attend the Meeting in order to provide shareholders comments to inquire relevant to the agenda or the Company's operation.

2.3.3 The Company allows shareholders to elect directors on individual basis.

2.3.4 The Chairman of the Meeting conducts the Meeting in the sequence as given in the agenda, and invitation notification. No additions to the agenda or alteration of sequence of agenda items will be made, except such for appropriated reasons.

2.3.5 In order to ensure the transparency and compliance with auditing standards, the Company use voting cards for all agenda items in AGM. In addition, to permit accurate and timely reporting, the Company uses the automatic system for registration and vote-counting.

2.4 After AGM, the Company will prepare the minutes of the Meeting according to agenda with voting results of each agenda item specifying affirmative, negative and abstention vote counts, plus details of important matters discussed. The minutes of the Meetings will be disclosed in the Company and the SET's website within 14 days of AGM date.

2.5 Policy and Measures on Inside Information

The Company has established an explicit policy and measurement to prevent all directors and management from using inside information for their own interests. Directors and senior management are to notify the Corporate Secretary of every transaction they make regarding the trading of the Company's securities prior to submitting the Securities Holding Report to the SEC. The Company also prohibits all directors and senior management from trading the Company's securities in case involving material information or information that would impact the Company's security price. The Company will inform in writing all directors and senior management to abstain from trading the Company's securities at least 30 days before interim and fiscal financial information is released to the SET and the SEC.

3. ROLES OF STAKEHOLDERS

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

Shareholders The Company is committed to create long-term growth and returns to the shareholders and conducting its business in the transparent manner.

Customers The Company is committed to continuously develop better quality of goods and services for the benefit and satisfaction of its customers.

Partners The Company treats all partners fairly in order to achieve mutual benefits.

Creditors The Company observes all of its obligations to creditors.

Competitors The Company abides by the framework of fair competition and will not destroy the reputation of competitors through false accusations.

Employees The Company considers its employees a valuable asset and treats them fairly in regard to work opportunities, remuneration, and quality of working environment. The Company also provides all its employees professional and career development training.

Society and environment The Company is committed to conduct businesses that benefit the economy and society and quality of environment. The Company has established the Corporate Social Responsibility (CSR) Department to promote the Company's staff the importance of the CSR objectives to achieve balanced benefits relating to society, the environment, and all stakeholders in harmony with the Company's sustainable growth objectives.

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

4. DISCLOSURE

4.1 Investor Relations

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

The Company provides a central point of investor contact, Mr. Chaiyapat Paitoon, VP of Strategic Planning.

4.2 Corporate Governance Guidelines

The Board takes a serious interest in the monitoring of Corporate Governance guidelines that are required for long term sustainable growth. These written guidelines are reviewed annually. The guidelines define rights and equitable treatment of shareholders, vision, mission, and principal responsibilities of the Board, business principles, integrity and business control, conflict of interest, CSR guidelines, workplace environment, disclosure, and policies involving stakeholders including customers, and community. The Board also approves the policy on business ethics for employees, and the Company provides secure communications channels for the reporting of behavior which is illegal or in violation of established guidelines.

4.3 Report of the Board of Directors

The Board is responsible for the consolidated financial statements of the Company and its Subsidiaries, and the financial information shown in the Annual Report. The financial statements are prepared utilizing the accounting standards in Thailand, and to ensure the proper disclosure of financial information.

The Board has appointed members of the Audit Committee which comprising of independent directors to be responsible for the oversight of financial reporting and internal control. The opinion Report of the Audit Committee is shown in the Annual Report.

4.4 Remuneration of Directors and Management

The Company sets the remuneration basis of directors and senior management based on relevant industry practices in order to maintain its competitiveness to attract and retain key personnel. The remuneration forms for directors are meeting fees and fixed fees, whereas remuneration forms for senior management are salary and bonuses. In addition, the Company has provided the management and employees ESOP warrants, Employee Joint Investment Program (EJIP) with vesting terms of up to 4 - 5 years in order to motivate management to create the long-term growth, and to facilitate the retention of key personnel. The Compensation Committee, which is comprised of the independent directors and non-executive director, will approve the salaries and bonuses of executive directors, and determine the allocations under the ESOP and EJIP program.

The year 2011 remuneration that the Company has paid to the directors and senior management was as follows:

4.4.1 Directors' Remuneration

Directors	Attendance/ Meetings	Board fees (Baht)	AC fees (Baht)	CC fees (Baht)	NCG fees (Baht)	Fee from Subsidiaries (Baht)	Total (Baht)
1. Mr. William E. Heinecke	7/9	200,000	-	-	-	180,000	380,000
2. Mr. Paul C. Kenny	9/9	200,000	-	-	-	-	200,000
3. Mrs. Pratana Mongkolkul	8/9	200,000	-	-	-	180,000	380,000
4. Mr. Kenneth L. White	9/9	1,100,000	500,000	50,000	50,000	-	1,700,000
5. Mr. Weerawong Chittmittrapap*	7/7	830,000	-	50,000	50,000	-	930,000
6. Mr. Anil Thadani	6/9	1,040,000	-	50,000	50,000	180,000	1,320,000
7. Khunying Jada Wattanasiritham	9/9	1,100,000	300,000	-	-	-	1,400,000
8. Mr. Emmanuel Jude Dillipraj Rajakarier	8/9	200,000	-	-	-	180,000	380,000
9. Ms. Chantana Sukumanont	8/9	1,080,000	260,000	-	-	-	1,340,000

* Appointed on 22 February 2011.

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

4.4.2 Management Remuneration

In 2011, the Company paid remuneration of totally Baht 148 Million.

4.5 Committee's Functions

The Board has set and appointed members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee Compositions of each committee are laid out in the shareholders' structure and management section.

4.5.1 Summary of the Committees' Meeting Attendance

Directors	Attendance / Audit Committee Meetings	Attendance / Compensation Committee Meetings	Attendance / NCG Committee Meetings
1. Mr. Kenneth L. White	5/5	1/1	2/2
2. Khunying Jada Wattanasiritham	5/5	-	-
3. Ms. Chantana Sukumanont	4/5	-	-
4. Mr. Weerawong Chittmittrapap*	-	0/1	1/2
5. Mr. Anil Thadani	-	0/1	1/2

* Appointed on 22 February 2011.

4.6 Policy on Corporate Social Responsibilities

The Board realizes the importance for the Company to demonstrate leadership by conducting its business in a manner that provides benefits to the economy, society, and the environment. The Company established the Corporate Social Responsibility Department to promote the Company's staff the importance of the CSR objectives to achieve balance benefits to society, environment, and all stakeholders in harmony with the Company's sustainable growth objectives. During 2011, the CSR activities are detailed in Corporate Social Responsibilities Section.

5. RESPONSIBILITIES OF THE BOARD

5.1 The Composition of the Board and Committees

5.1.1 Composition and Qualification of Directors

5.1.1.1 The Board consists of at least five members, but not more than eleven. No fewer than half of these board members must be based within the Kingdom. The board members must have the qualifications determined by the Public Company Limited Act, and related laws.

5.1.1.2 There are at least three independent directors, and not less than one-third of the Board size. All independent directors must have the qualifications under the Company's independent director definition, the SEC Announcement and the SET Notification.

5.1.1.3 Directors must possess knowledge, capabilities and experience which can benefit the Company's business operations. Nominating and Corporate Governance Committee will consider the qualifications of the director candidates through transparent pre-selection procedures and propose to the Board for final consideration. The director candidates who are selected by the Board will be included in AGM agenda. All director candidates' information will be disclosed in the Annual Report and the Company's website.

5.1.1.4 The Company's director must not serve on more than five boards of Thai listed public companies.

5.1.2 Balance of Power for Directors

The Board comprises of 9 persons, with 5 non-executive directors, representing more than 50% of the board size.

5.1.3 Aggregation or Segregation of Positions

The Chairman of the Board and the Chief Executive Officer is the same person and is not independent. The current board structure maintains an appropriate check and balance system because the composition of the Board comprises a majority of members who are non-executive directors.

5.1.4 The Committees

The Board has established three committees which are Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

5.1.4.1 Audit Committee comprises of a minimum of three independent directors. All members must be independent directors under the Company's definition, the SEC Announcement and the SET Notification.

5.1.4.2 Compensation Committee and Nominating and Corporate Governance Committee comprises of a membership majority of independent directors.

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

5.1.5 Corporate Secretary

The Company has assigned the Corporate Secretary to be in charge of the following responsibilities;

5.1.5.1 Prepare and file Board and Shareholder documents which are the directors' share registration records, notices of Board and Shareholders, minutes of Board and Shareholders, and the Company's Annual Report and quarterly financial reports

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

5.1.5.3 Advise the rules and regulations relative to the director's functions and responsibilities

5.1.5.4 Administer other activities as directed

5.2 Roles, duties and responsibilities of the Board

5.2.1 Leadership and Vision

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

5.2.2 Segregation of Roles, duties and responsibilities between the Board and management

The Board and Management have clearly segregated roles, duties and responsibilities. The Board will consider and approve the policies such as vision, mission, strategies, Corporate Governance guidelines, and overall financial objectives, whereas management will manage the business operation under policies defined by the Board. Roles, duties and responsibilities between the Board and Management are detailed in Shareholder's structure and management Section.

5.2.3 Policy on Corporate Governance

The Board takes a serious interest and fully supports the Corporate Governance principles and practices through written guidelines in all operations within the Company and its affiliated companies. The Company also issued a Code of Conduct policy for all employees to serve as a guideline for adherence to operating procedure, and provides the communication channels to receive and process reports relative to illegal conduct and/or misconduct. The Board has assigned the NCG Committee to supervise directors, management and employees to perform their duties under the Guidelines. The NCG Committee will review the Guidelines annually, in order to respond to changing situations and the guidelines of the SET, the SEC and other organizations prescribing corporate best practices.

5.2.4 Policy on Conflict of Interest

In order to avoid any conflicts of interest, the management and the Board need to carefully consider any and all transactions that may cause potential conflicts by establishing a written policy and approval process for any connected transactions.

For any transactions that are related to any director of the Company, that particular director does not have the right to vote or participate in the Board discussion on such transactions. The Board also has established a policy that prohibits management and staff from utilizing the Company's information for personal use.

5.2.5 Internal Control System

The Company stresses the importance of strong internal control throughout the organization. Written responsibilities, authority delegation, and management controls have been adopted to create transparency for utilization of the Company's resources, and to distinguish the duties of staff and controllers in order to ensure that proper verification and monitoring processes are in place.

The Company has an Internal Audit Department to verify and balance the management control process. Internal Audit Department reports directly to the Audit Committee in order to ensure tasks and financial activities are performed according to the guidelines and that the Company is compliant with all regulations.

5.2.6 Risk Management System

Certain aspects of its business operation may expose the Company to both internal and external risks. The Company recognizes the importance of controlling these risks and minimizing the possibility of any negative impact to the Company. The Company has assigned Internal Audit Department to assess and monitor these risks. In assessing risks, every department has to identify risk factors that may arise from its operations such as risks from business production, management, and finance. The Internal Audit Department and other departments that identify risk factors, cooperate to collect information and assess risk exposure in order to take action to prevent or minimize the negative impacts. The Company has established a risk management procedural manual and reviews it annually.

5.2.7 Board of Directors' Meeting

To ensure attendance at the Board meetings, Corporate Secretary has provided and informed directors schedule meetings for the year 2011 in advance. Directors can propose the agenda items to the Chairman of the Board (CEO). The Corporate Secretary will send Board notices with the agenda to all directors at least seven days before the meeting.

For the year 2011, there are a total of 9 Board meetings. The Corporate Secretary sent notices to the Board at least 7 days before the Meetings. The Chairman of the board fully attended all 9 board meetings. During the Meetings, the Chairman of the Board appropriately allocated time for directors to carefully review and discuss all relative information. There were also written minutes that were made available for verification and approved by the Board. In addition, the Company continuously sends the monthly performance summary to the Board.

For the year 2012, the Company will follow the aforesaid meeting procedures.

5.3 Board of Directors' Self Assessment

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

5.4 Board and Management Development

5.4.1 Board and Management Training

The Company encourages and facilitates training and self development for all directors and management in relation to the Company's business operation and strategies, and Corporate Governance Guidelines. New directors are provided with orientation programs as well as handbooks that cover roles, authorities and responsibilities of directors, Corporate Governance policies, memorandum of associations, articles of associations, the Company's vision, mission, and framework of business operations. New directors also attended meetings in regards of strategic plan formulation.

5.4.2 Succession Plan

The Board will annually approve and maintain a Succession Plan for the CEO and management.

Shareholders' **Structure and Management**

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

BOARD OF DIRECTORS

On 31 December 2011, the Board of Directors comprised of 9 directors as follows:

1. MR. WILLIAM E. HEINECKE

Positions	• Chairman (Elected in 1979) • Chief Executive Officer
Age	• 63 years (Born in 1949)
Educational Credential	• Honorable Doctoral Degree of Business Administration in Management, Yonok College • International School of Bangkok • Director Certificate Program, Thai Institute of Directors Association
Other Current Positions	• Chairman of Minor International Pcl.'s subsidiaries • Chairman of Minor Corporation Pcl. and its subsidiaries • Chairman of the Minor Food Group Pcl. and its subsidiaries • Director of Rajadamri Hotel Pcl. and Director of its subsidiaries • Director of Sermsuk Pcl. • Independent Director of Indorama Ventures Pcl. • Director of Everest Worldwide Ltd.
Experiences	• Director of S&P Syndicate Pcl. • Director of Saatchi & Saatchi Limited • Chairman and Managing Director of Ogilvy & Mather (Thailand) Limited
% of Shareholding as of 31 December 2011	• MINT: 362,841,622 shares or 11.1% of paid up shares • MINT-W4: 22,334,191 units

2. MR. PAUL CHARLES KENNY

Positions	• Director (Elected in 1997)
Age	• 63 years (Born in 1949)
Education	• General Management Program, Ashridge Management College, England • Director Certificate Program, Thai Institute of Directors Association
Other Current Positions	• Chief Executive Officer and Director of The Minor Food Group Pcl. and Directors of its subsidiaries
% of Shareholding as of 31 December 2011	• MINT: 6,171,078 shares or 0.19% of paid up shares • MINT-W4: 434,627 units

3. MRS. PRATANA MONGKOLKUL*

Positions	• Director (Elected in 1998) • Group Chief Financial Officer (Resigned January 1, 2012)
Age	• 48 years (Born in 1964)
Educational Credential	• Master of Business Administration, Thammasat University • Director Diploma Examination, The Australian Institute of Directors Association • Director Certification Program, Thai Institute of Directors Association • Directors Accreditation Program (DAP), Thai Institute of Directors Association • Chief Financial Officer Certification Program 1, The Institute of Certified Accounting and Auditors of Thailand • Capital Market Academy Leader Program 6/2008, Capital Market Academy • Advanced Management Program 180, Harvard Business School
Other Current Positions	• Director of S&P Syndicate Pcl. • Director of Minor International Pcl.'s subsidiaries • Director of Minor Corporation Pcl. and its subsidiaries • Director of The Minor Food Group Pcl. and its subsidiaries • Director of Rajadamri Hotel Pcl. and its subsidiaries
Experiences	• President of Thai Investor Relations Club • Chairman of the Audit Committee and Independent Director of Thoresen Thai Agencies Pcl. • Senior Vice President of Central Pattana Pcl. • Vice President of Finance and Accounting of Central Pattana Pcl. • Finance and Accounting Manager of Thai Airport Ground Service Co., Ltd. • Chief Finance Section of USAID, Thailand
% of Shareholding as of 31 December 2011	• MINT: 12,411,431 shares or 0.38% of paid up shares • MINT-W4: 1,421,594 units

4. MR. KENNETH LEE WHITE

Positions	• Independent Director (Elected in 1998) • Chairman of the Audit Committee • Chairman of the Compensation Committee • Member of the Nomination and Corporate Governance Committee
Age	• 65 years (Born in 1946)
Educational Credential	• Master of Business Administration, University of Puget Sound • Director Certification Program, Thai Institute of Directors Association, Fellow Member IOD
Other Current Positions	• Managing Director of Pacific Siam Strategic Consulting Co., Ltd. • Director of Finansa Pcl. • Director of Finansa Asset Management Limited • Director and Audit Committee Member of Goodyear Pcl. • Past Governor of the American Chamber of Commerce

Experiences	• General Manager of The Chase Manhattan Bank N.A.
% of Shareholding as of 31 December 2011	• MINT: 69,114 shares or 0.00% of paid up shares • MINT-W4: 6,911 units

5. MR. WEERAWONG CHITTMITTRAPAP

Positions	• Independent Director (Elected in 2011) • Chairman of the Nomination and Corporate Governance Committee • Member of the Compensating Committee
Age	• 54 years (Born in 1957)
Educational Credential	• LL.M., University of Pennsylvania, USA • LL.B., Chulalongkorn University, Thailand • Director Certification Program, Thai Institute of Directors Association
Other Current Positions	• Chairman, Weerawong, Chinnavat & Peangpanor Ltd. • Director and Member of Audit Committee, Thai Airways International Pcl. • Director, Nok Airlines Co., Ltd. • Director, National Power Supply Pcl. • Director and Member of Audit Committee, SCB Life Assurance Pcl. • Independent Director and Member of Audit Committee, GMM Grammy Pcl. • Director and Member of Audit Committee, Berli Jucker Pcl.
% of Shareholding as of 31 December 2011	• MINT: - None - • MINT-W4: - None -

6. MR. ANIL THADANI

Positions	• Director (Elected in 1998) • Member of Nominating and Corporate Governance Committee • Member of the Compensation Committee
Age	• 65 years (Born in 1946)
Educational Credential	• Master of Business Administration, University of California, Berkeley, USA • Master of Science, University of Wisconsin, Madison, USA
Other Current Positions	• Director of Rajadamri Hotel Pcl. • Founder and Chairman of Symphony Capital Partners Limited and Symphony Investment Managers Limited • Director of Symphony International Holdings Ltd. (listed on London Stock Exchange) • Member of Board of Trustees of the Singapore Management University • Member of International Institute for Strategic Studies
% of Shareholding as of 31 December 2011	• MINT: 57,688,866 shares or 1.76% of paid up shares • MINT-W4: 5,555,157 units

7. KHUNYING JADA WATTANASIRITHAM

Positions	• Independent Director (Elected in 2008) • Member of the Audit Committee
Age	• 67 years (Born in 1945)
Educational Credential	• M.A. Economic Development, Williams College, Massachusetts • M.A. Natural Sciences & Economics, Cambridge University • B.A. Natural Sciences & Economics, Cambridge University
Other Current Positions	• Independent Director and Member of the Corporate Social Responsibility Committee and Member of the Nomination, Compensation and Corporate Governance Committee, The Siam Commercial Bank, Pcl. • Chairman of Siam Commercial Insurance Pcl. • Chairman of Siam Commercial Samaggi Insurance Pcl. • Chairman of Siam Paragon Development Co., Ltd. • Director of Siam Piwat Co., Ltd.
Experiences	• Department of Economic Research, Bank of Thailand • President and CEO of The Siam Commercial Bank Pcl. • Chairman and Chairman of the Compensation Committee of Thai Asset Management Corporation • Independent Director and Chairman of Audit Committee of PTT Pcl. • Director and Chairman of the Audit Committee of Stock Exchange of Thailand • Chairman of the Thai Bankers' Association
% of Shareholding as of 31 December 2011	• MINT: - None - • MINT-W4: - None -

8. MR. EMMANUEL JUDE DILLIPRAJ RAJAKARIER

Positions	• Director (Elected in 2008)
Age	• 47 years (Born in 1965)
Educational Credential	• Master of Business Administration, UK • Degree in Computer Systems Analysis & Design, Sri Lanka • Director Certificate Program, Thai Institute of Directors Association
Other Current Positions	• Director of Minor International Pcl.'s subsidiaries
Experiences	• Deputy Chief Financial Officer of Orient-Express Hotels, Trains & Cruises • Group Financial Controller of Easi Solutions Pcl. • Financial Controller of Le Piaf Restaurants • Financial Controller of Desert Express Ltd. T/A Monte's, London • Financial Controller/Group Accountant of London Wine Bars Ltd.
% of Shareholding as of 31 December 2011	• MINT: 2,165,400 shares or 0.07% of paid up shares • MINT-W4: 67,000 units

9. MS. CHANTANA SUKUMANONT

Positions	• Independent Director (Elected in 2010) • Member of Audit Committee
Age	• 62 years (Born in 1950)
Educational Credential	• Advanced Management Program, Harvard Business School, Boston • IMD, Lausanne, Managing for Marketing Success and Senior Management Program • Diploma in Business Studies, The Centre for Economic and Political Studies, England • Bachelor Degree in Accounting, Bangkok University • Bachelor of Business Administration in Marketing, Ramkhamhaeng University
Other Current Positions	• Honorary Advisor - Industry Committee • Executive Vice President, Marketing & Sales, Siam City Cement Pcl. • Vice President, Thailand Federation of Cement Manufacturers • Director, Listed Companies Association • Director, Association of Capital Market Academy Alumni
Experiences	• Director, The Federation of Thai Industries • Managing Director, Jalaprathan Cement Pcl. • Managing Director, Jalaprathan Concrete Co., Ltd.
% of Shareholding as of 31 December 2011	• MINT: - None - • MINT-W4: - None -

* On 21 February 2012, Board of Director Meeting No. 1/2012 appointed Mr. Michael David Selby to be a Director in replacement of Mrs. Pratana Mongkolkul who resigned from the position of Director of the Company.

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

AUDIT COMMITTEE

On 31 December 2011, the Audit Committee comprised of 3 directors as follows;

1.	Mr. Kenneth Lee White*	Chairman and Independent Director
2.	Khunying Jada Watthanasiritham	Member and Independent Director
3.	Ms. Chantana Sukumanont	Member and Independent Director

* Audit committee who experienced in reviewing financial statement.

Audit Committee Scope of Responsibilities

1. To review the Company's financial reporting process to ensure that it is accurate and adequate
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business

4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
6. Committee's report which must be signed by the audit committee's chairman and consist of at least the following information;
   - an opinion on the accuracy, completeness and creditability of the Company's financial report,
   - an opinion on the adequacy of the Company's internal control system,
   - an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
   - an opinion on the suitability of an auditor,
   - an opinion on the transactions that may lead to conflicts of interests,
   - the number of the audit committee meetings, and the attendance of such meetings by each committee member,
   - an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
   - other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors;
7. In the case that it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the audit committee shall report it to the board of directors for rectification within the period of time that the audit committee, as deemed appropriated:
   - a transaction which causes a conflict of interest;
   - any fraud, irregularity, or material defect in an internal control system; or
   - an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.
8. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

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

Definition of Independent Directors

The Board of Directors has determined the definition of "Independent Director" as follows:

1. Holding shares of not more than 1% of paid up capital of the company, parent company, subsidiaries, associates, major shareholder or the company controlling person. The number of held shares shall be inclusive of shares held by any related persons of independent director.
2. Not being or formerly an executive director, employee, staff member, advisor who receives a regular salary or being a controlling person of the company, parent company, subsidiaries, associates, subsidiaries which have the same parent company, major shareholder or the company controlling person except where such relationship was in excess of a period of two years before appointment as an independent director.

3. Not being a person who is related by blood or registration under laws, including mother, father, spouses, sibling and children and spouse of children of management, major shareholder, controlling person or a person to be nominated as management or controlling person of the company or subsidiaries.
4. Not having or formerly having a business relationship with the company, parent company, subsidiaries, associates, major shareholders or the company controlling person which may compromise independence. In addition, independent directors may not be or formerly be a significant shareholder, or controlling person who had a business relationship with the company, parent company, subsidiaries, associates, or major shareholder or the company controlling person, except where such relationship was in excess of a period of two years before appointment as an independent director.
   - The relationships mentioned in the first paragraph include normal business transactions, transactions regarding rental or lease of immovable assets, transactions related to assets and services, transactions regarding financial assistance including lending, borrowing, guarantees, or providing assets to pledge or mortgage loans or any other similar action, which have transaction values higher than 3% of net tangible assets or 20 million baht, whichever is lower. The calculation will include the transaction value taking place with the same person who has business relationship during 12 months period prior to the day of the decision to enter into the transaction and will be subject to the Capital Market Advisory Board Re: Rules on Connected Transactions.
5. Not being or formerly an independent auditor of the company, parent company, subsidiaries, associates, major shareholders, or the company controlling person, and not being a significant shareholder, controlling person or partner of the audit firm which has provided independent auditor services to the company, parent company, subsidiaries, associates, major shareholder or the company controlling person except where such relationship was prior to a two years period before appointment as an independent director.
6. Not being or formerly providing professional services including legal advice, financial advice which received a service fee higher than two million baht per year from the company, parent company, subsidiaries, associates, major shareholder or the company controlling person and not being a significant shareholder, controlling person of partner of the independent service provider except such relationship was in excess of a period of two years before the appointment as an independent director.
7. Not being a director who was appointed as a representative of a director of the company, major shareholder or shareholder who is related to the major shareholder of the company.
8. Not provide the same services as the company and not being competitors of the company and subsidiaries or not being a significant partner in partnership or being a executive director, staff, employee, consultant who receives regular payroll, or holding over 1% of voting rights of other company which operates the same business and compete with the company and subsidiaries.
9. Not having any other conflicts, that prevent independent directors from giving independent opinions to the Company.

COMPENSATION COMMITTEE

On 31 December 2011, Compensation Committee comprised of 3 directors as follows;

1.	Mr. Kenneth L. White	Chairman
2.	Mr. Anil Thadani	Member
3.	Mr. Weerawong Chittmittrapap	Member

Compensation Committee Scope of Responsibilities

Consider remuneration of the senior executives. (The details of roles and responsibilities of Compensation Committee is shown in the Compensation Committee Charter, prescribed in the Company's website.)

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

On 31 December 2011, Nominating and Corporate Governance Committee comprised of 3 directors as follows;

1.	Mr. Weerawong Chittmittrapap	Chairman
2.	Mr. Anil Thadani	Member
3.	Mr. Kenneth L. White	Member

Nominating and Corporate Governance Committee Scope of Responsibilities

1. Consider and select qualified delegates to fill the vacant position of the Company's director.
2. Review and recommend to Annual General Meeting of Shareholders the remuneration of the Company's directors.
3. Review and recommend to the Board the Corporate Governance Guidelines in order to comply with the Good Corporate Governance Principals, specified by the Stock Exchange of Thailand, Securities Exchange and Commissions, and Thai Institute of Directors Association
4. Ensure the Company's operation to comply with the Company's Corporate Governance Guidelines
5. Report the Corporate Governance to the Board

(The details of roles and responsibilities of Nominating and Corporate Governance is shown in the Nominating and Corporate Governance Committee Charter, prescribed in the Company's website.)

EXECUTIVE MANAGEMENT

As of 31 December 2011, 6 Managements as follows;

1.	Mr. William E. Heinecke	Chairman and Chief Executive Officer
2.	Mrs. Pratana Mongkolkul*	Chief Financial Officer
3.	Ms. Trithip Sivakriskul**	Corporate Chief Financial Officer
4.	Mr. Somsak Tanruengsri	General Manager
5.	Ms. Eve Danielle Weatherburn***	Vice President, Marketing
6.	Mr. Chaiyapat Paitoon	Vice President, Strategic Planning

* Resigned 1 January 2012.

** Appointed 2 December 2011.

*** Resigned 16 January 2012.

Biographies of Mr. William E. Heinecke and Mrs. Pratana Mongkolkul are presented under “Board of Directors” section. The biographies of remaining 4 executive managements are presented as followings:

1. MS. TRITHIP SIVAKRISKUL

Position	• Corporate Chief Financial Officer
Age	• 45 years (Born in 1966)
Educational Credential	• MBA, Sasin Graduate institute Business Administration of Chulalongkorn University • Capital Market Academy Leadership Program, Capital Market Academy (CMA) Class 9/2009 • Successful Formulation and Execution the Strategy Class 3/2009 (SFE3), Thai Institute of Directors (IOD) • TLCA Executive Development Program Class 2 (EDP 2), Thai Listed Companies Association • Corporate Secretary Development Program, Thai Listed Companies Association • Director Accreditation Program (DAP) Class 31/2005, Thai Institute of Directors (IOD)
Experiences	• Chief Financial Officer, Ratchaburi Electricity Generating Holding Pcl. • Executive Vice President - Corporate Finance, IRPC Pcl.
% of Shareholding as of 31 December 2011	• - None -

2. MR. SOMSAK TANRUENGSRI

Position	• General Manager
Age	• 58 years (Born in 1954)
Educational Credential	• Front Office & Housekeeping Management, University of Hawaii
Experiences	• General Manager, Royal Garden Resort Pattaya
% of Shareholding as of 31 December 2011	• 69,400

3. MS. EVE DANIELLE WEATHERBURN

Position	• Vice President, Marketing
Age	• 40 years (Born in 1972)
Educational Credential	• Master of Business (Marketing), University of Technology Sydney, Australia • Bachelor of Education, Sydney, Australia
Experiences	• Brand Director, Intercontinental Hotel & Resorts and Crowne Plaza Hotels and Resorts
% of Shareholding as of 31 December 2011	• - None -

4. MR. CHAIYAPAT PAITOON

Position	• Vice President, Strategic Planning
Age	• 41 years (Born in 1971)
Educational Credential	• M.B.A., Finance and International Business, University of Notre Dame, Indiana, United States of America • Bachelor of Accountancy, Chulalongkorn University
Experiences	• Senior Vice President-Division Head-Investor Relations; and Division Head-Equity Investment Management, Siam Commercial Bank • Investment Representative, Morgan Stanley
% of Shareholding as of 31 December 2011	• - None -

CORPORATE SECRETARY	Ms. Saranya Soontaros
INVESTOR RELATIONS	Mr. Chaiyapat Paitoon

NUMBER OF CORPORATE SECURITIES HELD BY DIRECTORS AND EXECUTIVE MANAGEMENT AS OF 31 DECEMBER 2011

Name	Title	No. of Securities Held at 31 December 2011			No. of Increase (Decrease)		
		Common Share	ESOP*	MINT-W4	Common Share	ESOP*	MINT-W4
1. Mr. William E. Heinecke	Chairman and CEO	362,841,622	975,800	22,334,191	1,725,800	(725,800)	-
2. Mr. Paul Charles Kenny	Director	6,171,078	1,900,000	434,627	1,005,000	(850,000)	-
3. Mrs. Pratana Mongkolkul	Director	12,411,431	975,800	1,421,594	2,057,587	(1,807,300)	-
4. Mr. Kenneth Lee White	Director	69,114	-	6,911	-	-	-
5. Mr. Weerawong Chittmittrapap	Director	-	-	-	-	-	-
6. Mr. Anil Thadani	Director	57,688,866	-	5,555,157	2,137,300	-	-
7. Khunying Jada Wattanasiritham	Director	-	-	-	-	-	-
8. Mr. Emmanuel Jude Dillipraj Rajakarier	Director	2,165,400	825,000	67,000	1,245,400	(575,000)	-
9. Ms. Chantana Sukumanont	Director	-	-	-	-	-	-
10. Ms. Trithip Sivakriskul	Corporate Chief Financial Officer	-	-	-	-	-	-
11. Mr. Somsak Tanruengsri	General Manager	69,400	280,100	-	69,400	(69,400)	-
12. Ms. Eve Danielle Weatherburn	VP of Marketing	-	-	-	-	-	-
13. Mr. Chaiyapat Paitoon	VP of Strategic Planning	-	-	-	-	-	-

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

TOP 10 MAJOR SHAREHOLDERS AS OF 7 FEBRUARY 2012

Name of shareholders	Number of shares	Proportion of shareholding
1. Group of Mr. William Ellwood Heinecke[1]	909,581,433	27.8%
a. Minor Holding (Thai) Limited	546,755,902	16.7%
b. Mr. William Ellwood Heinecke	362,821,622	11.1%
c. Mrs. Kathleen Ann Heinecke	3,909	0.0%
2. Mr. Nithi Osathanugrah	259,079,714	7.9%
3. Thai NVDR Ltd.	193,995,933	5.9%
4. Mr. John Scott Heinecke	165,007,648	5.0%
5. Merrill Lynch, Pierce, Fenner & Smith Inc.	151,219,940	4.6%
6. Symphony Capital Partners Limited	112,290,000	3.4%
7. State Street Bank Europe Limited	111,618,959	3.4%
8. Mr. David Heinecke	85,100,051	2.6%
9. His Majesty King Bhumibol Aduyadej	72,470,861	2.2%
10. CPB Equity Company Limited	69,720,115	2.1%

Source: The Thailand Securities Depository Co., Ltd.

Remark: [1] This list of shareholder is grouped under the Notification of SEC Kor Chor 17/2551 dated 15 December 2008, not Section 258 of the Public Limited Companies Act, B.E. 2535 (1992).

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ANNEX

INFORMATION ON MINOR INTERNATIONAL PCL.

Section B.4 – 2010 Report (extracted pages)

PERFORMANCE HIGHLIGHTS AND DEVELOPMENT PLANS

After the first three months of 2010, our hospitality business achieved a 35% year on year increase in profit and it seemed that our hotels had successfully moved on from the economic and political crisis of 2009. However, when political protests in Thailand re-ignited concerns over domestic security in April 2010, our hotel business again suffered. Our Four Seasons Hotel in Bangkok, which is one of our largest hotels, was forced to close for two months during the protests. Over the next nine months, year on year net profit for the hospitality business fell by 72%. For the full twelve months of 2010, profit from our hospitality business was down 33%.

Occupancy rates and average room rates remained flat compared to 2009. Occupancy rates were 52% and average room rates declined slightly by 1%. Again, our property business saw few interested buyers and we sold only one residential property.

Despite the doom and gloom of the last nine months of 2010, our first quarter showed what our hospitality business can do given more favourable economic and political conditions. We have a growing "system" of 33 company-owned and managed resorts that is diversified across eight countries and further diversified across four key businesses.

These four businesses focus on areas where we think we can create the most value and they include 1) owning our own resorts, 2) managing resorts for others, 3) selling residential properties and 4) selling timeshares.

Company-Owned Resorts

In 2010, our 28 company-owned Anantara, Four Seasons and Marriott resorts had revenues that were down slightly by 1% to Baht 4,399 million. Despite the decline in revenue, most of these resorts were profitable because we continued to manage costs in a difficult business environment.

Our three resorts in the Maldives performed extremely well, achieving a 29% increase in profit while showing how well our hotels can do outside of Thailand where political conditions are relatively stable.

With activity down at some of our resorts, we continued to invest in making improvements to

our facilities. Our resorts in Thailand, the Maldives, Sri Lanka, and Tanzania are among the best in the world and our facilities are better than ever. We continue to receive awards from leading travel publications such as Conde Nast Traveller and Travel + Leisure.

In early 2011, we opened an Anantara resort in the Maldives and the St. Regis Hotel and Residences in Bangkok. These two 100% owned properties will contribute to higher sales and profits from the end of 2011.

Hotel Management

Management fees are our fastest growing source of hospitality revenue. We currently manage 13 Anantara properties in four countries including Thailand, the Maldives, Bali and Abu Dhabi. We now have commitments to manage an additional 21 properties and we expect to have more than 30 Anantara resorts in operating in 10 countries by 2015.

In December 2010, we opened one new Anantara resort under a management agreement in the heart of Bangkok. In 2010, fees from this and all of our other hotel properties under management (excluding extraordinary revenues related to a timeshare property we previously held jointly with Marriott) declined by 8% to Baht 246 million.

2011 will be our best year ever for expanding the hotel management business. In 2011, we expect that six of the properties in our pipeline will complete construction and allow us to finally take responsibility for managing them. With an increase in properties under management, we expect that the fees from these new properties will contribute significantly to growing hospitality group profits.

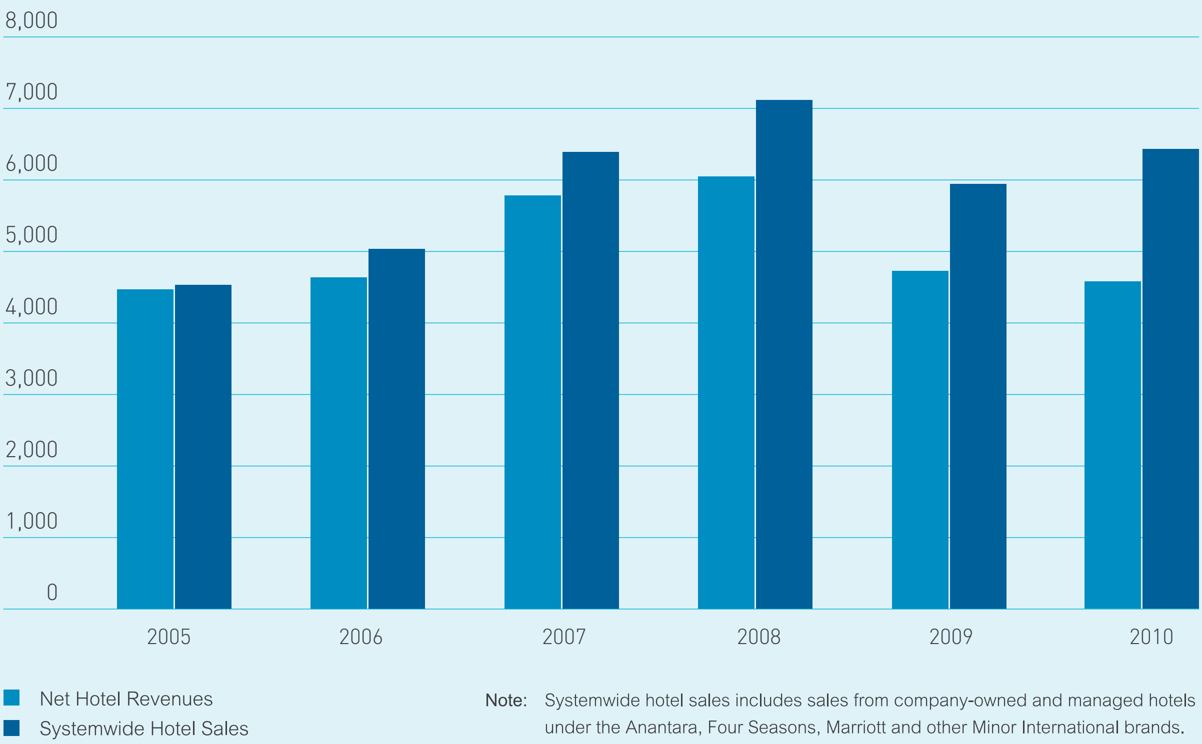
Over the next few years, the difference between systemwide hotel sales and net hotel revenues will increase. In 2010, for example, sales from company-owned and managed hotels (ie, systemwide sales) increased by 8% to Baht 6,629 million while revenues from company-owned hotels and management fees were Baht 4,645 million.

While we opened one new resort in 2010 and prepared to manage at least thirteen resorts that will open before 2013, we also added to our pipeline of resorts under development. In 2010, we signed eight


Anantara Lawana Resort & Spa,
Koh Samui

COMPANY-OWNED AND MANAGED HOTEL REVENUES

(in Baht Million)



Note: Systemwide hotel sales includes sales from company-owned and managed hotels under the Anantara, Four Seasons, Marriott and other Minor International brands. Net hotel revenues includes only sales from company-owned hotels and management fees.

hotel contracts with different groups of hotel investors who together want us to manage a total of 20 new resorts. These Anantara resorts will be built and opened over the next five years and they will be located in China, the UAE, Vietnam, India, Morocco, Bali and Oman.

Residential Property

Prior to the economic crisis, revenues from residential property sales were very significant. In 2008, for example, residential property sales were Baht 591 million. However, since the beginning of the global economic crisis in late 2008, we have sold only a few residences as interest from potential buyers understandably declined. Over the past two years, revenue from residential property sales has been slightly over Baht 150 million.

Today, we are marketing all of our residential properties to potential buyers whose appetite for investing in luxury residential properties has returned. We have seven villas that are located next to our Four Seasons in Samui and 53 condominiums that are connected to our St. Regis hotel in Bangkok.

We formally launched the effort to sell the residential apartments at the St. Regis in December 2010 and were thrilled with the interest from potential buyers. Although we only booked the sale of one residence in 2010, we expect to book profit from the sale of at least 30% of the St. Regis Residences in 2011.

Timeshare

Given the success of the Anantara brand since it was launched in 2001 and the potential for it to expand by 5 - 10 properties every year for the next five years, we were sure there was a great opportunity for us to offer an Anantara branded timeshare business. We launched the Anantara Vacation Club in December 2010 and thus allowed investors to lock in future holiday costs at today's values while choosing when, where, how often, how long and how many times to experience Anantara holidays.

In just the first month following its launch, the response to Anantara Vacation Club was far better than we had expected. We sold three times more than we had budgeted at prices that were 50% higher. For the remainder of 2011 and beyond, we will continue to expand the Anantara Vacation Club and it will quickly become an integral part of our expanding hospitality business.

PERFORMANCE HIGHLIGHTS AND DEVELOPMENT PLANS

While many of our hotel customers were reluctant to spend on travel in 2010, we saw an increase in demand at our quick-serve, fast-casual restaurants. Although our wholly-owned restaurant company, the Minor Food Group, has historically grown at a somewhat slower pace than our hotel business, it has always been more stable and less sensitive to factors that affect the travel and hospitality industry. In 2010, the Food Group had revenues increase by 4% to Baht 10,459 million and net profit increased by 25%. It was another great year for the Food Group.

The fact that this growth was primarily organic makes it even more impressive. Very little of the Food Group's growth in 2010 came from extraordinary events such as an acquisition or the franchise of an additional market. Although the Food Group would have liked to have closed a few "big deals" in 2010, we are delighted to know that a business this size can still achieve such growth simply by focusing on the fundamentals.

To grow so substantially without the aid of an acquisition implies that we must be doing the things that regularly produce 100% customer satisfaction. From serving customers at the table to working in partnership with our suppliers to putting just the right amount of cheese on a pizza or milk in a flat white, we must be doing something right. In 2010, same store sales growth was 3.7% and our profit margin increased from 5.3% to 6.3%.

Our 761 restaurants in Thailand achieved a 65% increase in profit with all of our brands performing well especially the Pizza Company and Dairy Queen. Our factory, which supplies ice cream and cheese to our outlets as well as third parties, found production efficiencies which also helped to produce higher profits in Thailand. At the same time, our international restaurant business performed well with improvements in China and a 31% increase in profit at our Coffee Club business in Australia.

Today, we have 1,148 restaurants in Thailand, Singapore, Australia and 12 other countries that operate under a diverse portfolio of 10 brands. Among our brands, the Pizza Company, Swensen's, Thai Express and the Coffee Club provide us with the best opportunity

to expand and create value. We are able to develop these brands anywhere in the world as company-owned outlets or as franchises.

Indeed, our restaurant system, which currently includes 685 company owned and 463 franchised outlets, continues to grow. In 2010, we added 36 new outlets and "system wide" sales increased by 10% to Baht 24,142 million.

Thailand

Thailand continues to be our largest market and its contribution to total Food Group profit increased from 42% to 46% in 2010. With more than 761 restaurants operating under the Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King and the Coffee Club brands, we account for more than 30% share of the Thai western quick serve restaurant market. In 2010, our restaurant business in Thailand achieved an 8% increase in overall sales with comparable same store sales growth of 5% and the addition of 27 outlets.

At the end of 2010, the Pizza Company brand had 210 outlets in Thailand of which 155 were company-owned and 55 were franchised. These outlets combined to help the Pizza Company in Thailand achieve a 47% increase in 2010 operating profit. Indeed, it was a great year for the Pizza Company as it accounted for almost 30% of Thailand's 65% increase in profit.

Our other brands in Thailand including Swensen's, Sizzler and Dairy Queen all performed well with operating profit increasing by 9%, 19% and 57%, respectively. Of these brands, we believe that Dairy Queen has the greatest potential to expand beyond the 243 company-owned outlets we currently have in Thailand. Over the next five years, we expect that the number of Dairy Queen outlets in Thailand will double as we begin to franchise this brand from 2011.

While Food Group remains strong and very profitable in Thailand, its potential to expand internationally is, in many ways, where we see the greatest opportunity. In addition to the outlets in Thailand, we have 387 outlets operating internationally. In Australia and Singapore, we own 50% of the Coffee Club and 70% of Thai Express, respectively and we also have 53 Pizza Company and Swensen's outlets operating in 9 countries across the Middle East, India, China and Southeast Asia.

Singapore

Thai Express, of which we own a 70% stake, continues to be one of Singapore's largest and most successful restaurant companies. With only 60 company-owned and 11 franchised outlets, Thai Express accounted for 25% of the Food Group's profit. 2010, however, was a difficult year for Thai Express as an increase in retail centers flooded the Singapore market with hundreds of new restaurants. As a result, Thai Express' profits fell by 23% in 2010.

Throughout 2010, our management team responded correctly to the increase in competition by focusing more carefully on customer satisfaction and everything that drives it. Thanks to this, our performance in the last quarter of 2010 was far stronger than the previous three quarters and 2011 should be a good year for Thai Express. In 2011, we are projecting 10% profit growth with strong performance in Singapore and some growth internationally. Over the next 12 months, we expect to launch Thai Express in Beijing and several other markets.

Australia

The Coffee Club has performed extremely well since we acquired our 50% stake in early 2008. In the three years since our acquisition, the Coffee Club's profits have increased by 227%. Last year, the Coffee Club achieved a 34% increase in profit and accounted for 14% of the Food Group's overall profit. At the end of 2010, there were 257 outlets in Australia and New Zealand and 5 outlets in Thailand. In 2010, we signed a master franchise agreement for the development of outlets in Guangzhou, China.

Other Markets

With the exception of Thailand, Singapore, Australia and Beijing, where we have company-owned outlets, we continue to explore ways to expand internationally through acquisitions and franchising. Our acquisitions of The Coffee Club and Thai Express have helped to increase the profitability of the Food Group by almost 40% while also transforming it into a more diverse and more international company. We will continue to pursue acquisitions such as these while, at the same time, expanding our core Pizza Company, Swensen's, the Coffee Club and Thai Express brands internationally through franchising. Our franchise in Guangzhou opened their first outlet in February 2011.

Financial Statements

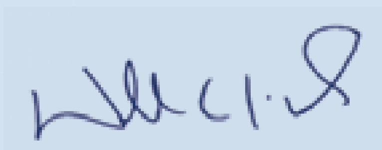
Minor International Public Company Limited

Report of the Board of Directors' Responsibilities for Financial Statements

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

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

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



William E. Heinecke
Chairman of the Board of Director

Report of the Audit Committee

Composition of the Audit Committee

The Audit Committee of Minor International Public Company Limited is composed of three independent directors. The Company's Chief Financial Officer, the Internal Audit Director, and the Corporate Secretary serve as ex-officio members.

Audit Committee's principal responsibilities

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

The Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. The Audit Committee also verified and accepted the consolidated financial statements for every quarter-end and provided assessments and recommendations to the Board of Directors. The Audit Committee is fully committed to ensure that corrective and preventive actions are taken in an effective and timely manner. The Board of Directors following the review and recommendations of the Audit Committee approved the policy and reports for related party transactions.

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

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

The Audit Committee's principal activities during the year

In 2010, the Committee's principal activities including the following matters:

1. Approved quarterly financial statement and reviewed full year financial statements, and provided assessments and recommendations to the Board of Directors.
2. Reviewed accomplishments of the Company with respect to the performance effectiveness especially performance of new project operations and highlighted major concerns of overseas subsidiaries.
3. Consideration of the Group's IT project updates and related risks including the implementation of the Oracle Project, and post-implementation problem solving.
4. Acknowledged the Company's risk management profile, and the appropriateness of its mitigation plans.
5. Reviewed investment updates, and helped formulate risk weighted evaluation criteria for future investments.
6. Approved contracts for outsourcing internal audits in Australia, Singapore and China, and the appointment of KPMG to strengthen the internal audit planning of the Company.

7. Reviewed management's plan for the transition to International Financial Reporting Standard (IFRS). This included the assurance that the transition plan demonstrated clear understanding of the changes, identified key conversion activities, the time table, the resources required, and training of all staff affected by the transition. The Company appointed KPMG to be the implementation consultant to assist with the IFRS transition process. The status of the IFRS transition plan was updated to the Audit Committee every quarter.
8. The minutes of the Audit Committee Meetings were sent to the Board of Directors for acknowledgement. Major issues were discussed in the Board of Director meetings.

The Audit Committee provided the following opinions:

1. The Company's financial reports are accurate, complete and reliable.
2. The Company's assets are appropriately safeguarded, proper accounting records are maintained, and resources are effectively and efficiently utilized.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's businesses.
4. PricewaterhouseCoopers ABAS, the Company's auditor, is suitable and provided appropriate services.
5. The related transactions arising in 2010 were rational, and contributed optimal benefits to the Company.
6. For the year 2010, the Audit Committee held four meetings to review the Company's consolidated financial statements that had been certified by the external auditor. The attendance of such meetings by each committee member was as follows;

	Position	Attendance/ Audit Committee Meeting
1. Mr. Kenneth L. White	Chairman	4/4
2. Khunying Jada Wattanasiritham	Member	3/4
3. Ms. Chantana Sukumanont	Member	3/3

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

The Audit Committee has recommended to the Board of Directors that PricewaterhouseCoopers ABAS, be reappointed as the Company's auditor for the financial year ending 31 December 2011. The re-appointment of the audit firm and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 1 April 2011.

Kenneth L. White

Chairman of the Audit Committee

Auditor's **Report**

To the Shareholders of Minor International Public Company Limited

I have audited the accompanying consolidated and Company balance sheets as at 31 December 2010 and 2009, and the related consolidated and Company statements of income, changes in shareholders' equity and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and Company financial statements referred to above present fairly, in all material respects, the consolidated and Company financial positions as at 31 December 2010 and 2009, and the consolidated and Company results of operations and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively, in accordance with generally accepted accounting principles.

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Limited
Bangkok
22 February 2011

Balance Sheets

Minor International Public Company Limited
As at 31 December 2010 and 2009

	Notes	Consolidated 2010 Baht	Consolidated 2009 Baht	Company 2010 Baht	Company 2009 Baht
Assets					
Current assets					
Cash and cash equivalents	7	1,156,280,782	968,814,956	171,519,212	149,633,602
Trade accounts receivable, net	8	981,263,213	969,638,140	17,278,174	25,952,293
Amounts due from related companies	14	66,104,728	65,268,872	584,896,347	530,936,860
Inventories, net	9	949,984,942	854,148,181	5,375,717	5,324,677
Points for right-to-use in time sharing resort		119,423,721	-	-	-
Land and real estates project for sales, net	10	2,418,721,480	385,652,140	-	-
Other current assets	11	1,155,358,374	1,620,444,116	62,162,608	738,944,644
Total current assets		6,847,137,240	4,863,966,405	841,232,058	1,450,792,076
Non-current assets					
Long-term loans to related companies	14	384,728,390	445,349,753	13,068,542,277	8,820,858,202
Investments in subsidiaries, associates and joint venture	12	1,535,859,281	1,353,096,582	6,653,674,504	6,683,546,508
Other long-term investments, net	13	1,915,606,279	839,831,309	1,804,547,765	743,811,618
Land and projects under development	15	4,286,630,067	2,956,411,700	-	-
Property, plant and equipment, net	16	10,838,775,796	11,107,944,242	462,932,604	500,717,086
Intangible assets, net	17	4,298,766,931	3,878,429,408	9,883,594	11,845,154
Leasehold rights, net	18	1,847,758,206	1,963,581,723	4,983,973	5,606,990
Other non-current assets	19	830,906,358	862,208,844	59,404,186	58,040,511
Total non-current assets		25,939,031,308	23,406,853,561	22,063,968,903	16,824,426,069
Total assets		32,786,168,548	28,270,819,966	22,905,200,961	18,275,218,145

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Balance Sheets (Continued)

Minor International Public Company Limited
As at 31 December 2010 and 2009

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	20	576,809,741	683,334,700	-	-
Short-term loans from related companies	14	-	-	1,376,380,033	1,233,052,788
Trade accounts payable		1,098,459,466	1,115,544,523	7,178,698	14,655,337
Amounts due to and advances from related companies	14	16,031,720	29,170,277	10,002,997	5,542,872
Current portion of long-term borrowings	22	555,022,409	535,022,409	244,000,000	244,000,000
Current portion of debentures	23	1,000,000,000	1,275,000,000	1,000,000,000	1,275,000,000
Current portion of deferred income		27,503,779	32,184,225	-	-
Income tax payable		156,614,249	198,614,630	-	-
Accrued expenses		957,156,814	858,149,683	185,850,703	184,240,941
Other current liabilities	21	1,671,040,927	1,950,400,117	55,701,842	34,031,345
Total current liabilities		6,058,639,105	6,677,420,564	2,879,114,273	2,990,523,283
Non-current liabilities					
Long-term borrowings	22	2,335,864,290	2,136,552,759	1,052,000,000	1,396,000,000
Debentures	23	9,900,000,000	6,900,000,000	9,900,000,000	6,900,000,000
Provision for employee benefits	24	117,336,321	167,064,547	18,007,894	39,130,126
Other non-current liabilities	25	568,431,915	335,539,516	6,330,925	9,319,227
Total non-current liabilities		12,921,632,526	9,539,156,822	10,976,338,819	8,344,449,353
Total liabilities		18,980,271,631	16,216,577,386	13,855,453,092	11,334,972,636

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Balance Sheets (Continued)

Minor International Public Company Limited
As at 31 December 2010 and 2009

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Continued)					
Shareholders' equity					
Share capital	26				
Authorised share capital					
3,677,988,773 ordinary shares					
of Baht 1 each		3,677,988,773	3,351,850,736	3,677,988,773	3,351,850,736
Issued and paid-up share capital					
3,262,339,373 ordinary shares					
of Baht 1 each		3,262,339,373	3,246,415,792	3,262,339,373	3,246,415,792
Share premium	26				
Ordinary shares		3,133,793,954	3,065,856,272	3,108,141,578	3,040,203,896
Advance for shares subscription		4,218,918	231,030	4,218,918	231,030
Expired warrants in a subsidiary		104,788,723	104,788,723	-	-
Discount on business combination					
under common control	37	(755,412,590)	(755,412,590)	(587,397,515)	(587,397,515)
Fair value reserves		1,120,285,109	83,303,224	1,053,828,236	61,074,606
Unrealised gain on dilution of investment	12	4,992,405	-	-	-
Translation adjustment		(339,219,687)	(228,495,510)	-	-
Retained earnings					
Appropriated - legal reserve	28	367,799,113	347,774,113	367,799,113	347,774,113
Unappropriated		6,020,494,253	5,287,565,500	1,840,818,166	831,943,587
Total parent's shareholders' equity		12,924,079,571	11,152,026,554	9,049,747,869	6,940,245,509
Minority interests		881,817,346	902,216,026	-	-
Total shareholders' equity		13,805,896,917	12,054,242,580	9,049,747,869	6,940,245,509
Total liabilities and shareholders' equity		32,786,168,548	28,270,819,966	22,905,200,961	18,275,218,145

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Income

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

	Notes	Consolidated 2010 Baht	Consolidated 2009 Baht	Company 2010 Baht	Company 2009 Baht
Revenues	14				
Revenues from hotel operations		4,321,852,872	4,331,923,498	412,478,281	400,661,181
Rental income from retail and property business		388,391,716	426,121,406	-	-
Revenues from entertainment operations		119,914,381	93,668,896	119,914,381	93,668,896
Revenues from spa services		295,918,225	315,377,584	-	-
Sales of food and beverage		9,590,770,343	9,196,304,625	-	-
Sales of real estates		205,338,437	-	-	-
Sales from distribution and manufacturing	37	2,679,626,833	1,379,177,530	-	-
Revenues from management service		246,354,795	430,182,495	250,118,255	209,040,634
Franchise fee income		291,733,063	287,249,954	-	-
Dividends income		82,555,167	47,760,815	1,554,727,692	812,024,457
Other income	29	650,247,886	567,875,399	513,257,793	513,074,242
Total revenues		18,872,703,718	17,075,642,202	2,850,496,402	2,028,469,410
Expenses	14				
Direct cost of hotel operations		2,297,583,697	2,255,942,373	179,865,885	169,175,215
Direct cost of retail and property business		211,952,554	207,177,576	-	-
Direct cost of entertainment operations		33,284,103	23,560,421	66,452,014	50,292,601
Direct cost of providing spa services		176,684,951	179,466,371	-	-
Cost of sales of food and beverage		3,189,060,062	3,075,756,278	-	-
Cost of sales of real estates		149,545,557	-	-	-
Cost of sales from distribution and manufacturing	37	1,646,040,601	870,829,873	-	-
Selling expenses		6,988,434,800	6,458,321,919	294,318,066	264,083,454
Administrative expenses		2,212,941,572	1,785,470,264	233,085,292	293,422,348
Management benefit expenses		117,732,863	157,500,621	62,384,781	71,614,468
Total expenses		17,023,260,760	15,014,025,696	836,106,038	848,588,086
Operating profit		1,849,442,958	2,061,616,506	2,014,390,364	1,179,881,324
Share of profit of investments in associates and joint venture	12 b)	216,542,775	168,653,858	-	-
Profit before finance costs and tax	30	2,065,985,733	2,230,270,364	2,014,390,364	1,179,881,324
Finance costs		(458,074,996)	(428,709,920)	(497,345,167)	(389,512,149)
Profit before income tax		1,607,910,737	1,801,560,444	1,517,045,197	790,369,175
Income tax	31	(291,070,786)	(305,772,508)	-	-
Net profit for the year		1,316,839,951	1,495,787,936	1,517,045,197	790,369,175
Net profit for the year attributable to:					
Equity holders of the parent		1,241,100,194	1,400,315,993	1,517,045,197	790,369,175
Minority interests		75,739,757	95,471,943	-	-
		1,316,839,951	1,495,787,936	1,517,045,197	790,369,175
		Baht	Baht	Baht	Baht
Earnings per share for profit attributable to the equity holders of the parent	32				
Basic earnings per share		0.3812	0.4284	0.4659	0.2418
Diluted earnings per share		0.3776	0.4256	0.4616	0.2402

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

		Consolidated (Baht)												
	Notes	Issued and paid-up share capital	Share premium	Advance for shares subscription	Expired warrants in a subsidiary	Discount on business combination under common control	Fair value reserves	Unrealised gain on dilution of investment	Translation adjustment	Legal reserve	Unappropriated-retained earnings	Total	Minority interests	Total
Beginning balance - 1 January 2010		3,246,415,792	3,065,856,272	231,030	104,788,723	(755,412,590)	83,303,224	-	(228,495,510)	347,774,113	5,287,565,500	11,152,026,554	902,216,026	12,054,242,580
Unrealised gain on dilution														
of investment	12	-	-	-	-	-	-	4,992,405	-	-	-	4,992,405	2,458,595	7,451,000
Translation adjustment		-	-	-	-	-	-	-	(110,724,177)	-	-	(110,724,177)	(33,627,232)	(144,351,409)
Fair value reserves		-	-	-	-	-	1,036,981,885	-	-	-	-	1,036,981,885	11,136	1,036,993,021
Total gain (loss) recognised in equity		-	-	-	-	-	1,036,981,885	4,992,405	(110,724,177)	-	-	931,250,113	(31,157,501)	900,092,612
Net profit for the year		-	-	-	-	-	-	-	-	-	1,241,100,194	1,241,100,194	75,739,757	1,316,839,951
Total gain (loss) recognised														
for the year		-	-	-	-	-	-	-	-	-	1,241,100,194	1,241,100,194	75,739,757	1,316,839,951
Legal reserve		-	-	-	-	-	-	-	-	20,025,000	(20,025,000)	-	-	-
Cash dividends	33	-	-	-	-	-	-	-	-	-	(488,146,441)	(488,146,441)	(92,971,775)	(581,118,216)
Additional ordinary shares	26	15,923,581	67,937,682	(231,030)	-	-	-	-	-	-	-	83,630,233	-	83,630,233
Advance for share subscription		-	-	4,218,918	-	-	-	-	-	-	-	4,218,918	-	4,218,918
Minority interest														
- Increase as a result of														
investment in a subsidiary		-	-	-	-	-	-	-	-	-	-	-	27,990,839	27,990,839
Ending balance - 31 December 2010		3,262,339,373	3,133,793,954	4,218,918	104,788,723	(755,412,590)	1,120,285,109	4,992,405	(339,219,687)	367,799,113	6,020,494,253	12,924,079,571	881,817,346	13,805,896,917

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

		Consolidated (Baht)												
	Notes	Issued and paid-up share capital	Share premium	Sheres of the company held by a subsidiary	Advance for shares subscription	Expired warrants in a subsidiary	Discount on business combination under common control	Fair value reserves	Translation adjustment	Legal reserve	Unappropriated-retained earnings	Total	Minority interests	Total
Beginning balance - 1 January 2009														
- as previously reported		3,614,264,065	3,040,085,741	(370,978,560)	-	104,788,723	-	(12,305,745)	(126,687,406)	347,774,113	5,181,969,956	11,778,910,887	624,384,326	12,403,295,213
Retrospective adjustment	5	-	-	-	-	-	-	-	-	-	(98,054,766)	(98,054,766)	(903,699)	(98,958,465)
Beginning balance - 1 January 2009														
- as restated		3,614,264,065	3,040,085,741	(370,978,560)	-	104,788,723	-	(12,305,745)	(126,687,406)	347,774,113	5,083,915,190	11,680,856,121	623,480,627	12,304,336,748
Reclassification		-	-	-	-	-	-	-	-	-	-	-	158,739,977	158,739,977
Translation adjustment		-	-	-	-	-	-	-	(101,808,104)	-	-	(101,808,104)	-	(101,808,104)
Fair value reserves		-	-	-	-	-	-	95,608,969	-	-	-	95,608,969	(410,524)	95,198,445
Total gain (loss) recognised in equity		-	-	-	-	-	-	95,608,969	(101,808,104)	-	-	(6,199,135)	158,329,453	152,130,318
Net profit for the year		-	-	-	-	-	-	-	-	-	1,400,315,993	1,400,315,993	95,471,943	1,495,787,936
Total gain (loss) recognised														
for the year		-	-	-	-	-	-	-	-	-	1,400,315,993	1,400,315,993	95,471,943	1,495,787,936
Cash dividends	33	-	-	-	-	-	-	-	-	-	(1,041,000,552)	(1,041,000,552)	(12,629,918)	(1,053,630,470)
Additional ordinary shares	26	518,832,430	25,770,531	-	-	-	-	-	-	-	-	544,602,961	-	544,602,961
Specific capital reduction	37	(886,680,703)	-	370,978,560	-	-	-	-	-	-	(155,665,131)	(671,367,274)	-	(671,367,274)
Advance for share subscription		-	-	-	231,030	-	-	-	-	-	-	231,030	-	231,030
Discount on business combination														
under common control	37	-	-	-	-	-	(755,412,590)	-	-	-	-	(755,412,590)	-	(755,412,590)
Minority interest														
- Increase as a result of														
investment in a subsidiary		-	-	-	-	-	-	-	-	-	-	-	37,563,921	37,563,921
Ending balance - 31 December 2009		3,246,415,792	3,065,856,272	-	231,030	104,788,723	(755,412,590)	83,303,224	(228,495,510)	347,774,113	5,287,565,500	11,152,026,554	902,216,026	12,054,242,580

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

		Company (Baht)							
	Notes	Issued and paid-up share capital	Share premium	Advance for shares subscription	Discount on business combination under common control	Fair value reserves	Legal reserve	Unappropriated-retained earnings	Total
Opening balance - 1 January 2010		3,246,415,792	3,040,203,896	231,030	(587,397,515)	61,074,606	347,774,113	831,943,587	6,940,245,509
Fair value reserves		-	-	-	-	992,753,630	-	-	992,753,630
Total gain (loss) recognised in equity		-	-	-	-	992,753,630	-	-	992,753,630
Net profit for the year		-	-	-	-	-	-	1,517,045,197	1,517,045,197
Total gain (loss) recognised for the year		-	-	-	-	-	-	1,517,045,197	1,517,045,197
Legal reserve		-	-	-	-	-	20,025,000	(20,025,000)	-
Cash dividends	33	-	-	-	-	-	-	(488,145,618)	(488,145,618)
Additional ordinary shares	26	15,923,581	67,937,682	(231,030)	-	-	-	-	83,630,233
Advance for shares subscription		-	-	4,218,918	-	-	-	-	4,218,918
Ending balance - 31 December 2010		3,262,339,373	3,108,141,578	4,218,918	(587,397,515)	1,053,828,236	367,799,113	1,840,818,166	9,049,747,869

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity (Continued)

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

		Company (Baht)							
	Notes	Issued and paid-up share capital	Share premium	Advance for shares subscription	Discount on business combination under common control	Fair value reserves	Legal reserve	Unappropriated-retained earnings	Total
Opening balance - 1 January 2009 - as previously reported		3,614,264,065	3,014,433,365	-	-	(130,554,806)	347,774,113	1,154,388,605	8,000,305,342
Retrospective adjustment	5	-	-	-	-	-	-	(22,291,551)	(22,291,551)
Opening balance - 1 January 2009 - as restated		3,614,264,065	3,014,433,365	-	-	(130,554,806)	347,774,113	1,132,097,054	7,978,013,791
Fair value reserves		-	-	-	-	191,629,412	-	-	191,629,412
Total gain (loss) recognised in equity		-	-	-	-	191,629,412	-	-	191,629,412
Net profit for the year		-	-	-	-	-	-	790,369,175	790,369,175
Total gain (loss) recognised for the year		-	-	-	-	-	-	790,369,175	790,369,175
Cash dividends	33	-	-	-	-	-	-	(1,090,522,642)	(1,090,522,642)
Additional ordinary shares	26	518,832,430	25,770,531	-	-	-	-	-	544,602,961
Specific capital reduction	37	(886,680,703)	-	-	-	-	-	-	(886,680,703)
Advance for shares subscription		-	-	231,030	-	-	-	-	231,030
Discount on business combination under common control	37	-	-	-	(587,397,515)	-	-	-	(587,397,515)
Ending balance - 31 December 2009		3,246,415,792	3,040,203,896	231,030	(587,397,515)	61,074,606	347,774,113	831,943,587	6,940,245,509

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Cash Flows

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

		Consolidated		Company	
	Notes	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash flows from operating activities					
Net profit before income tax		1,607,910,737	1,801,560,444	1,517,045,197	790,369,175
Adjustments:					
Depreciation and amortisation	30	1,566,452,779	1,565,461,619	81,275,876	78,045,700
Amortisation of other assets		38,800,997	9,736,047	14,276,765	4,831,627
Write-off of trade accounts receivable and allowance for doubtful accounts (reversal)		4,350,852	6,286,302	(29,660)	(22,393)
Realisation of deferred income		(47,489,361)	(47,689,790)	-	-
Share of profit of investments in associates and joint venture	12 b)	(216,542,775)	(168,653,858)	-	-
Interest expense		458,074,995	428,709,920	497,345,167	389,512,149
Interest income		(28,051,380)	(61,261,904)	(463,722,120)	(441,752,799)
Dividends income	29	(82,555,167)	(47,760,815)	(1,554,727,692)	(812,024,457)
Unrealised transalation adjustment for equity loan		42,230,401	(10,209,432)	-	-
Unrealised loss on exchange rate		5,510,954	15,642,138	-	-
Gain on sale of long-term investment		(29,693,470)	-	-	(5,487,722)
Write-off, impairment and loss (gains) on disposals of property, plant and equipment		24,413,845	96,519,972	(113,104)	2,714,759
Write-off and allowance for inventory obsolescence	9	(6,614,973)	(553,091)	-	-
Reversal of provision for impairment and write-off of other assets		(16,120,292)	(1,149,315)	-	-
Provision for employee benefits	24	19,221,326	19,368,465	3,068,348	3,369,252
Changes in operating assets and liabilities					
Trade accounts receivable		28,562,341	(175,482,020)	8,703,779	(4,450,600)
Inventories		(191,807,524)	87,536,168	(51,040)	8,801
Land and real estates project for sales		(21,158,892)	(2,911,820)	-	-
Other current assets		(12,976,452)	(101,149,591)	(902,698)	(5,078,045)
Trade accounts payable		(19,345,745)	114,384,853	(7,476,639)	6,568,717
Accrued expenses		76,877,149	(13,628,986)	(13,412,055)	(46,793,579)
Other current liabilities		219,907,191	66,812,849	21,643,213	(1,473,266)
Deferred income		10,585,742	49,937,760	-	-
Other non-current liabilities		(15,982,140)	(4,279,982)	(2,988,302)	6,905,398
Cash generated from (used in) operating activities		3,414,561,138	3,627,225,933	99,935,035	(34,757,283)
Interest paid		(448,116,034)	(366,689,439)	(482,323,350)	(329,639,318)
Income tax paid		(357,312,504)	(458,160,217)	(16,489,442)	(12,662,961)
Employee benefits paid	24	(68,949,552)	(7,239,112)	(24,190,580)	(5,396,596)
Cash generated from operating activities		2,540,183,048	2,795,137,165	(423,068,337)	(382,456,158)

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

		Consolidated		Company	
	Notes	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash flows from investing activities					
Increase in loans to and amounts due from related companies		(161,981,837)	(64,165,778)	(4,301,025,832)	(1,408,325,015)
(Increase) decrease in loan to other company		644,920,374	(39,351,444)	644,920,374	(39,351,444)
Payments for additional investments in subsidiaries and associates		(704,220,000)	(310,891,584)	(14,000,000)	(916,004,850)
Cash received from acquisition of investment in subsidiaries		-	10,979,788	-	-
Net cash paid from acquisition of investment in a subsidiary		(303,303,545)	-	-	-
Cash received from disposal of investment in subsidiaries		-	-	250,000	15,494,850
Cash received from decrease in share capital of a subsidiary	12 a)	-	-	43,622,004	43,622,004
Interest received		79,298,477	20,149,232	512,975,924	401,886,236
Dividends received from subsidiaries, associates, related companies and others		156,818,223	122,870,045	1,554,109,961	678,411,089
Cash invested in other long-term investments	13	(73,006,457)	(64,944,865)	(67,982,519)	(64,944,865)
Cash received from sales of othe long-term investments		65,449,666	-	-	-
Payments for land and project under development		(3,209,115,290)	(1,134,897,733)	-	-
Purchases of property, plant and equipment		(1,081,871,004)	(1,340,020,341)	(37,417,163)	(115,737,025)
Proceeds from disposals of property, plant and equipment		54,599,074	11,855,982	113,551	3,139,102
Purchases of intangible assets		(121,677,100)	(61,905,813)	(3,462,817)	(3,360,451)
Cash payment for other non-current assets		(98,681,277)	(160,199,319)	(15,640,440)	(27,605,904)
Net cash payments for investing activities		(4,752,770,696)	(3,010,521,830)	(1,683,536,957)	(1,432,776,273)
Cash flows from financing activities					
Increase (decrease) in short-term loans, amount due to and advances from related companies		18,589,793	(30,714,440)	147,787,370	520,679,238
Receipts from short-term loans		4,428,049	3,512,367,200	-	-
Repayments of short-term loans		(73,886,488)	(4,381,087,914)	-	-
Receipts from long-term borrowings	22	859,341,952	2,370,452,391	-	2,320,217,391
Repayments of long-term borrowings	22	(635,022,371)	(1,391,269,701)	(344,000,000)	(1,100,217,391)
Proceeds from issuance of debentures	23	4,000,000,000	2,000,000,000	4,000,000,000	2,000,000,000
Redemptions of debentures	23	(1,275,000,000)	(550,000,000)	(1,275,000,000)	(550,000,000)
Issue of ordinary shares	26	83,630,233	34,553,531	83,630,233	34,553,531
Cash paid for capital reduction	26	-	(671,367,274)	-	(886,680,703)
Cash received from increase in share capital of a subsidiary	12 a)	7,451,000	-	-	-
Advance for shares subscription		4,218,918	231,030	4,218,918	231,030
Dividends paid	33	(581,118,216)	(1,053,630,470)	(488,145,617)	(1,090,522,642)
Net cash receipts (payments) from financing activities		2,412,632,870	(160,465,647)	2,128,490,904	1,248,260,454

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Statements of Cash Flows (Continued)

Minor International Public Company Limited
For the years ended 31 December 2010 and 2009

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Net increase (decrease) in cash and cash equivalents	200,045,222	(375,850,312)	21,885,610	(566,971,977)
Cash and cash equivalents, opening balance	968,814,956	1,348,706,217	149,633,602	716,605,579
Loss on exchange rate	(14,627,888)	(4,040,949)	-	-
Cash and cash equivalents, closing balance	1,154,232,290	968,814,956	171,519,212	149,633,602

Cash and cash equivalents as at 31 December

	Notes	Consolidated		Company	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash and cash equivalents	7	1,156,280,782	968,814,956	171,519,212	149,633,602
Bank overdrafts	20	(2,048,492)	-	-	-
		1,154,232,290	968,814,956	171,519,212	149,633,602

Supplementary information for cash flows

Non-cash transaction

Significant non-cash transactions for the years ended 31 December 2010 and 2009 are as follows:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Acquisition of property, plant and equipment, and land and projects under development by payable	196,497,696	310,222,363	1,580,944	1,553,660
Account payable arisen from purchase of investment in a subsidiary	57,962,859	-	-	-
Account payable arisen from provision of investment	45,226,950	744,442,500	-	-

The notes to the consolidated and Company financial statements on pages 61 to 130 form an integral part of the financial statements.

Notes to the Consolidated and Company Financial Statements

Minor International Public Company Limited
As at 31 December 2010 and 2009

1. General information

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

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

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

The Company is incorporated as a public company under Thai law and was listed on the Stock Exchange of Thailand in October 1988. The Company and its subsidiaries ("The Group") engage in investment activities, hotel, restaurant operations, and distribution and manufacturing. The Group mainly operates in Thailand and also has operations in other countries such as Singapore, People's Republic of China, Republic of Maldives, United Arab Emirates, Sri Lanka, etc.

These consolidated and Company financial statements have been approved for issue by the Board of Directors on 22 February 2011.

2. Accounting policies

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

2.1 Basis for preparation

The consolidated and Company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange.

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

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

Comparative figures have been adjusted to conform with changes in presentation in the current year.

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

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework

a) Accounting framework

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The amendment of accounting framework is effective on 26 May 2010.

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Company has not early adopted them, except TAS 19 Employee Benefits which has already been adopted.

Effective for the periods beginning on or after 1 January 2011

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 17	(Revised 2009)	Leases
TAS 18	(Revised 2009)	Revenue
TAS 19		Employee Benefits
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benefit Plans
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(Revised 2009)	Interests in Joint Ventures
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets
TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2009)	Intangible Assets
TAS 40	(Revised 2009)	Investment Property
TFRS 2		Share-based Payment
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate

Effective for the periods beginning on or after 1 January 2013

TAS 12		Income taxes
TAS 20	(Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management has determined that the new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards will not significantly impact the financial statements being presented except as disclosed below.

TAS 1 (Revised 2009), the revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period apply this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The group will apply TAS 1 (Revised 2009) from 1 January 2011.

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates that tax law have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured by based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The Group will apply this standard from 1 January 2013 retrospectively with an expected to incur of deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of PPE, 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 obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The group will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.

TAS 21 (Revised 2009) requires an entity to determine its functional currency which is a currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The results and financial position of all the group entities that have a functional currency difference from the presentation currency are translated in the presentation currency by a) assets and liabilities are translated at the closing rate at the date of that statement of financial position b) income and expenses are translated at exchange rate at the date of the transactions and c) all resulting exchange differences are recognised as a separate component of equity. The group will apply this standard from 1 January 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.

TAS 24 (Revised 2009), the definition of related party has been expanded include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. The group will apply the revised standard from 1 January 2011 which may impact only to the disclosure of related parties information in the notes to financial statements.

TAS 40 (Revised 2009), the standard has specific presentation and measurement requirements for investment property. The entity has to present an investment property separately in the statement of financial position. The entity can choose to measure it either cost model or fair value model. Under fair value model, any changes in fair value are recognised in profit or loss. The entity will apply the standard from 1 January 2011. The group will apply cost model for measurement and expected reclassification from property, plant and equipment category.

TFRS 3 (Revised 2009), the revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the 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. All acquisition-related costs should be expensed. The group will apply the revised standard prospectively to all business combination from 1 January 2011.

2.3 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, respective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

See Note 2.13 for the accounting policy on goodwill. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are reported by using the cost method.

A list of the Group's principal subsidiaries is set out in Note 12 a).

2.4 Investments in associates and joint venture

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

In the consolidated financial statement, investments in associates and joint venture are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates and joint venture includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

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

Accounting policies of associates and joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

A list of the Group's principal associates and joint venture is set out in Note 12 b).

2.5 Foreign currency translation

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

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet 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 statement of income.

Statements of income of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates ruling on the balance sheet date. 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 currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

2.6 Segment reporting

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

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts are included in current liabilities on the balance sheet but presented offset with cash and cash equivalents for the purpose of the statement of cash flows.

2.8 Trade accounts receivable

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

2.9 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the moving average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.10 Points for right-to-use in time sharing resort

The Group accounts for points for right-to-use in time sharing resort for sales at acquisition costs plus costs directly attributable to the acquisition of the points for right-to-use in time sharing resort.

2.11 Land and real estates project for sales

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

2.12 Other investments

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

1. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
2. Investments in non-marketable equity securities are classified as general investments.

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

General investments are carried at cost less impairment.

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 statement of income.

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

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

2.13 Intangible assets

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

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

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

Computer software

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

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

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs are recognised as assets are amortised using the straight-line method over their useful lives, not exceeding a period of 3 - 10 years.

2.14 Property, plant and equipment

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

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

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit.

Interest costs on borrowing to finance the construction of property, plant and equipment are capitalised as part of cost of assets, during the period of time required to complete and prepare the property for its intended use. All other borrowing cost are expensed. The borrowing costs include:

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

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

2.15 Leasehold right

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

2.16 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 which 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.

2.17 Long-term leases

Where the Group is the lessee

Leases of property, plant and equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or lease period.

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

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

Where the Group is the lessor

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.

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

2.18 Borrowings

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

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 balance sheet date.

2.19 Provisions

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

2.20 Employee benefits

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

The Group provides for post employment benefits to employees under the labour laws applicable in Thailand. With effective 1 January 2009, the Group has recorded the liabilities in respect of employee benefits which are the present value of the defined benefit obligations calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligations are determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. The costs associated with providing these benefits are charged to the statements of income so as to spread the cost over the employment period during which the entitlement to benefits is earned. The effect of the application of this new accounting policy is presented in Note 5.

2.21 Deferred income taxes

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

2.22 Share capital

Ordinary shares are classified as equity.

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

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

2.23 Warrants

Warrants to subscribe for ordinary shares issued to existing shareholders

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

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

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

2.24 Revenue recognition

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

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

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

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

Revenues from distribution and manufacturing are 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.

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

Revenue and cost from selling of real estates are recognised as revenue and cost based on the percentage of completion method. The stage of completion is measured by referencing to the percentage of construction compared with total estimated costs (based on actual costs). Revenue will be recognised when the payment over 20% of each contract is received, pursuant to the percentage of completion method by which the completed percentage is assessed by the engineers.

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

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

2.25 Dividends

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

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

3. Critical accounting estimates and judgements

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

3.1 Impairment of receivable

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

3.2 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.13. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates by management.

3.3 Plant and equipment and intangible assets

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

3.4 Provision for employee benefits

The present value of the provision for employee benefits depends on a number of assumptions. The assumptions used in determining the net cost (income) for employee benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of the provision for employee benefits.

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

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

4. Risk management

4.1 Financial risk management

The Group's business activities maybe exposed it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as cross currency swap contracts and foreign exchange forward contracts to hedge certain exposures.

Financial risk management for the Group 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.

4.1.1 Cross currency swap contracts

Cross currency swap contracts are recognised at the inception date.

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

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. The fee incurred in establishing each agreement is amortised over the contract period, if any.

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.

4.2 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 appropriate capital structure to optimise 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.

4.3 The seasonality of the tourism industry risk management

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

5. Changes in accounting policy

Employee benefits

In 2009, the Group has chosen to early adopt accounting standard regarding accounting for employee benefits and has accounted for the adoption retrospectively in accordance with the accounting standard. The Group had adjusted the brought forward balance of retained earnings as at 1 January 2009 amounting to Baht 98.96 million and Baht 22.29 million for comparative consolidated and Company financial statements, respectively.

6. Segment information

6.1 Financial information by business segments

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

For the years ended 31 December (Baht Million)

	Hotel operation		Retails and property business		Entertainment operations		Spa services		Food and beverage operations		Real estates operations		Distribution		Manufacturing		Management operations		Investing in other companies		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
External	4,323	4,332	388	426	120	94	296	315	9,883	9,484	205	-	1,592	723	1,087	656	246	430	-	-	18,140	16,460
Related parties	42	45	91	76	-	-	3	3	-	2	1,237	-	-	-	-	-	760	546	-	-	2,133	672
Eliminate	(42)	(45)	(91)	(76)	-	-	(3)	(3)	-	(2)	(1,237)	-	-	-	-	-	(760)	(546)	-	-	(2,133)	(672)
Net Revenues	4,323	4,332	388	426	120	94	296	315	9,883	9,484	205	-	1,592	723	1,087	656	246	430	-	-	18,140	16,460
Segment results	2,048	2,102	253	280	53	43	86	106	6,693	6,404	56	-	930	435	105	74	1,006	976	-	-	11,230	10,420
Eliminate	(24)	(20)	(77)	(61)	34	27	33	30	-	(2)	-	-	-	(1)	-	-	(760)	(546)	-	-	(794)	(573)
Net Segment results	2,024	2,082	176	219	87	70	119	136	6,693	6,402	56	-	930	434	105	74	246	430	-	-	10,436	9,847

As at 31 December (Baht Million)

	Hotel Operation		Retails and property business		Entertainment operations		Spa services		Food and beverage operations		Real estates operations		Distribution		Manufacturing		Management operations		Investing in other companies		Eliminated		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Projects under development	3,772	855	-	-	-	-	-	-	-	-	348	2,069	33	33	-	-	-	-	-	-	134	-	4,287	2,957
Property, plant and equipment	7,074	7,690	633	712	105	104	32	42	2,236	2,273	-	-	151	98	147	159	8	10	75	20	378	-	10,839	11,108
Other assets	7,342	5,130	647	371	5	6	297	257	5,948	5,707	3,077	647	772	1,865	325	320	2,892	2,794	25,136	20,007	(28,781)	(22,898)	17,660	14,206
Total assets	18,188	13,675	1,280	1,083	110	110	329	299	8,184	7,980	3,425	2,716	956	1,996	472	479	2,900	2,804	25,211	20,027	(28,269)	(22,898)	32,786	28,271
Trade accounts payable	170	198	3	3	-	-	1	2	618	651	-	1	86	47	220	266	-	32	-	1	-	-	1,098	1,201
Borrowings	12,294	8,503	201	29	72	72	57	58	2,965	1,484	2,393	543	674	816	183	-	1,250	1,177	4,466	4,403	(21,664)	(14,413)	2,891	2,672
Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,900	8,175	-	-	10,900	8,175
Other liabilities	1,544	2,181	656	730	13	17	67	67	1,696	2,465	920	31	196	867	24	177	584	578	817	662	(2,426)	(3,606)	4,091	4,169
Total liabilities	14,008	10,882	860	762	85	89	125	127	5,279	4,600	3,313	575	956	1,730	427	443	1,834	1,787	16,183	13,241	(24,090)	(18,019)	18,980	16,217

6.2 Financial information by geographical segments

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

	Revenues		Segment result		Total assets	
	2010 Baht Million	2009 Baht Million	2010 Baht Million	2009 Baht Million	2010 Baht Million	2009 Baht Million
Thailand	17,474	14,156	9,143	8,170	50,744	45,390
Singapore	2,078	2,135	1,591	1,642	2,647	2,709
People's Republic of China	464	459	306	296	295	406
Republic of Maldives	143	157	102	113	2,087	1,101
The United Arab Emirates	19	92	16	90	-	16
Others	95	133	72	108	5,282	1,547
Eliminated	(2,133)	(672)	(794)	(572)	(28,269)	(22,898)
Total	18,140	16,460	10,436	9,847	32,786	28,271

7. Cash and cash equivalents

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash on hand	84,615,206	84,588,896	1,676,014	5,779,260
Deposits held at call with banks	1,071,665,576	884,226,060	169,843,198	143,854,342
Total cash and cash equivalents	1,156,280,782	968,814,956	171,519,212	149,633,602

The average effective interest rate of deposits with banks was 0.1% to 1.52% per annum (2009: 0.125% to 2% per annum).

8. Trade accounts receivable, net

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Trade accounts receivable	1,005,716,583	989,740,657	17,466,336	26,170,115
Less Allowance for doubtful accounts	(24,453,370)	(20,102,517)	(188,162)	(217,822)
Trade accounts receivable, net	981,263,213	969,638,140	17,278,174	25,952,293

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

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Not yet due	796,258,483	854,276,258	15,262,237	21,267,544
Overdue				
Under 90 days	156,981,270	101,240,128	1,823,895	4,417,805
91 days to 180 days	25,940,284	21,439,182	85,514	221,506
Over 181 days	26,536,546	12,785,089	294,690	263,260
Trade accounts receivable	1,005,716,583	989,740,657	17,466,336	26,170,115
Less Allowance for doubtful accounts	(24,453,370)	(20,102,517)	(188,162)	(217,822)
Trade accounts receivable, net	981,263,213	969,638,140	17,278,174	25,952,293

9. Inventories, net

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Food and beverage	48,478,062	48,252,841	2,713,929	2,495,984
Finished goods (net with allowance)	275,763,483	278,699,112	-	-
Raw materials (net with allowance)	443,133,494	433,575,540	-	-
Work in process	9,028,410	9,032,989	-	-
Goods in transit	61,476,058	25,161,538	-	-
Supplies and others	112,105,435	59,426,161	2,661,788	2,828,693
Inventories, net	949,984,942	854,148,181	5,375,717	5,324,677

During 2010, Baht 6.6 million was reversed to the statement of income for allowance for obsolete inventories.

10. Land and real estates project for sales, net

	Consolidated	
	2010 Baht	2009 Baht
Land	96,864,162	31,633,734
Land under lease agreement	440,771,216	-
Construction cost	1,787,853,481	630,727,301
Furniture and fixtures	203,958,825	93,601,984
Interest capitalised	243,551,473	28,959,286
Others	176,866,511	7,530,165
	2,949,865,668	792,452,470
Less Cost of sales - accumulated	(531,144,188)	(406,800,330)
Land and real estates project for sales, net	2,418,721,480	385,652,140

As at 31 December 2010, Group has commitment relating to the construction contracts of real estates project for sales for the amount of Baht 12.3 million (2009: no commitment).

11. Other current assets

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Other receivables	376,911,064	482,829,035	25,721,585	53,507,245
Prepaid expenses	151,257,998	135,420,670	5,973,296	7,503,241
Prepaid income tax	171,860,158	85,299,408	16,485,489	12,517,739
Advance for construction	363,521,793	201,463,786	-	-
Short-term loan to other company	-	644,920,374	-	644,920,374
Others	91,807,361	70,510,843	13,982,238	20,496,045
Total other current assets	1,155,358,374	1,620,444,116	62,162,608	738,944,644

Short-term loan to other company carries interest at the fixed rate as stipulated in the agreement and due for repayment in 2010.

12. Investments in subsidiaries, associates and joint venture

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Subsidiaries	-	-	6,629,390,044	6,659,262,048
Associates and joint venture	1,535,859,281	1,353,096,582	24,284,460	24,284,460
Total investments in subsidiaries, associates and joint venture	1,535,859,281	1,353,096,582	6,653,674,504	6,683,546,508

a) Investments in subsidiaries

	Company	
	2010 Baht	2009 Baht
Opening net book value	6,659,262,048	5,874,234,415
Acquisitions	14,000,000	838,656,765
Decapitalise in property fund	(43,622,004)	(43,622,004)
Share redemption of a liquidated subsidiary	-	(10,000,000)
Disposal	(250,000)	(7,128)
Closing net book value	6,629,390,044	6,659,262,048

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

a) Investments in subsidiaries (Continued)

	Company - 31 December 2010						
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Dividend (Baht)
Chao Phaya Resort Limited	Hotel operation and shopping mall	Thailand	Shareholder	450	81.24	625,811,571	53,617,685
Hua Hin Resort Limited	Hotel operation	Thailand	Shareholder	200	100	230,967,920	-
Maerim Terrace Resort Limited	Hotel operation	Thailand	Shareholder	300	45.30[(1)]	161,418,899	-
Royal Garden Development Limited	Hotel operation	Thailand	Shareholder	700	100	929,262,396	75,249,998
Samui Resort and Spa Limited	Hotel operation	Thailand	Shareholder	10	100	10,000,000	-
Rajadamri Hotel Public Company Limited	Hotel operation	Thailand	Shareholder	450	98.91	1,608,379,789	-
MI Squared Limited	Hotel operation	Thailand	Shareholder	10	100	10,000,000	-
Hua Hin Village Limited	Hotel operation	Thailand	Shareholder	50	100	50,000,000	-
Baan Boran Chiangrai Limited	Hotel operation	Thailand	Shareholder	165	100	164,999,800	-
Samui Village Limited	Hotel operation	Thailand	Shareholder	37.5	100	37,499,300	-
Coco Palm Hotel & Resort Limited	Hotel operation	Thailand	Shareholder	113	100	177,477,165	-
Coco Recreation Limited	Hotel operation	Thailand	Shareholder	0.25	100	250,000	-
Samui Beach Club Owner Limited	Hotel operation & Rent of property	Thailand	Shareholder	0.25	100	250,000	-
The Minor Food Group Public Company Limited (“MFG”)	Sales of food and beverage	Thailand	Shareholder	327	99.72	2,302,662,067	997,171,903
Royal Garden Plaza Limited	Shopping mall	Thailand	Shareholder	75	100	75,000,000	-
M Spa International Limited (“MST”)	Spa services	Thailand	Shareholder	41	51[(2)]	20,910,000	-
Samui Beach Residence Limited	Sales of property	Thailand	Shareholder	1	100	1,000,000	-
Coco Residence Limited	Sales of property	Thailand	Shareholder	0.25	100	250,000	-
Minor Hotel Group Limited	Hotel management	Thailand	Shareholder	17	100	93,500,000	84,999,850
RNS Holding Limited	Management	Thailand	Shareholder	26	100	13,140,822	-
Minor Global Solutions Limited (formerly “ Minor Information Technology Limited”)	Management	Thailand	Shareholder	20	100	20,000,000	-
Chao Phaya Resort and Residence Limited	Hotel operation & Sales of property	Thailand	Shareholder	0.25	100	250,000	-

a) Investments in subsidiaries (Continued)

	Company - 31 December 2010						
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Dividend (Baht)
Minor Corporation Public Company Limited ("MINOR")	Distribution	Thailand	Shareholder	490	91.35[(3)]	(77,348,085)	-
RGR International Limited	Management	British Virgin Islands	Shareholder	2.6 (USD 100,000)	100	2,586,000	-
R.G.E. (HKG) Limited	Management	Hong Kong	Shareholder	0.5 (HKD 100,000)	100	542,740	-
M&H Management Limited	Management	Mauritius	Shareholder	0.04 (USD 1,000)	100	36,231	-
Lodging Investment (Labuan) Limited	Holding investment	Malaysia	Shareholder	0.04 (USD 1,000)	100	36,231	-
Minor International (Labuan) Limited	Hotel operation	Malaysia	Shareholder	0.03 (USD 1,000)	100	34,344	-
Thai Project Property Fund	Property investment	Thailand	Shareholder	75	99.90	74,797,460	30,970,629
Sub Thawee Property Fund	Property investment	Thailand	Shareholder	13	99.86[(4)]	13,604,886	73,252,671
Thai Assets Management Property Fund	Property investment	Thailand	Shareholder	82[(5)]	100	82,070,508	159,254,048
AVC Club Developer Limited	Sales of points for right-to-use in time sharing resort	Mauritius	Shareholder	0.03 (USD 1,000)	100	-	-
AVC Vacation Club Limited	Sales of points for right-to-use in time sharing resort	Mauritius	Shareholder	0.03 (USD 1,000)	100	-	-
Total investments in subsidiaries						6,629,390,044	1,474,516,784

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

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

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

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

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

a) Investments in subsidiaries (Continued)

	Company - 31 December 2009						
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Dividend (Baht)
Chao Phaya Resort Limited	Hotel operation and shopping mall	Thailand	Shareholder	450	81.24	625,811,571	53,617,685
Hua Hin Resort Limited	Hotel operation	Thailand	Shareholder	200	100	230,967,920	-
Maerim Terrace Resort Limited	Hotel operation	Thailand	Shareholder	300	45.30(1)	161,418,899	-
Royal Garden Development Limited	Hotel operation	Thailand	Shareholder	700	100	929,262,396	74,999,998
Samui Resort and Spa Limited	Hotel operation	Thailand	Shareholder	10	100	10,000,000	11,999,976
Rajadamri Hotel Public Company Limited	Hotel operation	Thailand	Shareholder	450	98.91	1,608,379,789	-
MI Squared Limited	Hotel operation	Thailand	Shareholder	10	100	10,000,000	-
Hua Hin Village Limited	Hotel operation	Thailand	Shareholder	50	100	50,000,000	-
Baan Boran Chiangrai Limited	Hotel operation	Thailand	Shareholder	165	100	164,999,800	-
Samui Village Limited	Hotel operation	Thailand	Shareholder	37.5	100	37,499,300	-
Coco Palm Hotel & Resort Limited	Hotel operation	Thailand	Shareholder	113	100	177,477,165	-
Coco Recreation Limited	Hotel operation	Thailand	Shareholder	0.25	100	250,000	-
Samui Beach Club Owner Limited	Hotel operation	Thailand	Shareholder	0.25	100	250,000	-
(formerly "Phuket Beach Residence Limited")							
Mai Faad Beach Resort Limited	Hotel operation	Thailand	Shareholder	0.25	100	250,000	-
The Minor Food Group Public Company Limited ("MFG")	Sales of food and beverage	Thailand	Shareholder	327	99.72	2,302,662,067	89,751,955
Royal Garden Plaza Limited	Shopping mall	Thailand	Shareholder	75	100	75,000,000	21,999,991
M Spa International Limited ("MST")	Spa services	Thailand	Shareholder	41	51(2)	20,910,000	-
Samui Beach Residence Limited	Sales of property	Thailand	Shareholder	1	100	1,000,000	59,998,800
Coco Residence Limited	Sales of property	Thailand	Shareholder	0.25	100	250,000	-
Minor Hotel Group Limited	Hotel management	Thailand	Shareholder	17	100	93,500,000	99,999,824
RNS Holding Limited	Management	Thailand	Shareholder	26	100	13,140,822	-
Minor Information Technology Limited	Management	Thailand	Shareholder	6	100	6,000,000	6,999,977
Chao Phaya Resort and Residence Limited	Hotel operation & Sales of property	Thailand	Shareholder	0.25	100	250,000	-
Minor Corporation Public Company Limited ("MINOR")	Distribution	Thailand	Shareholder	490	91.35(3)	(77,348,085)	-

a) Investments in subsidiaries (Continued)

	Company - 31 December 2009						
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Dividend (Baht)
RGR International Limited	Management	British Virgin Islands	Shareholder	2.6 (USD 100,000)	100	2,586,000	-
R.G.E. (HKG) Limited	Management	Hong Kong	Shareholder	0.5 (HKD 100,000)	100	542,740	-
M&H Management Limited	Management	Mauritius	Shareholder	0.04 (USD 1,000)	100	36,231	83,051,750
Lodging Investment (Labuan) Limited	Holding investment	Malaysia	Shareholder	0.04 (USD 1,000)	100	36,231	-
Minor International (Labuan) Limited	Hotel operation	Malaysia	Shareholder	0.03 (USD 1,000)	100	34,344	-
Thai Project Property Fund	Property investment	Thailand	Shareholder	75	99.90	74,797,460	37,964,070
Sub Thawee Property Fund	Property investment	Thailand	Shareholder	21	99.86(4)	20,734,890	69,597,574
Thai Assets Management Property Fund	Property investment	Thailand	Shareholder	119(5)	100	118,562,508	155,138,782
Total investments in subsidiaries						6,659,262,048	765,120,382

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

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

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

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

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

a) **Investments in subsidiaries** (Continued)

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

Company - 31 December				
			Investment portion (%)	
	Nature of business	Country of incorporation	2010	2009
MFG's subsidiaries				
Swensen's (Thai) Limited	Sales of food and beverage	Thailand	100	100
Minor Cheese Limited	Manufacturing and sales of cheese	Thailand	100	100
Minor Dairy Limited	Manufacturing and sales of ice-cream	Thailand	100	100
Minor DQ Limited	Sales of food and beverage	Thailand	100	100
R.G.R. Food Service Limited	Sales of food and beverage	Thailand	-	100
Catering Associates Limited	Catering service	Thailand	51	51
Burger (Thailand) Limited	Sales of food and beverage	Thailand	95	95
International Franchise Holding (Labuan) Limited	Franchise owner	Malaysia	100	100
The Pizza Restaurant Company Limited	Sales of food and beverage	Thailand	-	100
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
International Franchise Holding (Labuan) Limited's subsidiaries				
Franchise Investment Corporation of Asia Ltd.	Franchise owner	British Virgin Islands	100	100
The Minor Food Group (China) Limited	Sales of food and beverage	People's Republic of China	100	100
Primacy Investment Limited's subsidiaries				
Delicious Foodstuff (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Beverage (Labuan) Limited	Holding investment	Malaysia	100	100
Delicious Food Holding (Singapore) Pte. Ltd.	Holding investment	Singapore	100	100
ThaiExpress Concepts Pte. Ltd.	Holding investment	Singapore	70	70
Delicious Food Holding (Singapore) Pte. Ltd.'s subsidiary				
Delicious Food Holding (Australia) Pte. Ltd.	Holding investment	Australia	100	100
M Spa International Limited's subsidiaries				
M Spa Ventures Limited	Spa services	British Virgin Islands	100	100
M Spa Enterprise Management (Shianghai) Limited	Spa services	People's Republic of China	100	100

a) Investments in subsidiaries (Continued)

	Company - 31 December			
			Investment portion (%)	
	Nature of business	Country of incorporation	2010	2009
Minor Hotel Group Limited's subsidiary				
Hospitality Investment International Limited	Holding investment	British Virgin Islands	100	100
Hospitality Investment International Limited's subsidiaries				
Lodging Management (Labuan) Limited	Hotel management	Malaysia	100	100
Lodging Management (Mauritius) Limited	Hotel management	Republic of Mauritius	100	100
PT Lodging Management (Indonesia) Limited	Hotel management	Indonesia	93.3	93.3
Cyprea Lanka (Private) Limited	Hotel operation	Sri Lanka	80.1	-
Royal Garden Development Limited' subsidiaries				
Rajadamri Residence Limited	Hotel and sales of property	Thailand	100	-
Rajadamri Lodging Limited (formerly "Mai Faad Beach Resort Limited")	Hotel operation	Thailand	100	-
Rajadamri Hotel Public Company Limited's subsidiary				
Rajadamri Residence Limited	Hotel and sales of property	Thailand	-	100
ThaiExpress Concepts Pte. Ltd.'s subsidiaries				
The ThaiExpress Restaurant Pte. Ltd.	Sales of food and beverage	Singapore	100	100
BBZ Design International Pte. Ltd.	Sales of food and beverage	Singapore	100	100
NYS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
PS07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
TES07 Pte. Ltd.	Sales of food and beverage	Singapore	100	100
XWS Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Concepts Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Shokudo Heeren Pte. Ltd.	Sales of food and beverage	Singapore	100	100
The Bund Pte. Ltd.	Sales of food and beverage	Singapore	100	100
Lotus Sky Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
ThaiExpress Concepts Sdn Bhd.	Sales of food and beverage	Malaysia	100	100
MINOR's subsidiaries				
Armin Systems Limited	Distribution - kitchen utensils, garment and shoes	Thailand	100	100
NMT Limited	Manufacturing services - consumer products	Thailand	100	100
Minor Development Limited	Property development	Thailand	100	100
Minor Consultants & Services Limited	Distribution - cosmetics and luggage	Thailand	100	100
Red Earth Thai Limited	Distribution - cosmetics and perfume	Thailand	100	100
Esmido Fashions Limited	Distribution - garments	Thailand	90.8	90.8
Amore Pacific (Thailand) Limited	Distribution - cosmetics and perfume	Thailand	51	70
Marvelous Wealth Limited	Holding investment	British Virgin Islands	100	100

Thai Assets Management Property Fund

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

As at 31 December 2010, the Group holds 100% of the property Fund's Class C and Class D units. The Class C and Class D unitholders have the right to receive dividends after dividends are paid to Class A and Class B unitholders. As at 31 December 2010, the Class A and Class B unitholders have investments amounting to Baht 225 million (2009: Baht 325 million). These unitholders will receive dividends at the specified interest rates and have rights to receive dividends before other classes of unitholders. Such capital of Class A and Class B unitholders is classified as borrowings (Note 22) according to its underlying substance.

Changes in investments in subsidiaries for the year ended 31 December 2010 comprise:

Minor Global Solutions Limited (formerly "Minor Information Technology Limited")

During the first quarter of 2010, Minor Global Solutions Limited, a subsidiary of the Company, increased its registered share capital of 140,000 shares with par value of Baht 100 per share, totalling Baht 14 million. The Company purchased all those shares amounting to Baht 14 million. This subsidiary changed its name from Minor Information Technology Limited to Minor Global Solutions Limited.

Rajadamri Lodging Limited (formerly "Mai Faad Beach Resort Limited")

During the first quarter of 2010, Mai Faad Beach Resort Limited, a subsidiary of the Company, changed its name to Rajadamri Lodging Limited.

During the second quarter of 2010, the Company sold its entire investment in Rajadamri Lodging Limited to Royal Garden Development Limited, a subsidiary of the Company, at paid-up share capital of Baht 250,000. This company called for the 75% remaining of existing ordinary common shares of 10,000 shares and increased its registered share capital of 190,000 shares with a par value of Baht 100 or totalling Baht 19.75 million. Royal Garden Development Limited purchased all those shares of Baht 19.75 million.

R.G.R. Food Service Limited

During the first quarter of 2010, R.G.R. Food Service Limited has completed the liquidation and redeemed its shares to MFG amounting to Baht 0.004 million.

The Pizza Restaurant Company Limited

During the first quarter of 2010, The Pizza Restaurant Company Limited has completed the liquidation and redeemed its shares to MFG amounting to Baht 2 million.

Cyprea Lanka (Private) Limited

On 9 August 2010, a subsidiary of the Group, Hospitality Investment International Limited, has entered into a share purchase agreement of Cyprea Lanka (Private) Limited which operates hotel business in Sri Lanka of 82,010,192 ordinary shares with a par value of 10 Sri Lanka Rupee, totalling USD 11,399,948 or Baht 366.1 million, representing 80.10% of this company's paid-up shares.

The financial statements of Cyprea Lanka (Private) Limited is included in these consolidated financial statements since the date that the Group has control over this subsidiary.

Details of the acquisition are as follows:

	Baht
Purchasing consideration	366,825,199
Net carrying value of Cyprea Lanka (Private) Limited under interest acquired	(112,666,644)
Goodwill	254,158,555

On the acquisition date, the book value at 80.10% interest of assets and liabilities acquired in Cyprea Lanka (Private) Limited are as follows:

	Baht
Cash and cash equivalents	1,784,739
Trade accounts receivable	16,239,742
Inventories	3,666,692
Property, plant and equipment, net	153,138,167
Leasehold right, net	9,198,689
Trade accounts payable	(7,464,705)
Payables from related parties	(16,837,453)
Accrued expenses and other liabilities	(19,068,388)
Book value of net assets	140,657,483
Interest acquired	80.10%
Book value of net assets acquired (Baht)	112,666,644

Net assets from acquisition of investment in Cyprea Lanka (Private) Limited are stated at the net book value at the date of acquisition. The Group is in the process of appraising the fair value of property, plant and equipment. The fair value of other assets and liabilities of Cyprea Lanka (Private) Limited approximates the book value. The difference between net book value and net fair value will be adjusted with goodwill.

Amore Pacific (Thailand) Limited

During the third quarter of 2010, an Extraordinary General Meeting of Shareholders of Amore Pacific (Thailand) Limited, a subsidiary, passed a resolution approving the increase in the registered capital from Baht 20 million to Baht 27.45 million by issuing 74,510 new ordinary shares at par value of Baht 100 to existing shareholder, Amore Pacific Corporation Limited (incorporated in the Republic of Korea). The existing shareholder's holding portion will increase from 30% to 49% while the Group's holding portion will decrease from 70% to 51%. The company received advance for share subscription of Baht 7.45 million in September 2010 and registered the increased share capital with the Ministry of Commerce on 1 October 2010. Change in investment portion resulted in unrealised gain on dilution of investment in the Group amounting to Baht 4,992,405.

AVC Club Development Limited

During the fourth quarter of 2010, the Company received free 1,000 ordinary shares with a par value of USD 1 of AVC Club Developer Limited from Minor Corporation Public Company Limited.

AVC Vacation Club Limited

During the fourth quarter of 2010, the Company acquired ordinary shares of AVC Vacation Club Limited of 1,000 shares with a par value of USD 1. However, the Company has not paid for those share subscription to this company.

b) Investments in associates and joint venture

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Opening net book amount	1,353,096,582	1,241,628,509	24,284,460	24,284,460
Transfer from advance for share subscription (HVC)	17,707,880	-	-	-
Provision for additional payment of investment	22,775,100	24,600,250	-	-
Share of profit of investments in associates and joint venture	216,542,775	168,653,858	-	-
Dividend income	(74,263,056)	(83,518,098)	-	-
Elimination of profit in intangible assets	-	1,732,063	-	-
Closing net book amount	1,535,859,281	1,353,096,582	24,284,460	24,284,460

b) Investments in associates and joint venture (Continued)

	Consolidated - 31 December 2010							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Equity (Baht)	Dividend (Baht)
Maikhao Vacation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	Shareholder	40	50	22,999,292	14,605,306	-
Arabian Spa (Dubai) (LLC)	Spa services	United Arab Emirates	Shareholder	3.4 (0.3 Dirham Million)	49	1,667,936	11,809,049	-
Eutopia Private Holding Limited	Hotel operation	Republic of Maldives	Shareholder	163.2 (4 USD Million)	50	81,590,000	150,897,824	-
Tanzania Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	Shareholder	- (2 USD)	50	333,457,094	370,816,929	-
Zanzibar Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	Shareholder	- (2 USD)	50	71,508,389	54,257,470	-
The Coffee Club Holdings Pty. Ltd.	Holding investment	Australia	Shareholder	1,332 (46 AUD Million)	50	689,253,066	807,741,787	48,763,395
Sizzler China Pte. Limited	Franchise owner	Singapore	Shareholder	-	50	-	9,511,254	-
Select Service Partner Limited	Sales of food and beverage	Thailand	Shareholder	45	51	22,950,000	101,274,680	25,499,661
Harbour View Corporation Limited	Hotel operation	Vietnam	Shareholder	209 (84 Dong Billion)	30.39[1]	78,274,452	14,944,982	-
Investments in associates and joint venture						1,301,700,229	1,535,859,281	74,263,056

[1] Changes in the portion of investment in Harbour View Corporation Limited made this investment change from general investment to investment in an associate.

b) Investments in associates and joint venture (Continued)

	Consolidated - 31 December 2009							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Equity (Baht)	Dividend (Baht)
Maikhao Vacation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	Shareholder	40	50	22,999,292	14,100,483	-
Arabian Spa (Dubai) (LLC)	Spa services	United Arab Emirates	Shareholder	3.4 (0.3 Dirham Million)	49	1,667,936	5,219,100	8,408,866
Eutopia Private Holding Limited	Hotel operation	Republic of Maldives	Shareholder	163.2 (4 USD Million)	50	81,590,000	84,848,597	-
Tanzania Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	Shareholder	- (2 USD)	50	310,681,994	330,210,521	-
Zanzibar Tourism and Hospitality Investment Limited	Holding investment	British Virgin Islands	Shareholder	- (2 USD)	50	71,508,389	62,693,305	-
The Coffee Club Holdings Pty. Ltd.	Holding investment	Australia	Shareholder	1,332 (46 AUD Million)	50	689,253,066	763,697,399	34,310,300
Sizzler China Pte. Limited	Franchise owner	Singapore	Shareholder	-	50	-	6,618,670	-
Select Service Partner Limited	Sales of food and beverage	Thailand	Shareholder	45	51	22,950,000	85,708,507	40,798,932
Harbour View Corporation Limited	Hotel operation	Vietnam	Shareholder	209 (84 Dong Billion)	30.39[1]	60,566,572	-	-
Investments in associates and joint venture						1,261,217,249	1,353,096,582	83,518,098

[1] Changes in the portion of investment in Harbour View Corporation Limited made this investment change from general investment to investment in an associate.

b) Investments in associates and joint venture (Continued)

	Consolidated - 31 December			
			Investment portion (%)	
	Nature of business	Country of incorporation	2010	2009
Tanzania Tourism and Hospitality Investment Limited's subsidiary				
Elewana Afrika (T) Limited	Hotel operation	United Republic of Tanzania	100	100
Elewana Afrika (K) Limited	Holding Investment	Kenya	100	-
Flora Holding Limited	Holding Investment	Kenya	100	-
Parrots Limited	Hotel operation	Kenya	100	-
Zanzibar Tourism and Hospitality Investment Limited's subsidiary				
Elewana Afrika (Z) Limited	Hotel operation	United Republic of Tanzania	100	100
The Grande Stone Town Limited	Holding Investment	United Republic of Tanzania	100	-
Parachichi Limited	Hotel operation	United Republic of Tanzania	100	-
Select Service Partner Limited's subsidiary				
Select Service Partner (Cambodia) Limited	Sale of food and beverage	The Kingdom of Cambodia	100	100
The Coffee Club Holdings Pty. Ltd.'s subsidiaries				
Expresso 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
First Avenue Company Pty. Ltd.	Sale of food and beverage	Australia	100	100

b) Investments in associates and joint venture (Continued)

	Company - 31 December 2010						
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Dividend (Baht)
Maikhao Vacation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	Shareholder	40	50	24,284,460	-
Total investments in associates and joint venture						24,284,460	-

	Company - 31 December 2009						
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Dividend (Baht)
Maikhao Vacation Villas Limited	Sales of right-to-use in time sharing resort	Thailand	Shareholder	40	50	24,284,460	-
Total investments in associates and joint venture						24,284,460	-

b) Investments in associates and joint venture (Continued)

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

	Country of incorporation	Assets Baht	Liabilities Baht	Revenues Baht	Profit/(loss) Baht	% interest held
Year ended 31 December 2010						
Maikhao Vacation Villas Limited	Thailand	11,415,063	116,693	1,411	504,824	50
Arabian Spa (Dubai) (LLC)	United Arab Emirates	16,992,190	4,914,213	10,629,783	6,589,950	49
Eutopia Private Holding Limited	Republic of Maldives	755,160,656	616,988,208	532,570,499	66,049,227	50
Tanzania Tourism and Hospitality Investment Limited	British Virgin Islands	287,625,483	239,780,277	96,100,451	17,831,307	50
Zanzibar Tourism and Hospitality Investment Limited	British Virgin Islands	80,821,479	133,530,872	8,627,500	(8,435,836)	50
The Coffee Club Holdings Pty. Ltd.	Australia	247,192,979	168,776,766	651,734,784	92,807,783	50
Sizzler China Pte. Limited	Singapore	9,174,748	408,769	5,428,688	2,892,708	50
Select Service Partner Limited	Thailand	137,209,370	42,130,685	312,245,460	41,065,710	51
Harbour View Corporation Limited	Vietnam	54,100,343	58,896,450	7,563,695	(2,762,898)	30.4
		1,599,692,311	1,265,542,933	1,624,902,271	216,542,775	
Year ended 31 December 2009						
Maikhao Vacation Villas Limited	Thailand	43,095,791	32,302,246	21,038,584	8,160,493	50
Arabian Spa (Dubai) (LLC)	United Arab Emirates	16,027,650	13,715,904	10,197,480	3,429,021	49
Eutopia Private Holding Limited	Republic of Maldives	857,375,342	781,096,865	542,150,346	51,080,236	50
Tanzania Tourism and Hospitality Investment Limited	British Virgin Islands	230,862,976	198,261,038	81,450,944	3,816,461	50
Zanzibar Tourism and Hospitality Investment Limited	British Virgin Islands	20,038,290	39,921,752	-	(8,165,399)	50
The Coffee Club Holdings Pty. Ltd.	Australia	242,994,482	170,817,007	401,584,288	70,950,811	50
Sizzler China Pte. Limited	Singapore	6,765,980	568,045	5,257,858	1,425,401	50
Select Service Partner Limited	Thailand	134,623,649	55,949,086	277,226,310	37,956,834	51
Harbour View Corporation Limited	Vietnam	63,710,966	117,318,476	24,515,227	-	30.4
		1,615,495,126	1,409,950,419	1,363,421,037	168,653,858	

Select Service Partner Limited

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

Changes in investments in associates and joint venture for the year ended 31 December 2010 comprise:

Harbour View Corporation Limited ("HVC")

In May 2009, a subsidiary of the Company additionally invested in Harbour View Corporation Limited located in Vietnam, changing from 19.98% to 30.39% of paid-up shares. This investment has been changed from a general investment to an investment in associate.

In the second quarter of 2010, the Group has completed calculating net asset fair value of HVC. In consideration of fair value of asset, the Company determines the measurement of the asset and considers the possibility that the Company receives economic benefit reasonably. The detail of goodwill including in investment in HVC is as follows:

	Baht
Purchase consideration	17,707,880
Fair value of net liabilities under interest acquired	7,178,760
Goodwill	24,886,640

On the acquisition date, the fair value at 10.41% interest of assets and liabilities acquired in HVC is as follows:

	Baht
Cash	17,666,728
Other current assets	11,672,940
Building and equipment	333,480,781
Leasehold rights	70,711,843
Loan from financial institution	(339,810,450)
Other liabilities	(162,682,076)
Fair value of net liabilities	(68,960,234)
Interest acquired	10.41%
Fair value of net liabilities acquired (Baht)	(7,178,760)

c) Provisions for investment in associate

As at 31 December 2010, the Company had provisions for investment in associate amounting to USD 1.5 million (or equivalent Baht 45.2 million).

13. Other long-term investments, net

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Other companies, net	669,539	27,410,070	24,765	19,318
Related companies, net	1,914,936,740	812,421,239	1,804,523,000	743,792,300
Other long-term investments, net	1,915,606,279	839,831,309	1,804,547,765	743,811,618

a) Investments in other companies

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Opening net book amount	27,410,070	8,808,564	19,318	12,700
Acquisition from business restructuring with MINOR	-	8,539,824	-	-
Acquisitions	5,023,938	-	-	-
Sales of investments	(35,756,480)	-	-	-
Reversal of fair value of investment	3,983,988	-	-	-
Change in fair value of investments	8,023	10,061,682	5,447	6,618
Closing net book amount	669,539	27,410,070	24,765	19,318

Investment in other companies comprises:

	Consolidated			
	Cost method		Fair value	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Available-for-sale securities, cost	9,634	22,841,903	31,315	18,871,846
Adjust Fair value reserves	21,681	(3,970,057)	-	-
Available-for-sale securities, net	31,315	18,871,846	31,315	18,871,846
General investments, cost	2,788,574	10,688,574		
Adjust Impairment	(2,150,350)	(2,150,350)		
General investments, net	638,224	8,538,224		
Investments in the other companies, net	669,539	27,410,070		

	Company			
	Cost method		Fair value	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Available-for-sale securities, cost	8,034	8,034	24,765	19,318
Adjust Fair value reserves	16,731	11,284	-	-
Investments in the other companies, net	24,765	19,318	24,765	19,318

b) Investments in related companies

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Opening net book amount	812,421,239	824,427,534	743,792,300	487,224,640
Acquisition	67,982,519	64,944,865	67,982,519	64,944,865
Transfer to investment in subsidiary from business restructuring with MINOR	-	(159,984,225)	-	-
Change in fair value of investments	1,034,532,982	83,033,065	992,748,181	191,622,795
Closing net book amount	1,914,936,740	812,421,239	1,804,523,000	743,792,300

b) Investments in related companies (Continued)

	Consolidated							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Fair value reserves (Baht)	Net investment (Baht)
31 December 2010								
Available-for-sale securities								
S&P Syndicate Public Company Limited	Sale & food and beverage	Thailand	Shareholder	490	26.28	750,711,496	1,053,811,504	1,804,523,000
Serendib Hotels Limited	Hotel	Sri Lanka	Shareholder	120 (412 Sri Lanka Rupee Million)	19.84	43,959,447	66,454,293	110,413,740
Total investments in related companies						794,670,943	1,120,265,797	1,914,936,740

	Consolidated							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Fair value reserves (Baht)	Net investment (Baht)
31 December 2009								
Available-for-sale securities								
S&P Syndicate Public Company Limited	Sale & food and beverage	Thailand	Shareholder	523	22.92	682,728,977	61,063,323	743,792,300
Serendib Hotels Limited	Hotel	Sri Lanka	Shareholder	120 (412 Sri Lanka Rupee Million)	19.84	43,959,447	24,669,492	68,628,939
Total investments in related companies						726,688,424	85,732,815	812,421,239

b) Investments in related companies (Continued)

	Company							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Fair value reserves (Baht)	Net investment (Baht)
31 December 2010								
Available-for-sale securities								
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	Shareholder	490	26.28	750,711,496	1,053,811,504	1,804,523,000
Total investments in related company						750,711,496	1,053,811,504	1,804,523,000

	Company							
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital (Baht Million)	Investment portion (%)	Cost (Baht)	Fair value reserves (Baht)	Net investment (Baht)
31 December 2009								
Available-for-sale securities								
S&P Syndicate Public Company Limited	Sales of food and beverage	Thailand	Shareholder	523	22.92	682,728,977	61,063,323	743,792,300
Total investments in related company						682,728,977	61,063,323	743,792,300

S&P Syndicate Public Company Limited

Investment in S&P Syndicate Public Company Limited is classified as other long-term investment in the consolidated financial statements because the Company does not have significant influence over this company.

14. Related party transactions

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

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

From the Business Restructuring Plan with Minor Corporation Public Company Limited ("MINOR") (Note 37), MINOR and its subsidiary, which owned 18.58% of the Company's shares before 12 June 2009, have become the subsidiaries of the Company. Therefore, the companies under MINOR are considered as related parties.

The Minor Food Group Company Limited ("MFG") is the subsidiary. Therefore, the companies under MFG are considered as related parties.

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

Pricing policies for related party transactions comprise:

	Pricing policies
• Sales and purchases	Prices normally charged to third parties
• Sales from real estate development operations	Prices normally charged to third parties
• Rental income	Agreed prices which approximate to prices normally charged to third parties
• Franchise fee	Agreed prices which approximate to prices normally charged to third parties
• Management income and other income	Agreed prices which approximate to prices normally charged to third parties
• Interest income	Rate as mutually agreed by shareholders and rate determined with reference to the interest rate quoted by commercial banks
• Rental expenses	Agreed prices which approximate to prices normally charged by third parties
• Management expenses	Agreed prices which are costs plus administrative expenses
• Royalty fee	Agreed prices which approximate to prices normally charged by third parties
• Interest expenses	Rate determined with reference to the interest rate quoted by commercial banks

Significant transactions with related companies for the years ended 31 December 2010 and 2009 are summarised as follows:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Sales				
Associates and joint venture	65,095,299	63,603,505	-	-
Related parties	-	77,760	-	-
Total sales	65,095,299	63,681,265	-	-
Rental income				
Subsidiaries	-	-	41,807,093	43,626,978
Associates and joint venture	630,000	840,000	-	-
Related parties	240,862	7,102,899	-	-
Total rental income	870,862	7,942,899	41,807,093	43,626,978
Interest income				
Subsidiaries	-	-	459,489,624	399,577,744
Associates and joint venture	14,352,304	15,163,834	-	-
Total interest income	14,352,304	15,163,834	459,489,624	399,577,744
Management fee income				
Subsidiaries	-	-	236,034,619	201,421,970
Associates and joint venture	96,779,087	110,373,324	-	2,067,369
Related parties	12,889,523	20,099,681	8,313,389	1,200,000
Total management fee income	109,668,610	130,473,005	244,348,008	204,689,339

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

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Dividend income				
Subsidiaries	-	-	1,474,516,784	765,120,382
Associates and joint venture	25,499,537	49,207,799	-	-
Related party	80,210,350	46,903,325	80,210,350	46,903,325
Total dividend income	105,709,887	96,111,124	1,554,727,134	812,023,707
Other income				
Subsidiaries	-	-	3,443,494	5,279,357
Associates and joint venture	7,948,928	9,266,913	183,467	-
Total other income	7,948,928	9,266,913	3,626,961	5,279,357
Purchases				
Related parties	43,572,675	44,162,273	-	-
Total purchases	43,572,675	44,162,273	-	-
Rental expenses				
Subsidiaries	-	-	57,996,655	56,921,972
Related parties	10,576,116	10,706,858	-	-
Total rental expenses	10,576,116	10,706,858	57,996,655	56,921,972
Interest expenses				
Subsidiaries	-	-	14,490,731	11,880,179
Total interest expenses	-	-	14,490,731	11,880,179
Management fee expenses				
Subsidiaries	-	-	70,316,684	61,724,253
Related parties	-	1,729,500	-	-
Total management fee expenses	-	1,729,500	70,316,684	61,724,253
Royalty fee				
Subsidiaries	-	-	581,573	515,209
Total royalty fee expenses	-	-	581,573	515,209
Other expenses				
Related parties	18,513,112	27,502,259	16,171,713	17,528,216
Total other expenses	18,513,112	27,502,259	16,171,713	17,528,216

As at 31 December 2010 and 2009, outstanding balances arising from receivable, payable, advances and loans from/to related companies are summarised as follows:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Amounts due from related companies				
Subsidiaries	-	-	582,849,409	528,280,100
Associates and joint venture	47,376,548	63,467,978	1,666,610	2,296,571
Related parties	18,728,180	1,800,894	380,328	360,189
Total amounts due from related companies	66,104,728	65,268,872	584,896,347	530,936,860
Long-term loans to related companies				
Subsidiaries	-	-	13,068,542,277	8,820,858,202
Associates and joint venture	384,728,390	445,349,753	-	-
Total long-term loans to related companies	384,728,390	445,349,753	13,068,542,277	8,820,858,202

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

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Short-term loans from related companies				
Subsidiaries	-	-	1,376,380,033	1,233,052,788
Amounts due to and advances from related parties				
Subsidiaries	-	-	9,909,403	5,542,872
Associates and joint venture	1,642,757	21,421,885	-	-
Related parties	14,388,963	7,748,392	93,594	-
Total amounts due to and advances from related parties	16,031,720	29,170,277	10,002,997	5,542,872

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

15. Land and projects under development

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

	Consolidated	
	2010 Baht	2009 Baht
Rajadamri Residence Limited	-	1,952,894,283
Minor International (Labuan) Limited	1,674,332,280	661,007,408
Coco Palm Hotel & Resort Limited	298,413,973	190,985,173
Coco Recreation Limited	-	10,600,999
Coco Residence Limited	-	96,827,800
Samui Beach Club Owner Limited	181,111,847	8,838,872
Chao Phaya Resort and Residence Limited	2,390,494	2,390,494
Minor Development Limited	32,866,671	32,866,671
Rajadamri Lodging Limited	2,097,514,802	-
Total land and projects under development	4,286,630,067	2,956,411,700

Rajadamri Residence Limited

In December 2010, the project development of Rajadamri Residence Limited was completed and transferred to land and real estates project for sales (Note 10).

Rajadamri Lodging Limited

As at 31 December 2010, land and project under development of Baht 2,098 million included building under sub-lease agreement for 30 years amounting to Baht 1,237 million from Rajadamri Residence Limited to operate hotel business.

	Consolidated
	Baht Million
Commitments in respect of construction contracts and purchases of assets as at 31 December 2010	315.0
Commitments in respect of construction contracts and purchases of assets as at 31 December 2009	767.8

16. Property, plant and equipment, net

	Consolidated - Baht								
	Land and land improvement	Building and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
At 1 January 2009									
Cost	1,062,434,499	9,968,254,785	3,308,661,392	4,285,560,439	1,904,812,241	208,604,101	433,830,143	250,274,961	21,422,432,561
Less Accumulated depreciation	(122,683,456)	(3,852,652,780)	(1,688,785,739)	(3,031,450,246)	(1,245,649,978)	(130,249,782)	(182,535,829)	-	(10,254,007,810)
Provision for impairment	-	-	(6,028,016)	(5,172,515)	(14,930,556)	(66,751)	(338,775)	-	(26,536,613)
Net book amount	939,751,043	6,115,602,005	1,613,847,637	1,248,937,678	644,231,707	78,287,568	250,955,539	250,274,961	11,141,888,138
Year ended 31 December 2009									
Opening net book amount	939,751,043	6,115,602,005	1,613,847,637	1,248,937,678	644,231,707	78,287,568	250,955,539	250,274,961	11,141,888,138
Additions	4,605,880	91,258,785	227,169,636	218,899,495	53,764,111	10,373,793	186,164,986	449,446,061	1,241,682,747
Acquisition from business restructuring with MINOR	56,266,315	78,211,093	68,201,529	31,958,132	38,385,601	1,222,745	-	320,000	274,565,415
Disposals	(2,653)	(2,149,527)	(8,459,530)	(8,006,785)	(4,479,036)	(917,663)	(4,193,199)	(1,355,233)	(29,563,626)
Write-off	-	(1,514,777)	(13,756,132)	(6,203,190)	(336,182)	(82,487)	(44,289,701)	(943,389)	(67,125,858)
Reclassification	61,096,491	(63,098,435)	467,434,140	135,534,588	3,902,840	7,055,607	(20,133,897)	(591,791,334)	-
Transfer from/to other accounts	-	1,710,526	1,338,617	(7,375,032)	(3,359,837)	210,000	1,948,095	(10,174,705)	(15,702,336)
Translation adjustment	-	-	(7,812,087)	(803,401)	(2,794,129)	(62,387)	(369,022)	-	(11,841,026)
Depreciation charge	(13,796,700)	(411,092,452)	(385,784,923)	(393,865,040)	(169,004,479)	(20,853,088)	(19,861,061)	-	(1,414,257,743)
Impairment charge (Reversal)	-	-	(3,394,297)	(14,687,150)	6,012,769	66,751	300,458	-	(11,701,469)
Closing net book amount	1,047,920,376	5,808,927,218	1,958,784,590	1,204,389,295	566,323,365	75,300,839	350,522,198	95,776,361	11,107,944,242

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

	Consolidated - Baht								
	Land and land improvement	Building and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
At 31 December 2009									
Cost	1,184,559,613	10,031,926,443	4,194,810,703	4,528,479,067	1,966,824,549	221,751,402	551,887,258	95,776,361	22,776,015,396
Less Accumulated depreciation	(136,639,237)	(4,222,999,225)	(2,226,603,800)	(3,304,230,107)	(1,391,583,397)	(146,450,563)	(201,326,743)	-	(11,629,833,072)
Provision for impairment	-	-	(9,422,313)	(19,859,665)	(8,917,787)	-	(38,317)	-	(38,238,082)
Net book amount	1,047,920,376	5,808,927,218	1,958,784,590	1,204,389,295	566,323,365	75,300,839	350,522,198	95,776,361	11,107,944,242
Year ended 31 December 2010									
Opening net book amount	1,047,920,376	5,808,927,218	1,958,784,590	1,204,389,295	566,323,365	75,300,839	350,522,198	95,776,361	11,107,944,242
Additions	66,239,202	14,351,740	94,040,514	189,437,269	96,349,448	21,660,231	106,865,065	570,941,546	1,159,885,015
Acquisition from investment in a subsidiary (Note 12)	22,974,609	20,297,175	92,717,669	407,873	13,573,665	332,704	1,563,908	1,270,564	153,138,167
Disposals	(4,903)	-	(13,490,127)	(13,453,283)	(147,582)	(215,032)	(2,935,603)	-	(30,246,530)
Write-off	-	-	(28,187,541)	(6,655,599)	(973,793)	(25,168)	(8,848,160)	(562,347)	(45,252,608)
Reclassification	2,164,853	11,746,515	371,445,156	257,356,135	8,730,445	975,825	(46,488,494)	(605,930,435)	-
Transfer from/to other accounts	-	-	(3,458)	7,577,774	(119,490)	-	(89,986,239)	(2,457,190)	(84,988,603)
Translation adjustment	(1,139,426)	(1,029,404)	(12,335,934)	132,329	(2,777,216)	(110,282)	(978,786)	(726,964)	(18,965,683)
Depreciation charge	(16,002,477)	(394,676,803)	(388,219,290)	(390,095,665)	(150,765,798)	(23,577,527)	(33,631,872)	-	(1,396,969,432)
Impairment charge (Reversal)	-	-	9,272,256	(9,453,668)	(5,625,677)	-	38,317	-	(5,768,772)
Closing net book amount	1,122,152,234	5,459,616,441	2,084,023,835	1,239,642,460	524,567,367	74,341,590	276,120,334	58,311,535	10,838,775,796
At 31 December 2010									
Cost	1,274,490,328	10,090,892,492	4,506,005,868	4,833,144,586	2,055,178,360	231,154,941	507,479,518	58,311,535	23,556,657,628
Less Accumulated depreciation	(152,338,094)	(4,631,276,051)	(2,421,831,976)	(3,564,188,793)	(1,516,067,529)	(156,813,351)	(231,359,184)	-	(12,673,874,978)
Provision for impairment	-	-	(150,057)	(29,313,333)	(14,543,464)	-	-	-	(44,006,854)
Net book amount	1,122,152,234	5,459,616,441	2,084,023,835	1,239,642,460	524,567,367	74,341,590	276,120,334	58,311,535	10,838,775,796

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

	Company - Baht								
	Land and land improvement	Building and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
At 1 January 2009									
Cost	9,871,983	617,973,087	55,331,144	291,210,115	19,305,980	27,634,873	15,618,550	7,001,533	1,043,947,265
Less Accumulated depreciation	(61,743)	(304,125,260)	(21,019,966)	(209,874,841)	(9,340,472)	(16,633,966)	(7,189,838)	-	(568,246,086)
Net book amount	9,810,240	313,847,827	34,311,178	81,335,274	9,965,508	11,000,907	8,428,712	7,001,533	475,701,179
Year ended 31 December 2009									
Opening net book amount	9,810,240	313,847,827	34,311,178	81,335,274	9,965,508	11,000,907	8,428,712	7,001,533	475,701,179
Additions	-	-	-	15,711,093	1,631,913	-	190,150	84,421,718	101,954,874
Disposals	-	(886,580)	-	(826,686)	-	(902,164)	-	(1,355,233)	(3,970,663)
Write-off	-	(1,514,777)	-	(368,421)	-	-	-	-	(1,883,198)
Reclassification	140,000	(4,349,328)	6,755,115	62,198,481	10,822,990	-	24,960	(75,592,218)	-
Depreciation charge	(56,222)	(33,177,788)	(6,186,215)	(21,778,536)	(5,443,342)	(2,381,142)	(2,061,861)	-	(71,085,106)
Closing net book amount	9,894,018	273,919,354	34,880,078	136,271,205	16,977,069	7,717,601	6,581,961	14,475,800	500,717,086
At 31 December 2009									
Cost	10,011,983	607,764,518	62,086,259	363,877,127	29,692,770	25,284,874	15,833,660	14,475,800	1,129,026,991
Less Accumulated depreciation	(117,965)	(333,845,164)	(27,206,181)	(227,605,922)	(12,715,701)	(17,567,273)	(9,251,699)	-	(628,309,905)
Net book amount	9,894,018	273,919,354	34,880,078	136,271,205	16,977,069	7,717,601	6,581,961	14,475,800	500,717,086

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

	Company - Baht								
	Land and land improvement	Building and fitting equipment	Building and leasehold improvement	Furniture, fixtures and office equipment	Other equipment	Motor vehicles	Operating equipment	Construction in progress	Total
Year ended 31 December 2010									
Opening net book amount	9,894,018	273,919,354	34,880,078	136,271,205	16,977,069	7,717,601	6,581,961	14,475,800	500,717,086
Additions	-	302,695	7,842,232	9,312,410	582,987	-	969,880	18,434,243	37,444,447
Disposals	-	-	-	(447)	-	-	-	-	(447)
Reclassification	-	7,236,180	3,113,196	10,647,554	557,249	-	-	(21,554,179)	-
Depreciation charge	(63,099)	(33,148,204)	(6,668,768)	(26,003,514)	(5,128,068)	(2,093,001)	(2,123,828)	-	(75,228,482)
Closing net book amount	9,830,919	248,310,025	39,166,738	130,227,208	12,989,237	5,624,600	5,428,013	11,355,864	462,932,604
At 31 December 2010									
Cost	10,011,983	615,303,393	73,041,687	383,040,595	30,833,006	25,284,874	16,803,540	11,355,864	1,165,674,942
Less Accumulated depreciation	(181,064)	(366,993,368)	(33,874,949)	(252,813,387)	(17,843,769)	(19,660,274)	(11,375,527)	-	(702,742,338)
Net book amount	9,830,919	248,310,025	39,166,738	130,227,208	12,989,237	5,624,600	5,428,013	11,355,864	462,932,604

During 2002 to 2003, certain subsidiaries have entered into sale and leaseback agreements with the Thai Assets Management Property Fund and Sub Thawee Property Fund with the first right of repurchase. The Property Funds are consolidated in the consolidated financial statements of the Group. The sale and leaseback transactions have been accounted for as secured borrowings (Note 22). There is no accounting entries relating to property, plant and equipment required to record in the consolidated financial statements. As at 31 December 2010, other long-term borrowings (Note 22) are secured by fixed assets of these subsidiaries with book values of Baht 934 million.

Capital commitments

	Consolidated	Company
	Baht Million	Baht Million
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2010	39.2	18.7
Commitments in respect of building renovation contracts and purchases of equipment as at 31 December 2009	92.0	-

17. Intangible assets, net

	Consolidated - Baht						
	Franchise development expenses	Initial franchise fees	Goodwill	Brand	Computer software	Computer software under installation	Total
At 1 January 2009							
Cost	158,426,512	128,165,000	3,054,349,673	-	116,509,548	30,900,724	3,488,351,457
Less Accumulated amortisation	(153,410,917)	(89,481,855)	(391,808,049)	-	(38,803,438)	-	(673,504,259)
Provision for impairment	-	-	-	-	(173,843)	-	(173,843)
Net book amount	5,015,595	38,683,145	2,662,541,624	-	77,532,267	30,900,724	2,814,673,355
Year ended 31 December 2009							
Opening net book amount	5,015,595	38,683,145	2,662,541,624	-	77,532,267	30,900,724	2,814,673,355
Additions	11,547,100	10,890,673	716,801,947	-	21,886,822	97,349,402	858,475,944
Acquisition from business restructuring with MINOR	-	-	-	-	42,710,821	-	42,710,821
Reclassification	-	-	(560,030,233)	560,030,233	-	-	-
Transfer from other account	1,596,000	-	189,636,955	-	13,145,070	-	204,378,025
Translation adjustment	-	(910,107)	-	-	(103,709)	-	(1,013,816)
Amortisation charge	(4,767,649)	(5,412,315)	-	-	(31,870,414)	-	(42,050,378)
Reversal of impairment charge	-	-	-	-	1,255,457	-	1,255,457
Net book amount	13,391,046	43,251,396	3,008,950,293	560,030,233	124,556,314	128,250,126	3,878,429,408
At 31 December 2009							
Cost	171,569,612	135,881,519	3,400,758,332	560,030,233	219,985,325	128,250,126	4,616,475,147
Less Accumulated amortisation	(158,178,566)	(92,630,123)	(391,808,039)	-	(89,123,102)	-	(731,739,830)
Provision for impairment	-	-	-	-	(6,305,909)	-	(6,305,909)
Net book amount	13,391,046	43,251,396	3,008,950,293	560,030,233	124,556,314	128,250,126	3,878,429,408

17. Intangible assets, net (Continued)

	Consolidated - Baht						
	Franchise development expenses	Initial franchise fees	Goodwill	Brand	Computer software	Computer software under installation	Total
Year ended 31 December 2010							
Opening net book amount	13,391,046	43,251,396	3,008,950,293	560,030,233	124,556,314	128,250,126	3,878,429,408
Additions	-	3,995,590	-	-	93,859,159	27,066,134	124,920,883
Acquisition from investment in a subsidiary (Note 12)	-	-	254,158,555	-	-	-	254,158,555
Write-off	(484,914)	(93,396)	-	-	(6,065,058)	-	(6,643,368)
Reclassification	-	-	-	-	128,250,126	(128,250,126)	-
Transfer from to other account	(6,494,218)	(34,755)	-	-	70,340,084	52,781,600	116,592,711
Adjustment to actual costs	-	-	(14,661,334)	-	-	-	(14,661,334)
Translation adjustment	136,569	894,132	-	-	(626,179)	-	404,522
Amortisation charge	(3,348,850)	(4,811,424)	-	-	(51,329,951)	-	(59,490,225)
Reversal of impairment charge	-	-	-	-	5,055,779	-	5,055,779
Net book amount	3,199,633	43,201,543	3,248,447,514	560,030,233	364,040,274	79,847,734	4,298,766,931
At 31 December 2010							
Cost	164,727,049	140,643,090	3,640,255,553	560,030,233	505,743,457	79,847,734	5,091,247,116
Less Accumulated amortisation	(161,527,416)	(97,441,547)	(391,808,039)	-	(140,453,053)	-	(791,230,055)
Provision for impairment	-	-	-	-	(1,250,130)	-	(1,250,130)
Net book amount	3,199,633	43,201,543	3,248,447,514	560,030,233	364,040,274	79,847,734	4,298,766,931

17. Intangible assets, net (Continued)

	Company - Baht
	Computer software
At 1 January 2009	
Cost	23,991,237
Less Accumulated amortisation	(9,168,560)
Net book amount	14,822,677
Year ended 31 December 2009	
Opening net book amount	14,822,677
Additions	3,360,451
Amortisation charge	(6,337,974)
Net book amount	11,845,154
At 31 December 2009	
Cost	27,351,688
Less Accumulated amortisation	(15,506,534)
Net book amount	11,845,154
Year ended 31 December 2010	
Opening net book amount	11,845,154
Additions	3,462,817
Amortisation charge	(5,424,377)
Net book amount	9,883,594
At 31 December 2010	
Cost	30,814,505
Less Accumulated amortisation	(20,930,911)
Net book amount	9,883,594

18. Leasehold right, net

	Consolidated	Company
	Baht	Baht
At 1 January 2009		
Cost	3,451,725,871	18,690,531
Less Accumulated amortisation	(1,432,322,499)	(12,460,921)
Net book amount	2,019,403,372	6,229,610
Year ended 31 December 2009		
Opening net book amount	2,019,403,372	6,229,610
Acquisition from business restructuring with MINOR	66,934,186	-
Additions	26,274,442	-
Transfer from other account	4,820,220	-
Write-off	(106,142)	-
Translation adjustment	(6,844,376)	-
Amortisation charge	(146,899,979)	(622,620)
Net book amount	1,963,581,723	5,606,990
At 31 December 2009		
Cost	3,637,148,355	18,690,531
Less Accumulated amortisation	(1,673,566,632)	(13,083,541)
Net book amount	1,963,581,723	5,606,990
Year ended 31 December 2010		
Opening net book value	1,963,581,723	5,606,990
Additions	53,317,885	-
Acquisition from investment in a subsidiary (Note 12)	9,198,689	-
Transfer to other account	(20,620,698)	-
Translation adjustment	(34,288,825)	-
Amortisation charge	(123,430,568)	(623,017)
Net book amount	1,847,758,206	4,983,973
At 31 December 2010		
Cost	3,646,284,291	18,690,531
Less Accumulated amortisation	(1,798,526,085)	(13,706,558)
Net book amount	1,847,758,206	4,983,973

19. Other non-current assets

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Deposits	579,317,538	559,815,663	4,473,860	4,320,679
Deferred charges	213,736,693	227,872,424	54,930,326	53,719,832
Others	37,852,127	74,520,757	-	-
Total other non-current assets	830,906,358	862,208,844	59,404,186	58,040,511

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

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Bank overdrafts	2,048,492	-	-	-
Short-term loans from financial institutions	574,761,249	683,334,700	-	-
Total bank overdrafts and short-term loans from financial institutions	576,809,741	683,334,700	-	-

The short-term loans from financial institutions are denominated in Yuan amounting to Yuan 126,000,000 and carry interest rates at the rates from 5.40% - 5.66% per annum.

21. Other current liabilities

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Accounts payable - construction	234,504,767	178,340,465	1,580,944	1,553,660
Provisions for investments	45,226,950	744,442,500	-	-
Payable from purchase of investments	58,006,388	-	-	-
Sales of residence received in advance	295,581,427	-	-	-
Booking deposits	195,432,440	135,032,796	4,702,820	3,753,726
Other payable	551,913,847	383,340,357	32,035,919	22,360,452
Others	290,375,108	509,243,999	17,382,159	6,363,507
Total other current liabilities	1,671,040,927	1,950,400,117	55,701,842	34,031,345

22. Long-term borrowings

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Current portion				
Loans from financial institutions	390,762,409	370,762,409	244,000,000	244,000,000
Other borrowings	164,260,000	164,260,000	-	-
	555,022,409	535,022,409	244,000,000	244,000,000
Long-term borrowings				
Loans from financial institutions	2,147,253,650	1,783,682,119	1,052,000,000	1,396,000,000
Other borrowings	188,610,640	352,870,640	-	-
	2,335,864,290	2,136,552,759	1,052,000,000	1,396,000,000
Total long-term borrowings	2,890,886,699	2,671,575,168	1,296,000,000	1,640,000,000

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

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Next year	555,022,409	535,022,409	244,000,000	244,000,000
Between 2 and 5 years	2,034,351,290	2,136,552,759	1,052,000,000	1,396,000,000
After 5 years	301,513,000	-	-	-
Total long-term borrowings	2,890,886,699	2,671,575,168	1,296,000,000	1,640,000,000

The movements in the borrowings can be analysed as follows:

	Consolidated	Company
	Baht	Baht
For the year ended 31 December 2010		
Opening amount	2,671,575,168	1,640,000,000
Additions	859,341,952	-
Repayment of borrowings	(635,022,371)	(344,000,000)
Translation adjustment	(5,008,050)	-
Closing amount	2,890,886,699	1,296,000,000

Loans from financial institutions

As at 31 December 2010, loans from financial institutions in the consolidated financial statements totalling Baht 2,538 million comprise:

a) The Company's unsecured loan from a local bank of Baht 180 million. The loan carries interest rate of 12 months fixed deposit rate of a local bank plus a margin and is due for repayment in 10 semi-annual installments of Baht 60 million per installment with the first repayment from November 2007. The loan is subject to certain conditions which the Company has to comply throughout the loan period.

b) The Company's unsecured loan from a foreign bank (Bangkok Branch) of Baht 1,116 million. The loan carries interest rate of THB FIX plus a margin and is due for repayment in 9 semi-annual installments with the first repayment from June 2010. The loan is subject to certain conditions which the Company has to comply throughout the loan period.

c) A subsidiary's unsecured loan from a foreign bank (Bangkok Branch) of USD 11.1 million. The loan carries interest rate of LIBOR plus a margin and is due for repayment in 9 semi-annual instalments of USD 2.22 million per installment with the first repayment in May 2009. The loan is subject to certain conditions which the subsidiary has to comply throughout the loan period.

   As at 31 December 2010, the Group has outstanding cross currency swap and interest rate swap contracts which convert the above loan of USD 11.1 million into of AUD 12.8 million with a fixed interest rate. Moreover, the Group also entered into a foreign currency forward contract to convert the AUD payment obligation into THB which has outstanding of THB 317 million.

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

e) A subsidiary's unsecured loan from local bank of USD 30 million. The loan carries interest rate of 6 months SIBOR plus a margin and due for repayment between 2012 and 2016. The loan is subject to certain conditions which the subsidiary has to comply with throughout the loan period.

   As at 31 December 2010, the Group has outstanding interest rate swap contracts with a financial institution for the above loan of USD 20 million which converts floated interest rates of SIBOR plus a margin and which is effective from 15 June 2010 to 15 December 2016.

Other borrowings

Other borrowings amounting to Baht 353 million represent borrowings by the two property funds as follows:

a) Long-term borrowing of Baht 225 million representing Class A and Class B investment units in the Thai Assets Management Property Fund being held by financial institutions with 10 years maturity until 2013. The unit holders receive interest at fixed rates and MLR less a margin as specified in the Unit Holders Agreement.

   Thai Assets Management Property Fund holds sub-lease rights and legal titles in the Group's property, plant and equipment with a book value of Baht 722 million as collateral.

b) Long-term borrowing of Baht 128 million representing Class A investment units in the Sub Thawee Property Fund being units held by financial institutions with 10 years maturity until 2012. The unit holders receive interest at MLR less a margin as specified in the Unit Holders Agreement.

   Sub Thawee Property Fund holds the sub-lease rights and legal titles in the Group's property, plant and equipment with a book value of Baht 212 million as collateral.

The carrying amounts of long-term loans as of 31 December 2010 approximate to their fair values.

Borrowing facilities

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

	31 December 2010			
	Consolidated		Company	
	Baht Million	USD Million	Baht Million	USD Million
Floating interest rate				
- expiring within one year	7,030	-	4,000	-
- expiring beyond one year	1,000	-	1,000	-
	8,030	-	5,000	-

	31 December 2009			
	Consolidated		Company	
	Baht Million	USD Million	Baht Million	USD Million
Floating interest rate				
- expiring within one year	2,500	28.5	2,500	-
- expiring beyond one year	7,930	-	4,900	-
	10,430	28.5	7,400	-

23. Debentures

	Consolidated and Company	
	2010 Baht	2009 Baht
Current portion of debentures	1,000,000,000	1,275,000,000
Debentures due in longer term	9,900,000,000	6,900,000,000
Total debentures	10,900,000,000	8,175,000,000

The movements in debentures can be analysed as follows:

	Consolidated and Company
	Baht
For the year ended 31 December 2010	
Opening amount	8,175,000,000
Additions	4,000,000,000
Redemption	(1,275,000,000)
Closing amount	10,900,000,000

Debentures comprise:

a) Debentures of Baht 1,000 million issued in January 2004 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and were repaid in full during the year 2010.

b) Debentures of Baht 1,100 million issued in May 2005 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and due for repayment in 4 semi-annually installments by amount of Baht 275 million per installment with the first repayment due in November 2008 and the last payment was made during the year 2010.

c) Debentures of Baht 2,060 million issued in September 2007 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2014.

d) Debentures of Baht 1,840 million issued in September 2007 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2012.

e) Debentures of Baht 1,000 million issued in October 2008 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2011.

f) Debentures of Baht 2,000 million issued in July 2009 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2013.

g) Debentures of Baht 2,500 million issued in May 2010 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest due for payment of interest due for payment of interest semi-annually and are due for repayment within 2015.

h) Debentures of Baht 500 million issued in December 2010 which are unsecured, senior and without a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2015.

i) Debentures of Baht 1,000 million issued in December 2010 which are unsecured, senior and with a debenture holders' representative. These debentures have a fixed rate of interest and are due for repayment within 2017.

As at 31 December 2010, the Company has outstanding interest rate swap contracts with a financial institution for the above debentures of Baht 1,000 million which converts fixed interest rates to average of 6 months fixed deposit rate and due for repayment semi-annually.

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

At the annual general meeting of the shareholders of the Company held on 25 April 2008, the shareholders passed a resolution to approve issuance of no more than fifteen-year unsubordinated debentures not exceeding Baht 15,000 million, to be used for working capital, business expansion and/or refinance of existing loans and debentures of the Company. As at 31 December 2010, a total of Baht 7,000 million debentures have been issued under this shareholders' resolution.

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

	Carrying amounts		Fair values	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Debentures	10,900,000,000	8,175,000,000	11,166,263,030	8,240,866,582

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

24 Provision for employee benefits

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Amount arising from plans that are				
- Wholly unfunded	117,336,321	167,064,547	18,007,894	39,130,126
- Wholly or party funded	-	-	-	-
Reconciliation of the present value of provision:				
Provision at beginning of the period	167,064,547	133,947,929	39,130,126	41,157,470
Current service cost	17,400,620	17,427,750	2,450,629	2,449,963
Interest cost	1,820,706	1,940,715	617,719	919,289
Acquisition from business restructuring with MINOR	-	20,987,265	-	-
Benefits paid	(68,949,552)	(7,239,112)	(24,190,580)	(5,396,596)
Provision at end of the period	117,336,321	167,064,547	18,007,894	39,130,126
Amount recognised in statements of income:				
Current service cost	17,400,620	17,427,750	2,450,629	2,449,963
Interest cost	1,820,706	1,940,715	617,719	919,289
Expense recognised in statements of income	19,221,326	19,368,465	3,068,348	3,369,252

The Group accounts for these liabilities on an estimated basis using the following key assumptions:

Discount rates	3.5% - 4%
Expected return on plan assets	N/A
Future salary increase rates	3% - 9%
Retirement age	60 years old

25. Other non-current liabilities

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Unearned income	140,815,981	158,188,194	4,046,466	6,913,032
Rental deposits	129,677,318	143,784,850	505,435	578,035
Accrued land rental	262,600,651	-	-	-
Others	35,337,965	33,566,472	1,779,024	1,828,160
Total other non-current liabilities	568,431,915	335,539,516	6,330,925	9,319,227

26. Share capital and share premium

	Consolidated			
	Number of ordinary shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 January 2009	3,614,264,065	3,614,264,065	3,040,085,741	6,654,349,806
Issue of shares (Note 27, 37)	518,832,430	518,832,430	25,770,531	544,602,961
Share reduction (Note 37)	(886,680,703)	(886,680,703)	-	(886,680,703)
As at 31 December 2009	3,246,415,792	3,246,415,792	3,065,856,272	6,312,272,064
Issue of shares (Note 27)	15,923,581	15,923,581	67,937,682	83,861,263
As at 31 December 2010	3,262,339,373	3,262,339,373	3,133,793,954	6,396,133,327

	Company			
	Number of ordinary shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 January 2009	3,614,264,065	3,614,264,065	3,014,433,365	6,628,697,430
Issue of shares (Note 27, 37)	518,832,430	518,832,430	25,770,531	544,602,961
Share reduction (Note 37)	(886,680,703)	(886,680,703)	-	(886,680,703)
As at 31 December 2009	3,246,415,792	3,246,415,792	3,040,203,896	6,286,619,688
Issue of shares (Note 27)	15,923,581	15,923,581	67,937,682	83,861,263
As at 31 December 2010	3,262,339,373	3,262,339,373	3,108,141,578	6,370,480,951

As at 31 December 2010, the registered shares comprise 3,677,988,773 ordinary shares with par value of Baht 1 per share (2009: 3,351,850,736 ordinary shares). The issued and fully paid-up shares comprise 3,262,339,373 ordinary shares (2009: 3,246,415,792 ordinary shares).

At the annual general meeting of the shareholders of the Company held on 26 April 2010, the shareholders passed a resolution to approve the following matters:

a) Approved the reduction of the Company's registered capital from Bath 3,351,850,736 to Baht 3,350,746,158 through the elimination of the registered, but unissued of 1,104,578 shares, with a par value of Baht 1 each. The unissued shares of Baht 1,104,578 are the remaining shares from tender offer (Note 37).

b) Approved the issuance of 327,242,615 new ordinary shares, with a par value of Baht 1 each to be available for the exercise of the Company's warrants on ordinary shares No.4 (MINT - W4). This results in the increase in the Company's registered capital from Baht 3,350,746,158 to Baht 3,677,988,773.

27. Warrants

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

The Group does not recognise warrant compensation costs for the fair value or intrinsic value of the warrant granted in these financial statements (Note 2.23).

27. Warrants (Continued)

					As at 31 December 2009	Increase during the year	Decrease during the year						As at 31 December 2010
			Determined exercising date		Outstanding warrant	Warrant	Expire	Exercise	Exercise ratio for ordinary shares per I warrant	Issue of ordinary shares during the year (Baht)	Exercise price	Amount	Outstanding warrant
Issued by	Allotted to	Approval date	First Exercise	Last exercise	Unit	Unit	Unit	Unit			Baht	Baht	Unit
The Company	Directors and employees of the Company and its subsidiary No. 2	15 December 2005	28 February 2006	16 January 2011	21,200,000	-	-	(7,217,000)	1.12645	8,128,100	2.645	21,498,825	13,983,000
	Directors and employees of the Company and its subsidiary No. 3	14 November 2007	31 January 2008	17 December 2012	9,629,367	-	-	(1,557,480)	1.10000	1,711,600	8.918	15,264,049	8,071,887
	Directors and employees of the Company and its subsidiary No. 5	6 March 2009	30 October 2009	21 October 2013	33,065,750	26,365,000	-	(5,342,800)	1.00000	5,342,800	7.65	40,872,420	54,087,950
	Directors and employees of the Company and its subsidiary (MINT - W)	6 March 2009	30 June 2009	12 June 2014	2,629,377	-	-	(692,700)	1.00000	692,700	8.08	5,597,016	1,936,677
	Former shareholders (MINT - W4)	26 April 2010	30 June 2010	18 May 2013	-	325,429,928	-	(48,381)	1.00000	48,381	13.00	628,953	325,381,547
	Total issue by the Company				66,524,494	351,794,928	-	(14,858,361)		15,923,581		83,861,263	403,461,061

At the annual general meeting of the shareholders of the Company held on 26 April 2010, the shareholders passed a resolution to approved the issuance of the Company's warrants on ordinary shares No. 4 (MINT - W4), not exceeding 327,242,615 units for offering to existing shareholders for free-of-charge at the ratio of 10 ordinary shares to 1 unit of warrant, having a term of not exceeding 3 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 13 per share.

28. Legal reserve

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

As at 31 December 2010, legal reserves of subsidiaries amounting to Baht 114,174,358 (2009: Baht 110,411,858) have been included in the unappropriated retained earnings of the consolidated financial statements.

29. Other income

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Rental income	17,148,790	25,831,800	38,447,092	40,266,978
Interest income	28,051,380	61,261,904	463,722,120	441,752,799
Subsidy income	57,397,881	56,755,981	-	-
Premium sales income	130,486,964	83,440,728	-	-
Management income	18,081,857	40,763,514	-	-
Sales of raw material to franchisees	3,573,970	2,310,789	-	-
Gain on exchange rate	3,327,520	14,954,838	-	-
Freight charges	78,665,670	35,114,269	-	-
Gain on sales of long-term investment	29,693,470	-	-	-
Others	283,820,384	247,441,576	11,088,581	31,054,465
Total other income	650,247,886	567,875,399	513,257,793	513,074,242

30. Expenses by nature

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

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Depreciation on property, plant and equipment (Note 16)	1,396,969,432	1,414,257,743	75,228,482	71,085,106
Impairment of property, plant and equipment (Note 16)	5,768,772	11,701,468	-	-
Loss (gain) on disposal of property, plant and equipment	18,645,073	84,993,688	(113,104)	2,714,759
Amortisation of intangible assets (Note 17)	59,490,225	42,050,378	5,424,377	6,337,974
Amortisation of leasehold rights	109,993,121	109,153,498	623,017	622,620
Doubtful debts (Reversal)	4,350,852	6,286,302	(29,660)	(22,393)
Staff costs	4,046,768,986	3,719,263,801	323,341,943	359,530,836

31. Income tax

	Consolidated		Company	
	2010 %	2009 %	2010 %	2009 %
Income tax rate	0 - 30	0 - 30	25	25

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

Company financial statements

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

Consolidated financial statements

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

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

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

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

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

For the calculation of the diluted earnings per share, the weighted average number of shares assuming conversion of all dilutive potential ordinary shares as at 31 December 2010 is 30,763,059 shares (2009: 21,643,213 shares).

	Consolidated and Company	
	For the years ended 31 December	
	2010 Shares	2009 Shares
Weighted average number of ordinary shares in issue, net	3,255,949,536	3,268,811,347
Effect of dilutive potential ordinary shares		
Warrants	30,763,059	21,643,213
Dilutive potential ordinary shares	30,763,059	21,643,213
Weighted average number of ordinary shares for diluted earnings per share	3,286,712,595	3,290,454,560

	Consolidated	
	For the years ended 31 December	
	2010 Shares	2009 Shares
Net profit attributable to shareholders	1,241,100,194	1,400,315,993
Basic earnings per share	0.3812	0.4284
Diluted earnings per share	0.3776	0.4256

	Company	
	For the years ended 31 December	
	2010 Shares	2009 Shares
Net profit attributable to shareholders	1,517,045,197	790,369,175
Basic earnings per share	0.4659	0.2418
Diluted earnings per share	0.4616	0.2402

33. Dividends

On 26 April 2010, the annual general meeting of the shareholders of the Company passed a resolution to approve a dividend payment amounting to Baht 0.15 per share (2009: Baht 0.31 per share) to existing shareholders and the shareholders of ordinary shares converted from convertible securities of not exceeding Baht 490.9 million (2009: Baht 1,094 million). The dividend was paid on 24 May 2010.

From the board of director meeting of Company on 14 January 2009, the board of directors passed the resolution to pay the interim dividend from 2008 company's performance in cash of Baht 0.23 per share to existing shareholders, not exceeding Baht 835 million, on 11 February 2009. Dividends included dividend paid to a subsidiary amounting to Baht 49.52 million, which is added back to the retained earnings in consolidated financial statements.

On 10 June 2009, the board of directors passed the resolution to pay the interim dividend from 2008 company's performance in cash of Baht 0.08 per share to existing shareholders, not exceeding Baht 259 million on 9 July 2009.

34. Financial instruments

Financial risk management policies

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

Liquidity risk

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

Interest rate risk

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

As at 31 December 2010, the Group has entered into the interest rate swap contracts as follows:

a) Interest rate swap contract for debenture in Baht currency with principal amount of Baht 1,000 million, which will swap interest at a fixed interest rate to float interest rate reference to the average rate of 6 months fixed deposit rates of 4 commercial banks plus a fixed rate. The amount of Baht 1,000 million will expire on 24 October 2011.

b) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 11.1 million, which will swap interest at a float interest rate to a fixed interest rate. The contract will expire on 2 May 2013.

c) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 10 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2015.

d) Interest rate swap contract for loan from financial institution in USD currency with principal amount of USD 10 million, which swap floating interest rate to fixed interest rate. The contract will expire in 2016.

Foreign currency risk

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

Cross currency swap contracts

As at 31 December 2010, the Group has entered into cross currency swap contracts to protect risk of loan from financial institution (Note 22) by conversion liabilities from loan in USD currency with outstanding amount of USD 11.1 million at fixed interest rate computed from USD loan to loan in AUD currency with outstanding amount of AUD 12.8 million at fixed interest rate computed from AUD loan. Moreover, the Group has entered into forward foreign exchange contracts to convert liabilities from loan in AUD currency with outstanding amount of AUD 12.8 million to Baht loan at exchange rate of Baht 26.75 per AUD for the amount of AUD 6.4 million and Baht 22.95 per AUD for the amount of AUD 6.4 million. All above contracts will expire on 2 May 2013.

Foreign exchange forward contracts

Foreign exchange forward contracts are for managing exposure to fluctuations in foreign currency exchange rates for the purchase of goods. As at 31 December 2010, foreign exchange forward contracts, which the settlement dates on open forward contracts ranged from 1 month to 2 months (2009: 1 month to 3 months), the amounts in Baht to be paid and contractual exchange rates for the outstanding contracts are:

	Consolidated	
	2010 Baht	2009 Baht
USD 722,714 (Baht 30.334 - 32.131/1 USD)	21,793,998	161,493,728
AUD 2,896 (Baht 29.15/1 AUD)	88,903	3,831,957
SGD - Nil	-	3,169,769
EUR 26,571 (Baht 40.031 - 40.06501/1 EUR)	1,061,594	6,665,857
JPY 1,116,750 (Baht 0.37315/1 JPY)	413,792	-

As at 31 December 2010 and 2009, the Group had outstanding foreign currency trade accounts payable which has not been entered into exchange contracts as follows:

	Consolidated	
	2010	2009
USD	2,856,612	996,978
SGD	-	35
EUR	157,545	111,829
AUD	51,218	19,161
JPY	2,306,070	-
HKD	11,200	-
GBP	6,301	-

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 foreign exchange forward contracts for loan as at 31 December 2010 is unfavourable amounting to Baht 18,663,701(2009: favourable amounting to Baht 8,079,148).

The fair value of the open foreign exchange forward contracts for the purchase of goods as at 31 December 2010 is unfavourable amounting to Baht 306,412 (2009: favourable amounting to Baht 62,565).

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

35. Commitments

As at 31 December 2010, the Group has commitments as follows:

The Company

- The Company has entered into a franchise agreement with an overseas company. The Company is committed to pay a franchise fee and an international marketing fee based on a percentage of gross room revenues, as specified in the agreement. The agreement will expire in June 2013.

- The Company has entered into an agreement to lease the land on which its hotel building is built for 30 years, ending in 2018. The Company is committed to pay rental fees at a certain percentage of gross revenue (which is to be increased annually until it reaches a specified rate) or at a minimum rental fees stipulated in the agreement, whichever is higher. As at 31 December 2010, the Company's future payment commitments according to the minimal rental fees stipulated in the agreement is approximately Baht 40 million.
- The Company has entered into rental and service agreements with a subsidiary relating to its opening of restaurant and fitness centers. The Company is committed to pay rental and service fees under the agreements of approximately Baht 3.3 million. In addition, the Company is committed to pay fees for the area used in the sale of food and beverages to this subsidiary, at a percentage of the Company's food and beverage revenues stipulated in the agreements, ending in 2011.
- The Company has entered into a trademark agreement with a subsidiary. The Company has obligation to pay trademark fee at certain percentages of revenue generated as indicated in the agreement. The agreement is valid for 10 years and will be terminated in 2017.
- The Company has entered into a hotel management agreement with a subsidiary who will manage the Company's hotel. The Company is committed to pay fees at a certain percentage of revenue as stipulated in the agreement. The agreement is valid for 10 years and will be terminated in 2016.
- Under two agreements for technical assistance and the use of trademarks and trade names which the Company has entered into with an overseas company, fees are payable calculated at a percentage of gross sales as specified in the agreements. One of them was for a year of four years up to 1998, but is automatically renewed at its expiry date for three times, five years each. The other will be terminated during December 2014.

Subsidiaries

Management and services agreements

- A subsidiary has entered into a license and royalty agreement with an overseas company. The subsidiary is committed to pay royalty fees and management hotel fees at the rate, terms and basis as specified in the agreement for 20 years up to 2021 and can be renewed at its expiry date for 10 years.
- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective for the period from September 2006 to June 2024.
- Two subsidiaries have entered into a hotel management agreement with an overseas company including international management and right of trademark use. The subsidiaries are committed to pay fees at a certain percentage of total room revenue as stipulated in the agreement. The agreement will expire during 2004 - 2013.
- Under advertising, licensing and restaurant management agreements with overseas companies, a subsidiary is committed to pay fees at a percentage of the gross sales of each restaurant in the hotel as stipulated in the agreements, ending in 2015.
- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and bases as specified in the agreements. All agreements are effective from January 2006 to December 2017 and are renewable after expiry date for 20 years.

- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from February 2007 to January 2027 and are renewable after expiry date for another two periods of 20 years and 15 years, respectively.
- A subsidiary entered into service agreements with three companies with regards to the hotel operations, whereby the subsidiary has been provided services and granted the license. The subsidiary is to comply with certain conditions stipulated in these agreements and to pay the fees following the rates, terms and basis as specified in the agreements. All agreements are effective from 22 December 2005 to 25 June 2013 and are renewable after expiry date for another two periods of 15 years each.
- A subsidiary has entered into consulting agreement with a company regarding to project development of its condominium and hotel project including assets providing for such project operation. The agreement will expire on the date that its hotel starts operation.
- A subsidiary entered into the service agreements with a company with regards to consultation, installation, repair and maintenance of computer system, computer software and information technology system. The subsidiary is committed to pay the fees following the rates, terms and basis as specified in the agreements. The agreements are for the period of 10 years and effective from December 2007.

Rental agreements

- Four subsidiaries have entered into separate land lease agreements for periods between 30 to 42 years, effective on 1 August 1982, 8 May 1987, 25 January 1989 and 2 July 1994, respectively. The subsidiaries are committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2010, the subsidiaries' future payment commitments in accordance with the minimal rental fees stipulated in the agreements are approximately Baht 146 million (2009: Baht 159 million).

  In 2010, a subsidiary has extended land lease agreements for periods of 30 years, effective on 25 January 2019. The subsidiary is committed to pay rental fees at a certain percentage of annual gross revenue (to be increased annually until it reaches a specified rate) or at a minimum rent stipulated in the agreement, whichever is higher. As at 31 December 2010, the subsidiary's future payment commitments in accordance with the minimal rental fees and special remuneration stipulated in the agreements are approximately Baht 1,232 million.
- Under agreements to render services and rental space for operations from other companies, a subsidiary has to pay fees based on its gross sales at the rates stipulated in the agreements ending in 2011.
- A subsidiary has entered into the sublease land agreement of Kihavah Huravlhu Island for 23 years from 23 October 2007 for the construction of a new hotel. A subsidiary has commitment to pay rental fee as stipulated in the lease agreement.
- A subsidiary has entered into lease agreements covering the land where the hotel is situated. Under the lease agreement, the subsidiary has transferred the ownership of the hotel buildings and improvements to the landlord. The subsidiary is committed to pay rental at the rates specified in the lease agreements. The lease agreement are for a period of thirty years up to the year 2013 and are renewable after the expiry date for another two periods of fifteen years each. As at 31 December 2010, the subsidiary has commitment to pay minimal rental fees as stipulated in the agreement as follows:

Year	Baht Million
2011	9.00
2012 - 2013	14.91
	23.91

- On 3 July 2007, a subsidiary entered into an agreement to construct and lease the land and completed building with the Privy Purse Bureau. Under this agreement, the Privy Purse Bureau agrees and permits the subsidiary to undertake building construction, and the subsidiary agrees to construct a residential and hotel building situated on the land owned by the Privy Purse Bureau. The building construction permit is to be under the name of the Privy Purse Bureau and the ownership of the building and other constructions on this land are to be transferred to the landlord. In addition, the subsidiary is to pay all expenses with respect to the construction of the building until its completion. The construction period is 4 years from the date of receipt of the permit to construct the building from the Bangkok Metropolitan Authority. As the construction of building is completed, the Privy Purse has agreed with the subsidiary to lease the land and building which is constructed for the residential, hotel and related commerce for the period of 30 years as from 1 March 2011. However, if the construction is completed before that date, the lease period commences from the completion date.

As at 31 December 2010, the subsidiary has commitments with regard to the agreement to construct and lease the land and completed building as follows:

(1) The subsidiary is obliged to make payment of compensation for loss of benefits and related expenses to be paid to the Privy Purse Bureau on a monthly basis at the rate specified in this agreement during the construction period. As at 31 December 2010, the subsidiary has a commitment in respect compensation fee and related expenses until the construction completed amount to Baht 5.2 million.

(2) As the construction is completed, the subsidiary is obliged to pay a monthly rental fee and related expenses to the Privy Purse Bureau at the rate specified in this agreement. The rental payable as from 1 September 2010 to the end of this agreement amounts to approximately Baht 510.4 million.

- As at 31 December 2010 and 2009, there were lease commitments for the lease and service agreements for restaurant outlets, office spaces, shops, motor vehicles, computer equipment, and office equipment committed by subsidiaries for the period ranging from 1 year to 30 years payable as follows:

	2010 Baht Million	2009 Baht Million
Next year	662	474
Between 2 and 5 years	638	560
After 5 years	178	197
Total	1,478	1,231

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

Trademark, franchise and license agreements

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

36. Guarantees

Guarantees for the normal courses of business are as follows:

	31 December 2010				
	Consolidated			Company	
	Baht Million	USD Million	Yuan Million	Baht Million	USD Million
Letters of guarantees issued by bank on behalf of the Group	218.7	6.5	30.0	151.6	1.9
Guarantee given by the Group to financial institution to guarantee for credit facilities	5,777.9	88.8	200.0	1,600.1	87.6

	31 December 2009				
	Consolidated			Company	
	Baht Million	USD Million	Yuan Million	Baht Million	USD Million
Letters of guarantees issued by bank on behalf of the Group	70.4	2.7	34.0	16.3	-
Guarantee given by the Group to financial institution to guarantee for credit facilities	5,767.0	74.4	265.0	1,600.1	72.6

37. Business Restructuring Plan between the Company and MINOR

In the year 2009, the Company entered into Business Restructuring Plan between the Company and Minor Corporation Public Company Limited ("MINOR"), which its major objective is to eliminate the cross shareholding structure and to ensure suitability and transparency of shareholding structure. The Company has completed this restructuring on 12 June 2009.

Regarding the Business Restructuring Plan to eliminate the cross shareholding structure, it is the business combination under common control. The Company recognised the differences between the costs of business combination under common control and equity interest of MINOR's book value in the shareholder's equity under "Discount on business combination under common control".

38. Provident fund

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

Of all the new openings, we expect two new owned hotels, Anantara Kihavah in the Maldives and the St. Regis Hotel & Residence Bangkok, to become major contributors to MINT's revenues and earnings in the coming years. Soft launched in February, Anantara Kihavah's over-water pool villas can demand relatively superior room rate to accommodate growing demand for Maldives tourism. Meanwhile, St. Regis Hotel & Residence is MINT's second residential mixed-use development project, commanding higher return from 53 luxurious condominium units on top of 227-room hotel. As it is soon to be completed, demand has picked up pace since 4Q10. To date, MINT has sold over 35% of total available area, equivalent to over one billion Baht of sales, although much smaller amount of over Baht 100 million was recognized in 4Q10. The remaining unrecognized revenue from what were sold in 2010 will be recognized in 1H11. Apart from the St. Regis residence, MINT also has another 7 villas available for sale in Samui. Total available inventory is valued at Baht 4 billion.

Hotel Management

As Anantara brand is gaining recognition across Asia and Middle East, the momentum of hotel management expansion is building up accordingly. In December 2010, MINT secured three additional management contracts to rebrand three hotels into Anantara. These hotels are a combination of city hotel and beach resorts, located in Bangkok, Pha-ngan Island and Vietnam. Among the three, Anantara Sathorn was the first to complete its rebranding and opened in December 2010. The hotel features 436 rooms in the heart of Bangkok. The remaining two hotels will be opened under Anantara brand within 2011, along with another 4 managed hotels in UAE, China and Bali.

Restaurants

Revenues from restaurant business in Thailand are expected to grow in tandem with domestic consumption and gross domestic products. The number of domestic outlets will continue to grow, driven partially by urbanization in upcountry and penetration in untapped communities. One of the new initiatives in 2011 is the launch of Dairy Queen's franchised outlets in Thailand. Over the past four years, the brand achieved 4% and 10% growth in same-store-sales and total-system-sales per annum, respectively. MINT expects Dairy Queen's total system sales to accelerate quickly after the launch of franchising model.

Apart from Thailand, MINT's businesses in Singapore and Australia through Thai Express and The Coffee Club will also continue to enable us to further enhance growth and profitability.

Reserved Capital for Expansion

In 2010, total cash payment for investment was Baht 4.8 billion due mainly to the development of two new hotels, Anantara Kihavah and St. Regis Hotel & Residence. This year, the budget is significantly lower at less than Baht 3 billion; almost half of which will be used to complete the construction of the aforementioned two projects. The remaining will be allocated to 1) expansion and renovation of restaurants and retail points of sales and 2) maintenance and renovation of hotel and mixed-use businesses. Proceeds from residential sales, together with cash flows from operations, are expected to be more than sufficient to finance the annual investment.

Expect Much Stronger 2011

While the restaurant and retail trading businesses are expected to exhibit stable organic growth, both from the improvement in the economic condition and from the Company's outlet expansion plans, performance of hotel and mixed-use business is also expected to improve significantly in 2011. We expect 2011 occupancy rate to recover to a higher level than the all-time-low occupancy of 52% in 2009 and 2010. With its nature of having high operational leverage, over half of the occupancy improvement will flow through to the bottom line, enhancing the profitability of the hotel business. In addition, of the over Baht 1 billion value of presold St. Regis Residences in 2010, the majority of such value will be recognized in 2011, together with any additional sales within the year. Adhering to MINT's long-term target of average earnings growth of 20% per annum, we are on the road to achieve better performance in 2011.

Society and environment The Company is committed to conduct businesses that benefit the economy and society and quality of environment. The Company has established the Corporate Social Responsibility (CSR) Department to promote the Company's staff the importance of the CSR objectives to achieve balanced benefits relating to society, the environment, and all stakeholders in harmony with the Company's sustainable growth objectives.

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

4. Disclosure

4.1 Investor Relations

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

The Company provides a central point of investor contact, Mr. Chaiyapat Paitoon, VP of Strategic Planning.

4.2 Corporate Governance Guidelines

The Board takes a serious interest in the monitoring of corporate governance guidelines that are required for long term sustainable growth. These written guidelines are reviewed annually. The guidelines define rights and equitable treatment of shareholders, vision, mission, and principal responsibilities of the Board, business principles, integrity and business control, conflict of interest, CSR guidelines, workplace environment, disclosure, and policies involving stakeholders including customers, and community. The Board also approves the policy on business ethics for employees, and the Company provides secure communications channels for the reporting of behavior which is illegal or in violation of established guidelines.

4.3 Report of the Board of Directors

The Board is responsible for the consolidated financial statements of the Company and its Subsidiaries, and the financial information shown in the annual report. The financial statements are prepared utilizing the accounting standards in Thailand, and to ensure the proper disclosure of financial information.

The Board has appointed members of the Audit Committee which comprising of Independent Directors to be responsible for the oversight of financial reporting and internal control. The opinion Report of the Audit Committee is shown in the Annual Report.

4.4 Remuneration of Directors and Management

The Company sets the remuneration basis of directors and senior management based on relevant industry practices in order to maintain its competitiveness to attract and retain key personnel. The remuneration forms for directors are meeting fees and fixed fees, whereas remuneration forms for senior management are salary and bonuses. In addition, the Company has provided the management and employees ESOP warrants, with vesting terms of up to 4 - 5 years in order to motivate management to create the long-term growth, and to facilitate the retention of key personnel. The Compensation Committee, which is comprised of the independent directors and non-executive director, will approve the salaries and bonuses of executive directors, and determine the allocations under the ESOP program.

The year 2010 remuneration that the Company has paid to the directors and senior management was as follows:

4.4.1 Directors' Remuneration

Directors	Attendance/ Meetings	Board fees (Baht)	AC fees (Baht)	CC fees (Baht)	NCG fees (Baht)	Other fee received from Subsidiaries (Baht)	Total (Baht)
1. Mr. William E. Heinecke	6/6	200,000	-	-	-	180,000	380,000
2. Mr. Paul C. Kenny	5/6	200,000	-	-	-	-	200,000
3. Mrs. Pratana Mongkolkul	6/6	200,000	-	-	-	180,000	380,000
4. Mr. Kenneth L. White	6/6	1,040,000	440,000	50,000	50,000	-	1,580,000
5. Mr. Michael D. Selby	2/6	270,000	-	50,000	50,000	180,000	550,000
6. Mr. Anil Thadani	5/6	790,000	-	50,000	50,000	180,000	1,070,000
7. Khunying Jada Wattanasiritham	6/6	1,040,000	220,000	-	-	-	1,260,000
8. Mr. Emmanuel Jude Dillipraj Rajakarier	6/6	200,000	-	-	-	180,000	380,000
9. Ms. Chantana Sukumanont	5/5	790,000	220,000	-	-	-	1,010,000

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

4.4.2 Management Remuneration

In 2010, the Company paid remuneration to 7 managements of totally Baht 118 Million.

4.5 Committee's Functions

The Board has set and appointed members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee Compositions of each committee are laid out in the shareholders' structure and management section.

4.5.1 Summary of the Committees' Meeting Attendance

Directors	Attendance / Audit Committee Meetings	Attendance / Compensation Committee Meetings	Attendance / NCG Committee Meetings
1. Mr. Kenneth L. White	4/4	2/2	2/2
2. Mr. Michael D. Selby*	0/1	1/2	1/2
3. Khunying Jada Wattanasiritham	3/4	-	-
4. Mr. Anil Thadani	-	1/2	1/2
5. Ms. Chantana Sukumanont	3/3	-	-

* Resigned on February 25, 2010

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Section B.5 – 2009 Auditor's Report

Auditor's Report

To the Shareholders of Minor International Public Company Limited

I have audited the accompanying consolidated and Company balance sheets as at 31 December 2009 and 2008, and the related consolidated and Company statements of income, changes in shareholders' equity and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and Company financial statements referred to above present fairly, in all material respects, the consolidated and Company financial positions as at 31 December 2009 and 2008, and the consolidated and Company results of operations and cash flows for the years then ended of Minor International Public Company Limited and its subsidiaries, and of Minor International Public Company Limited, respectively, in accordance with generally accepted accounting principles.

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Limited
Bangkok
25 February 2010

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Section C – Risk Factors

Risk Factors

Conducting businesses carries a level of risk and uncertainty. Such risks may lead to fluctuation in revenues, profits, asset values, liquidity, and share price. The Risk Factors set out below have been taken from the 2011 Report.

MINT sees the importance of possible impacts arising from the below risks, and therefore has appointed its internal audit department to periodically evaluate all associated risk factors. Each business unit performs a self assessment exercise to identify possible risks and cooperates with the internal audit department to analyse the impact and to formulate risk-elimination or mitigation procedures. Follow ups and re-evaluation are conducted on a ongoing basis. All risk management disciplines are summarised in MINT's risk management manual which is reviewed annually.

In addition to the risks stipulated below, there may be other uncertainties that MINT has not addressed or considered prominently. All stakeholders should acknowledge the likelihood of occurrence and carefully consider all other associated factors not limited to general and the specific risks contained in this document.

Risk from the seasonality of the tourism industry

One of MINT's core businesses is hospitality, which relies heavily on the number of domestic and foreign tourists. Tourist arrivals are influenced by several unpredictable and uncontrollable external incidents such as terrorism, epidemics, natural disaster, domestic political unrest and global economic recession. These factors not only play a significant role in Thai tourism, but also in other tourist destinations across Asia.

MINT's risk management measures include geographical diversification both domestically and overseas. The variety in hotels' geographical locations increases the proportion of domestic tourists as well as the diversification of customer base to cover more nationalities in order to avoid over-concentration. In 2011, MINT completed the acquisition of Oaks, one of the largest hotel and resort operators in Australia, with 38 properties and over 5,000 rooms under management throughout Australia, New Zealand and Dubai. As a result, over half of MINT's hotel rooms are dispersed across Australia, New Zealand, the United Arab Emirates, the Maldives, Sri Lanka, Vietnam, Kenya, Tanzania and Indonesia.

In addition, MINT's restaurant and retail trading businesses provide appropriate business portfolio as risk diversification, as revenues from restaurant business are more stable. In 2011, the revenues contribution from the restaurant business accounted for 39.5 per cent., while the hotel and spa business contribution was 31.4 per cent. and real estate development contributed 10.0 per cent. The remaining revenue comprised of 10.3 per cent. from retail trading, 2.0 per cent. from retail property and entertainment and 6.8 per cent. from others.

Risk from the competition in core businesses

Competition in hospitality business

An increase in the supply of luxury hotels particularly in Bangkok, Thailand has led to intensive price competition, which may result in pressure on MINT's revenues and profits. Nevertheless, MINT has established loyal Thai and international clients on the back of successful market positioning, management's expertise and a collection of the world's renowned hotel brands.

In addition to its own Anantara brand, MINT manages a group of hotels under a franchise license with Marriott. It also hires world-class hoteliers, Four Seasons Hotels & Resorts Asia Pacific Pte. Ltd., and the Hotel Licensing Corporation under the Marriott group and Starwood Asia Pacific Hotels & Resorts Pte. Ltd.

to manage its hotels under the Four Seasons, JW Marriott and St. Regis brands. Meanwhile, MINT's own brand, Anantara, is a member of Global Hotel Alliance ("GHA"), a collection of upscale and luxury regional hotel brands from across the world.

Anantara hotels strive to reflect the culture and traditions of each destination, offering local experiences to the guests. Moreover, having other complimentary businesses, e.g. spa, retail properties & entertainment allows MINT to provide a full range of services.

Competition in restaurant business

The restaurant business is highly competitive due to the lower barrier of entry compared to the hospitality business. Nevertheless, intensive capital investment, effective marketing plans and in-depth expertise are required to successfully develop prominent brands with country-wide coverage. This has enabled MINT to maintain its leading position in terms of market share. In addition, MINT's diversification in product offerings includes western concepts, e.g. pizza, steak, hamburger and ice cream and other concepts, e.g. Thai, Chinese, Japanese and coffee. The increased variety in different geographical locations has resulted in better coverage of consumers' diverse demands, offering greater diversification and growth for the business.

Competition in retail trading business

The retail trading business, which includes the distribution of fashion products and cosmetics, has quite a competitive environment. The business correlates with domestic consumer confidence, which is driven by various factors including economic expansion, natural disasters, inflation rate, and political instability. However, with the extensive experience of its management, MINT is able to pro-actively adapt its marketing strategies in response to dynamic environments.

Risk from new project initiation

MINT makes investments in new projects, especially in relation to hotels and residences. Each project development involves a certain risk of fluctuation in investment costs and compliance with any regulations regarding environmental protection and other infrastructure qualifications. With over 30 years of experience, MINT is able to monitor such risks through various procedures and measures. Costs of investment and standard protocols will be clearly stipulated in the construction agreements signed with contractors. Moreover, prior to the project initiation, an intensive environmental study and infrastructure inspection are carried out to ensure the feasibility of the project and to minimise all possible damages.

Risk from overseas investments

MINT has several overseas investments including hotels in Australia, New Zealand, the Maldives, Sri Lanka, Vietnam and Africa and restaurants in China, Singapore and Australia. These investments are subject to country risks, which include, but are not limited to, political, legal, foreign exchange and economic risks. Events related to these risks may be significant in particular countries and may impact revenues and profits from MINT's foreign investment.

MINT is fully aware of such risks, and therefore the management has engaged local industry experts to conduct in-depth analysis, feasibility studies and due diligence prior to making of any investment decision. In addition, for countries in which MINT has no existing presence, MINT will make initial investments with business partners with local knowledge and expertise to learn the market and business operations. Not until MINT is confident with the operations in that particular country will MINT increase its shareholding. This is reflected in MINT's investments in Africa, the Maldives, Sri Lanka and Australia.

Furthermore, MINT has expanded its businesses in certain international markets through franchise and hotel management agreements. Such expansion entails minimal investment risks while allowing MINT to expand its customer base through its own brands.

Risk from not owning land

Some of MINT's hotel properties are on leased land. MINT has the right to renew the lease agreements, with rental fees to be agreed upon unless MINT voluntarily declines to extend the lease. As at 31 December 2011

MINT had been in compliance with all terms and conditions and had maintained excellent relationships with the landlords, and therefore does not foresee such risk arising in the near term.

For restaurant and retail trading businesses, securing a prime location is one of the key success factors. Risks include the possibility that rental contracts cannot be renewed or the terms and conditions may be changed. Nevertheless, MINT's restaurant and retail trading multi-brands portfolio, enhances its power of negotiation, thus allowing it to secure long-term rental agreements.

Risk from renewal of franchise and distribution agreements

Some of the restaurant brands under MINT's operations are franchised from outside Thailand. There is a risk of contract renewal or changes in the terms and conditions of such contracts. To control such risk, MINT requests for renewal well in advance with contract terms of 10 to 20 years (depending on the type of agreement). In addition, MINT aims to increase the brands under its ownership in order to mitigate this risk in the future.

For the retail trading business, securing exclusive distribution agreements is crucial. There are two types of such agreements; automatic renewal and a defined term of maturity. There is a risk regarding renewal of agreements with defined term of maturity, leading to a possible decline in revenues from retail trading. Nonetheless, its compliance with terms and conditions and its long and established relationships with the manufacturers enable MINT to successfully renew its contracts unless MINT voluntarily declines to extend the agreement. In addition, should there be any modifications to the agreements (especially on the fee structure), MINT shall negotiate to reach a position that is beneficial to both parties.

Risk from termination of hotel management contract and manufacturing contract

MINT has increasingly leveraged on its own Anantara brand to manage non-owned hotels in exchange for management fees. Fee structures can be categorised into two phases; a technical service and advisory fee prior to a hotel opening and the management fee once a hotel commences its operations. The management fee is based on the sharing structure of a hotel's revenues and profits.

Generally, the contract term lasts 10 to 20 years. Should the hotel owners terminate the contract prior to maturity, MINT is entitled to cancellation fees. With many years of experience in hotel management, Anantara is known for its adaptation to local culture and is gaining recognition and trust by international travellers. As at 31 December 2011, MINT has entered into 28 hotel management contracts in Thailand and overseas, diversifying the hotel business both in terms of locations and partners. Of the 28 hotel management contracts, 9 hotels are in operation, while the remaining 19 are under construction, and are expected to be opened by 2014.

One of MINT's subsidiaries, NMT Ltd., conducts a contract manufacturing business for global fast moving consumer goods. While barrier to entry is relatively high due to the limited number of licensed manufacturers, price and product quality play a prominent role in securing orders. With over 20 years of experience, MINT places its emphasis on production quality at the appropriate price. Moreover, consistent improvement of production line enables cost reduction. This results in long-term orders from global and regional customers.

Financial risk

Risk from exchange rate

MINT and its subsidiaries receive revenues, such as franchise income, hotel management income and income from foreign travel agencies, in foreign currency. These revenues fluctuate according to the exchange rates. However, they are naturally hedged against non-Thai Baht expenses, e.g. hotel management expenses, franchise expenses and costs of retail trading products. Because currently, the revenues and expenses are in approximately the same proportions, the change in exchange rates are insignificant compared to total revenues. MINT and its subsidiaries also reduce the risk exposure by quoting all room rates of domestic hotels in Thai Baht, instead of U.S. Dollars.

As at 31 December 2011, MINT's foreign investment accounted for 4 per cent. of its total assets. These included investments in associates and joint ventures as well as long-term investment in marketable securities. They are recorded in compliance with the accounting standards, where exchange rate gain or loss in foreign investments is not realised on the income statement. Share of profits from investments in associates and joint ventures were converted to Thai Baht based on the Bank of Thailand's published average exchange rate throughout 2011, while investment in marketable securities shall be marked to market based on the exchange rate at the end of accounting period, and reflected in the shareholders' equity. The affect of foreign currency is minimal as the foreign investment is a very small proportion compared to total assets.

As at 31 December 2011, 65.76 per cent. of MINT's and its subsidiaries' total liabilities was denominated in Thai baht, while the remaining 34.24 per cent. was in foreign currency. Overseas subsidiaries are parties to the foreign currency loans so as to match the currency with the revenues received in that particular country.

Risk from debt collection

MINT's restaurant business carries relatively smaller debt collection risk compared to the hotel business given the nature of its cash collection characteristics. The hotel business may be exposed to the risk of receivables collection from travel agencies and other major business partners. However, with a diversified client base, MINT does not rely on any one group of customers. In the past, MINT has not experienced any significant losses from debt write-offs as credit terms are discretionarily granted to clients who have at least three to five years of business track record with MINT. For new accounts, MINT sets limited credit lines. These mechanisms enable MINT to effectively manage its receivables as well as track the non-performing ones.

As of 31 December 2011, MINT and its subsidiaries reported net accounts receivable of Thai Baht 1,450 million, accounting for 5 per cent. of its revenues. Allowance for doubtful accounts is 4.57 per cent. of accounts receivable (before allowance for doubtful account).

Risk from interest rate

The interest rate risks arise from the volatility of market interest rates, which may have a negative impact to MINT's cash flow. MINT manages such risks in accordance with its risk management guidelines and policies as well as prevailing financial market conditions.

As of 31 December 2011, MINT's fixed rate debt was approximately 71.14 per cent. of total debt. MINT's weighted average cost of debt stood at approximately 5.17 per cent.

Based on MINT's sensitivity analysis, an increase in interest rate by 100 basis points would result in increase in interest expense to 0.2 per cent. of total revenues.

Risk from the compliance with the debt covenants

MINT and its subsidiaries are subject to certain financial covenants imposed by the bond holders and lenders, including maximum Interest Bearing Debt ("IBD") to shareholders' equity of 1.75 at the end of each quarter, based on the audited financial statements. MINT is pro-actively ensuring its ability to service all financial obligations and managing credit risks to comply with relevant loan and bond covenants. As of 31 December 2011, the interest bearing debt to shareholders' equity ratio stood at 1.33.